

City of Piedmont
COUNCIL AGENDA REPORT

DATE: June 20, 2023

TO: Mayor and Council

FROM: Rosanna Bayon Moore, City Administrator

SUBJECT: Consideration of the City's Participation in ABAG's and MTC's Priority Development Area and Priority Sites Program for Future Grant Funding Opportunities and Nomination of Two (2) Sites in Piedmont as Priority Development Areas and One Site as a Priority Site for Potential Grant Funding Eligibility.

RECOMMENDATION:

By separate motions, adopt two resolutions authorizing:

1. The City's participation in ABAG's and MTC's Priority Development Area and Priority Sites Program for Future Grant Funding Opportunities;
2. Staff to submit applications to ABAG and MTC nominating two sites - the Moraga Canyon Specific Plan Area and Mixed-Use Commercial/Multi-Family and Multi-Family Residential Parcels on Grand and Linda Avenues - for designation as PDAs; and nominating the Moraga Canyon Specific Plan Area site for designation as a Priority Site.

EXECUTIVE SUMMARY:

The Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG) have a Priority Development Area (PDA) and Priority Sites program. Sites receiving these designations become eligible for grant funds to support future planning, infrastructure or housing associated with PDAs and Priority Sites. Staff has identified two eligible sites for these designations. The deadline to nominate new PDAs is July 31, 2023, and to nominate Priority Sites is September 31, 2023.

The purpose of PDAs is to help guide growth. The designation of a PDA is 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. For local jurisdictions that elect to designate PDAs, funding is available through competitive grants to conduct planning implementation activities such as the preparation of a specific-area plan, making amendments to adopted plans, development of policies and programs that support growth, within the boundaries of the areas. Priority Sites are envisioned as places planned for a significant number of homes affordable to households with wide range of incomes as well as essential services, green space, and local and regional destinations. Today, a Priority Site might be a declining mall, underused school district land, transit station parking lot, recently closed public facility. Some sites have been planned for decades or are partially built out; others were recently identified in a

Housing Element or a Specific Plan.

Staff recommends that the Moraga Canyon Specific Plan area be nominated as a PDA and a Priority Site, and that the area zoned for mixed-use (commercial and multi-family residential) and multi-family residential development along Grand and Linda Avenues be nominated as a PDA. Nominating these sites does not commit the City in developing those sites but it does open the possibility to compete and access grant funds to develop the sites when an opportunity comes forward or if the City chooses (pursuant to a further public process) to develop those sites.

BACKGROUND:

[Plan Bay Area 2050](#) is the Bay Area's regional long-range plan adopted by the MTC and the ABAG. In preparing for Plan Bay Area 2050, MTC/ABAG prepares a regional growth framework. This growth framework integrates planning for land use, transportation and other infrastructure, resiliency, environment, and the economy. Throughout Plan Bay Area 2050, Growth Geographies are geographic areas used to guide where future growth in housing and jobs would be focused under the plan's strategies over the next 30 years. These geographies are identified for growth either by local jurisdictions or because of their proximity to transit or access to opportunity. The four types of Growth Geographies analyzed in Plan Bay Area 2050 are:

- A. Priority Development Areas (PDAs): Areas generally near existing job centers or frequent transit that are locally identified (i.e., identified by towns, cities, or counties) for housing and job growth.
- B. Priority Production Areas (PPAs): Locally identified places for job growth in middle-wage industries like manufacturing, logistics or other trades. An area must be zoned for industrial use or have a predominantly industrial use to be a PPA.
- C. Transit-Rich Areas (TRAs): Areas near rail, ferry or frequent bus service that were not already identified as PDAs. Specifically, these are areas where at least 50% of the area is within 0.5 mile of either an existing rail station or ferry terminal (with bus or rail service), a bus stop with peak service frequency of 15 minutes or less, or a planned rail station or planned ferry terminal (with bus or rail service).
- D. High-Resource Areas (HRAs): State-identified places with well-resourced schools and access to jobs and open space, among other advantages, that may have historically rejected more housing growth. This designation only includes places that meet a baseline transit service threshold of bus service with peak headways of 30 minutes or better. Piedmont is identified as a High-Resource Area per Plan Bay Area 2050

The sections below summarize PDAs and Priority Sites, types of PDAs and eligibility criteria for nomination sites as PDAs and Priority Sites.

Priority Development Areas

In the Bay Area, PDAs are places near public transit that are planned for new homes, jobs and community amenities. By bringing transit, jobs and housing together, PDAs help the Bay Area reduce greenhouse gas emissions and begin to solve the region's housing crisis. There are two PDA designations as follows:

1. Transit- Rich PDA

For an area to be designated as a Transit-Rich PDA, at least 50% of the area must be within 0.5 miles of any of the following:

- An existing rail station or ferry terminal (with bus or rail service)
- A bus stop with peak service frequency of 15 minutes or less
- A planned rail station or planned ferry terminal (with bus or rail service) in the most recently adopted fiscally constrained Regional Transportation Plan

2. Connected Community PDA:

For an area to be designated as a Connected-Community PDA, the entire area must be within 0.5 mile of a bus stop with peak service of 30 minutes or less and is beyond 0.5 mile of transit service that meets the “high quality transit” criteria as defined above for Transit-Rich PDAs; and meets at least one of the following:

- At least 50% of the area is defined as a High Resource or Highest Resource on the most recent Opportunity Map adopted by the California Department of Housing and Community Development.
- At least 2 policies have been adopted to reduce Vehicle Miles Traveled, such as prioritization of bicycle and pedestrian planning projects.

It is important to note here that according to [MTC’s PDA Eligible Areas Map \(2023\)](#), Piedmont has both Connected Community and Transit-Rich areas. All PDAs must meet the following criteria: nominated by a local government with land use authority; infill location is fully contained within an existing urban area; the plan for significant housing growth and/or housing and employment growth is reflected by the local jurisdiction’s general plan or zoning ordinance and must be completed by December 31, 2025; and area been identified as a Transit-Rich or Connected Community. The application for PDA requires the City to provide an estimated housing/dwelling units planned for the coming years. This estimated housing/dwelling unit number can be based upon numbers in most recently adopted plan, such as the HE or specific plan.

The MTC funds planning for Connected Community PDAs and prioritizes discretionary funds for transportation infrastructure projects to support growth in these areas through the One Bay Area Grant (OBAG) program. The OBAG program is designed to reward jurisdictions that accept housing allocations through the Regional Housing Need Allocation process. The program grants local communities the flexibility to invest in transportation infrastructure that supports infill development by providing funds for bicycle and pedestrian improvements, local road repair and planning activities, while also providing funds for Safe Routes to School programs and for Priority Conservation Areas.

Priority Sites

Approved by MTC and ABAG in March 2023, the new Priority Sites program will establish a pipeline of regionally significant, locally nominated sites that are close to transit and services and are planned for mixed-income and affordable housing. Examples of potential Priority Sites include surplus public parcels, aging shopping centers included in Housing Element updates, and rail station parking lots. Priority Sites may be inside an existing PDA, or part of an expanded or new PDA nominated during the 2023 application window.

Priority Sites embody the Plan Bay Area principles, which are: affordable to the entire regional community; connected to regional jobs, cultural hubs, and other destinations by public transit and to local destinations by complete streets; diverse culture of longtime residents and welcoming new communities; healthy places with ample green space; and vibrant hubs for demonstrating and scaling up innovative building technology.

In the subsequent sections staff will discuss nominating two sites for PDAs and one of those PDA nominated sites for Priority Site.

DISCUSSION:

Staff proposes the City Council designate two PDAs and one Priority Site. The details of the sites are included below.

PDA Site 1: Moraga Canyon Specific Plan Area Site

The proposed site is approximately 22.62 acres and falls mostly within the Connected Community (within high resource area) area designation per the [MTC's PDA Eligible Areas Map \(2023\)](#). The north-eastern corner of the site falls outside Connected Community designation, but MTC staff has confirmed that only 50% of the site must be within MTC's PDA Eligible Area in order for it to be eligible as a PDA. Exhibit A, agenda report page 12 displays the boundaries of the site. The site is City-owned and includes the parcels that currently house the Corporation Yard, Kennelley Skatepark, Coaches Field and Blair Park.

Designating this site as a PDA aligns with the goals and implementation tasks outlined in the recently adopted 6th cycle Housing Element (HE). In the HE, this site is proposed for 132 housing units at all income levels while continuing existing recreational and Public Works Department uses and services; thus, supporting increased density.

PDA Site 2: Mixed-Use Commercial/Multi-Family and Multi-Family Residential Parcels on Grand and Linda Avenues

The proposed site is approximately 5.47 acres and falls entirely within the Transit-Rich area designation per the [MTC's PDA Eligible Areas Map \(2023\)](#). Exhibit B, agenda report page 13 displays the boundaries of the site. The site is within zones C and D and consists of 28 privately-owned parcels that include uses such as a gas station, retail stores, dental and other offices, single-family houses, and multi-family developments.

The recently adopted HE identifies maximum allowed densities used in the site inventory analysis, in dwelling units per acre (du/ac), for zones that allow residential uses. The site area identified for PDA Site 2 is zoned as Zone C: Multi-Family Residential and Zone D: Commercial/Mixed Use Residential. Referencing the densities listed in the adopted HE and including all the parcels in Exhibit B, the PDA Site 2 has a capacity to accommodate a maximum of 272 housing units. Additional units may be allowed in Zone D if a development proposes a commercial use on the ground/main level.

Priority Site 1: Moraga Canyon Specific Plan Area Site

This section discusses the criteria to nominate a Priority Site. If a site meets the three criteria laid out below, the City can nominate the site as a Priority Site.

1. The applicant (who nominates) is either a local jurisdiction or a project sponsor for an entitled development project on site.
2. The site meets one of the development capacity criteria:
 - Regionally significant capacity for 500 or more homes.
 - Community anchor capacity for 100+homes and 10000+ square feet or more of civic, cultural or community facilities
 - Public sites portfolio where multiple parcels with cumulative capacity for 200+ homes are being planned in concert.
3. Is located within a Plan Bay Area 2050 Growth Geography or is Transit Priority Area. Plan Bay Area Growth Geography includes all existing and new PDAs.

Considering the criteria above, staff has determined that PDA Site 1, Moraga Canyon Specific Plan Area, can be nominated as a Priority Site. The site and its planned programs meet the Community Anchor development capacity, and the site is located within the Plan Bay Area 2050 Growth Geography (in Piedmont's case, a PDA site nominated by the City).

Other Eligibility Criteria

To be eligible for any funding, a HE must be “certified” by HCD before December 31, 2023. Other eligibility criteria for funding may include development of a Transit Oriented Communities (TOC) Policy and guidelines for Piedmont. Transit-oriented communities enable people to access and use transit more often for more types of trips by centering housing, jobs, services, and shopping around public transit. They are places where people of all ages, abilities, income levels, and racial and ethnic backgrounds can live, work, and thrive. MTC's TOC Policy is a piece of Plan Bay Area 2050 for transportation, housing, the economy and the environment. TOC supports two high-impact Plan Bay Area 2050 strategies that will help the region reach ambitious targets for reducing greenhouse gas emissions allowing: i) a greater mix of housing densities and types, and ii) greater commercial densities. According to the [MTC/ABAG TOC map](#), there is no area in Piedmont where TOC Policy requirements would apply as no part of the City is within 0.5 mile of a fixed guideway transit stop. However, the City could choose to opt-in and voluntarily meet the requirements in the areas served by a regular fixed-route bus service.

COMPLIANCE WITH GENERAL PLAN POLICIES:

If successfully funded by the OBAG or other funding programs, implementation of projects on these sites shall be consistent with the City of Piedmont General Plan and the recently adopted 6th cycle HE policies that call for the City to maintain adequate number of sites and opportunities for housing development, allow residential uses in all of Piedmont's zoning districts, participate in state and federal housing assistance programs, allow density bonuses, and promote housing for all persons regardless of race, religion, ethnic background or other arbitrary factors.

FISCAL CONSIDERATIONS:

There is no cost to nominate a site as a PDA or Priority Site. PDA sites are generally eligible for OBAG grants and grants for capital projects such as implementing complete streets policy improvements and bicycle-pedestrian projects, within the nominated site area. These grants can be competitive, and the level of competition varies depending on the funding source and cycle. Some grants may require a jurisdiction to provide matching funds, whereas some planning grants may instead require a time commitment on the City's part. A reimbursement for work completed prior to a grant application is not available, but the City is able to seek funding for work not yet completed.

PDA's

Currently there is no information on funding availability for 2023-2024 or future cycles. However, below is a brief description of grants awarded in previous years. In the past, local governments with land use authority over a PDA were allowed to apply for up to two grants.

Funding History: In the 2022-2023 funding cycle, funding was available for three types of planning activities:

1. *Plans*: A Specific, Precise or similar plan was eligible to receive a maximum grant award of 1.2 million.
2. *Plan amendments*: Amendments to an adopted plan, including amending one or more sections or adding one or more sections to address an emerging issue that is critical to the plan area, were eligible to receive a maximum grant award of \$600,000.
3. *Plan Implementation*: Technical assistance to develop and adopt policies or programs that facilitate the implementation of an adopted plan, was eligible to receive a maximum grant award of \$200,000.

In May 2021, MTC approved \$6.7 million in planning grants to local governments as part of OBAG program (OBAG2). Linked is the [MTC 2021 resolution](#) showing the city wise rewarded grant amount.

Priority Sites Pilot Funding

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. To be eligible for funding, projects must be located within a nominated Priority Site. Potential eligible project sponsors include a public agency that owns land on which a project will be built and developers with an entitled development project with at least 100 new housing units. MTC has released [draft Priority Sites Pilot Term Sheet and Underwriting Guidelines](#) approved by BAHFA Board for additional details.

NEXT STEPS:

As stated in the report, there are benefits in nominating sites in Piedmont as a PDA and Priority Site, including but not limited to: receiving funding assistance to implement the programs and policies listed in the HE and within nominated site boundaries, receiving funding to make amendments to HE (if needed) or Moraga Canyon Specific Area Plan (if needed) and within

nominated site boundaries, and receiving predevelopment financing for affordable housing developers to develop the Moraga Canyon Specific Area Plan. Staff will prepare applications nominating the sites and subsequently submitting them before their respective deadlines. MTC/ABAG staff will conduct review of the applications on a rolling basis and will follow-up with nomination decision of sites shortly after. City staff will study the TOC Policy and requirements to understand the implications of adopting and implementing such a policy for the City, including analyzing any existing planning, zoning, and policy changes. Finally, the City will continue to monitor for OBAG and other funding opportunities that assist in plan implementations focused within the nominated sites.

By: Gopika Nair, Associate Planner
 Kevin Jackson, Director of Planning and Building

ATTACHMENTS:

<u>Pages</u>	
8-9	Resolution nominating two PDA sites
10-11	Resolution nominating one Priority Site
12	Exhibit A- PDA Site 1
13	Exhibit B- PDA Site 2

RESOLUTION No. _____

RESOLUTION TO NOMINATE MORAGA CANYON SPECIFIC STUDY AREA AND PORTIONS OF GRAND AVENUE AND LINDA AVENUE TO THE ASSOCIATION OF BAY AREA GOVERNMENTS AND METROPOLITON 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.

[END OF RESOLUTION]

RESOLUTION No. _____

**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.

[END OF RESOLUTION]

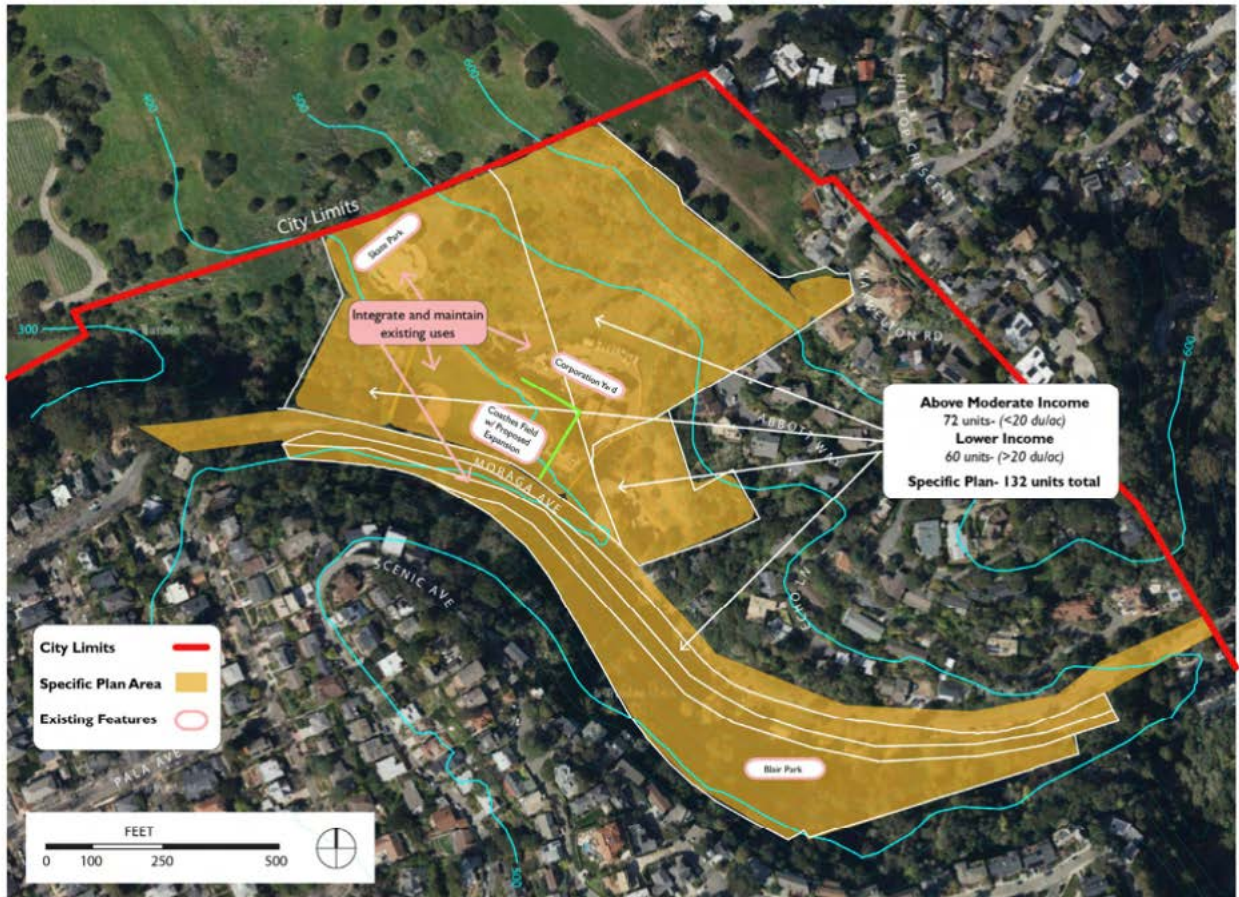
Figure B-1: Preliminary Conceptual Plan for Development on City-owned Property (Specific Plan)

Exhibit B

