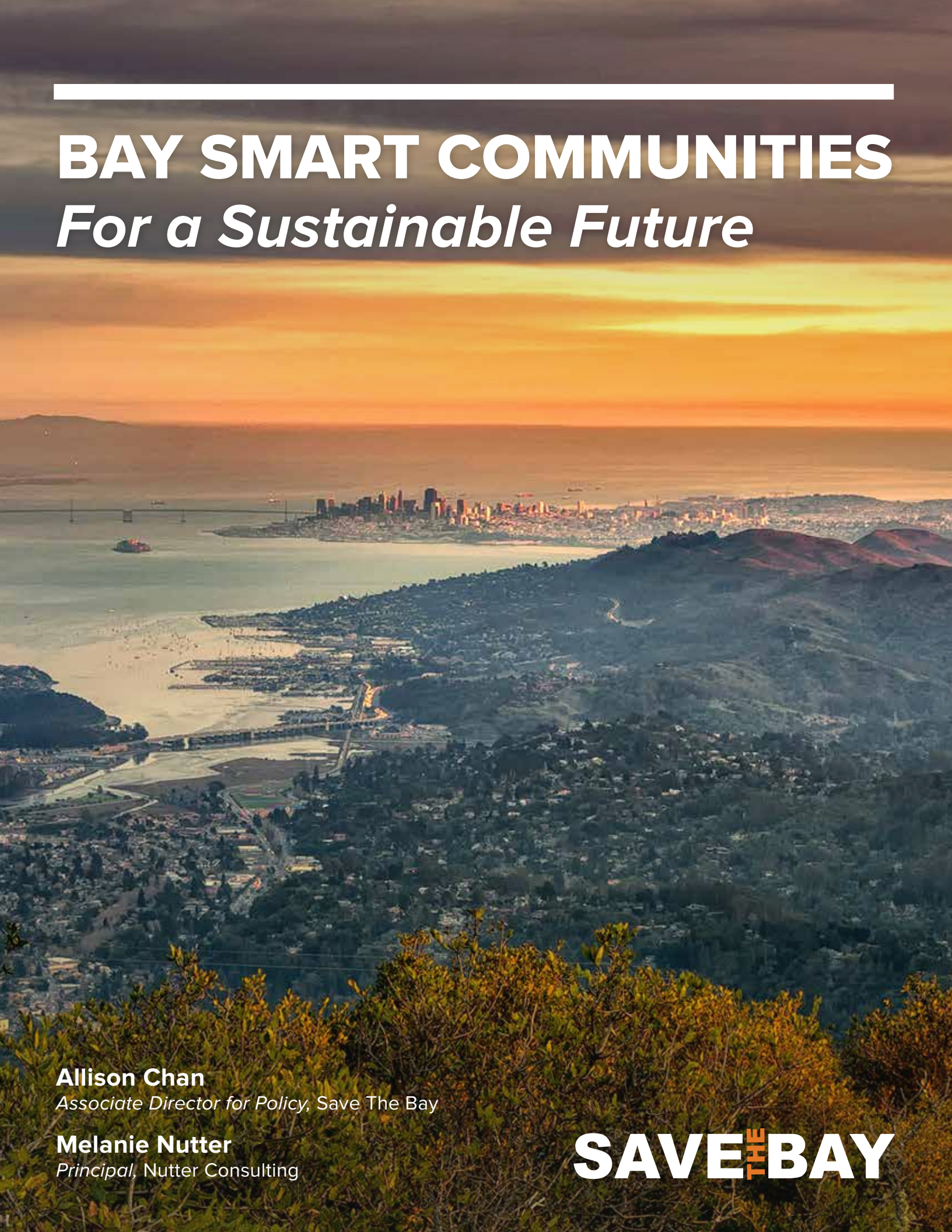
BAY SMART COMMUNITIES
For a Sustainable Future



Allison Chan
Associate Director for Policy, Save The Bay

Melanie Nutter
Principal, Nutter Consulting

SAVE THE BAY

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Foreword

Bay Smart Communities for a Sustainable Future describes the urgent need for equitable, sustainable development policies in the Bay Area and charts a course for future action through our Bay Smart Communities program. A broad set of leaders already working for more livable neighborhoods, equity, and inclusion has informed our program direction. We incorporate findings on best practices in low-impact development, housing, transportation, green stormwater infrastructure, and climate mitigation and adaptation policies and programs.

This document was also informed by extensive research and review by the Nutter Consulting team of more than 30 reports on equitable communities, climate ready neighborhoods, green infrastructure, low-impact development, and sustainable communities. Lead authors include Allison Chan, *Save The Bay Associate Director for Policy* and Melanie Nutter, *Principal of Nutter Consulting*. Other contributors include Paul Kumar and Paul Ledesma with Save The Bay, Christina Olsen and Hannah Greinetz with Nutter Consulting, Hannah Doress, Phoenix Armenta, Nahal Ghoghaie, and Brian Beveridge of Resilient Communities Initiative. Supplemental research was provided by Katherine Lee of Nutter Consulting.

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Paula Connelly, *Green Infrastructure Exchange*

Sheridan Enomoto, *Greenaction for Health and Environmental Justice*

Matt Fabry, *San Mateo County*

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Adam Garcia, *Greenbelt Alliance*

Margaret Gordon, *West Oakland Environmental Indicators Project*

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Kara Gross, *Joint Venture Silicon Valley*

Marie Harrison, *Greenaction for Health and Environmental Justice*

Leaotis Martin, *Bayview Hunters Point Mothers and Fathers Committee for Health and Environmental Justice*

Mike Mielke, *Silicon Valley Leadership Group*

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B. Todi, *Fresh Air Vallejo*

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Introduction

The unparalleled natural beauty, iconic infrastructure, and diversity of the San Francisco Bay Area make our region one of the most attractive in the country. But while many people are thriving here, others are disproportionately exposed to air and water pollution, contaminated land, and environmental injustices. Many of these same residents are particularly vulnerable to flooding, sea level rise, and other impacts of climate change. Layered on top of these environmental hazards are drastic regional inequalities in housing affordability.

Now more than ever, there is a need for a strong coalition of interests to ensure that smart and equitable development policies are being enacted and implemented; that agencies and funders are coordinating and collaborating; that climate adaptation plans emphasize natural infrastructure to reduce negative impacts on the Bay; and that infrastructure improvements address climate change impacts and benefit the most vulnerable and underserved residents.

To meet today's pressing urban challenges, Save The Bay is supporting Bay Area planning and development policies that help create Bay Smart Communities where sustainable growth enhances the Bay, advances environmental justice, and promotes equity.

Save The Bay: 1961 to Today

Save The Bay is the largest organization working to protect and restore San Francisco Bay for people and wildlife. Looking out on the majestic beauty of San Francisco Bay in 2018, it is hard to believe that in 1961 the Bay was choked with raw sewage and industrial pollution. One third was already filled in or diked off, with plans to fill in 60 percent of its remaining area, leaving only a narrow shipping channel. The three pioneering women who founded Save The Bay set out to rescue the Bay from destruction and helped to launch our nation's grassroots environmental movement.

Save The Bay achieved landmark victories over its first decade, including implementing a moratorium on Bay fill; blocking the Santa Fe Railroad Company's scheme to build Berkeley three miles out into the water; closing more than 30 shoreline garbage dumps; ending the dumping of untreated sewage; and establishing the Bay Conservation and Development Commission (BCDC) to regulate shoreline development and increase public access to the Bay.

For 57 years now, Save The Bay has protected the Bay from damaging shoreline development and pollution. We have led successful efforts to ban plastic bags and polystyrene containers flowing and blowing into the Bay; reduced the number of toxic plastic cigarette butts that foul the waters; and established tough regulations to eliminate trash in Bay stormwater by 2022.

We are the Bay's top advocate for re-establishing 100,000 acres of tidal marsh to support endangered fish and wildlife and provide recreation and flood protection benefits on the shoreline. We have helped secure more than 30,000 acres in public ownership for marsh restoration and created $500 million in new public funding to accelerate restoration over the next 20 years, a central part of the region's primary climate adaptation strategy.

Bay Smart Communities:

Planning and Development with San Francisco's Bay and Local Communities at the Core

Save The Bay's achievements show that Bay Area residents are passionate about the Bay and want a thriving and healthy ecosystem. To date, our concerns with regional development have been focused along the shoreline, on projects that would threaten the health of Bay habitat and wildlife. Based on the Bay Area's projected population growth of 30 percent by 2040, our work must now focus on development plans upstream and upland from the shoreline that threaten the health of the Bay. Local population growth will spur housing, transit, and other development throughout the region.

Failure to prioritize the Bay as our communities undertake major development and infrastructure projects will threaten the ecological, economic, and recreational value of the Bay to our region and its residents.

New development and redevelopment also put many residents at risk of displacement from the Bay Area. This limits enjoyment of the Bay to the wealthy and weakens the public support the Bay needs to survive and thrive.

However, if new developments are designed to use water efficiently, minimize the flow of polluted stormwater, and reduce emissions of toxic particulate matter and greenhouse gases, they could significantly enhance the Bay and the Bay Area.

Holistically planned developments and infrastructure could also improve public access to the Bay, expand urban green space, improve disadvantaged communities, be a source of new good jobs, and increase the region's collective investment in the Bay's health.

Bay Smart Communities is Save The Bay's effort to re-imagine the Bay Area's upland planning and development policies – and our region's future – to benefit San Francisco Bay.

We are proposing ecologically sound and equitable policies to ensure that the Bay Area's growth benefits the Bay and builds broad and deep support for it among the region's many diverse communities, with special care to engage those who have suffered environmental injustice. Evidence of Bay Smart growth is emerging throughout the region; we challenge our communities to take their efforts to a new level by implementing the policies and strategies discussed in this document. In tandem with our work to restore tidal marsh and protect communities from rising tides, pursuing ecologically sound and equitable development and infrastructure policies will not only benefit the Bay, its residents, and the regional economy for generations to come; it can also advance racial and social reconciliation in the Bay Area.

Middle Harbor Park, Sean Peck

A Bay Smart Community will:

- Protect waterways and enhance freshwater resources through green stormwater infrastructure, urban canopy, and sustainable landscaping practices
- Invest in bicycle, pedestrian, and public transit infrastructure to reduce roadway runoff, greenhouse gases, and particulate emissions
- Prevent displacement and enable access to the Bay shoreline
- Promote environmental justice and facilitate equitable and inclusive infrastructure planning

Protect waterways and enhance freshwater resources

Urban runoff is the largest source of pollution in the San Francisco Bay.[1] Petroleum products, heavy metals, trash, fertilizers, pesticides, and other pollutants flow into creeks and the Bay when it rains, threatening the health of local riparian and Bay habitats and of Bay Area residents recreating on the shoreline. The prediction of stronger and more frequent storms will only exacerbate these threats to Bay water quality. But while stormwater carries pollution into our waterways, it is also an important source of freshwater that, if captured and filtered, would supplement local water sources and reduce the amount of pollution reaching the Bay. California's recent drought underscores the need to view stormwater as a resource: 2014 was the worst single drought year for California in the past 1200 years, according to the California Department of Water Resources.[2]

The expanded use of preserved open space, rain gardens, bioswales, urban trees, green roofs, permeable pavement, and other development approaches that preserve or mimic the natural water cycle are collectively known as green stormwater infrastructure (GSI).

Combined with sustainable landscaping practices, these Bay Smart approaches to improving water quality in the Bay can also improve local resilience by greening our neighborhoods, protecting communities from flooding, reducing urban heat island effects, encouraging active transportation, and improving local air quality.

The growing need to update water infrastructure, repair roadways, and expand parklands in cities around the Bay brings opportunities to integrate GSI into planning and development, and to highlight the benefits it adds to the community. While GSI is now more frequently being integrated into planning and implementation of our urban areas, cities should accelerate large scale implementation of these strategies to create truly Bay Smart Communities.

In addition to greening the built environment and slowing the flow of water pollution, strategies to

Green Infrastructure for Bay Smart Communities

Green roofs

Rooftops covered with 3.5 - 4 inches of vegetation can retain up to 50 percent or more of the annual rainfall, which decreases runoff and filters pollutants from rain water.[3]

Rain gardens

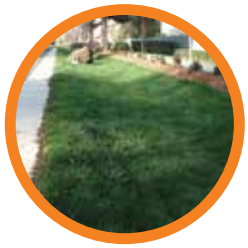
Shallow vegetated basins on unpaved land that mimic natural areas by absorbing and filtering stormwater.

Permeable pavement

Paving materials that allow water to flow back into the ground. These can include porous concrete and asphalt as well as interlocking pavers that allow water to flow in between.

Tree and planter boxes

Trees and vegetation surrounded by walls that capture and filter stormwater from streets and sidewalks. Some planter boxes allow cleaner, filtered stormwater to flow into a storm drain pipe below the box.



Bioswales

Vegetated channels along streets and parking lots that slow down stormwater and allow some of it to filter into the ground, decreasing flows of polluted runoff into storm drains.

Stormwater curb extensions

Rain gardens integrated into street design features that narrow the roadway, slow traffic and decrease crosswalk distance while filtering stormwater.

capture, filter, and encourage stormwater infiltration into groundwater basins can help enhance local water supplies. These approaches can save the operational and capital costs of municipal infrastructure systems by reducing pressure on storm sewers and other grey infrastructure.

Reducing risk from flooding and other climate and natural emergencies also lowers associated emergency response, cleanup, and rebuild costs. Other economic benefits include increased property values, reduced property insurance, and greater attraction of investment. Implementation of GSI can also generate local job opportunities in planning, creation, and maintenance of these projects. Agencies can provide training programs to help local residents qualify for these jobs.

Invest in bicycle, pedestrian, and public transit infrastructure

The Bay Area's rapidly growing population is still heavily reliant on single-occupancy vehicles powered by gasoline, which emit greenhouse gases and toxic particulate matter that reduce air quality and public health. This disproportionately impacts communities located near highways, ports, and other areas of heavy traffic. The Bay Area emits about 88.6 million metric tons of carbon dioxide per year, with about 41% coming from vehicles and transportation. In addition to their impacts on air quality, particulates — along with brake pad dust, material from worn tires, and fuel and oil leaks from vehicles — flow off roadways to pollute local creeks and the Bay. The negative impacts of our transportation infrastructure on quality of life for Bay Area residents are not shared equally across the region; commute time, traffic congestion, and money spent on vehicle ownership and maintenance disproportionately affect low-income residents who live in more affordable areas further from urban centers.

The most straightforward solution to reducing this pollution is to decrease the total number of miles traveled by vehicles in the Bay Area.

Reducing vehicle miles traveled (VMT) will require regional investments in public transit, urban greening, and other infrastructure that encourages biking and walking, as well as transit-oriented development (TOD) — housing that is walkable and bikeable to mass transit. Successful TOD planning processes will involve the community in decision-making and will prioritize affordability to prevent displacement, as discussed below.

Prevent displacement and enable access to the Bay shoreline

Housing supply and affordability are some of the most critical issues facing Bay Area residents. To retain diversity of the population and the regional workforce, our policymakers need to invest in improving and expanding access to adequate housing, designed and located to serve those who need it most. Creating only market-rate or luxury housing, or adding to sprawl by building on agricultural or ecologically sensitive lands, has negative social and environmental impacts.

Planning policies that promote compact communities, such as transit-oriented development and accessory dwelling units, can significantly reduce energy use and improve air quality, water quality, human health and fitness, and social cohesion.

Infill development for compact walkable communities near transit reduces air pollution, stormwater pollution, and greenhouse gas emissions. Enhancing the walkability of a neighborhood also encourages a sense of stewardship among residents. By creating better access to jobs and services via transit and walkable communities, our region can promote social justice and diversity.

While green stormwater infrastructure and transit-oriented development can enhance communities in the ways discussed above, without careful and inclusive planning these strategies may contribute to the displacement crisis facing the existing low-income and underserved residents they are intended to help. When neighborhood improvements are

made, displacement can result as property values increase and inadequate renter protections fail to protect tenants from being priced out of the rental market or evicted. Urban greening and compact development should be incorporated into comprehensive community-oriented planning and design processes that involve the residents who would be living in and near these projects.

Promote environmental justice and equitable and inclusive urban planning

Historically, polluting and toxic industries have been located in less politically powerful communities where environmental regulations have been ignored or lightly enforced. Despite recent efforts to improve conditions, government agencies and decisionmakers have failed to fully address the impact of past pollution in low-income communities and communities of color. Redlining has diminished investment in these areas, leaving affected populations at further risk because of deteriorating infrastructure, flooding, and other hazards. The Hunters Point Shipyard, a federally designated Superfund site, is one regional example in which residents of the Bayview Hunters Point neighborhood have been subjected to toxins and radioactive material for decades, but have not been effectively integrated into remediation and redevelopment planning efforts. Sea level rise threatens to wash this contamination into the Bay if remediation is inadequate, and residents are threatened by gentrification and displacement from redevelopment plans on the site.

Bay Smart policies will reverse these trends and advance environmental justice by reducing pollution impacts on disadvantaged populations and protecting these same residents from flooding and other climate change impacts.

Bay Smart policies encourage environmental justice through formal and informal partnerships among community-based advocates and organizations representing regional or statewide constituencies in community and infrastructure planning processes. This approach builds trust and enhances the power of local residents to shape their quality of life.

Laurel Elementary School, San Mateo
Credit: City/County Association of Governments of San Mateo County

Bay Smart Policies and Management Strategies

Creating Bay Smart Communities will require new policies and broader implementation of existing policies that prioritize cleaner, greener, and more equitable forms of development.

Action and accountability is necessary at all levels: **elected officials** must lead our communities to become Bay Smart; **local and state agencies** must integrate Bay Smart guidelines into policies and regulations; and **voters** must support Bay Smart policies at the ballot box.

This section outlines some policy and management tools that will advance the Bay Smart Communities vision. While not an exhaustive list, these are actions we can take now to provide residents with a better and more equitable quality of life, improve city infrastructure, and protect the Bay and its watershed.

Bay Smart Stormwater Management

We need a multi-benifit approach to transitioning our communities from “grey to green” by incorporating green stormwater infrastructure into development projects, street design, parks, and other public spaces. We will create more resilient and equitable communities that protect our Bay from stormwater pollution and maximize local freshwater resources. While existing policies and regulations move us closer to achieving this level of sustainability, more must be done immediately to address serious threats to water quality and areas prone to local flooding.

Current landscape

The San Francisco Bay Regional Water Quality Control Board implements the federal Clean Water Act by issuing **municipal separate storm sewer (MS4)** permits, which regulate stormwater flows from our urban areas into local waterways and the Bay.

Among the many requirements under the current permit, 76 Bay Area cities and counties in the central and southern Bay Area must:

- Implement projects to reduce trash flows or capture trash before it reaches storm drains
- Ensure integration of design features that reduce stormwater pollution and stormwater flows (also known as low-impact development or LID), in development projects replacing or creating 10,000 ft^2 more of impervious surface
- Develop and implement green infrastructure plans to help reduce PCB and mercury loading into the Bay, and to comply with the associated total maximum daily loads (TMDL) for these pollutants

The permit requires cities to achieve zero trash flows to the Bay by 2022. While some are making great strides toward this requirement, others have failed to implement effective projects to reduce the amount of trash flowing into storm drains. Similarly, while the permit’s GSI requirement will drive significant implementation of urban greening projects, local agencies are not required to fully implement their plans until 2040.

The degree to which agencies are institutionalizing GSI into their standard procedures varies, as do their timelines for implementation. Near-term projects planned with broad community participation will help ensure that Bay Area residents benefit sooner from the many environmental and community benefits of GSI.

One driver for more immediate implementation of GSI is **Senate Bill 379 (Jackson)**, adopted in 2015. This bill established the requirement that all California cities and counties include climate adaptation and resilience strategies in the safety element section of any upcoming general plan updates, and that those strategies include natural infrastructure where feasible.

One example the bill highlights is “urban tree planting to mitigate high heat days.” SB 379 also requires cities and counties to identify flood hazards, including areas that are repeatedly damaged by localized flooding and that are most at risk from increased flood events. This element is particularly important for improving resilience in underserved communities, where infrastructure has been consistently neglected, leaving these areas more prone to flood damage and other climate impacts. Planting street trees that clean urban runoff in impacted neighborhoods reduces flooding and improves the quality of life in areas where, historically, the urban canopy and other infrastructure have been neglected.

Cities and counties are beginning to integrate GSI and other low-impact development strategies into street design. By incorporating GSI with complete streets concepts (streets designed for all types of users), our cities can create sustainable streets that improve quality of life and ecological stewardship. **The San Mateo Sustainable Streets Plan** articulates policies, design guidelines, and an implementation plan that explores funding options for sustainable streets across the city. The City of Campbell’s **Hacienda Avenue Green Street** Improvement Project transformed a street with major accessibility and flooding issues into a model street; see the case study on page 13 for a detailed description of the project.

Landscaping practices by commercial and residential landowners and public agencies present another important opportunity to reduce stormwater pollution and conserve water. ReScape California’s **Bay-Friendly Landscaping Program** provides training to landscaping professionals and a system for rating landscapes that promotes efficient water use and minimizes pesticides, reducing maintenance costs. Many municipalities in the Bay Area have officially

adopted the Bay-friendly landscaping set of seven principles and require a minimum score using the rating system for public landscape projects.

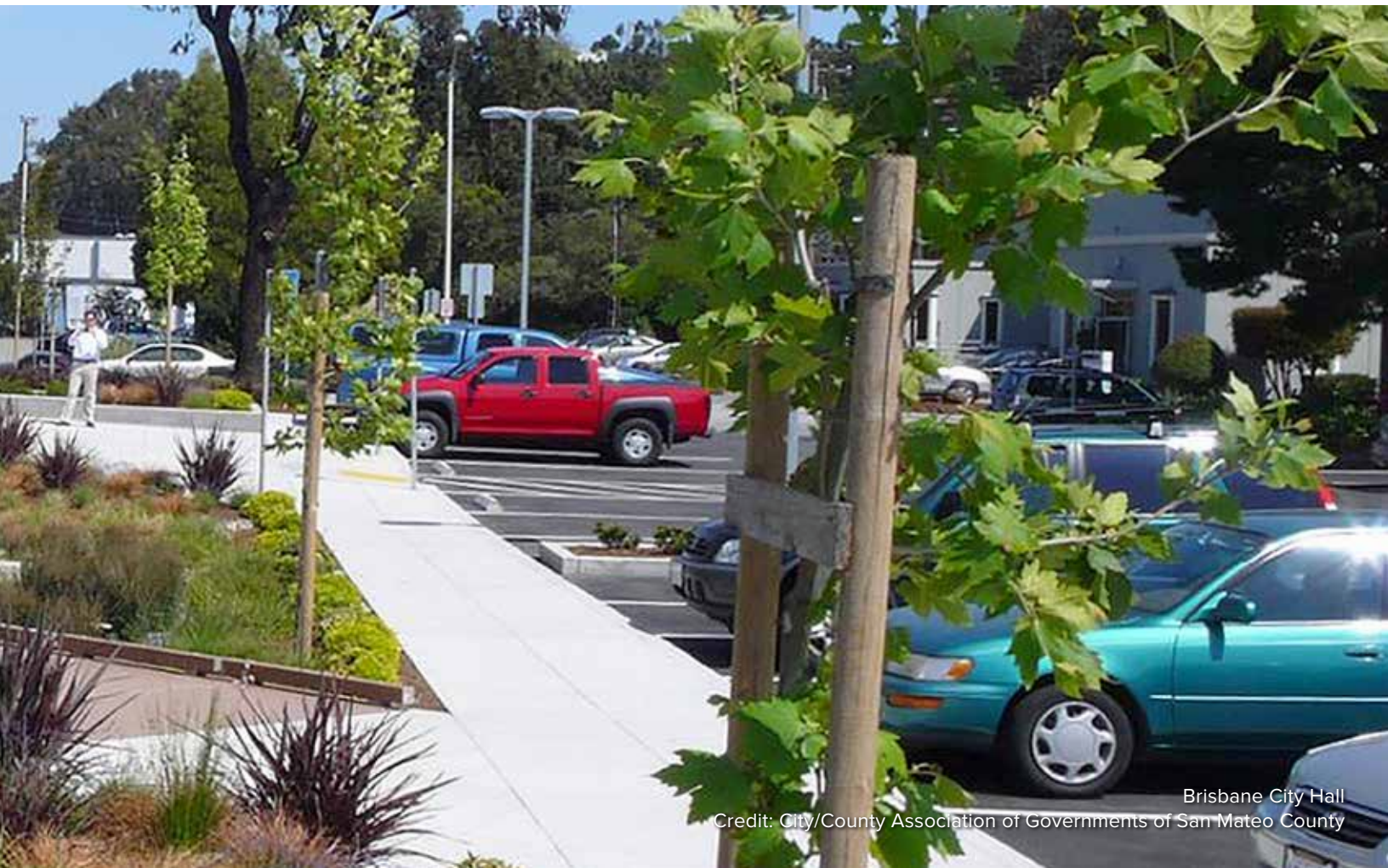
Utilizing stormwater as a local water source requires a different set of strategies and regulations just beginning to emerge. San Francisco took the lead in making stormwater capture a requirement for large new construction with its **Non-Potable Reuse ordinance**. The ordinance requires collection, treatment, and on-site use of available graywater, rainwater, and foundation drainage for toilet and urinal flushing. In anticipation of San Francisco's model being implemented in other municipalities, State Senator Scott Wiener (San Francisco) recently authored legislation to direct the State Water Resources Control Board to adopt statewide regulations for non-potable reuse. While this bill did not become law in 2017, it did advance discussion of how to replicate San Francisco's ordinance.

A significant barrier municipalities face to implementing GSI at scale is access to funding.

The approval of Proposition 218 by voters in 1996 constrained the ability of local agencies to fund infrastructure projects with taxes and property-related fees. Some state grants, such as the Storm Water Grant Program through Proposition 1, have specific requirements for local matching funds; restrictions under Proposition 218 have made it very difficult for cities to raise matching funds and pursue state grants.

Restrictions on project parameters have also hindered local stormwater infrastructure improvements. Stormwater projects seeking Caltrans funding, for example, must demonstrate that they address drainage issues or enhance the safety features of a bike or pedestrian project. Misaligned funding cycles between various state and federal funding streams require city and county staff to spend excessive time on proposals and reporting. Finally, funding options to offset operations and maintenance costs are scarce.

The U.S. Environmental Protection Agency (EPA) funded a regional collaborative effort to address many of these barriers, involving local, federal, and



Brisbane City Hall
Credit: City/County Association of Governments of San Mateo County

state agencies and nonprofits, to produce the draft *Roadmap of Funding Solutions for Sustainable Streets*.[4] This document outlines strategies and roles for all the relevant agencies and stakeholders to break down funding silos for stormwater management, particularly in relation to transportation projects and funding. The next and most critical step in this process is for each agency and stakeholder to implement the strategies outlined in the roadmap and institutionalize these changes to make future funding more accessible.

Recommendations

Cities and counties must play a critical role in achieving Bay Smart stormwater management. We recommend cities and counties pursue the following strategies to reduce polluted urban runoff, improve our ability to use stormwater as a local water source, and ensure equity in realizing community benefits:

- Update the safety element of general plans to be consistent with SB 379.
- Adopt ordinances requiring the integration of green stormwater infrastructure into roadway reconstruction, such as the San Francisco Estuary Project's Green Streets Model Ordinance.[5]
- Adopt ordinances or resolutions requiring the use of sustainable landscaping practices and a rating system (such as the Bay-Friendly Rated Landscape Program from ReScape California)[6] for new landscapes built within the jurisdiction.
- Expand upon regional LID requirements to require additional GSI elements for new development and redevelopment that help to realize other community benefits, such as shadier walking and biking routes and reducing urban heat island effect.
- Pursue stormwater infrastructure funding and financing options, including stormwater fees, developer impact fees, fees for offsite LID in lieu of onsite stormwater treatment, and Enhanced Infrastructure Financing Districts to fund LID in the public right-of-way.
- Require onsite rainwater harvesting and water catchment systems through policies similar to San Francisco's Non-potable Reuse Ordinance.

The Bay Area legislative delegation can support local and regional government by:

- Advocating for new and increased funding opportunities for urban greening projects and working to remove barriers that make it difficult for cities to qualify; and
- Urging state agencies to align funding cycles and expand funding opportunities as outlined in the Sustainable Streets Funding Roadmap.

Case Study:

Hacienda Avenue Green Street Improvement Project, Campbell CA

Completed in the fall of 2015, the Hacienda Avenue Green Street Improvement Project in the City of Campbell was a local effort to transform a poorly maintained street that lacked adequate drainage, into an exemplary model of green stormwater infrastructure combined with accessibility improvements. Prior to construction in 2014, Hacienda Avenue suffered from chronic localized flooding after rainstorms due to a lack of storm drain facilities. Through partial funding from the Proposition 84 Chapter 2 Integrated Regional Water Management (IRWM) Grant Program, the city was able to install sidewalks, bike lanes, and transit stop amenities on the roadway along with street trees and new bio-infiltration basins, which resolved the localized flooding issue.

The 63 individual basins are designed for 80% capture and have a total drainage area of 18 acres, along with overflow pipes. Each basin reduces and cleans runoff by using native plants to filter pollutants from rainwater, resulting in the project being rated “Bay Friendly” by ReScape California. San Francisco Estuary Institute is responsible for monitoring the quality of the filtered runoff. In addition to reducing localized flooding and stormwater pollution, this project has resulted in increased pedestrian and biker safety and accessibility along Hacienda Avenue.

You can read more about the project on the city of Campbell website:
https://www.ci.campbell.ca.us/567/Hacienda-Avenue-Green-Street-Improvement

Credit: City of Campbell

Bay Smart Housing and Transportation Planning

The state of our region's transportation infrastructure and the availability of affordable housing are two top concerns for Bay Area residents. To become Bay Smart Communities, our cities and counties must support policies and programs that fund public transportation upgrades and roadway improvements to decrease the air and stormwater pollution that results from single-occupancy vehicle use. A Bay Smart Community is also one that adopts policies to protect its current residents from displacement and prioritizes the involvement of, and funding for, disadvantaged communities to play an active role in urban planning decisions. Transit-oriented development can address these multiple planning and environmental goals, but only if affordability remains a priority.

Current landscape: Transportation

Heavy traffic and long commute times in the Bay Area are not only impacting our quality of life, they are also leading to air and water pollution. In 2013, state legislators and the governor acknowledged the need for a better way to measure the environmental impacts of driving. The result was the adoption and signing of **Senate Bill 743, which established vehicle miles traveled (VMT) as the required metric for assessing these impacts under the California Environmental Quality Act (CEQA).** Prior to this bill, California's transportation system was evaluated based on levels of traffic flow and congestion. Focusing on miles traveled allows for a more accurate assessment of the environmental impacts of driving and is more likely to result in planning decisions that support alternative modes of transportation – such as biking and walking – not only to reduce traffic congestion, but also for their beneficial impact on water quality, air quality, and public health.

By focusing on strategies to reduce vehicle miles traveled, in planning for transportation, housing, and other development, we can improve the health of the Bay and quality of life throughout the region.

Transportation infrastructure in the Bay Area and across the state has been woefully underfunded for decades, resulting in poor road conditions, inequitable access to public transit, inadequate bike and pedestrian infrastructure, and severe traffic congestion.

In April 2017, the legislature adopted a controversial bill, SB 1 (Beall), which directs the state to invest $5 billion per year to fix California's transportation system. This funding – which comes from a 12 cent increase in the gas tax and a handful of other sources – will dramatically increase state funding for public transit and alternative transportation. Last-minute changes in the bill language, however, exempt large diesel trucks from certain air quality regulations—a loophole that will hurt communities that are already disproportionately exposed to air pollution. Although these changes led to reluctant opposition from many in the environmental community, these same groups are preparing to defend these desperately needed transit investments against a November 2018 recall effort.

Local and regional investment in the Bay Area's transportation system also saw recent improvements. In the November 2016 election, Save The Bay endorsed three regional transportation measures, all of which voters adopted.[7] However, these investments only begin to address the Bay Area's needs; we must continue to seek local and regional resources to improve transit infrastructure and roadways.

In October 2017, Governor Brown signed SB 595 (Beall), which authorizes the nine Bay Area counties to place a measure now known as Regional Measure 3 (RM3) on the ballot in June 2018, asking voters to approve up to a $3 increase in regional bridge tolls to fund highway and public transit improvements. Projects in the expenditure

plan include expansions to the Bay Trail and Safe Routes to Transit ($150M), improvements to AC Transit's Rapid Bus Corridor ($100M), and the second phase of BART expansion in San Jose ($375M). While concerns were raised regarding the disproportionate burden RM3 will place on East Bay residents, this measure presents an opportunity for the Bay Area to invest in its transportation infrastructure.

While the negative impacts of an underfunded and outdated transportation system have been acknowledged by many, the burden often falls on specific communities. To address the health and environmental inequities that result from conventional urban planning practices, **SB 1000 (Leyva) requires general plans to include an environmental justice element** with objectives and policies to reduce the unique or compounded health risks in disadvantaged communities, to promote civil engagement in the public decision-making process, and prioritize improvements and programs that address the needs of disadvantaged communities. To reduce vulnerable populations' exposure to air pollution, the California Environmental Justice Alliance and Placeworks recommend reducing VMT and traffic congestion, encouraging compact development, and creating land use patterns that encourage alternative transportation.[8]

Recommendations

Bay Area cities and counties should commit to creating and supporting walkable, bikeable communities. As residents, we must hold our elected and city leaders accountable for making these changes. The following are some of the priority Bay Smart strategies that we urge municipalities, local agencies, and voters to consider:

Consistent with SB 743, local agencies should update their CEQA guidelines to replace Level Of Service with Vehicle Miles Traveled.

Voters should uphold SB 1 at the ballot box and governmental, business, and environmental organizations across the state should support efforts to defend it. Repealing SB 1 will deprive our state of millions of dollars of desperately needed funding for alternative transportation.

Bay Area residents should also support RM3 on the ballot in 2018, as our region desperately needs local funding for public transit, bike, and pedestrian infrastructure.

Cities and counties should incentivize and solicit proposals for transit-oriented development that include infrastructure supporting pedestrians and cyclists, such as sidewalk bulb-outs, dedicated bike lanes, and green stormwater infrastructure. Priority should be given to proposals that include mechanisms to ensure housing affordability.

Municipalities should prioritize transit-first policies, such as TransForm's GreenTRIP certification program, which encourage or require new and redevelopment projects to reduce parking and offer car share, bike parking, and free transit passes instead. Developers should use these tools to design projects.

Current landscape: Housing

The Bay Smart housing policy agenda is similarly focused on reducing VMTs by promoting denser, walkable, urban infill development near our region's high-frequency transit stops. This will protect the Bay's watershed by diminishing the threat of further suburban sprawl that would encroach upon the region's remaining open space and increase reliance on automobiles.

Research has demonstrated that TOD reduce VMTs for households in all income groups. Notably, proportional reductions in household VMTs, household vehicle ownership, and household vehicle trips per day attributable to TOD, tend generally to be greater as household income declines, and are greatest for households with the lowest incomes (see chart 1).[9]

Therefore, producing and preserving more affordable housing in TOD areas, and protecting lower income residents of TOD areas from displacement, is necessary to maximize VMT reductions and help more low-income and middle-income families live close to the jobs where their members work.

Bay Area residents suffer from housing costs that are among the nation's highest. While, over recent years, the production and overall supply of market-rate units at prices affordable to higher-income families has kept pace with much of the demand for such housing across the region, the shortfall of housing affordable to lower- and middle-income families has grown increasingly severe, resulting in displacement (see chart 2).[10]

The displacement crisis has been particularly acute for the region's African-American and Latino communities, who have been pushed from the region's core to its periphery, where poverty rates and the numbers of residents making extreme commutes have increased sharply (see chart 3).[11]

All of these factors make advocacy for affordable housing a moral imperative necessary for Bay Smart Communities to secure the health of both the Bay and the Bay Area.

Maintaining the good will and commitment of all Bay Area constituencies to preserve and enhance the Bay for future generations will not be possible if lower-income communities and communities of color are relegated to the far outposts of the region, while the inner ring of the Bay Area becomes the sole preserve of upper-income and white residents.

Fourth Street Apartments green roof, San Jose
Credit: Santa Clara Valley Urban Runoff Pollution Prevention Program

Chart 1: Household Vehicle Miles Traveled Per Day [12]

VMT for extremely low income households in transit-oriented development is 50% lower compared to those living in non-TOD. For higher income households, the difference in VMT between those in TOD versus non-TOD is 37%.

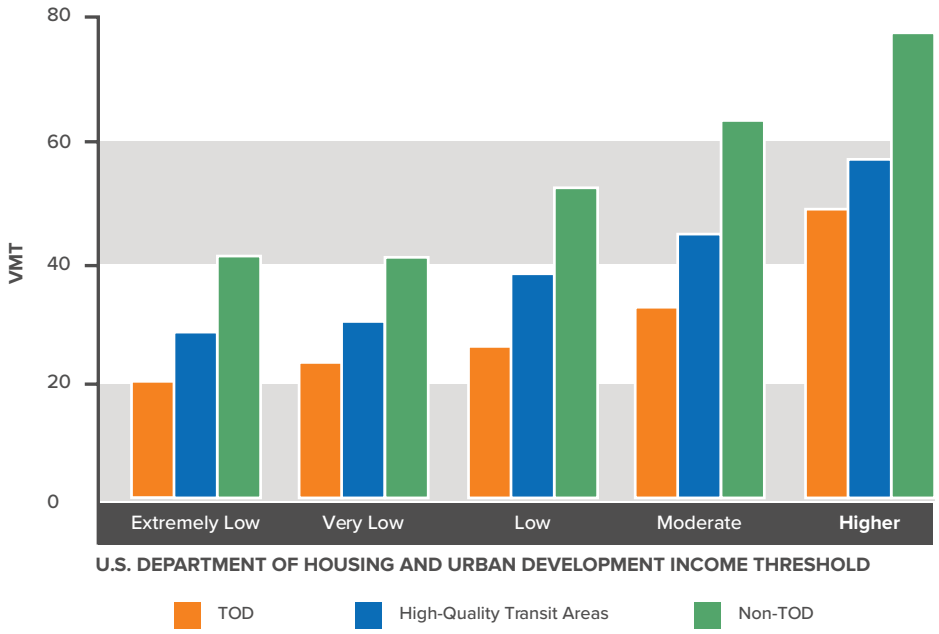


Chart 2: Affordable Rental Units in the Bay Area, 2011-2015 [13]

Demand for affordable housing greatly exceeds supply, especially for households in the very low-income category.

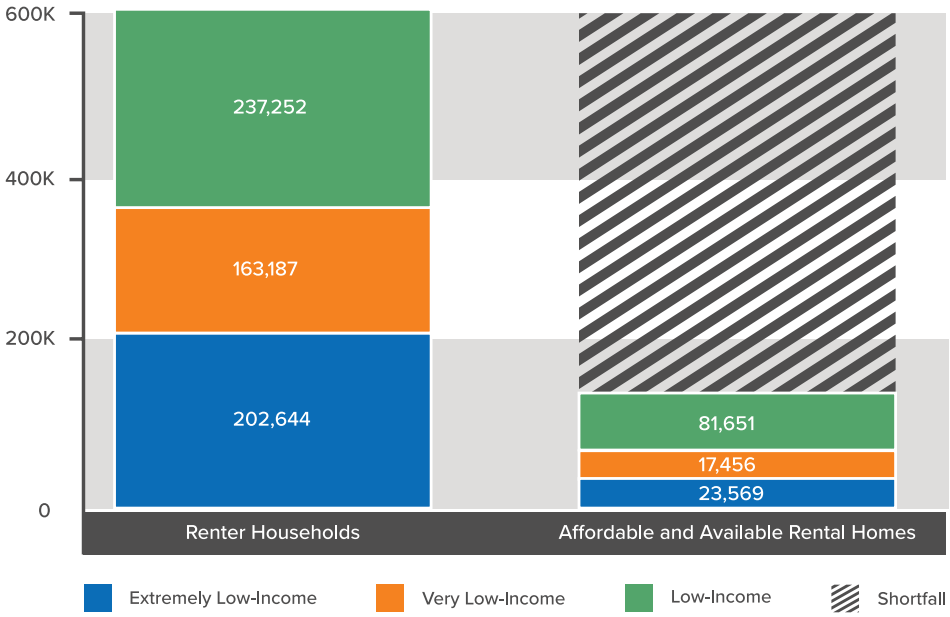
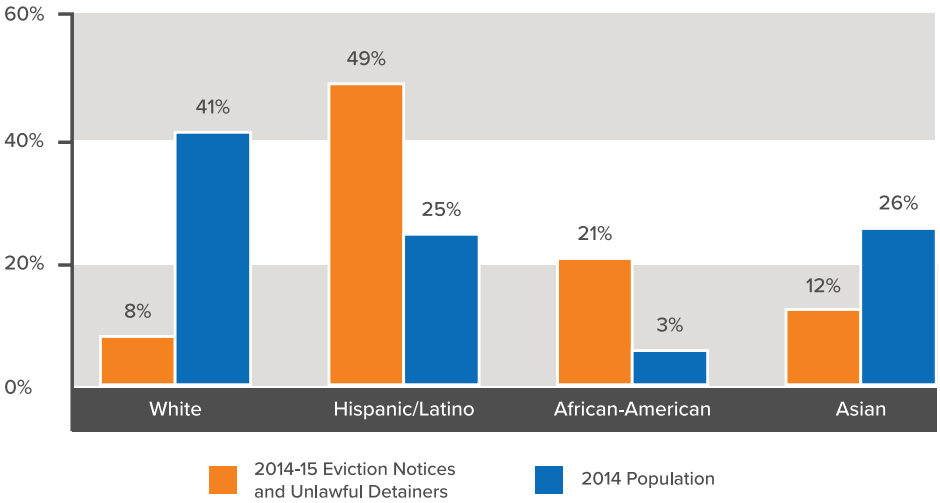


Chart 3: Demographics of Eviction, San Mateo County, 2014-15 [14]

Displacement disproportionately impacts communities of color in the Bay Area.



Income Needed to Afford a Typical 2 Bedroom Unit [15]

Area	Annual Income Needed to Afford Rent	Hourly Wage Needed to Afford Rent	Hours Per Day Needed to Afford Rent at Minimum Wage
San Francisco	$120,720	$58	30
San Jose	$88,800	$43	22
Oakland	$86,920	$42	22
California	$64,311	$31	22

Despite these major challenges, recent developments suggest that the Bay Area may be poised for a breakthrough on the housing crisis:

- Over the course of 2015 and 2016, local strategies to finance affordable housing production and preservation coordinated and combined to achieve regional scale, resulting in the passage of one city and county ballot measure (San Francisco), three county ballot measures (Alameda, Santa Clara, and San Mateo), and one city ballot measure (Oakland) with significant housing funds. Save The Bay's first act of housing advocacy was to support these 2016 measures.[16]
- The state legislature passed a major package of housing bills in 2017 that was signed into law that includes significant funding for affordable housing; provides streamlined permitting processes for affordable housing development projects that pay prevailing construction wages; increases local accountability to accommodate fair shares of new housing and maintain land for affordable housing development; and re-establishes local government authority to apply inclusionary zoning policies to rental housing developments.[17]
- in 2017, the Metropolitan Transportation Commission (MTC) selected members of the Committee to House the Bay Area (CASA), a regional stakeholder process of leaders charged to formulate a Regional Housing Implementation Strategy consistent with 6 Wins for Social Equity Network and the Non-Profit Housing Association of Northern California (NPH).[18]

  The strategy (1) increases housing production at all levels of affordability; (2) preserves existing affordable housing; and (3) protects vulnerable populations from housing instability and displacement. CASA will be particularly significant as a locus for regional housing policy development because of the MTC's potential to leverage large sums of transportation funds, tying them to affordable housing development performance.

  MTC also can incentivize needed planning and zoning policy changes, and -- to achieve optimal results -- drive local adoption of critically important anti-displacement and anti-speculation policies.[19]

It is Bay Smart to promote the interrelated housing policies of **"Production, Preservation, and Protection"** for social equity and environmental justice. More affordable housing will help address the proliferation of homeless encampments throughout our region's urban centers that pose public health hazards and significantly increase the flow of trash, bacteria, and other toxic pollutants into the Bay.

"Produce, Preserve, and Protect" is also a Bay Smart approach because it expands access to San Francisco Bay for all of our region's diverse communities and enhances their collective stewardship of the Bay as the commons of the Bay Area.

Public spaces along the Bay shoreline, including the San Francisco Bay Trail and state and regional parks, are not truly accessible to all if Bay Area residents are forced farther and farther away from the Bay due to lack of affordable housing. Our regional transit agencies can also play a role in ensuring accessibility to the shoreline by making Bay access routes and information more readily available for all residents, regardless of where they live. Restoration projects funded by the Bay Restoration Authority should include public access elements, which will expand shoreline recreation opportunities.

Our pursuit of Bay Smart housing policies establishes Save The Bay as a key stakeholder, dedicated to promoting affordable, denser, infill development near our region's high-frequency transit hubs, preventing the loss of affordable housing, and protecting low-and-middle income residents of the region from displacement. We believe people's profound love of the Bay and desire to preserve it for future generations can advance these important goals.

Recommendations

Among the many strategic objectives that have been compiled through the CASA process, we recommend the following as a starting point for Bay Smart housing policy priorities:

- Fill the $1.4 billion annual funding gap for the production of affordable housing and meet the region's need for 13,000 new affordable homes per year.
- Secure underutilized public and private land for urban infill housing development.
- Use a judicious mix of incentives and requirements to achieve greater local government compliance with Regional Housing Needs Assessment goals.[20]
- Fill the ten-year, $500 million-a-year funding gap necessary to make permanently affordable 66,500 current homes occupied by low-and-middle income families.[21]
- Adopt a broader and more consistent suite of policies throughout the region to arm families and local governments with the tools to keep affordable units online.
- Fill the $400 million annual funding gap necessary to provide wrap-around protections to 300,000 low-income renter households at risk of displacement.[22]
- Adopt broader and more consistent anti-displacement protections region-wide.

Just, Equitable, and Inclusive Urban Planning

Efforts to design Bay Smart city infrastructure and tackle our region's housing crisis will only be successful if local agencies prioritize broad community engagement and inclusivity in planning processes. The Resilient Communities Initiative (RCI), a coalition of eleven of the Bay Area's leading social justice groups, created an equity checklist that funders and agencies can use to identify vulnerable populations potentially affected by a project, evaluate a project's equity impacts, and promote inclusive community collaborations.[23] The Partnership for Southern Equity specifically articulated green infrastructure planning guidelines that are applicable to any infrastructure project:[24]

- Make equity a pillar of the planning effort;
- Ensure diversity among participants, include diverse knowledge areas;
- Invest in relationships and explore shared values;
- Use a systems approach to evaluate infrastructure options based on values, interests, co-benefits, and cost; and
- Allow participants to steer the process.

To advance Bay Smart Communities, local governments should work with nonprofit and community leaders to design and locate infrastructure projects strategically where they will provide environmental benefits and attract investment to underserved neighborhoods, while protecting residents from displacement.

Local leaders should be incorporated into planning efforts in their own communities, across communities, and at the regional and state levels to bridge the gap between improving community resilience and sustainability and protecting incumbent community members.

RCI urges the use of partnership agreements or memoranda of understanding between community-based organizations and larger nonprofit or government entities to validate co-led partnerships and ensure fair, transparent, and inclusive planning processes.[25] Causa Justa, a grassroots social justice organization representing low-income residents in San Francisco and Oakland, recommends fostering access to participatory planning by providing language services, disability access, onsite childcare, and being flexible with location and timing of meetings to accommodate working families.

Some recent Bay Area policies and planning efforts have intentionally made disadvantaged community involvement a priority. As an example, the San Francisco Bay Restoration Authority's Measure AA project funding guidelines explicitly define "economically disadvantaged communities" and encourage projects in those areas.

When conceived and developed with community members, urban greening and other infrastructure projects can revive distressed communities, protect low-income neighborhoods, and improve quality of life for residents.

Conclusion

Bay Smart Communities are within our reach to create in the next two decades. Though the Bay Area faces challenges from rapid urban growth, climate change, and pollution, we also have enormous opportunities to improve our cities so they are healthier, more productive, and more equitable places.

The Bay Area has all the creativity, energy, and resources needed to become Bay Smart, using the planning principles, development policies, and management strategies we have outlined.

And the Bay is proof that we can change our region for the better. We came together to protect what we love, embracing the natural treasure we share. We saved San Francisco Bay from destruction and we're investing directly to restore it for people and wildlife. Now, by accommodating growth upland and upstream, we can redevelop our cities to be resilient and sustainable places that support the people who live here and also enhance the Bay for future generations.

We are inspired by the collaboration many stakeholders have already displayed to develop this shared vision of Bay Smart Communities and practical steps to make the vision reality.

To seize the opportunity, we need courageous leaders and engaged communities who summon the will to work together, uniting diverse interests to create a better Bay Area where nature grows and people thrive.

- Protect waterways and enhance freshwater resources through green stormwater infrastructure, urban canopy, and sustainable landscaping practices;
- Invest in bicycle, pedestrian, and public transit infrastructure to reduce roadway runoff, greenhouse gases, and particulate emissions;
- Prevent displacement and enable universal access to the Bay shoreline; and
- Promote environmental justice and facilitate equitable and inclusive infrastructure planning.

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16. "Voter Guide Bay Smart Local Ballot Measures for November 2016." *Save The Bay Action Fund*, October 2016, https://www.savesfbay.org/sites/default/files/STB_VoterGuide_2016_C3.pdf
17. See California Budget & Policy Center, *Understanding the Recently Enacted 2017 State Legislative Housing Package*, October 2017, http://calbudgetcenter.org/blog/understanding-recently-enacted-2017-state-legislative-housing-package/ for a good summary of the package's multiple elements and policy impacts. It is important to note that a number of Bay Area affordable housing and low-income community advocacy groups continue to have concerns regarding the extent to which the package's provisions for streamlined permitting and other measures intended to overcome local resistance to denser development and more affordable housing may diminish their constituents' voices and power in development decisions – and may have the perverse effect of accelerating market-rate development in urban hot spots that can function to accelerate displacement.
18. 6 Wins Network for Social Equity and NPH have listed the three Ps with different ordering and emphasis among them, tracking 6 Wins' primary focus on equity and NPH's primary focus on affordable housing production. This framing of the housing challenge is now informing the proceedings of The Committee to House the Bay Area (CASA), a stakeholder process convened by the Metropolitan Transportation Commission to address the region's housing crisis. Our ordering mirrors that of NPH to focus first on those policy areas where there is the greatest emerging consensus, but holds the equity goals at stake equally important among Bay Smart policy objectives.

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Appendices

Housing Affordability and the Challenge of Environmental Justice

Average rents in six Bay Area counties are now among the ten most expensive in the nation, and median home prices in four counties are above or near one million dollars.[1]

The particularly sharp spike in housing costs for residents of our region's urban centers in the years following the Great Recession is a function of multiple mismatches, both quantitative and qualitative, between our housing production and our housing needs.

Rather than stemming solely from an aggregate shortage of supply to meet demand, this acute increase in housing costs derives both from changing economic and housing development patterns and from public policy changes.

- The Bay Area's hot job market is now cooling off in part because the extremely high cost of housing is constraining businesses' capacity to attract additional employees needed to pursue further growth. Until recently our region, which had experienced the slowest population growth of any region in California in the years prior to the Great Recession, has experienced the highest growth in population since then, driven in significant measure by the in-migration from outside the region and out of state of high-wage workers taking high-skilled jobs.[2]

- The influx of these high-wage workers coincided with a dramatic change in the locus and type of regional housing growth, reflecting their lifestyle preference, and the growing generational preference, for denser, transit-oriented, urban infill, multi-family housing over the suburban, single-family homes that had accounted for the majority of regional housing development over the many years before. This change, while ultimately highly beneficial for the environment, has been a key driver of the current, sharp mismatch between housing supply and demand.[3]

- Over the exact same period as these two momentous transitions in the Bay Area were taking place, there were massive cuts in federal and state funding for the creation and preservation of affordable housing, including elimination of the state's redevelopment program, which helped produce an annual shortfall of regional funding for affordable housing estimated at approximately $1.45 billion. A legal ruling that ended the ability of local governments to apply inclusionary requirements for affordable housing in new rental developments.[4,5]

The net impact of these changes has been that while the production and overall supply of market rate units at prices affordable to higher-income families has kept pace with much of the demand for such housing throughout the region over recent years, the shortfall of housing affordable to families filling the lower-wage service jobs that have grown in tandem with the region's high-wage job surge has grown increasingly severe.[6]

The region as a whole and its individual jurisdictions have done so poorly in achieving a "Jobs-Housing-Fit" that the new housing produced actually mirrors the workforce as it grows. While there is a "multiplier" effect of several low and middle-wage jobs created for each new tech engineering, finance or other high-income professional position, the affordability of housing produced does not match this workforce profile.[7]

Larger numbers of higher-income families seek multi-family housing in the Bay Area's urban centers while the protection and development of affordable housing for lower-income families fails to keep pace. This has produced a displacement crisis that is particularly acute for the region's African-American communities.[8]

Research remains to be done on the negative impacts suffered by members of communities experiencing displacement. But studies to date suggest that the cumulative public health impacts

of added financial burdens, dislocation trauma, longer commute times, disrupted social networks, and lack of access to needed supports and services are significant. They may not only diminish individuals' quality of life, but actually contribute to increased health disparities, up to and including higher mortality rates.[9]

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Community to House the Bay Area (CASA) Process - Proposals Under Consideration

In its first few months, the CASA process generated significant energy and content. It has conducted a comprehensive literature review of Bay Area housing-focused publications, compiled an extensive set of potential action ideas and initiated dialogue among key housing stakeholder groups to vet these ideas.[1]

The ideas being examined through the CASA process are too many to detail here, but among them, along with strategic objectives to guide Bay Smart policy prescriptions, we have summarized the participants' initial responses to the proposals of greatest interest.

Production

Strategic Objectives:

- Fill the $1.4 billion annual funding gap for the production of affordable housing and meet the region's need for 13,000 new affordable homes per year;
- Secure underutilized public and private land for urban infill housing development;
- Use a judicious mix of incentives and requirements to achieve greater local government compliance with Regional Housing Needs Assessment goals.[2]

Specific Policies: Along with the potential for dedicating specific transportation funding sources to establish pots of funds for affordable housing development, there have been a variety of proposals for dedicating both new and existing sources of revenue from other local, regional, and state sources for affordable housing production. Most of these achieved overwhelming support from stakeholders, as did proposals for more far reaching reforms like a housing development revenue sharing program and reforms to eliminate the state's tax and fiscal disincentives for housing development. There was similar support for a number of proposals to secure more land for housing development and to pursue the development of more Accessory Dwelling Units and other housing "affordable by design," but more debate about deregulation of housing development. Advocates for low-income communities and people of color have been at pains to differentiate between the role that existing regulations have played in slow-growth suburbs – where exclusionary policies have been among the primary barriers to housing development – and their role in urban core development hotspots, where the risk of displacement may be increased by indiscriminate "streamlining" of private development.

Notes: While more housing production for households of all income levels is necessary to address the Bay Area's region-wide housing crunch over the coming decades, in the short-and-medium term, the financing of more affordable housing production must be the strategic priority. Research suggests that affordable housing production has twice the anti-displacement effect of market rate development, that market rate development takes decades to bring about appreciable cost reduction

impacts on the regional level, and that unbalanced market rate development in urban infill, TOD hotspots can actually raise short-term housing costs for low-and-middle income families in these areas, harm small businesses and nonprofit organizations that serve them, and drive displacement.[3] To minimize displacement and accelerate affordable housing production, it is important to focus beyond just the Bay Area's three largest cities to meet the region's affordable housing needs, and pursue policies to promote denser, walkable, TOD near suburban town centers and within corridors connected to commercial areas and parks.[4]

Preservation

Strategic Objectives:

- Fill the ten-year, $500 million-a-year funding gap necessary to make permanently affordable 66,500 current homes occupied by low-and-middle income families;[5]
- Adopt a broader and more consistent suite of policies throughout the region to arm families and local governments with the tools to keep affordable units online.

Specific Policies: Beyond ensuring that affordable housing financing measures and policies set aside funding for preservation, proposals have included: "no net loss" policies requiring one-for-one replacement of any affordable homes that might be lost due to new development; "right of first refusal" for tenants of affordable housing with lapsing deed restrictions to purchase their homes before they are sold on the open market; placing larger numbers of affordable units in permanent Community Land Trusts; condominium conversion restrictions; measures to preserve SRO and mobile homes; and Ellis Act reform/repeal to stem the region's tide of owner move-in evictions.

Notes: Past history and current practice suggest that proposals to provide additional funding will achieve the greatest support, while any proposals that limit landlords' current property rights will meet significant resistance from real estate interests and others who see deregulation as the primary means to ensure the housing market meets the region's needs.

Protection

Strategic Objectives:

- Fill the $400 million annual funding gap necessary to provide wrap-around protections to 300,000 low-income renter households at risk of displacement;[6]
- Adopt broader and more consistent anti-displacement protections region-wide.

Specific Policies: Stakeholders displayed strong support for due process measures to provide low-income tenants facing eviction with legal counsel and to implement, enforce, and educate tenants about any protections they may have. There was also broad support for measures to provide displaced tenants with universal relocation assistance and temporary rental assistance, and to leverage transportation and infrastructure funding to promote the adoption of stronger tenant protections. Measures to adopt rent control, to expand its reach to recent construction by repealing the Costa-Hawkins Act, and to establish just cause requirements for eviction mustered small majorities, but will take much more advocacy to elevate to a regional policy consensus.[7]

Notes: The protection agenda is arguably the most urgent to pursue in order to achieve goals of social equity and environmental justice, but there is disagreement about the market's capacity to meet people's needs for affordable housing and concerns about placing constraints on private property rights. The live debate about a robust protection agenda marks a sea change in discourse about the need for a multi-faceted response to the region's housing crisis.[8]

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2. The aggregate RHNA for the Bay Area specifies that 58 percent of all new housing needs are for very-low, low- and moderate/middle-income households. Yet the development patterns result in a very different profile of housing affordability, in fact the complete inverse of the RHNA-specified needs: 29 percent of all housing produced during the 2007-2014 RHNA period was affordable to very-low, low- and moderate/middle-income households, while the other 71 percent of housing was market rate for upper-income households. https://abag.ca.gov/files/RHNAProgress2007_2014_082815.pdf

   Another way to look at that RHNA "performance" for the Bay Area is that 99% of all market-rate housing projected need was meet across the region from 2007-2014, while only 28% of all housing needed for very-low, low- and moderate/middle-income households was created. The pattern emerging for the current RHNA period 2015-2020 is proving to be much the same: https://abag.ca.gov/planning/housingneeds/pdfs/2015-2023%20_RHNAProgressReport.pdf

   With little exception, the performance in the development market is that new housing for upper-income needs is far outpacing the production of housing for all other households, and inverted in comparison to the RHNA-specified needs by each income category.
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4. CCHO, *Rethinking the Suburbs Is Integral to California's Housing Solution*, October 10, 2017, near town centers and within primary corridors connected to commercial areas and parks
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8. For an example of a forward-looking effort to try and accommodate protection concerns in a business-friendly way, see Tech Equity Collaborative, *Guiding Principles for Housing Policy*, https://techequitycollaborative.org/guiding-principles-for-housing-policy/

Save The Bay
1330 Broadway, Suite 1800
Oakland, CA 94612
saveSFbay.org

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