

Office of the City Manager

June 28, 2011

Mr. Ezra Rapport, Executive Director  
Association of Bay Area Governments  
101 Eighth Street  
Oakland, CA 94607

Mr. Steve Heminger, Executive Director  
Metropolitan Transportation Commission  
101 Eighth Street  
Oakland, CA 94607

**RE: City of Berkeley Response to SB 375 Initial Vision Scenario**

Dear Mr. Rapport and Mr. Heminger:

Thank you for the opportunity to review the Initial Vision Scenario (IVS), the first step in the process of developing a Sustainable Communities Strategy (SCS) for the Bay Area as required by SB 375. As MTC/ABAG have set forth in various communications, the goal of the SCS is to guide the growth of the Bay Area in a manner that is environmentally and economically sustainable and equitable.

The City of Berkeley has long supported that over-arching goal. We have been a long-time leader in encouraging and implementing the transit-oriented development pattern that is essential to achieving that goal. Our Climate Action Plan specifically identifies the importance of transit-oriented development (TOD) and minimizing vehicle miles traveled as key strategies to reduce greenhouse gases (GHG), consistent with AB 32 and SB 375.

The City of Berkeley has also identified in our relatively small community six "Priority Development Areas" (PDAs) designed to encourage compact patterns of housing development near transit. We are also completing revisions to the zoning of our West Berkeley district that will enable it to accommodate jobs within easy reach of Berkeley residents.

Our comments should therefore be seen in the context of our strong support for the underlying goal of the process: to develop a more sustainable Bay Area.

## **Overall Approach**

**Transparency.** We appreciate that ABAG/MTC are operating under a very tight timeline to undertake an extraordinarily complex project: create a new strategy for development of the Bay Area. While the timeframe for development of the SCS and the decision to prepare an early Initial Vision Scenario has not allowed for a fully inclusive process, speed should not be the enemy of transparency. What seems to be consistently missing in this initial scenario is adequate disclosure of the methodologies and assumptions used in distributing residential growth and assigning employment. That lack makes it difficult to objectively evaluate the credibility of the “what” (proposed allocations) since we don’t know “how” these decisions were arrived at.

**Integration.** A less-than-fully-disclosed methodology makes it especially difficult to evaluate the interrelationships of housing, jobs, transportation and community services. For example, we know that employment location determines transportation patterns at least as much if not more than housing location; we also know that both jobs and housing should be most strongly encouraged in locations that are best served by transit, bicycling and walking. The IVS is not very helpful in showing us how best to employ this integrated approach.

The IVS affirms that significant GHG reduction will come from reducing vehicle miles traveled (VMT), and further states: “In order to reduce VMT, the fundamental land-use strategy is to encourage more people to live near work, use transit and to develop more ‘complete communities’ where people can rely less on automobiles to address daily needs. The goal is the correct one.

It is therefore disappointing that the term “complete communities” is not more fully defined and emphasized as a strategy and that no alternative integrating strategy is proposed instead. We hope this lack can be remedied in the future iterations.

**Priority Development Areas.** The IVS chose to focus growth in PDAs that had been identified by local jurisdictions. In order to maximize the opportunity for growth in PDAs and Growth Opportunity Areas (GOAs), the fundamental “operating assumption” of the IVS was that “all issues that prevent growth from occurring in the urbanized core are substantially resolved, including adequate public infrastructure, appropriate management of hazards and risks, sufficient transit headways, redevelopment and affordable housing funding, quality schools, fiscal solvency, and the removal of market barriers to private development.” (Bay Area Plan, Initial Vision Scenario for Public Discussion, March 11, 2011).

Even recognizing that the current scenario is “unconstrained” by financial or political realities, it is unclear how comprehensively ABAG/MTC also considered other infill areas in the region that have the potential to accommodate growth, even though not formally identified as PDAs or GOAs. For example, there are commercial corridors in this region that do not currently have adequate transit but have significant potential for increased intensity of development. That historical lack, even when it is the product of deliberate policy decisions, should not necessarily narrow the potential locations appropriate for infill growth in this region when considering a scenario unconstrained by resources.

**City of Berkeley**

As noted above, Berkeley has identified six PDAs. All are well-served by transit and both the City’s General Plan and its Climate Action Plan support locating most future housing development in those areas. At the time the PDAs were identified, it was our expectation that the key reason for identifying PDAs was to focus regional investment in those areas to encourage appropriate growth. The City has been successful in obtaining grants for our Downtown as a result of its designation as a PDA.

**Housing.** The IVS projects the following housing growth for the City of Berkeley:

IVS Dwelling Units, 2010 – 2035

	<b>2010</b>	<b>2035</b>	<b>Change</b>
Berkeley – total	46,146	61,876	15,730
Downtown	1,894	6,772	4,878
Adeline	465	1,342	877
San Pablo Ave	798	4,081	3,283
South Shattuck	21	372	351
Telegraph Ave	444	1,816	1,372
University Avenue	987	3,120	2,132
Non-PDA			2,837

The “unconstrained” IVS assigns **629 units per year** to the City of Berkeley over 25 years. With the exception of Downtown, the City has done little or no analysis of holding-capacity for our PDAs and cannot affirm or deny whether they can feasibly contain the increased numbers suggested for them over the 25-year time frame. What we do know is that between 2000 and 2007, during the peak of the housing boom in Berkeley, the City added approximately 160 units per year – about a quarter of the proposed new rate of growth. Furthermore, any assignment of new units must take into account the addition of group housing accommodations related to the University of California.

The comments below were made in response to the near doubling of the 2007 Regional Housing Needs Assessment (RHNA) allocation to the City of Berkeley from roughly 181 units per year (2000 – 2007) to 347 (2007 – 2014).

*Even if we were to assume that we could maintain the pace of the past few years – an unlikely scenario given the downturn in the market – we would still fall far short of meeting the allocation provided. We believe this is a market issue, not necessarily a regulatory one. Assembling and building new housing in built-up communities is a time-consuming, expensive process and leads to product types that are less tested in the market place than lower-intensity more traditional development types. While planners may agree, from a sustainability point of view, that it is better to go up than out, it is the market that largely decides what gets built and when. There is little evidence that the market can and will build the housing that would be expected under the draft ABAG allocations.*

**Market Constraints and Incentives.** Achieving a significant increase in growth in Berkeley requires overcoming the market constraints that place infill development at a disadvantage in relation to suburban growth. This is not just a matter of leveling the playing field between greenfield and infill development, but of heavily tilting the playing field to actively encourage the infill development market. This means investing many millions of dollars in Berkeley alone to remove the barriers to infill that currently exist. We need investment in:

- Plans that clearly set forth development parameters and EIR to allow projects to proceed with minimum up-front effort and maximum certainty;
- Infrastructure to address existing deficiencies;
- Amenities that will make sites appealing for investment and create more livable and attractive neighborhoods, thereby encouraging existing residents to accept new higher density development; and
- Transit, bicycle and pedestrian improvements to ensure capacity and improve convenience, reliability and safety.

To the degree that transportation funding remains one of the few available sources of funding to promote transit-oriented development, the purposes and priorities of transportation funding should be reconsidered.

One of the early investments that must be made in PDAs to make them more attractive for development is planning. If we begin planning now, at a time of relatively low development activity, the City can be in a position to apply for the infrastructure, transit-improvement and other grants that have the potential to jump-start infill development in those PDAs when development activity picks up.

With appropriate investment, jurisdictions like Berkeley can increase the levels of development in transit-served locations. However, it is highly unrealistic to think that Berkeley can accommodate 629 units per year in any achievable investment scenario. The IVS also assumes that in addition to unrealistically high levels of growth in the PDAs, the City will accommodate almost 113 units per year in non-PDA locations. The City of Berkeley has placed into PDAs almost all of the locations in the City with significant potential for growth – with a few relatively small exceptions. What is left are existing neighborhoods where the City's residential growth has been only a few units per year; and areas such as West Berkeley where a "complete communities" approach might allow developments that include both jobs and housing on single mixed use (residential, commercial, industrial) sites.

To the degree that the level of growth set forth in the IVS would need to occur in existing residential neighborhoods, it would require significant rezoning, and that is very unlikely to happen under any foreseeable circumstance in Berkeley.

**Employment.** The IVS assumes that the number of jobs in Berkeley will not return to pre-recession levels until 2035. According to ABAG estimates, Berkeley had 78,320 jobs in 2000. By 2010, this number had dropped to 69,782. According to the IVS, the City will have 78,575 jobs in 2035 – or about the same number of jobs it had in 2000. Based on the long history of steady employment growth in Berkeley, the idea that this City will take 25 years to recover from the current recession seems unrealistic.

As a primary example of our expectations, revisions to the zoning of our West Berkeley district are expected to attract new businesses that will potentially provide thousands of new jobs before 2035 – most of which will be within a quarter mile of one of our major transit corridors. When new jobs in West Berkeley are added to the normal recovery and growth in the economy, we can fairly confidently project significant employment growth beyond previous peak levels.

We find the prospect of expected job growth is a more realistic assumption for Berkeley than the current disconnected presumption in the IVS that growth in Berkeley will involve significant growth in infill housing without any net additional employment. Once again, it is the interrelationship of jobs, housing and transportation that we should be planning for, not just “allocations” in isolation from integrating strategies such as “complete communities.” The SCS outcome should provide specific guidance.

### **Regional Strategies**

Almost all of the PDAs in Berkeley – and perhaps the majority in the region – are along or part of major regional transit corridors. In Berkeley, these are San Pablo Avenue, Telegraph Avenue, Shattuck Avenue and Adeline. University Avenue, often perceived as an extension of other corridors, connects an Amtrak Station, and eventually a San Francisco-Berkeley ferry, to a major regional destination (University of California). Each of these corridors crosses jurisdictional boundaries and serves multiple destinations.

In our view, the successful development of PDAs in Berkeley is dependent on enhancing local PDAs through investment in infrastructure and amenities and, equally importantly, on enhancing the corridor on a regional basis. For example, the Great Boulevard concept being promoted all along El Camino in San Mateo County provides one model of how to promote a larger vision for a major corridor.

We therefore urge that both ABAG/MTC (for multi-county corridors such as San Pablo) and the Alameda County Transportation Commission (ACTC) consider how best to promote cooperative and coordinated long-range planning for the corridors to maximize the infill development opportunities that are presented by them and ensure that adequate transit is available. This should be an integral part of our regional SCS.

### **Regional Cooperation**

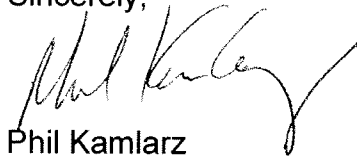
As discussed earlier, one of the keys to making infill development happen in PDAs is the reduction of barriers and uncertainty. In the past few years, rather than those barriers being addressed in a concerted and coordinated manner by the various regional and state regulatory agencies, the demands placed on both existing jurisdictions and developers in relation to infill sites have increased. While each new requirement is directed at achieving important public policy goals, the cumulative impact is to make infill development an ever more complex and uncertain proposition. If we are to come close to meeting our housing needs with infill development, the state and regional agencies charged with protecting the environment must not only establish appropriate requirements, but deliver tools and the funding to ensure those requirements do not add a further burden to infill development.

In conclusion, we recommend that ABAG/MTC:

- be more transparent in how it is allocating growth;
- consider pushing the envelope further in non-PDA infill areas that have the potential to accommodate growth; lower allocations should not be a reward for lack of historical commitment to infill growth;
- complete the other half of the vision scenario - greatly expand the discussion of how jobs and housing are related to each other and to transportation options, and place the "key strategy" of complete communities much more vividly at the center;
- arrive at more market-realistic estimates of growth for PDAs for the urbanized cities such as Berkeley;
- integrate UC-related group housing production into any housing needs considerations;
- acknowledge as a constraint in future scenarios the difficulty of funding the planning that is necessary to make PDAs attractive development sites and suggest potentially viable remedies;
- promote cooperative multi-jurisdictional planning and development strategies for major transit corridors;
- work with regional partners to ensure that regulatory agencies are not undermining infill development with new costly requirements that stymie the vision you are trying to set forth.

Thank you for the opportunity to comment.

Sincerely,



Phil Kamlarz  
City Manager

cc: Mayor and City Councilmembers  
Christine Daniel, Deputy City Manager  
Wendy Cosin, Acting Director of Planning and Development