

City of Piedmont
COUNCIL AGENDA REPORT

DATE: November 18, 2024

TO: Mayor and Council

FROM: Rosanna Bayon Moore, City Administrator

SUBJECT: Informational Report Regarding MTC / ABAG Priority Sites Technical Assistance Grant Awarded to Piedmont in the Amount of \$165,000

RECOMMENDATION

Receive informational report regarding MTC / ABAG Priority Sites Technical Assistance Grant awarded to Piedmont in the amount of \$165,000.

EXECUTIVE SUMMARY

On May 7, 2024, the City was informed that the Priority Sites Grant Program application prepared and submitted by the City of Piedmont Planning & Building Department was accepted by the Association of Bay Area Governments and Metropolitan Transportation Commission (ABAG / MTC) and awarded up to \$165,000 in technical assistance funding. To maximize the benefits of the technical assistance and meet the timeframe for implementation of program 1.L in the 6th Cycle Housing Element, City staff asked ABAG / MTC to focus its technical assistance funding on implementation of the Moraga Canyon Specific Plan. ABAG / MTC staff supported this approach and agreed to the attached project scope (Attachment A). The technical assistance grant is provided in the form of consultant services, which will be managed by Aaron Welch Planning under contract with ABAG / MTC. The City of Piedmont was responsible for drafting the project scope in coordination with ABAG / MTC staff. The City would not receive or administer the grant funding. The Priority Sites technical assistance work is scheduled to begin by the end of the year and come to completion in the Fall of 2025.

The purpose of this report is to brief the City Council on the Priority Sites Grant funding opportunity and the planning efforts that are eligible for the grant funding. Deliverables outlined in the project scope (Attachment A) will be brought forward at future meetings of the City Council for consideration, input, and possible adoption as City policy. Staff has negotiated the attached project scope under guidance from City Council resolutions 46-2023 and 47-2023 and the Piedmont 6th Cycle Housing Element. No action of the City Council is requested at this time.

BACKGROUND

On March 20, 2023, the City Council adopted Resolution 22-2023 approving Piedmont's 6th Cycle [Housing Element](#). The 6th Cycle Housing Element includes program 1.H, Increase Allowances for

Housing in Zone D; program 1.L, Moraga Canyon Specific Plan; and program 1.U, Priority Development Area Designation.

On June 20, 2023, the City Council adopted resolutions 46-2023 and 47-2023 (Attachments B and C), nominating sites along Grand Avenue and in the Moraga Canyon Specific Plan study area as ABAG /MTC Priority Development Areas (PDAs) and Moraga Canyon Specific Plan area as an ABAG / MTC Priority Site. The designation of a PDA and Priority Site are voluntary, and each city may identify areas for future growth that are near transit or within a high resource area, demonstrating that a local jurisdiction's goals are consistent with regional goals.

On July 12, 2023, the City of Piedmont applied for PDA designation for land in Moraga Canyon and along Grand Avenue and Priority Sites designation, which were accepted by ABAG / MTC. In November 2023, the ABAG / MTC approved Piedmont's Moraga Canyon and Grand Avenue PDAs as two of 211 "Priority Sites" across all nine Bay Area counties. ABAG / MTC Priority Sites are locally-identified, regionally significant places that will offer homes affordable to people of all incomes, backgrounds, and abilities. Sites include, or are near, essential services, green space and public transit.

Areas designated as Priority Sites are eligible for future pre-development funding and technical assistance. MTC awarded \$4.2 million in Priority Sites Grant Program technical assistance to sites that are early in the development process, but together have the potential to add substantial numbers of new housing units. This technical assistance funding is intended to enable local governments, like Piedmont, and emerging developers to conduct work necessary to develop housing in areas that have been identified as community priorities.

On January 31, 2024, City of Piedmont Planning & Building Department staff sent a letter of interest (LOI) to ABAG / MTC to apply for Priority Sites Grant Program funding for the PDAs in Moraga Canyon and Grand Avenue. The LOI outlined planning, economic development, and engineering assistance needed to implement programs in Piedmont's 6th Cycle Housing Element. On May 7, 2024, the City was informed that the Priority Sites Grant Program application was accepted by ABAG / MTC, and the City was awarded up to \$165,000 in technical assistance funding.

Since then, City staff members have been collaborating with ABAG / MTC staff to refine a project scope (Attachment A) for the Priority Sites Grant Program to focus the technical assistance toward implementing Housing Element program 1.L, Moraga Canyon Specific Plan. As detailed in the next section, this scope is focused on work within the designated Moraga Canyon Specific Plan area, and will support the implementation of the Specific Plan and Piedmont Housing Element.

ANALYSIS

As described in the attached project scope (Attachment A), the City has requested technical assistance as part of the ABAG / MTC Priority Sites Grant Program to complete the following tasks:

1. The technical assistance consultant will identify potential grants, tax credit, and philanthropic revenue to help fill the MCSP funding gap, as well as identify measures that would make development of 60 units of deeply affordable housing attractive to these

funding sources. The deliverable will be a set of recommendations for potential grant, tax credit, and philanthropic revenue sources appropriate for this approximately 8-acre, City-owned site that is identified in the MCSP for residential development. As part of this task, the technical assistance consultant will create at least four high-level development scenarios for the 8-acre area for consideration by the City in its future development efforts. These scenarios should be focused on potential mixes of market-rate and affordable housing and total housing production, and the different levels of subsidy or profit estimated to be required for each scenario, with a focus on constructability and feasibility.

2. The technical assistance consultant will research and prepare a study for two potential bus stops shown in the MCSP area, considering factors such as existing and projected ridership demand, employment and educational destinations, connectivity and accessibility requirements, transportation demand management (TDM) approaches, safety, and infrastructure improvements. Additionally, the consultant will evaluate the feasibility of integrating the new bus stop into the existing AC Transit network, considering factors like route frequency, transfer points, and fare structures.
3. The technical assistance consultant will work with City staff to conduct a site constraints analysis and identify necessary feasibility reports (such as Phase I environmental report, geotechnical report, sewer capacity study, biological reports, etc.) for the MCSP site. The technical assistance consultant will also provide necessary site surveys required for preparing a future draft developer RFQ / RFP and for drafting a future development agreement, including a topographic map and site survey of the residential portions of the site, as well as the intersection of Moraga Avenue and Red Rock Road. The survey of the intersection will form the basis to explore design options for the improved and signalized intersection with pedestrian improvements, sidewalk, crosswalk, and raised center median. The deliverable will be a list of the reports needed by the future developer to evaluate feasibility and pursue financing opportunities, and a site survey and constraints analysis of the residential portions of the MCSP.

The technical assistance consultants will be selected from various firms already under contract with ABAG / MTC, including firms that are working, or have worked with, the City recently. For example, the City has requested to work with Fehr & Peers and Economic Planning Systems (EPS) on the technical assistance project scope. The Priority Sites technical assistance work is scheduled to begin by the end of the year and come to completion in the Fall of 2025.

FISCAL IMPACT

The technical assistance grant would have no negative impact on the City's budget. The grant is provided in the form of consultant services, managed by Aaron Welch Planning, under contract with ABAG / MTC, with a budget of \$165,000. The City would not receive or administer the grant funding. Acceptance of the ABAG / MTC Priority Sites Grant Program technical assistance will augment existing staff capacity. The technical assistance consultant services will include economic feasibility analysis, transit analysis, site surveys, and pre-development reports. The information provided through these consultant reports will aid the City in anticipating issues that must be addressed in the preparation of a future developer RFP or RFQ and development agreement. Acceptance of the technical assistance grant will fund the City's housing and planning efforts while preserving funding for essential City services.

By: Pierce Macdonald, Senior Planner
Gopika Nair, Associate Planner

ATTACHMENTS

Attachment A	Page 5 - 8	Priority Sites Technical Assistance Project Scope
Attachment B	Page 9 -12	City Council Resolution 46-2023
Attachment C	Page 13 -14	City Council Resolution 47-2023

LINKS

[*City of Piedmont 6th Cycle Housing Element*](#)

Priority Sites Technical Assistance Grant Project Scope
Moraga Canyon Specific Plan Implementation**November 2024****Background**

City of Piedmont requests that MTC/ABAG direct Priority Sites funding to a single site, Moraga Canyon Mixed-Income Neighborhood, as initially outlined in the Letter of Interest (LOI), for the purposes of the current round of funding. The Moraga Canyon area of Piedmont is an approved Priority Site within a Plan Bay Area growth geography expected to add significant numbers of new housing units. Program 1.L of Piedmont's 6th Cycle Housing Element directs the City to prepare a Moraga Canyon Specific Plan in order to facilitate development of 132 to 199 housing units, 60 of which must be affordable to households earning low, very low, and extremely low incomes, on approximately 8 acres of City-owned land along Moraga Avenue. The City anticipates issuing an RFP/RFQ for possible developers in Fall of 2025 once the Specific Plan is adopted by City Council.

Since July 2023, the City Council has allocated \$682,177 toward preparation of a Moraga Canyon Specific Plan (MCSP) and approved a contract with JZMK Partners for professional services related to preparation of a MCSP. The MCSP is expected to be completed in early 2025, and the City will subsequently begin to negotiate an agreement with a development partner. To prepare for the Moraga Canyon Specific Plan, on February 20, 2024, the City Council adopted zoning amendments to increase the permitted residential density of land in Moraga Canyon in Zone B from 5 du/ac to 60 du/ac and increased the permitted height from 35 feet to 45 feet. At the same time, the City Council adopted new permitted land uses, waived parking requirements for affordable housing development, and certified a program EIR. The Piedmont General Plan requires careful study of grading to mitigate potential hazards. The City has a citywide sewer capacity model that recommends project-specific sewer capacity reports as part of development applications. Piedmont Safer Streets, the City's pedestrian and bicycle plan, recommends improvements at the Moraga Avenue and Red Rock Road intersection.

The City of Piedmont requests technical assistance in developing programs that (1) increase the feasibility of development of land in Moraga Canyon, including factors that increase eligibility for grant, tax credit, and philanthropic funding for 60 units of deeply affordable housing; (2) studies expanded transit access and pedestrian and bicycle connectivity; and (3) removes obstacles to development, including identification and preparation of technical and feasibility studies (e.g. Phase I environmental report, geotechnical report, sewer capacity study, etc.) and survey(s). Because public engagement was a large part of the Housing Element's preparation, the City is not seeking assistance with public engagement.

Task 1 – Technical Assistance with MCSP Funding and Financing Analysis

As part of the preparation of the Moraga Canyon Specific Plan, the City conducted a preliminary residual land value analysis focused on the 8-acre, city-owned site that is identified in the MCSP for residential development. The preliminary feasibility study for the MCSP indicates that the

funding gap, after land value and City contribution are removed, is a minimum of approximately \$14 million, including a gap in funding for needed roadway improvements. The technical assistance consultant will identify potential grants, tax credits, and philanthropic revenue to help fill the funding gap, as well as identify measures that would make development of 60 units of deeply affordable housing attractive to these funding sources. The deliverable will be a set of recommendations for potential grant, tax credit, and philanthropic revenue sources appropriate for this 8-acre, City-owned site that is identified in the MCSP for residential development. Recommendations should be customized for a densely developed, high-resource area like Piedmont, with recommendations for measures that could be added to the Moraga Canyon Specific Plan, project development requirements, a future development RFP, or other City-initiated development efforts, to increase the project's chances of securing adequate funding for successful development. This effort should include an analysis of the site's likelihood to received LIHTC or AHSC funding, with suggestions for improving or maximizing the site's score and likelihood of award.

As part of this task, create at least four high-level development scenarios for the approximately 8-acre area for consideration by the City in its future development efforts. These scenarios should be focused on different potential mixes of market-rate and affordable housing and total housing production, and the different levels of subsidy or profit estimated to be required for each scenario, with a focus on constructability and feasibility. Each scenario should include identification of a hypothetical capital funding stack for both the affordable and market-rate portion of the project. Each scenario should also incorporate a range of potential citywide inclusionary zoning requirements into different scenarios, based on the technical assistance consultant's understanding of feasible ranges found in the Bay Area and appropriate for this site. There is not currently an inclusionary zoning ordinance in place in the City, but it is anticipated to be adopted in the near-term as an implementation task of the Housing Element. The analysis may consider other variables such as different unit sizes or different target markets for the housing, but the focus should be on the overall balance of market rate vs. affordable housing that is achievable on this site, along with the appropriate inclusionary zoning requirements compatible with that mix. Scenarios should be completed with input from, or in conjunction with, the high-level site survey and constraints analysis included in Task 3, and should assume that MCSP residential as identified above is in place for the site.

SUBTASKS:

- Meet with staff and stakeholder group to compile list of objectives and priorities for grant and philanthropic funding, including securing funding for roadway improvements and one or more public transit (bus) stop(s).
- Identify list of grant, tax credits, and philanthropic funding opportunities.
- Research and prepare recommendations on scoring criteria for top three grant, tax credits, and philanthropic funding opportunities.
- Prepare recommendations for siting of affordable housing development to meet scoring criteria.
- Prepare recommendations for programs and standards for development of affordable housing in Moraga Canyon Specific Plan.
- Site development scenarios focusing on potential mixes of market-rate and affordable housing, and incorporation of inclusionary requirements.

Task 1 Deliverables:

- 1.1: Recommendations on scoring criteria of top grant, tax credit, and philanthropic funding sources and necessary development design to enable a deeply affordable housing development in Moraga Canyon to compete well for funding.
- 1.2: Recommendations for programs and development standards within the Moraga Canyon Specific Plan to enable a deeply affordable housing development to compete well for funding.
- 1.3: A minimum of four site development scenarios demonstrating options and required levels of subsidy and profit for different mixes of market rate and affordable housing on the site, and assuming inclusionary zoning requirements.

Task 2 – Technical Assistance with MCSP Transportation Study

By providing well-connected development, public transit enables lower-income residents to access opportunity-rich job and education centers in and around Piedmont without the financial burden of car ownership. Research examining the essential requirements for bus stop placement within the Specific Plan area would significantly aid the City in achieving this goal and qualify for funding. The consultant will research and prepare study for two potential bus stops shown in the Specific Plan area considering factors such as existing and projected ridership demand, employment and educational destinations, connectivity and accessibility requirements, transportation demand management (TDM) approaches, safety, and infrastructure improvements. Additionally, evaluate the feasibility of integrating the new bus stop into the existing AC Transit network, considering factors like route frequency, transfer points, and fare structures.

SUBTASKS

- Coordinate meeting with AC Transit regarding opportunities and constraints.
- Prepare transit feasibility and fiscal study, including (but not limited to) existing and project ridership demand, access study, TDM analysis, and funding sources. This study will also include preliminary feasibility study estimating the cost of adding a bus stop / bus route as shown in concept in the Moraga Canyon Specific Plan.
- Present findings to City Council.

Task 2 Deliverables:

- 2.1: Transit Feasibility Study

Task 3 – Technical Assistance with MCSP Development Consultant and Surveys

JZMK Partners will prepare the MCSP and present it at public hearings before the Planning Commission and City Council in early 2025. The Priority Sites technical assistance consultant will work with City of Piedmont staff to conduct a site constraints analysis and identify necessary feasibility reports (such as Phase I environmental report, geotechnical report, sewer capacity study, biological reports, etc.) for the site. The technical assistance consultant will also provide necessary site surveys required for preparing a future draft RFQ / RFP and for drafting a future development agreement, including a topographic map and site survey of the residential portions of the site, as well as the intersection of Moraga Avenue and

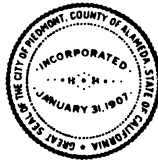
Red Rock Road. The survey of the intersection will form the basis to explore design options for improved and signalized intersection with pedestrian improvements, sidewalk, crosswalk, and raised center median. The deliverable will be a list of the reports needed by the future developer to evaluate feasibility and pursue financing opportunities, and a survey and constraints analysis of the residential land use portions of Moraga Canyon and the intersection of Moraga Avenue and Red Rock Road (approximately 8 acres). In addition, a certain portion of the project budget will be set aside to provide prepare one or more of the feasibility reports identified in this task, Priority Sites funding permitting and as agreed between the City and technical assistance consultant once the initial constraints analysis and list of feasibility reports are completed.

SUBTASKS:

- Survey the area(s) identified in the Moraga Canyon Specific Plan for residential development, consisting of approximately 8 acres of City-owned land along Moraga Avenue, including the intersection of Moraga Avenue and Red Rock Road.
- Site Constraints analysis and map
- Prepare list of technical studies and feasibility studies necessary for development to move forward in Moraga Canyon, such as Phase I environmental report, geotechnical study, sewer capacity study, biological study, and others.
- As feasible within the project budget and as identified by the consultant in coordinatoi with the City staff, prepare technical study or studies that are identified in the list of studiesshat can be attached to a future RFP / RFQ and developer agreement document.

Task 3 Deliverables:

- 3.1: Survey of residential land use portion(s) of Moraga Canyon Specific Plan area, including intersection
- 3.2: Summary site constraints map of residential portions of Moraga Canyon Specific Plan area showing potential constraints or barriers identified in the site survey and studies, along with an estimate of which portion of the 8-acre site is developable.
- 3.3: List of technical studies and feasibility studies needed for site development
- 3.4: Technical reports, as feasible within the project budget and as identified by the consultant in coordination with City staff.



CITY OF PIEDMONT
Resolution No. 46-2023

RESOLUTION TO NOMINATE MORAGA CANYON SPECIFIC STUDY AREA AND PORTIONS OF GRAND AVENUE AND LINDA AVENUE TO THE ASSOCIATION OF BAY AREA GOVERNMENTS AND METROPOLITAN TRANSPORTATION COMMISSION FOR ADOPTION AS PRIORITY DEVELOPMENT AREAS

WHEREAS, the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG) adopted the Plan Bay Area 2050 (the Plan), a long-range plan charting the course for the future of the nine-county San Francisco Bay Area in October 2021; and

WHEREAS, the Plan serves as the Bay Area's Regional Transportation Plan and Sustainable Communities Strategy, outlining strategies for growth and investment through the year 2050; and

WHEREAS, ABAG and the MTC are creating a Regional Growth Framework to be used in the Plan; and

WHEREAS, this Framework includes locally nominated Priority Development Areas (PDAs) as locations to coordinate local and regional planning for housing, jobs, and future investment; and

WHEREAS, the adoption of a PDA does not change the zoning, comprehensive plan, or other land use designation of the geographic area encompassed by the PDA, with local jurisdictions retaining full land use control; and

WHEREAS, jurisdictions with PDAs have access to regional funding that is dedicated to plans and infrastructure improvements in PDAs; and

WHEREAS, the designation of 22.62 acres of Moraga Canyon Specific Plan Area and 5.47 acres of Mixed-Use Commercial/Multi-Family and Multi-Family Residential Parcels on Grand and Linda Avenues as local priority development areas will open funding opportunities for future development and infrastructure improvements;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Piedmont nominates 22.62 acres of Moraga Canyon Specific Plan Area and 5.47 acres of Mixed-Use Commercial/Multi-Family and Multi-Family Residential Parcels on Grand and Linda Avenues as PDAs, as shown in Exhibits A and B, by authorizing staff to submit nomination application by July 31, 2023.

SECTION 1. The above recitals are correct and are incorporated into this Resolution as findings of the City Council.

SECTION 2. The Planning Director is the custodian of documents and other materials that were considered by the City Council and constitute the record of proceedings on which this decision was

based. The records are located at the Planning & Building Department, 120 Vista Avenue, Piedmont, CA 94611.

SECTION 3. All portions of this resolution are severable. If an individual component of this Resolution is adjudged by a court to be invalid and unenforceable, then the remaining portions will continue in effect.



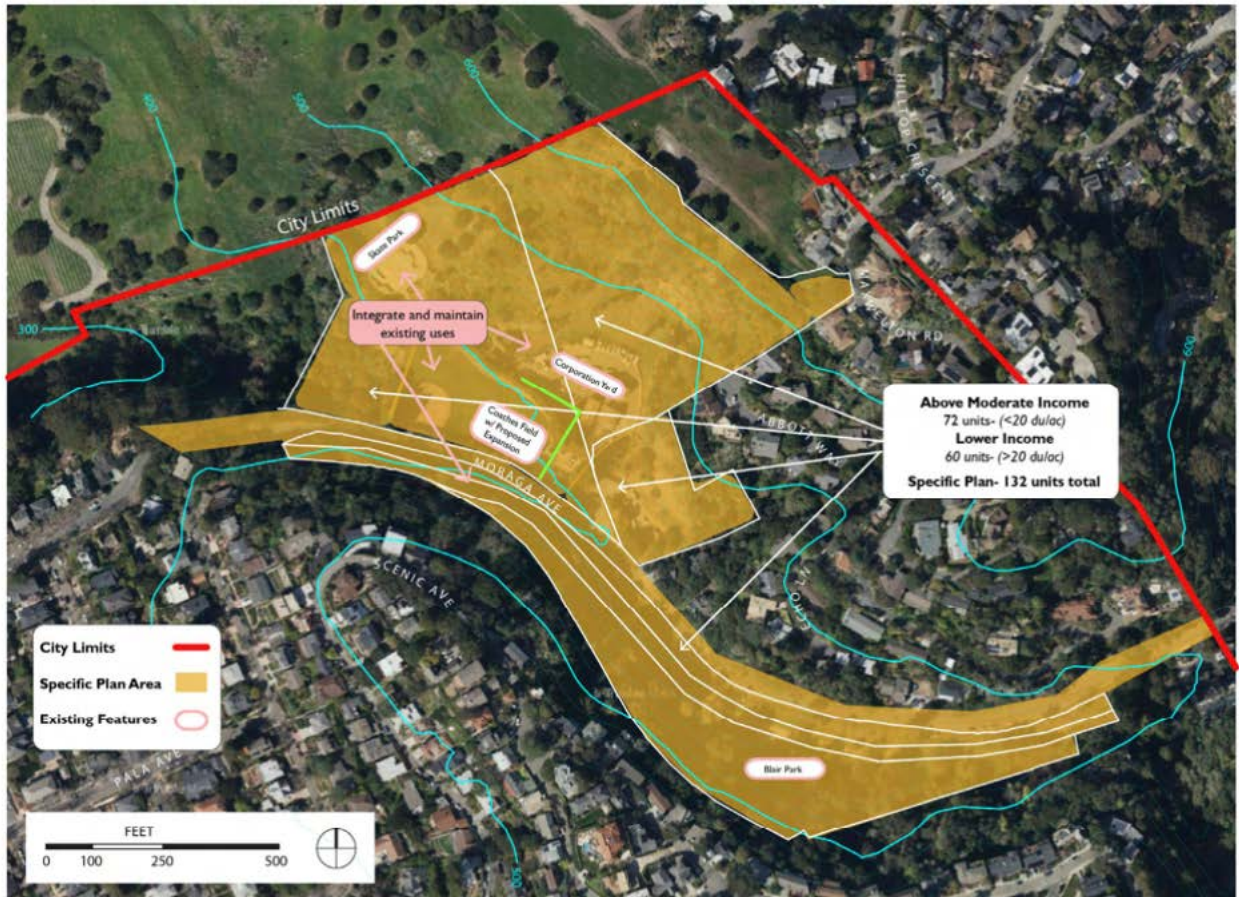
I certify that the foregoing resolution was passed and adopted as a part of the consent calendar at a regular meeting of the Piedmont City Council on June 20, 2023 by the following vote:

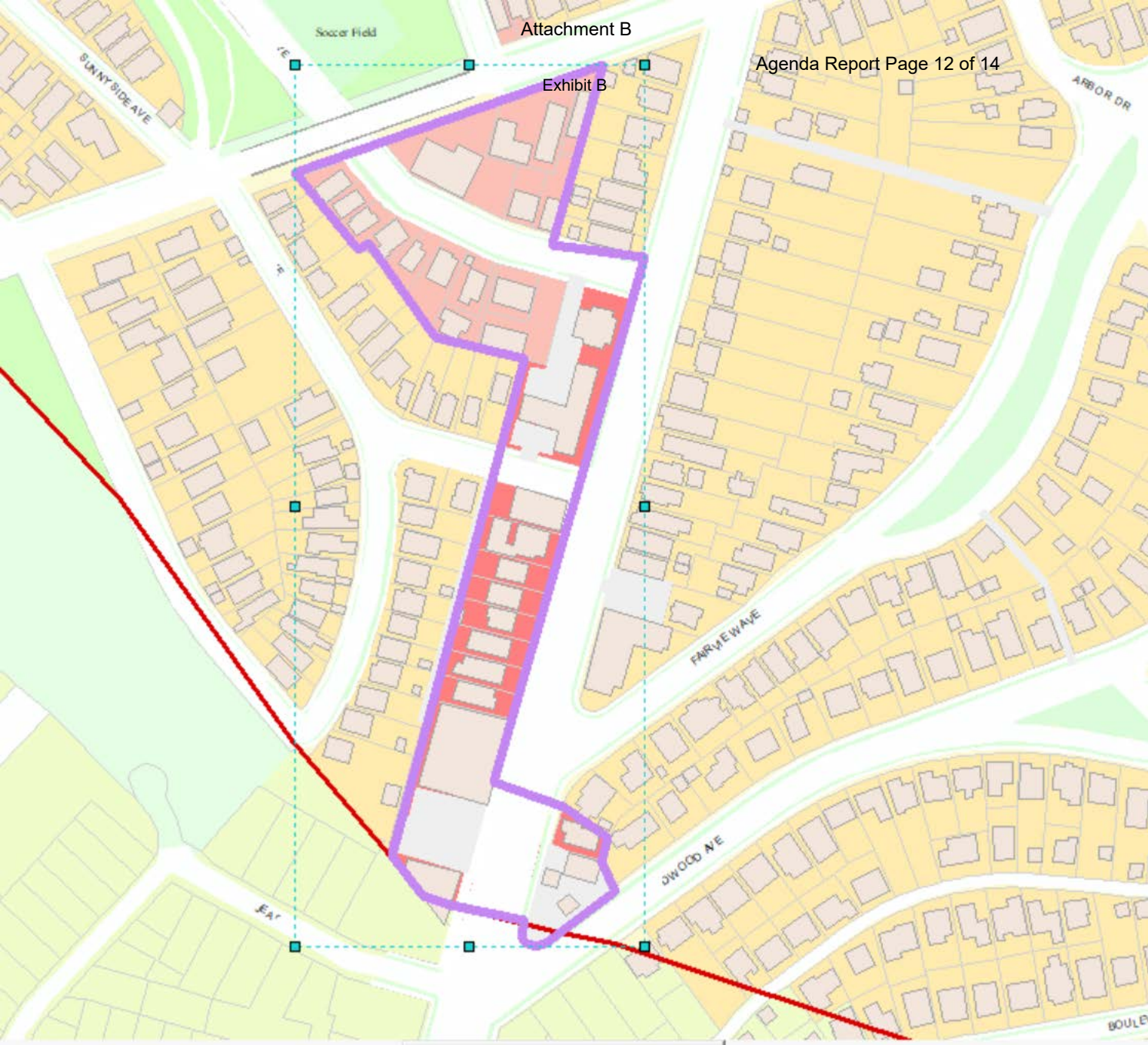
Ayes:	Andersen, Cavanaugh, Long, McCarthy, Ramsey
Noes:	None
Absent/Abstain:	None

Attest: 

Lisa Argue, Deputy City Clerk

Figure B-1: Preliminary Conceptual Plan for Development on City Agency Property (Specific Plan)
Exhibit A





Attachment B

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Exhibit B

SUNNY SIDE AVE

Soccer Field

ARBOR DR

FARVIEW

WOOD AVE

SEAR

BOULE



CITY OF PIEDMONT
Resolution No. 47-2023

**RESOLUTION TO NOMINATE MORAGA CANYON SPECIFIC STUDY AREA TO THE
ASSOCIATION OF BAY AREA GOVERNMENTS AND METROPOLITON
TRANSPORTATION COMMISSION FOR ADOPTION AS PRIORITY SITE**

WHEREAS, the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG) adopted the Plan Bay Area 2050 (the Plan), a long-range plan charting the course for the future of the nine-county San Francisco Bay Area in October 2021; and

WHEREAS, the Plan serves as the Bay Area's Regional Transportation Plan and Sustainable Communities Strategy, outlining strategies for growth and investment through the year 2050; and

WHEREAS, ABAG and the MTC are creating a Regional Growth Framework to be used in the Plan; and

WHEREAS, this Framework includes locally nominated Priority Development Areas (PDAs) as locations to coordinate local and regional planning for housing, jobs, and future investment; and

WHEREAS, this Framework focuses half of new affordable homes on sites prioritized in two of its housing strategies-Public Land Reuse and Mall and Office Reuse- because of their size and potential economic benefits, called Priority Sites; and

WHEREAS, this Framework focuses on new homes and jobs in Growth Geographies. Growth geographies includes existing and new Priority Development Areas (PDAs); and

WHEREAS, The City recently nominated 22.62 acres of Moraga Canyon Specific Plan Area as a PDA designation open to funding opportunities; and

WHEREAS, if designation of the PDA site-Moraga Canyon Specific Plan Area is approved by MTC and ABAG, the designation of the Site as a Priority Site will open more funding opportunities. Currently, MTC and Bay Area Housing Finance Authority (BAHFA) have allocated \$28 million for a pilot program to provide predevelopment financing for affordable housing on Priority Sites.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Piedmont nominates 22.62 acres of Moraga Canyon Specific Plan Area as Priority Site, as shown in Exhibit A, by authorizing staff to submit nomination application by September 31, 2023.

SECTION 1. The above recitals are correct and are incorporated into this Resolution as findings of the City Council.

SECTION 2. The Planning Director is the custodian of documents and other materials that were considered by the City Council and constitute the record of proceedings on which this decision was

based. The records are located at the Planning & Building Department, 120 Vista Avenue, Piedmont, CA 94611.

SECTION 3. All portions of this resolution are severable. If an individual component of this Resolution is adjudged by a court to be invalid and unenforceable, then the remaining portions will continue in effect.



I certify that the foregoing resolution was passed and adopted as a part of the consent calendar at a regular meeting of the Piedmont City Council on June 20, 2023 by the following vote:

Ayes:	Andersen, Cavanaugh, Long, McCarthy, Ramsey
Noes:	None
Absent/Abstain:	None

A handwritten signature in cursive script, appearing to read "Lisa Argue".

Attest:

Lisa Argue, Deputy City Clerk