



December 7, 2017  
TAC Agenda Item 7.5  
Continued From: New

**Action Requested: INFORMATION**

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## NAPA VALLEY TRANSPORTATION AUTHORITY TAC Agenda Letter

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**TO:** Technical Advisory Committee (TAC)  
**FROM** Kate Miller, Executive Director  
**REPORT BY:** Danielle Schmitz, Director – Programs, Projects & Planning  
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**SUBJECT:** Regional Transportation Improvement Program Compromise Approved  
by Metropolitan Transportation Commission on October 25, 2017

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### **RECOMMENDATION**

Information Only

### **EXECUTIVE SUMMARY**

The STIP is a multi-year capital improvement program comprised of transportation projects on and off the State Highway System, funded with revenues from the State Highway Account and other funding sources. The STIP is composed of two sub-elements: the Regional Transportation Improvement Program (RTIP) and the Interregional Transportation Improvement Program (ITIP). The Metropolitan Transportation Commission, as the Regional Transportation Planning Agency for the Bay Area, is responsible for conducting the RTIP Call for Projects. On October 25, 2017 MTC adopted the 2018 RTIP guidelines including a new compromise proposal to include housing requirements in the RTIP guidelines. None of NVRTA's 2018 RTIP projects are affected by this proposal, however, the new policy rewards the jurisdiction from each county with the most very low, low and moderate income housing production using \$76 million in STIP funds. How those funds will be distributed is still under discussion.

### **PROCEDURAL REQUIREMENTS**

1. Staff Report
2. Public Comment
3. Discussion

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**FISCAL IMPACT**

Is there a Fiscal Impact?      No

**CEQA REQUIREMENTS**

**ENVIRONMENTAL DETERMINATION:** The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State California Environmental Quality Act (CEQA) Guidelines) and therefore CEQA is not applicable.

**BACKGROUND AND DISCUSSION**

The Metropolitan Transportation Commission is responsible for developing the RTIP guidelines to ensure consistency with the region's Regional Transportation Plan. A key component of the RTP/SCS is that the plan demonstrate how the region can house 100% of the region's projected growth at all income levels. In recent decades, the Bay Area has not produced sufficient housing to accommodate the region's population growth, particularly low and moderate income households.

During the drafting of the 2018 RTIP guidelines MTC received major pushback on including policies that aim to address the region's severe housing production shortfall in the program. MTC staff provided a number of different options to the Commission including what MTC staff refer to as the "carrot" and "stick" components of the proposal. The "carrot" rewards local jurisdictions that produce the most housing at very low, low and moderate income levels while the "stick" would condition project eligibility for jurisdictions not meeting a certain threshold of housing permits issued for very low to moderate income levels.

None of the options staff provided were selected at the October 25<sup>th</sup> meeting; instead a Compromise Proposal was approved. The Compromise Proposal is summarized below:

- Augments MTC's "Race to the Top" challenge by including an additional \$46 million in funding for a total of \$76 million dollars to reward the top 15 jurisdictions in producing the most housing between 2015 and 2020. At least one top housing producer will be selected from each of the nine counties. MTC staff will bring a recommendation on how this is achieved by July 1, 2018.
- MTC to report back on how to further develop the 80k by 2020 challenge work in concert with other funding criteria and incentivize housing production across the region.

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- MTC/ABAG will be surveying local jurisdictions on compliance with four housing laws and will report back to the commission by July 1, 2018. The four housing laws are:
    1. The Surplus Land Act
    2. Density Bonus Law (AB 2135)
    3. Accessory Dwelling Unit Streamlining (SB 1069, AB 2299, AB 2406)
    4. State Housing Element Law: status of required rezoning of housing sites identified in local housing elements at appropriate minimum densities.
  - MTC/ABAG staff will develop supplemental housing condition criteria that would cover all fund sources that come through MTC. These conditions would be available for public and stakeholder review by July 2018.
  - MTC/ABAG staff will be working with the CMAs to evaluate the PDA Planning process to identify action steps and constraints for housing production by April 1, 2018.

NVTA will be keeping up-to-date on developments related to the RTIP Compromise and will report back to the TAC on a regular basis.

It should be underscored that this policy only applies to the 2018 STIP. The Commission has further tasked MTC staff to evaluate all its funding sources in context of incentivizing housing production. The 2020 STIP will be a part of those discussions.

### **SUPPORTING DOCUMENTS**

Attachment(s): (1) RTIP Compromise Proposal

**HANDOUT - Agenda Item 7a**

**Compromise Proposal for the RTIP**

1. For the immediate impact on housing production augment the \$30M “race to the top” OBAG housing challenge with \$46M in regional OBAG 2 funds, for a total purse of \$76M that would be divided by the top 15 cities that produce the most housing between 2015 and 2020. Include at least one top city housing producer from each of the nine counties to be included in the top 15. By July 1, 2018, MTC staff will bring a recommendation to the MTC Programming & Allocations Committee defining how these funds are distributed among the 15 cities.
2. Direct MTC/ABAG staff to report back by July 1, 2018 on how to further develop the expanded “80k by 2020” OBAG 2 housing challenge to work in concert with the other funding criteria recommendations to incentivize housing outcomes across the region.
3. Direct MTC/ABAG staff to survey local jurisdictions for compliance with four different state housing laws, and report the results to the Commission by July 1, 2018.
4. Direct MTC/ABAG staff to develop supplemental housing condition criteria that would consider all funding sources by July 1, 2018 for public and stakeholder review. Following such review, staff would present revised criteria to a special Commission workshop, which would deliberate on the matter and recommend funding, legislative, or other actions as appropriate to the Commission for approval.
5. Request MTC Staff work with the nine CMAs to assess the PDA Planning process to identify action steps and constraints for housing production and affordable housing in the PDA’s by April 1, 2018.