C/CAG

CITY/COUNTY ASSOCIATION OF GOVERNMENTS
OF SAN MATEO COUNTY

Atherton • Belmont • Brisbane • Burlingame • Colma • Daly City • East Palo Alto • Foster City • Half Moon Bay • Hillsborough • Menlo Park Millbrae • Pacifica • Portola Valley • Redwood City • San Bruno • San Carlos • San Mateo • San Mateo County • South San Francisco • Woodside

AGENDA

The next meeting of the
Congestion Management & Air Quality Committee
will be as follows.

Date: Monday, November 29, 2004 - 3:00 to 5:00 p.m.
Place: San Mateo City Hall
330 West 20th Avenue, San Mateo, California
Conference Room C (across from Council Chambers)

PLEASE CALL WALTER MARTONE (599-1465) IF YOU ARE UNABLE TO ATTEND.

1.	Public Comment On Items Not On The Agenda	Presentations are limited to 3 minutes.		3:00 p.m. 5 mins.)
	CONSENT AGENDA			
2.	Minutes of September 27, 2004 meeting.	Action (Martone)	Pages 1-5	3:05 p.m. (5 mins)
	REGULAR AGENDA			
3.	Presentation on Preliminary Regional Policies and Incentives to encourage Transit Oriented Development	Presentation (MTC Staff)	Pages 7-17	3:10 p.m. (20 mins)
4.	Recommendation for C/CAG participation in the development of a Countywide Geographic Information System (GIS).	Action (Martone)	Pages 19-20	3:30 p.m. 10 mins
5.	Approval of program for the 2005/06 Transportation Fund for Clean Air (TFCA) San Mateo County Program	Action (Wong)	Pages 21-23	3:40 p.m. (10 mins)
6.	Review & approval of a call for projects for the 3rd cycle Transit Oriented Development Housing Incentive Program	Action (Napier)	Pages 25-29	3:50 p.m. (15 mins)

555 County Center, 5th Floor, Redwood City, CA 94063 PHONE: 650.599.1406 FAX: 650.361.8227

7.	Recommendation for the adoption of a $4 increase in the vehicle registration fee for FY 05-06 to support the mgmt of traffic congestion and stormwater pollution.	Action (Napier)	Pages 31-36	4:05 p.m. (30 mins)
8.	Recommendation to extend the Local Service Projects (shuttle programs) through March 31, 2005 to allow for evaluation of the program.	Action (Martone)	Pages 37-38	4:35 p.m. (10 mins)
9.	Adjournment and establishment of next meeting date.	Action (Townsend)		4:45 p.m.

NOTE: **All items appearing on the agenda are subject to action by the Committee. Actions recommended by staff are subject to change by the Committee.**

The next meeting is tentatively scheduled for December 20, 2004.

Other enclosures/Correspondence
None

CITY/COUNTY ASSOCIATION OF GOVERNMENTS
COMMITTEE ON CONGESTION MANAGEMENT
AND AIR QUALITY (CMAQ)

MINUTES
MEETING OF SEPTEMBER 27, 2004

At 3:02 p.m., the meeting was called to order by Chairman Marland Townsend in Conference Room C of San Mateo City Hall.

Members Attending: Duane Bay, Jim Bigelow, Tom Davids, Linda Larson, Sue Lempert, Arthur Lloyd, Barbara Pierce, Sepi Richardson, Lennie Roberts, Chairman Marland Townsend, and Onnolee Trapp.

Staff/Guests Attending: Walter Martone, Sandy Wong, and Geoffrey Kline (C/CAG Staff - County Public Works), Pat Dixon (Transportation Authority Citizens Advisory Committee), Tom Madalena and Mark Duino (C/CAG Staff – County Planning), Sylvia Gregory (Peninsula Rail 2000), Joseph Hurley (Transportation Authority), Corinne Goodrich (SamTrans), John Draper, John Root, Lory Lawson, Noemi Avram, and Keith Maillard (Leadership 2004), Michael Berube (Berube Co.), and Christine Maley-Grubl (Peninsula Traffic Congestion Relief Alliance).

1. Public comment on items not on the agenda.

- None.

CONSENT AGENDA

2. Minutes of August 30, 2004 meeting.

Motion: To approve the Minutes as presented. Bigelow/Bay, unanimous.

REGULAR AGENDA

3. Presentation on Transit Oriented Development by the Foster City/San Mateo/Hillsborough/Burlingame 2004 Leadership Class.

Noemi Avram and Keith Maillard representing Leadership 2004 made a power point presentation on the results of a study that was conducted by their group on housing Transit Oriented Development (TOD) effectiveness. The Leadership 2004 program was sponsored by the Chambers of Commerce and the Cities of Foster City, San Mateo, Hillsborough, and Burlingame. A summary of the major points from the presentation included:

- There is no single definition of TOD. It means different things to different people – developers, planners, transportation officials, etc.
- The Leadership 2004 group identified four measures of effectiveness to evaluate TOD based on:

- use of transportation (public transit)
- relative change in the use of cars
- use of amenities within the TOD
- motivation to live in a TOD

- The following TOD projects were reviewed – Franklin Street Development in Redwood City, The Crossings in Mountain View, Bayview Meadows in San Mateo.
- The results of the review showed:
  - 65% of the residents of TODs that responded to the surveys and interviews did not use public transit.
  - The balance of the individuals used transit primarily for work and leisure activities.
  - Many of the respondents did not view themselves as living in a TOD.
  - 75% of the respondents commuted within a radius of 15miles from the TOD.
  - 41% felt they were driving the same amount as they did before living in a TOD.
  - An equal number of respondents said they had changed their driving habits.
  - The number and type of amenities and services that were located within the TOD were less important than having these amenities across the street or within close walking distance of the TOD.
  - Those living in the community 5 years or more did not use public transportation. Only the more recent residents.
  - More parking was the number one concern of the respondents, followed by more small businesses, followed by safety, followed by a sense of neighborhood and community.
  - Quality of schools, closeness of shopping and retail services were the primary reasons cited for moving to the TOD. Access to transit was not a motivating factor.
- Conclusions of the study included:
  - The development of TOD should be focused more on types of retail and commercial enterprises that can be located in and near the TOD.
  - In order to make a real impact on travel habits of potential TOD residents, more effort needs to be devoted to the marketing of the benefits using transit for the residents of the TOD and the community in general.
  - The transportation system needs to become more efficient and reliable.

Some of the comments by CMAQ and the audience included:

- Surprised that affordability was not a factor in choosing TOD to live in. It is important that the TOD include a mix of both rental and owned units.
  - The developments that were considered in this Study were not really "affordable." Therefore this issue was not really a factor for the individuals interviewed. Perhaps having TOD that included more "affordable" units would attract a population that would be more likely to ride transit.
- The survey that was administered was responded to by approximately 300 individuals.
- The Bay Meadows Program was not really a TOD, it was more of a transit adjacent project. The Racetrack actually blocks access to the rail station. The new, proposed development on that site will definitely be more of a TOD.

- There is a small apartment building in Burlingame that is not really identified as a TOD, but it meets all of the criteria. Their numbers are outstanding – with 30%-35% of the residents using transit.
- It was hoped that the Franklin Development that included commercial and residential would be a good match between the workers and the affordability of the units. The opposite occurred. The jobs paid low wages and the units were very expensive. Another outcome of this development was to cause the property values of the surrounding area to greatly increase, even though they had been more modestly valued before the development.
- This study seems to validate the fact that it is extremely difficult to change the travel habits of individuals.
- The study shows that 35% of the respondents are using transit. This is actually an extremely positive statistic for TOD. The rate in the Bay Area population in general is less than half that number. In San Mateo County only 3% of all trips and 7% of work trips are by transit. This study shows that TOD is producing five times that rate.
- Both the Bay Meadows and Franklin Street Developments had an affordability component of 10% and 15% respectively.
- It may be more important that the location of the jobs be close to transit than the residence.
- The study showed that there was a high degree of turnover in the residents at these developments. It is important to develop a sense of ownership and community in these developments.
- The turnover rate may have been a factor of the economy and individuals having to relocate in order to secure employment. The TOD may have been a safe place to establish a temporary residence while one is searching for permanent employment.
- The Countywide Transportation Plan shows that the current usage of transit in San Mateo County is 7%-10% and the goal is 20%. Therefore this study shows that TOD has a higher transit usage than the Countywide average.
- The tone of the presentation seemed to indicate that TOD does not work. However the actual data presented shows that TOD actually produces significantly better results than we currently are getting with other transportation programs.

4. Report on the results of the second cycle Transit Oriented Development Program Housing Incentive Program.

Geoff Kline reported on the actual outcomes of the second cycle of C/CAG's TOD Housing program:

- $410,000 was set aside for San Mateo City, $310,000 for San Mateo County, $236,000 for Millbrae, and $529,000 for San Bruno.
- Staff will be developing new guidelines for the third cycle that are consistent with the MTC Guidelines.
- There will be approximately $1.3 million available to fund a second cycle.
- Six projects lost their eligibility because they failed to begin construction on the development within two years of the approval of the allocation.

Motion: To accept the report on the second cycle of the Transit Oriented Development Program Housing Incentive Program and to direct C/CAG staff to prepare recommendations for the third cycle process of the program and provide these recommendations to CMAQ for consideration. Bigelow/Richardson, unanimous.

5. Evaluation of the Measure A Program as part of the monitoring of the Congestion Management Program.

Walter Martone reported:

- This report was requested by C/CAG and CMAQ over a year ago.
- Under the CMP C/CAG is required to review all of the new transportation projects in the County every two years to determine their effectiveness. This includes projects both funded by C/CAG and by other sources.
- Fehr & Peers conducted the review of the Measure A projects and recently completed its report. Staff has not yet analyzed the report and therefore is not commenting on it. However it has been mentioned in the press and therefore staff wanted to call it to the attention of the CMAQ.
- The results of this analysis will be incorporated into the update of the Congestion Management Program for 2005.

A number of CMAQ members noted that the report was well done and very informative. C/CAG staff was requested to send a copy of the report to all of the San Mateo County cities and post on the C/CAG website.

6. Report on State Transportation Funding Issue and approval of Resolution 04-19 encouraging the State to protect the State Transportation Funding Sources.

Walter Martone provided the following report:

- There has been significant press coverage recently about the lack of transportation funding.
- The Bay Area Congestion Management Agencies are attempting to clarify for the public and the press that the lack in funding is not due to any reductions in funds. However it is primarily due to the State and Federal Government taking transportation funds and using them for other purposes.
- Over the most recent five-year period, over $6 billion in transportation funds were taken and used for non-transportation purposes.
- The impact on San Mateo County over that same five-year period was the loss of $98 million.
- Although these funds would still not have fully met the unmet need, it would have made a significant difference in the number of transportation improvements that could have been completed.

Motion: To recommend that C/CAG adopt alternative one as stated in the staff report. Bigelow/Roberts, unanimous.

7. San Francisco – Oakland Bay Bridge Funding Issue.

Walter Martone shared with the CMAQ the MTC proposal for funding the Bay Bridge construction shortfall. This was embodied in AB 2366 introduced by Assemblyman John Dutra. Unfortunately the Legislature adjourned without taking action on AB 2366 or finding another solution. In the mean time an audit was done to determine the source of the cost overruns. Although some of the cost was attributable to the innovative design of the new suspension structure, the majority of the added cost was due to poor original estimates, delays in construction, and the resulting increased costs of materials.

There continues to be debate over whether the State should assume the majority responsibility for the cost of this bridge because it owns the facility and has taken this responsibility for other bridges damaged in earthquakes. A recent analysis however shows that if the State were to pay as much as 50% of this cost overrun, it would not have any funds left for additional transportation projects anywhere in the State for at least the next four years. Therefore it is most likely that some cost sharing arrangement will have to be made between the Bay Area and the State. We are very concerned however, that the State not try to divert money from the recently passed Regional Measure 2 toll increase to pay for the overruns. These funds were approved by the voters and dedicated to specific transportation priorities that should not be postponed (including the Dumbarton Rail extension).

Jim Bigelow pointed out that the current Bay Bridge is not fully anchored to bedrock and that another earthquake could be a disaster bigger than anyone has anticipated.

Sue Lempert indicated that MTC is very reluctant to request another toll increase on top of the one just adopted by the voters. However it is inevitable that it will happen some time in the future. The State has the ability to take away the Regional Measure 2 funds, but MTC and others have so far successfully lobbied to protect these funds. The hope is that because Senator Don Perata is now the Senate Leader and a representative from the Bay Area, and the author of Regional Measure 2, he will be successful in negotiating a deal with the Legislature and the Governor that minimizes the negative impact on Bay Area funds. Some members of the MTC Board are now beginning to openly discuss whether there needs to be reconsideration of the Bridge's design to find a less costly option.

8. Adjournment.

It was decided that there were not sufficient items to warrant having a CMAQ meeting in October. Therefore the next regular meeting was scheduled for November 29th. At 4:30 p.m., the meeting was adjourned.

PRELIMINARY REGIONAL POLICIES AND INCENTIVES TO ENCOURAGE TRANSIT-ORIENTED DEVELOPMENT

I. PURPOSE

The Metropolitan Transportation Commission (MTC) has developed a set of policies to improve the integration of transportation and land use in the Bay Area—including a specific policy to condition the allocation of regional discretionary transit funds under MTC's control, provided by Resolution 3434, on supportive land use policies for station areas and corridors included in the region's transit expansion program. The intent of this regional Transit-Oriented Development (TOD) policy is to improve the cost-effectiveness of regional investments in new transit expansions and to encourage transportation agencies, local jurisdictions, and the private sector to work together to create development patterns that are more supportive of transit.[i] The purpose of this paper is to propose draft performance measures and implementation strategies for the regional TOD policy. It will be widely circulated for public comment, and the proposed performance measures and implementation strategies will be tested through a series of case studies, to be refined and eventually adopted as part of an update to Resolution 3434 in 2005.

II. BACKGROUND

The five regional planning agencies, led by the Association of Bay Area Governments (ABAG), released a Smart Growth Vision for the nine-county Bay Area in 2002 that established a goal of capturing half of all new development over the next two decades around the region's transit hubs and corridors.[ii] In December 2003, the Metropolitan Transportation Commission made a commitment to assist in the implementation of the vision by adopting a Transportation/Land Use Platform.[iii] The platform establishes MTC's overall approach to improving the integration of transportation and land use in the Bay Area, and builds upon MTC's Transportation for Livable Communities (TLC) and Housing Incentive (HIP) programs. One of the key Platform points is to condition the allocation of regional discretionary transit funds under MTC's control, provided by Resolution 3434, on supportive land use measures by local jurisdictions.

MTC's Resolution 3434 provides a funding commitment of $11.7 billion for nearly two dozen new transit expansion projects in the nine-county San Francisco Bay Area (see Attachment A for a complete list of projects). Some of these projects are planned for newly growing areas and others are intended to improve service in the urban portions of the region. These projects encompass a wide range of transit technologies (BART, light rail, ferry, commuter rail, streetcar, and bus rapid transit) and will support a diverse range of places (urban downtowns, suburban centers, residential neighborhoods, and park-and-ride stops).

III. Existing MTC Policy

The Commission's Transportation/Land-Use Platform calls for a stronger linkage between transportation and land use planning in the Bay Area. As a key element of the platform, the Commission took a further step to condition the award of regional discretionary transit funding on supportive local land use policies. The policy states that the Commission will:

- *Encourage changes to local general plans that support Transit Oriented Development for Resolution 3434 investments.*
- *Promote development of land uses adjacent to major transit extensions to support ridership markets that will make these investments economically feasible.*
- *Condition the award of regional discretionary funds under MTC's control for Resolution 3434 expansion projects on the demonstration by local government that plans are in place supporting some level of increased housing/employment/mixed use density around transit stations.*

This paper defines how the above policy to condition transit funding on supportive land use could be implemented. It is based on extensive work undertaken as part of the ongoing Transit-Oriented Development study conducted by MTC in partnership with the Association of Bay Area Governments. It is also an attempt to build on and support two other existing policies for linking supportive land use with transit investments—BART's system expansion policy and FTA's New Starts process for federally funded transit expansions.[iv]

There are three key elements of the regional TOD policy as proposed: (a) utilize a simple performance measure to quantify appropriate minimum levels of development around transit stations to support cost-effective transit investment decisions; (b) provide financial assistance for the development of local station area plans for transit stations subject to the regional TOD policy; and (c) establish a transparent implementation process that defines expectations, timelines, roles and responsibilities for key stages of the transit project development process.

IV. Corridor Performance Measures

The goal of transit-oriented development is to maximize the number of potential transit riders that live and work within walking distance of transit stations. A key part of the implementation of this regional TOD policy is to establish a quantitative performance measure that can be applied to regional transit investments under Resolution 3434. MTC and the TOD Study consultant—the Center for Transit-Oriented Development—spent several months developing a set of alternative performance measures and vetting them through a variety of stakeholders including local transportation agencies, city planning staff, private

developers, non-profit housing providers, community organizations and other industry experts.

These initial performance measures included: (1) a proposal to establish a threshold for a minimum percentage of riders that walk to the transit stations as a proxy for surrounding transit-oriented development; (2) a proposal to measure population and jobs along the proposed transit corridor; and (3) a proposed point system that would evaluate population, employment, urban design standards, and other supportive local policies to promote TOD. The first and third measures have since been eliminated due to a variety of concerns. Forecasting walk access to future transit stations was seen as too burdensome for transit agencies and local governments since it is not a traditional measure and could easily prove to be unreliable. The point system was discarded due to concerns around the subjectivity and the complexity involved in the proposed evaluation process.

Two options for performance measures are presented here—Option 1 is based on population, while Option 2 is based on both population and jobs. Option 1 would establish a threshold for minimum levels of population in the areas immediately around transit stations along a proposed corridor, based on studies that conclude that people who live within a close walk of a transit station are far more likely to ride transit.[v] Option 2 would include both population and jobs, based on the additional findings that commuters whose jobs are close to transit are more likely to commute on transit. Either one of these options would set threshold levels—of population or a combination of population and jobs—for a corridor under consideration, tailored to the type of transit being proposed and based on both existing land use patterns and future land use plans. How targets are distributed along the corridor, and how the targets are distributed within the proximity of each station – e.g. by housing type, employment type and density—would be determined collaboratively by the affected local jurisdictions in each corridor.

It is essential to note that developing vibrant transit villages and quality transit-oriented development throughout the region—and building places that people will want to live, work, shop and spend time in—will not be solved through housing or population alone. Parks, shops, neighborhood services, street design, block size, parking policies and design features that enhance community character are all critical elements of creating successful transit-oriented developments. MTC believes that these are issues that are best addressed on a station-by-station basis as part of the proposed Station Area Plan process (see below for more details).

Both corridor performance measures presented below are based on higher thresholds for transit systems that are costlier to build but also serve as better attractors for transit-oriented development. Thus higher population thresholds will be proposed for BART expansions, and lower thresholds for commuter rail and ferry terminals. As the policy is proposed, there would be no population threshold test applied to any express bus or enhanced bus projects as part of Resolution 3434.[vi]

OPTION 1: AVERAGE POPULATION PER SQUARE MILE RESIDENTIAL ONLY				
	BART	Light Rail	Bus Rapid Transit	Commuter Rail/Ferry
Population Per Square Mile				
Population per square mile is an average per station based on planned residential population within a half mile of all new stations.				

OPTION 2: AVERAGE POPULATION PER SQUARE MILE RESIDENTIAL PLUS EMPLOYMENT				
	BART	Light Rail	Bus Rapid Transit	Commuter Rail/Ferry
Population+Jobs Per Square Mile				
Population per square mile is an average per station based on planned residential and employment population within a half mile of all new stations.				

V. Regional Support: Station Area Plans & TLC

MTC is in the process of developing a Station Area Planning Program to assist local governments and transit agencies in the development of these station area plans. As part of the implementation of the regional TOD policy, each proposed transit project seeking funding through Resolution 3434 must develop a station

area plan—funded by MTC as part of the Station Area Planning Program—for each proposed station.[vii] Station Area Plans should, at a minimum, define both the land use plan for the area as well as the policies—
zoning, design standards, parking policies, etc.—for implementation.[viii] The plans should also include the following elements:

- Market assessment of the timing and viability of various proposed land uses;
- Transit ridership estimates and estimates of patrons walking from the station area to the station itself;
- Station access and circulation plans for motorized, non motorized and transit access;
- Urban Design standards, such as block size, "build to" lines, streetscape and sidewalk standards, particularly those that will promote the livability and walkability of the station area;
- TOD-related parking standards for each land use, along with provision for shared parking;
- A financial plan for identification of public infrastructure required and needed revenue tools such as tax increment financing, parking revenues or parking districts and assessment districts;
- Implementation plan for the station area plan that addresses how development proposals should be evaluated based on their consistency with the station area plan. Definition of a process for how the local jurisdiction will deal with project proposals that do not meet or contribute to the standards, criteria and expectations established in the local Station Area Plans.

It is also envisioned that TLC capital project funding, as well as funds available under MTC's Housing Incentive Program (HIP), would provide additional financial incentives to carry out projects identified in the Station Area Plans.

VI. Proposed Implementation Process

Transit-oriented development involves the implementation of both transit projects and land use decisions, which have traditionally been developed in different policy arenas and on separate schedules. Major transit projects typically involve the following major steps: (1) Alternatives Analysis/Environmental review, (2) Preliminary Engineering, (3) Final Design/Right of Way, and (4) Construction. Land use development decisions relating to transit stations typically involve the major steps of general plan amendments, station area plans, zoning amendments, and permitting. In both cases some of these steps may be conducted concurrently or in a slightly different order.

In order to implement the regional TOD policy, it is proposed that a more coordinated process be developed for linking Resolution 3434 transit projects with supportive land use policies as shown in the accompanying flowchart and table. The flowchart focuses on MTC's process – particularly two threshold tests: 1) Plans are developed that meet the test after the EIR, and 2) Plans are adopted and in place before construction. The table provides more information regarding

concurrent activities by different agencies. Note that while the typical proposed implementation process is described here, the exact implementation steps would need to be addressed for individual Resolution 3434 projects to correspond to specific situations.

Each of the major transit extensions subject to this process will need to convene a Corridor Working Group—many already have a working group that may be adjusted to take on the role of addressing supportive land use policies. The Corridor Working Group should be coordinated by the relevant county congestion management agency (CMA), and will need to include the sponsoring transit agency, the local jurisdictions in the corridor, ABAG, MTC, and other parties as appropriate.

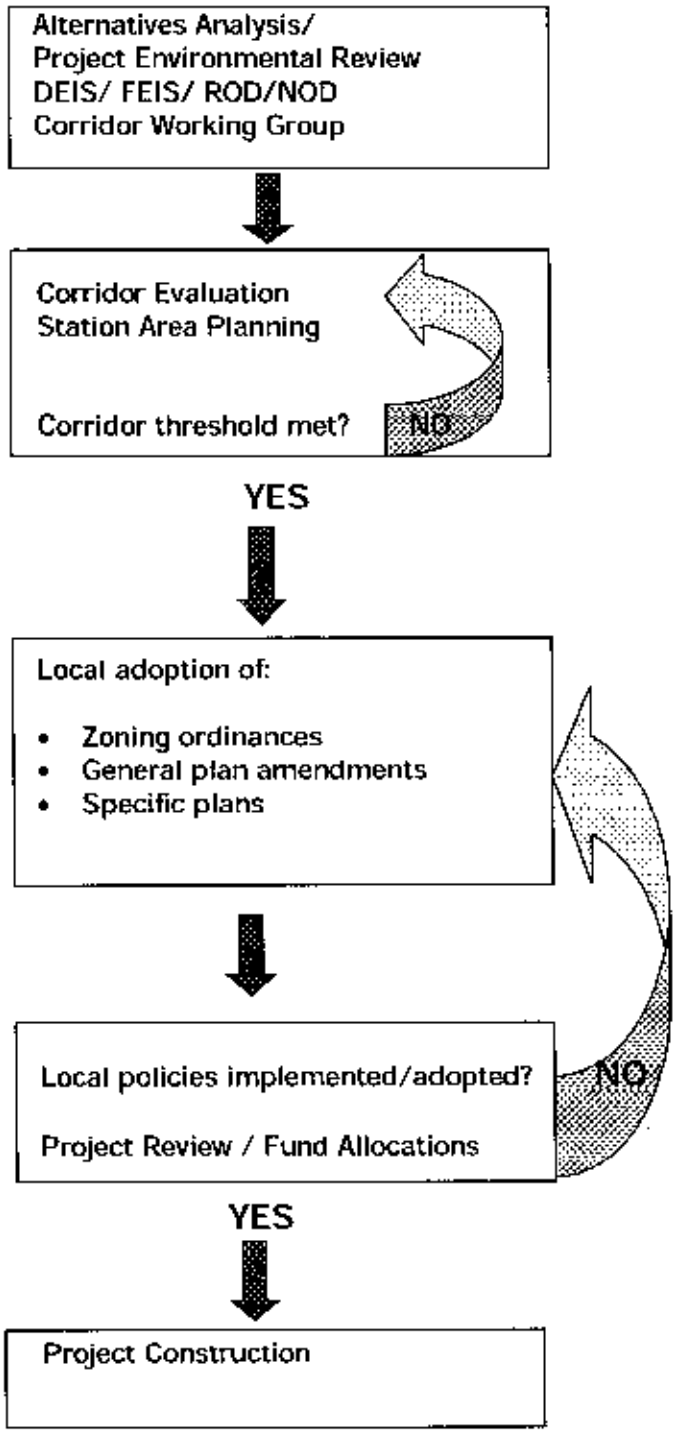
The Corridor Working Group must assess whether the planned level of development—the level of local development planned around each of the stations and summed for the entire transit extension in the corridor—satisfies the corridor threshold as defined for the mode. The Corridor Working Group should also address how to distribute target levels of development among individual stations. MTC will assist in the development and funding of Station Area Plans for transit stations under Resolution 3434.

One key purpose of the Corridor Working Group is to connect the development of station area planning with the development of the transit project—creating transit stations that strengthen local communities and promoting local development patterns that effectively support the transit system. The Corridor Working Group will continue with corridor evaluation and station area planning until the corridor threshold is met and supporting Station Area Plans are adopted.

The next step of the process involves the adoption of local policies to enable and facilitate the implementation of the Station Area Plans. The Corridor Working Group should monitor the development of station area plans and to assess whether the corridor will meet the corridor population threshold for the defined transit mode. At this point MTC project review can occur, with the subsequent fund allocation for project construction. MTC can then further assist in the implementation of the Station Area Plans through TLC and HIP grants.

As noted at the beginning of section, the intention here is to describe a proposed "typical" or "model" implementation process—the exact implementation steps need to be addressed for individual Resolution 3434 projects to correspond to specific situations. The Resolution 3434 Transit Expansion Projects are included as Attachment A—note that the application of these thresholds to the individual projects will be subject to subsequent discussion with sponsors that assess the development stage of the project, the type of project, and the role of regional discretionary funds.

TOD Policy Implementation Process for Res. 3434 Projects



REGIONAL TOD IMPLEMENTATION PROCESS RESOLUTION 3434 TRANSIT EXPANSION PROJECTS		
Transit Project Stage / Transit Agency[ix]	City	MTC/CMA/ABAG
Establish Corridor Working Group to address corridor threshold Conduct initial corridor performance evaluation, coordinate station area planning		
Environmental review	Conduct Station Area Plans	Coordination of corridor working group, funding of station area plans
Step 1 Threshold: (a) corridor must have plans that meet corridor development thresholds; and (b) Station Area Plans must be completed. Transit project continues with planning effort (meeting corridor threshold for mode or reconsidering mode) until threshold is met.		
Preliminary Engineering /Final Design/ROW	Adopt Station Area Plans. Revise general plan policies and zoning, environmental reviews	
Step 2 Threshold: (a) local policies adopted for station areas; (b) implementation mechanisms in place per adopted Station Area Plan.[x]		
Construction	Implementation (financing, MOUs) Solicit development	TLC planning and capital funding, HIP funding

VII. KEY QUESTIONS FOR THE REGIONAL TOD POLICY

This paper defines how MTC's policy to condition transit funding on supportive land use could be implemented. It is intended to define a set of policy proposals with enough specificity to allow useful discussion and debate, while allowing enough flexibility for meaningful feedback and input over the coming months. In addition to "testing" the performance measure options and implementation process through a series of TOD case studies between now and Spring 2005, there are also a number of major policy questions that must be answered before the final policy is adopted. These include:

- *Is residential population around transit stations the best overall measure for TOD supportive land use in the Bay Area? Should some measure of employment be incorporated? Are the thresholds as defined appropriate?*

- *Is a performance measure at the corridor level the best approach? How does the corridor-level performance measure function for stand alone stations, such as infill stations on an existing corridor, or the new ferry terminals that don't fit the traditional definition of a corridor?*

- *How does this policy apply to transit projects that are farther along in the project development process under Resolution 3434?*

- *This paper proposes to exempt smaller scale express bus and enhanced bus projects from the regional TOD policy. Are there other types of transit projects that should be exempt? Should corridor enhancements and upgrades that don't include new stations be exempt?*

- *Should some minimum level of existing development be in place before final approvals for the transit project proceed into the construction phase?*

- *Is there additional assistance and incentives that local governments need in planning for TOD and completing station area plans?*

- *Are the roles and responsibilities of the involved agencies appropriate? What is the best role for the private sector, community and neighborhood organizations?*

VIII. NEXT STEPS FOR THE REGIONAL TOD POLICY

MTC and its partners will conduct outreach to transit agencies, local elected officials and staff, public interest stakeholders, developers/business interests and city staff to receive feedback on the proposals. During this outreach period, MTC will also be conducting a series of case studies to test how the proposed TOD policy would be applied and the degree to which it would be effective in meeting the proposed goals.

MTC's Transportation-Land Use Task Force, the MTC-ABAG Joint Policy Committee, MTC's Planning and Operations Committee, and ABAG's Regional Planning Committee will all vet this policy proposal, and will be briefed on the findings from the case studies as they are used to test the proposals. A final policy will be amended into Resolution 3434 as part of a larger update in the spring of 2005.

Attachment A - Resolution 3434 Transit Expansion Projects		
Project	Sponsor	Project Cost (2004 $; in millions)
AC Transit Berkeley/Oakland/San Leandro Bus Rapid Transit: Phase 1	AC Transit	167
Major Corridors Enhancements - Bus Rapid Elements	AC Transit	97
BART/Oakland Airport Connector	BART	254
Tri-Valley Transit Access Improvements to BART	BART/ACCMA	445
BART East Contra Costa Rail Extension	BART/CCTA	390
BART Fremont to Warm Springs	BART	678
BART: Warm Springs to San Jose/Santa Clara	VTA	4,149
Caltrain Express: phase 1 ** OPEN FOR SERVICE**	Caltrain JPB	128
Caltrain Express: Phase 2	Calltrain JPB	482
Caltrain Electrification	Caltrain JPB	602
Caltrain Downtown Extension/Rebuilt Transbay Terminal	TJPA	1,817
Capitol Corridor Phase 1 Expansion	CCJPA	158
Capitol Corridor: Phase 2 Enhancements	CCJPA	96
Regional Express Bus **Phase 1 OPEN FOR SERVICE**	MTC	102
MUNI Third Street Light Rail Transit Project Phase 2 - New Central Subway	Muni	694
Altamont Commuter Express (ACE): service expansion	SJRRC, ACCMA, VTA	128
Sonoma-Marin Rail	SMART	288
Dumbarton Rail	SMTA, ACCMA, VTA, ACTIA, Capitol Corridor	300
Downtown/East Valley: Santa Clara/Alum Rock Corridor and Capitol Expressway LRT Extension to Nieman	VTA	550
Expanded Ferry Service Phase 1: Berkeley, Alameda/Oakland/Harbor Bay, and South San Francisco to San Francisco, Downtown Ferry Terminal Improvements, and Spare Vessels.	WTA	100
Expanded Ferry Service Phase 2: Alameda to South San Francisco, and Hercules, Antioch, Treasure Island, Redwood City and Richmond to San Francisco.	WTA	139
TOTAL		$ 11,764

ENDNOTES

[i] Many studies suggest strong linkages between population density and transit ridership, and that Transit-Oriented Development increases transit usage. Research utilized for this paper includes: (1) Jeffrey Zupan and Boris Pushkarev, Public *Transportation and Land Use Policy*, (Bloomington: Indiana University Press), 1977; (2) L.D. Frank and G. Pivo, Impacts of Mixed Use and Density on Utilization of Three Modes of Travel, *Transportation Research Record*, 1466, 44-52; (3) Reid Ewing and Robert Cervero, Travel and the Built Environment: A Synthesis, *Transportation Research Record*, No. 1780, pp. 87-114; and (4) Robert Cervero and Samuel Seskin, An Evaluation of the Relationships Between Transit and Urban Form, Transit Cooperative Research Program, 1995.

[ii] See http://www.abag.ca.gov/planning/smartgrowth/ for more information.

[iii] In 2004, MTC convened a broad-based Transportation-Land Use Task Force to further refine and develop this initial policy platform. The latest version of the Transportation/Land Use Platform is included in the region's draft Transportation 2030 Plan available at www.mtc.ca.gov.

[iv] See Bay Area TOD Study's completed Task 2: "Review of Existing Transit-Oriented Development Policies" available at www.mtc.ca.gov.

[v] "Travel Characteristics of Transit-Oriented Development in California" (Lund, Cervero and Willson, 2004) found that residents living within close walking distance of rail transit stations were five times more likely to commute by transit as the average resident worker in the same city.

[vi] Note that in the case of 'Bus Rapid Transit,' we are using the definition that includes exclusive right-of-way dedicated for bus transit vehicles.

[vii] Planning efforts that would satisfy such a requirement are already underway in some locations, and could be used to meet this requirement

[viii] A typical method for developing this type of focused land use plan in California has been the specific plan. Defined in state law, the specific plan is essentially an update of the local general plan for a targeted area with certain elements required. The benefit of this approach is that an environmental review can be conducted on the plan as a whole, and subsequent development projects are exempt from further environmental review as long as they conform to the specific plan.

[ix] Transit projects begin with a definition of purpose, location and potential mode, and proceed to environmental review. After the completion of environmental review (draft environmental impact report or DEIR), final environmental impact report (FEIR), the project will be issued a Record of Determination (ROD) for Federal projects or a Notice of Determination (NOD) for state projects (or both if a joint federal/state project) upon satisfaction of the Federal or State requirements.

[x] An additional threshold test may involve a minimum percentage of planned development for a corridor that is either built, permitted or in the entitlement process.

C/CAG AGENDA REPORT

Date: November 29, 2004

To: Congestion Management and Air Quality Committee

From: Technical Advisory Committee

Subject: RECOMMENDATION FOR C/CAG PARTICIPATION IN THE DEVELOPMENT OF A COUNTYWIDE GEOGRAPHIC INFORMATION SYSTEM (GIS).

(For further information contact Walter Martone at 599-1465)

RECOMMENDATION

That the CMAQ Committee consider the adoption of a recommendation to the C/CAG Board to participate in a Countywide Geographic Information System (GIS).

FISCAL IMPACT

The estimated cost for completing a new Countywide aerial photo dataset is $200,000 to $300,000. The specific cost to C/CAG would depend the cost sharing mechanism developed with other partners in the project.

SOURCE OF FUNDS

Funding to support the C/CAG participation in this project could come from the Congestion Relief Plan, the Federal TEA-21 Planning Funds, C/CAG Member assessments, or a combination of these sources.

BACKGROUND/DISCUSSION

San Mateo County in cooperation with a number of the cities and other entities have been pursuing the updating of a Countywide GIS that would have a basemap that has been rectified to new and consistent aerial photographs covering the entire County. This will result in significantly improved spatial accuracy, better resolution, and will take advantage of the latest improvements in technology.

C/CAG Staff has identified a number of GIS applications that would support projects that C/CAG is involved with. These include:

- The Countywide Transportation Plan and a variety of reports that are related to this Plan.
- Development, production, and distribution of the Countywide Bicycle Facilities Map

that will become available on the C/CAG website.

- Deployment of Intelligent Transportation System (ITS) programs throughout the County based on the Countywide ITS Plan that is currently being developed under contract with C/CAG.
- Development and distribution of various maps and promotional materials for the various shuttle and local transportation services programs funded by C/CAG.
- Tracking of the performance of various transportation programs funded/supported by C/CAG.
- Monitoring and tracking over time of roadway performance as required in the Congestion Management Program.
- Monitoring and tracking of National Pollutant Discharge Elimination System (NPDES) programs.

There are also many GIS applications that could provide benefits for the individual jurisdictions in San Mateo County and other entities such as SamTrans/Transportation Authority. This System would build on a Countywide, consistent base map, which will be rectified to current, state-of-the-art aerial photographs. Once completed, all jurisdictions and other entities will be able to access the information through receipt of disks that contain updates of the database.

It is recommended that C/CAG Staff, on behalf of its member agencies, work with other potential partners in this project to develop a cost sharing agreement that can be brought to the C/CAG Board for consideration.

ATTACHMENTS

None.

C/CAG AGENDA REPORT

Date: November 29, 2004

To: Congestion Management and Air Quality Committee

From: Technical Advisory Committee

Subject: APPROVAL OF PROGRAM FOR THE 2005-06 TRANSPORTATION FUND FOR CLEAN AIR (TFCA) SAN MATEO COUNTY PROGRAM

(For further information contact Sandy Wong at 599-1409)

RECOMMENDATION

That the CMAQ endorse the recommendations of the TAC contained in this report for the funding of 2005-06 Transportation Fund for Clean Air (TFCA) projects.

FISCAL IMPACT

The allocation of TFCA funds for 2005-06 is expected to be approximately $1,000,000, of which $50,000 (5%) will be allocated to administration. It is recommended that the remaining funds ($950,000), along with the $125,000 carry-over from 2004-05, be distributed based on the policies adopted in past years by C/CAG with modifications detailed in the Discussion section. The following table shows how the funds would be distributed based on these policies. The funding provided in these categories for the past three years is also shown.

CATEGORY	*2002-03*	*2003-04*	*2004-05*	*2005-06*
Regional Rideshare Program	$0 (Funded in the STIP)	$0 (Funded in the STIP)	$0 (Funded in the STIP)	$0 (Funded in the STIP)
Employer Based Shuttle Projects	$459,085	$502,276	$600,000	$645,000
Countywide TSM Program	$310,767	$810,767	$350,000	$430,000
Reserved for Countywide Deficiency Plan	$304,825	$0 (included in TDM & shuttles)	$0 (included in TDM & shuttles)	$0 (included in TDM & shuttles)
Totals	$1,074,677	$1,313,043	$950,000	$1,075,000

BACKGROUND/DISCUSSION

For the past seven years the C/CAG Board has allocated the funding among three programs (SamTrans Shuttle Program, City of Menlo Park Shuttle Program, and Peninsula Traffic Congestion Relief Alliance Countywide Voluntary Trip Reduction Program). It is recommended that this allocation methodology be continued for 2005-06 as follows:

- It is recommended that the SamTrans Shuttle Program receive an allocation of $605,000 for its current shuttle program and maintain the existing cost sharing formula with SamTrans contributing approximately 25% of the cost of these shuttles and the remaining 25% through employer contributions. This funding recommendation shall be contingent upon SamTrans submitting an acceptable work plan for use of the monies.
- It is recommended that the City of Menlo Park receive an allocation of $40,000 for its local shuttle program.
- It is recommended that Peninsula Traffic Congestion Relief Alliance receive an allocation of $430,000 TFCA funds and continue to receive $500,000 from the Congestion Relief Plan for a total allocation of $930,000 for its Countywide Voluntary Trip Reduction Program.

The following are the C/CAG Board policies that will continue to be in effect for the 2005-06 Program.

Overall Policies:

- Cost Effectiveness, as defined by the Bay Area Air Quality Management District (BAAQMD), will be used as initial screening criteria for all projects. Projects must show a cost effectiveness of less than $50,000 per ton of reduced emissions in order to be considered.
- The funds allocated for the Alliance is subject to the submission of an acceptable work plan for use of the funds.
- Funding for the regional rideshare program will be paid for with STIP funds. The total anticipated for 2005-06 is $265,000.

Shuttle Projects:

- Shuttle projects are defined as the provision of local feeder bus or shuttle service to rail and ferry stations and airports.
- All shuttles must be timed to meet the rail or ferry lines being served.
- C/CAG encourages the use of electric and other clean fuel vehicles for shuttles.
- Beginning with the 2003-04 TFCA funding cycle, all vehicles used in any shuttle/feeder bus service must meet the applicable California Air Resources Board (CARB) particulate matter standards for public transit fleets. This requirement has been made by the BAAQMD and is applicable to the projects funded by the Congestion Management Agencies.

If the recommendations to adopt these policies and revisions to the policies are accepted, the following is a summary of the C/CAG program for 2005-06:

Project	Recommendations
Administration	$50,000
Regional Rideshare Program	$0
SamTrans – twelve shuttles	$605,000
Menlo Park TSM Program	$40,000
Peninsula Congestion Relief Alliance	$430,000
Total funds obligated	$1,125,000
Total funds anticipated	$1,125,000
Balance	$0

ATTACHMENTS

- None.

C/CAG AGENDA REPORT

Date: November 29, 2004

To: Congestion Management and Air Quality Committee

From: CMP Technical Advisory Committee

Subject: REVIEW AND APPROVAL OF A CALL FOR PROJECTS FOR THE THIRD CYCLE OF THE TRANSIT ORIENTED DEVELOPMENT HOUSING INCENTIVE PROGRAM

(For further information or questions contact Richard Napier at 599-1420)

RECOMMENDATION

Review and approval of the TAC recommendation for a call for projects for the third cycle of the Transit Oriented Development Housing Incentive Program in accordance with the staff recommendation.

FISCAL IMPACT

None to the direct C/CAG budget. Provide $3,000,000 for an incentive to the cities/ County.

SOURCE OF FUNDS

State Transportation Improvement Program Funds (STIP). A total of $4,773,400 was budgeted in the 2002 State Transportation Improvement Program (STIP) to fund the Transit Oriented Development program and other incentive programs. After paying for the second cycle commitments there is $3,289,091 available to fund the Transit Oriented Development Housing Incentive program and other incentive programs.

BACKGROUND/DISCUSSION

Four years ago the CMAQ Committee developed and the C/CAG Board adopted a Transit Oriented Development Housing Incentive program to promote smart growth and increase the housing stock in San Mateo County. This program provided transportation funds as an incentive for local jurisdictions to build housing and mixed-use developments that were high density and within close proximity of a rail transit station. Since then this program has received Regional, State and National Awards and has been copied by the Metropolitan Transportation Commission and other agencies. Given the recognition the program has

received it is recommended that the same criteria be used with the distance to be one-third of a mile from a BART or CalTrain station. Only minor administrative changes are recommended to the policy. See the attached revised policy. A call for projects is recommended with applications due February 18, 2005.

SECOND CYCLE RESULTS

The Second Cycle Transit Oriented Development Housing Incentive Program was committed by C/CAG on 2/14/02. The Second Cycle consisted of 10 projects representing five cities and the County for a total of $2,960,010. This represented 1,372 units and 2,407 bedrooms. The projects had to be built or under construction by 2/14/04 to be eligible to receive the incentive. Attached is a detailed report of the Second Cycle Results. Four projects representing three cities and the County for a total of $1,484,309 are eligible to receive the incentive. This represents 720 units and 1,207 bedrooms that were built. Just over 50 percent of the Second Cycle was committed which is an increase over the First Cycle that was 31.3 percent.

FINANCIAL

A total of $4,773,400 was budgeted in the 2002 State Transportation Improvement Program (STIP) to fund the Transit Oriented Development program and other incentive programs. Of this amount, $1,500,000 was committed for the second cycle call for projects. An additional $1,465,159, which was left over from the first cycle of this program, was also committed. Therefore the total amount of funds that will be used for the second cycle of the Transit Oriented Development Incentive Program will be $2,965,159. The second cycle committed $1,484,309. Therefore, $1,480,850 is remaining from the first and second cycle. When STIP funds are available $1,484,309 will be used to pay back MTC for the Regional STP funds advanced to pay for the second cycle TOD obligations since the STIP funds were unavailable. This leaves $3,289,091 available to fund the Transit Oriented Development program and other incentive programs. It is recommended that $3,000,000 be used to fund the third cycle of the Transit Oriented Development Housing Incentive Program.

ATTACHMENTS

- Initiative for Transit Oriented Development Housing Incentive Program

ALTERNATIVES

1- Review and approval a call for projects for the third cycle of the Transit Oriented Development Housing Incentive Program in accordance with the staff recommendation.

2- Review and approval a call for projects for the third cycle of the Transit Oriented Development Housing Incentive Program in accordance with the staff recommendation with modifications

3- No action.

C/CAG

CITY/COUNTY ASSOCIATION OF GOVERNMENTS
OF SAN MATEO COUNTY

Atherton • Belmont • Brisbane • Burlingame • Colma • Daly City • East Palo Alto • Foster City • Half Moon Bay • Hillsborough • Menlo Park • Millbrae Pacifica • Portola Valley • Redwood City • San Bruno • San Carlos • San Mateo • San Mateo County • South San Francisco • Woodside

INITIATIVE FOR TRANSIT ORIENTED DEVELOPMENT HOUSING INCENTIVE PROGRAM

GOAL

Promote, support, and facilitate Transit Oriented Development projects throughout the County in order to provide a better relationship between land use and transportation.

OBJECTIVE

(1) Provide financial incentives to jurisdictions ~~who~~ ***that*** build Transit Oriented Development by rewarding them with additional funds for transportation projects.

(2) Encourage jurisdictions ~~who~~ ***that*** receive additional transportation funding to find some way of financially assisting TOD projects so that they become economically viable.

PROGRAM COMPONENTS

DEFINITION

Define Transit Oriented Development (TOD) as permanent high density residential housing with a minimum density of 40 units per net acre, preferably mixed with other uses, located one-third of a mile or less from access to CalTrain or BART stations.

ELIGIBILITY REQUIREMENTS FOR TOD PROJECTS

Establish the following eligibility requirements.

(1) The TOD project meets the stated definition.

(2) The City Council of the jurisdiction has sent a letter approving the TOD project for submittal to C/CAG for evaluation.

(3) The project receives all formal approvals by the jurisdiction after authorization of the funding cycle.

ELIGIBILITY REQUIREMENTS FOR TRANSPORTATION PROJECTS

(1) The transportation project(s) meet the requirements of the relevant federal or State transportation program.

(2) The transportation projects do not necessarily have to relate to the TOD project.

IMPLEMENTATION

(1) Reservation of Funds

During each discretionary federal and State programming cycle, consider establishing a reserve of transportation funds to be distributed as incentives/bonuses to jurisdictions that build TOD housing. Consider reserving 10 percent of the total amount of funding in each cycle.

(2) Call for Projects

During each programming cycle, notify jurisdictions of the availability of reserved funds. Distribute applications to all jurisdictions and request that all applications are submitted within two months to C/CAG to determine eligibility.

(3) Evaluation of TOD Projects

Evaluate eligibility of TOD projects based on their conformance with the definition of TOD housing. Evaluation will not involve scoring or ranking. Allocate up to $2,000 per bedroom for TOD projects for eligible transportation projects. If there is not enough money to fund all eligible projects, then the amount allocated per bedroom will be reduced or more funding will be sought.

(4) Evaluation of Transportation Projects

Once a TOD project has been approved, request the jurisdiction to submit application for transportation projects. Evaluate the eligibility of transportation projects based on their conformance with the requirements of the relevant federal or State transportation program. Evaluation will not involve scoring or ranking.

(5) Timing

The TOD project must be completed or under construction within two years after the beginning of the programming cycle. If the project is not under construction within two years, the jurisdiction will have to reapply for funding.

(6) ***Definition of Completion/ Under Construction***

The City/ County is considered eligible for the incentive if the project is determined to be under construction in accordance with the following requirements. There are physical units visibly completed or partially completed (under construction). If it is not visibly clear that a project is under construction, then as a minimum the project must have pulled building permits that clearly obligate both the developer and the City/ County for completion of the project. The City/ County must submit the appropriate supporting documentation. However, the incentive will not be programmed until the construction is completed.

C/CAG AGENDA REPORT

Date: November 29, 2004

To: Congestion Management and Air Quality Committee

From: Technical Advisory Committee (TAC)

Subject: RECOMMENDATION FOR THE ADOPTION OF A FOUR-DOLLAR INCREASE IN THE VEHICLE REGISTRATION FEE FOR FISCAL YEAR 05-06 TO SUPPORT THE MANAGEMENT OF TRAFFIC CONGESTION AND STORMWATER POLLUTION

(For further information contact Richard Napier at 599-1420 or Walter Martone at 599-1465)

RECOMMENDATION

That the CMAQ Committee recommend to the C/CAG Board the adoption of a Resolution authorizing an increase of four-dollars ($4.00) in the vehicle registration fee for vehicles registered in San Mateo County for Fiscal Year 05-06. The funds generated by this action will be used for the management of traffic congestion and stormwater pollution that is attributable to the automobile. One component of the traffic congestion program will be for projects that support the advancement of hydrogen combustion/fuel cell technology for shuttle services to support air quality objectives.

FISCAL IMPACT

The total cost of the programs recommended is anticipated to be $2,741,536 (based on 685,384 anticipated registered vehicles) for the first year.

SOURCE OF FUNDS

Funding to support these programs will be derived from a $4.00 increase in the Vehicle Registration Fee effective July 1, 2005. This increase in the fee was authorized by AB 1546 (Chapter 931).

BACKGROUND/DISCUSSION

Assemblyman Simitian introduced AB 1546 on behalf of C/CAG in 2003. AB 1546 created a pilot program for San Mateo County with strong management controls including public hearings, specific work program/budget, performance measures, independent audit, sunset provision, and a report to the Legislature. This bill authorizes C/CAG to impose an annual fee of up to $4 on motor vehicles registered within San Mateo County for a program for the

management of traffic congestion and stormwater pollution within San Mateo County. Prior to imposition of the fee, the bill requires C/CAG to adopt a resolution by a vote of its members representing at least two-thirds of the population of San Mateo County, providing for both the fee and the corresponding program funded with these revenues.

The following chart summarizes the recommended uses of the anticipated revenues for the first year of the program. A new resolution including the establishment of the fee for that year and the uses of the funds will be brought to the TAC, CMAQ, and C/CAG Board for each of the subsequent years that the program is in effect. The law provides for the fees to terminate on January 1, 2009.

Fees Collected From July 1, 2005 Through June 30, 2006

Allocation	Recipient of $	Allocation Method	Use of Funds
$137,076	C/CAG	5% of total funds	Program Administration
$250,000	DMV	Anticipated actual cost for collection of fees	Computer programming and administration for collection of the additional vehicle registration fees
$588,615	Cities and County	25% of total funds minus Program Administration and DMV fees Return to source based on # of registered vehicles or based on population share if registered vehicle data is not available	Programs must be included in the Congestion Management Program and can include: • Local shuttles/transportation • Signal coordination/timing • Road resurfacing/reconstruction • Deployment of Local Intelligent Transportation Systems
$350,000	To be determined	Anticipated cost for the 1st year	Programs must be included in the Congestion Management Program and can include: • Capital cost for establishment of hydrogen fueling station(s) • Conversion of existing vehicles to hydrogen combustion • Maintenance and operation of up to four hydrogen fuel cell shuttle vehicles
$238,615	C/CAG	Matching funds needed to begin the deployment of Intelligent Transportation System (ITS) improvements that are identified in the	Programs must be included in the Congestion Management Program and can include: • Deployment of Intelligent Transportation System projects having regional (Countywide)

		Countywide ITS Plan. This category plus the category for hydrogen fuel programs (above) equals 25% of total funds minus Program Administration and DMV fees	significance
$588,615	Cities and County	25% of total funds minus Program Administration and DMV fees Return to source based on # of registered vehicles <u>or</u> based on population share if registered vehicle data is not available	Specific programs will be defined by the National Pollutant Discharge Elimination System (NPDES) TAC and presented to the C/CAG Board for approval. Programs must clearly bear a relationship or benefit to the motor vehicles that will pay the fee. Programs must directly address the negative impact on creeks, streams, bays, and the ocean caused by motor vehicles and the infrastructure supporting motor vehicle travel. Programs must be included in the NPDES permit and can include: • Street sweeping • Runoff management and filtration systems purchase, operations and maintenance • Inspections for motor vehicle repair shops for pollution compliance
$588,615	C/CAG	25% of total funds minus Program Administration and DMV fees	Specific programs will be defined by the National Pollutant Discharge Elimination System (NPDES) TAC and presented to the C/CAG Board for approval. Programs must clearly bear a relationship or benefit to the motor vehicles that will pay the fee. Programs must directly address the negative impact on creeks, streams, bays, and the ocean caused by motor vehicles and the infrastructure

			supporting motor vehicle travel. Programs must be included in the NPDES permit and can include Countywide efforts such as: • Addressing stormwater pollution on the freeways and other State highways through installation of filtration systems • Countywide oil and other motor vehicle fluid recycling programs • Countywide training on the prevention and control of water pollution attributable to motor vehicles
$2,741,536	**Total funds anticipated for the first year of the program based on a projection of 685,384 registered vehicles in San Mateo County.**		

These recommendations are consistent with the written and verbal reports provided to the Legislature and the Governor's Office during the consideration of AB 1546. In summary the most important of these items included:

- That the up front cost of DMV setting up the structure for the collection of these fees would be paid in advance by C/CAG (through a loan from the Congestion Relief Fund) and then reimbursed to C/CAG when the first fees are collected.
- That the C/CAG administration of the program would not exceed 5% of the total proceeds.
- That 50% of the funds collected minus administrative and overhead costs would be devoted to congestion management and transportation programs.
- That 50% of the funds collected minus administrative and overhead costs would be devoted to NPDES programs.
- That 50% of the total congestion management/transportation funds would be allocated to the cities/County by formula.
- That 50% of the total NPDES funds would be allocated to the cities/County by formula.
- That the fees collected would only be used to pay for programs that bear a relationship or benefit to the motor vehicles that will pay the fee.
- That new programs should be identified recognizing that the funding will only be available for four years. Therefore, a future un-funded obligation should not be created.
- That C/CAG would use a portion of the proceeds from these fees to support the implementation of the Governor's Executive Order promoting the use of hydrogen fuel technology in California.
- That the program and fee will be reviewed annually for each of the four years that the law is in effect, and the fee will be reauthorized only after such review has been

conducted.

- That each of the jurisdictions that receives funding from this fee will be required to submit a report on the use of the fee. This report must be in a form that is approved by the C/CAG Board and that can be incorporated without modification in a comprehensive report to the State Legislature.

Under the recommendations identified in the chart, the cities and the County will receive significant financial relief for NPDES and transportation programs that they are currently supporting. It is expected that every jurisdiction in San Mateo County will be able to qualify for its full allocation of funds under both the NPDES and transportation categories.

Currently the State of California Department of Motor Vehicles only produces data on the number of vehicles registered broken down by zip codes. In San Mateo County some of these zip codes cut across city boundaries and the unincorporated areas. C/CAG Staff will be discussing with the DMV whether it will be feasible and cost effective to produce a jurisdiction-by-jurisdiction count of registered vehicles. If this is not possible, the allocation method for the cities/County will be based on population share.

C/CAG staff will continue to work with the various C/CAG Committees to develop a more detailed scope of work for the program, a refined budget, and specific performance measures for each of the programs. A public hearing will be held where this information will be reviewed and acted upon before the implementation of the program on July 1, 2005.

The Congestion Management Program TAC has reviewed and supports these recommendations. They have also requested the opportunity to review and comment on the formula for the distribution of the funds that will be allocated to the Cities and the County after it is developed in more detail.

The NPDES TAC has also reviewed these recommendations and commented on the types of specific NPDES programs that might be funded with both the allocated funds and the funds retained for Countywide efforts. The report of this NPDES TAC meeting is attached.

ATTACHMENTS

Report from NPDES TAC.

MEMORANDUM

To: Richard Napier, Executive Director of C/CAG

From: Robert M. Davidson, NPDES Program Coordinator

Subject: Draft Report on AB 1546 NPDES TAC Initial Discussion of Potential Tasks and Projects

Date: November 18, 2004

Background: At its November 16, 2004 monthly meeting, the NPDES TAC discussed with Richard Napier the passage and signing of AB 1546. Richard presented the provisions of the Bill as being a maximum of $4.00/Yr. added to the Vehicle Registration Fee on all motor vehicles registered in San Mateo County for a four year term, unless extended. The Revenue produced from such a fee would be divided approximately 50%/50% between Congestion Management and the NPDES Programs in San Mateo County. Further, approximately half of that would reimburse the local agencies in the County for current expenses to run these respective programs and the remaining half would go to the general Programs for tasks and projects of mutual benefit to all members. The intent is a benefit returned to source (the vehicle owners). The anticipated revenue for the NPDES Program is approximately $600,000/Yr. for four years beginning July, 2005. Therefore, half ($300,000) will be targeted to the agencies and half ($300,000) will go to the NPDES Program each year. The NPDES portion must show a nexus between stormwater quality and the motor vehicle.

Discussion: Discussion was begun by considering the "return to source" funding ratios. The priority choice was the ratio of vehicle registrations, thought to be fairest. However, it was pointed out that the more affluent communities would benefit more by having more vehicles. Richard also pointed out that it may be very difficult of get vehicle registrations according to agency since the DMV records the location of registration by ZIP Code. Some cities and the County share ZIP Codes. Still, it was felt the fairest method. The other choices were a ratio based on population or a ratio based on miles of street.

After a caution to refrain from anticipating a permanent funding source because of the four year sunset clause, members began brain storming ideas that may be potential tasks or projects for the new funding source. They are listed below:

Local Agencies
- Street sweeping
- Storm inlet cleaning
- Street side runoff treatment
- Auto repair shop inspections
- Street/Parking lot pervious surfaces
- Small capital projects
  - Vehicle wash racks for agencies
- Capital purchases
- More used oil drop off locations
- Boat harbors improvements?

NPDES Program
- Pilot studies
- Public outreach
  - Auto repair shops
  - Non-profit car wash BMPs
- Consultant assistance
- Brake pad partnership
- GIS development
- Hydomodification plan partial funding
- Monitoring of BMPs
- Boat Marina BMPs?

We were informed that there must be measurable benefits for whatever tasks or projects that are chosen and we must produce performance standards to demonstrate proper use of the funds. There will be annual reporting required and cities must submit invoices with the annual reports to receive reimbursement.

Bob Davidson said he will appoint a Work Group made up of the Chairs of each Subcommittee to work on the NPDES TAC's recommendation to C/CAG. He asked how we can tap the resources of the City Managers, Public Works Directors, City Engineers, Planning Directors, Parks Directors and Finance Directors to provide the necessary documentation. The Work Group will work on this.

Bob Davidson also stated that we should coordinate with the C/CAG TAC on the reporting, invoicing and performance standards to assure consistency between our respective Programs.

C/CAG AGENDA REPORT

Date: November 29, 2004

To: Congestion Management and Air Quality Committee

From: Walter Martone

Subject: RECOMMENDATION TO EXTEND THE LOCAL SERVICE PROJECTS (SHUTTLE PROGRAMS) THROUGH MARCH 31, 2005 TO ALLOW FOR EVALUATION OF THE PROGRAM.

(For further information or questions contact Walter Martone at 599-1465)

RECOMMENDATION

That the CMAQ Committee recommend that the C/CAG Board execute extensions to the local service projects (shuttle programs) through March 31, 2005 for a total additional cost not to exceed $148,345 in order to allow for an evaluation of the program.

FISCAL IMPACT

The total additional funding obligated through these extensions will not exceed $148,345 in order to continue the services through March 31. 2005.

SOURCE OF FUNDS

Funding to support the extensions will be derived from the Congestion Relief Plan adopted by C/CAG and included in the Fiscal Year 03-04 and 04-05 budgets.

BACKGROUND/DISCUSSION

On December 12, 2002 and on September 11, 2003 the C/CAG Board approved agreements to implement nine Local Service Programs (shuttle services) for a total cost of $853,556. Included with the action taken on September 11, 2003, the Board also adopted the CMAQ Committee recommendation to contract for an independent performance audit of all of the local service programs that have been funded to date. This will enable C/CAG to more accurately compare the relative performance of each program and better judge which strategies are providing the most cost-effective service.

On October 14, 2004 the C/CAG Board executed a contract with Nelson\Nygaard Associates to conduct this performance audit. The review is anticipated to be completed in December

2004. The extensions recommended in this report are needed to allow a review and analysis of the performance audit, and to conduct the next round of applications so that these programs will be able to request continuation funding subject to the outcomes of the performance audit.

The following is a list of the agencies that are being covered by this extension request:

Agency	Increase in Funding
City of Burlingame	$25,000
City of East Palo Alto (Senior Shuttle)	$8,679
City of East Palo Alto (Free Shuttle)	$5,848
City of Foster City	$17,500
City of Half Moon Bay	$8,750
City of Menlo Park	$18,750
City of Millbrae	$13,818
City of San Carlos	$50,000
Total	$148,345

ATTACHMENTS

- None