

**CITY OF ALBANY  
CITY COUNCIL AGENDA  
STAFF REPORT**

Agenda Date: December 5, 2011  
Reviewed by: BP

**SUBJECT:** A Resolution of the Albany City Council authorizing an application to the Association of Bay Area Governments to establish the San Pablo Avenue and Solano Avenue corridors as a Priority Development Area

**REPORT BY:** Jeff Bond, Community Development Director

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**STAFF RECOMMENDATION**

That the City Council approve Resolution #2011-59 authorizing an application to the Association of Bay Area Governments to establish the San Pablo Avenue and Solano Avenue corridors as a Priority Development Areas.

**BACKGROUND**

In recent years, the State of California has adopted several major legislative efforts to address climate change. In particular, AB 32 established statewide goals to reduce green house gas production to 1990 levels by 2020. In addition, SB 375 was passed in 2008, which established a new framework for regional land use planning and transportation funding.

Based on the SB 375 mandate, the Association of Bay Area Governments (ABAG) and Metropolitan Transportation Commission (MTC) are leading the preparation of a Sustainable Communities Strategy (SCS) for the Bay Area. The SCS initiative is an effort to integrate demographic & economic projections with the Regional Transportation Plan and affordable housing mandates. The end product will be a regional plan that identifies where housing and employment growth should occur to meet greenhouse gas reduction targets, and insures that investments in transportation, including grant funding, are targeted to these areas.

ABAG has initiated the FOCUS program as a tool to plan and implement future regional growth consistent with the SCS. An element of the FOCUS program is the designation of Priority Development Areas (PDAs), which are locally identified, infill development opportunity areas near transit. With the PDA program, grant funds are available to the City for technical assistance, planning grants, and capital improvements. More than 60 jurisdictions have submitted applications for more than 100 PDAs. Attachment 1 summarizes the FOCUS program.

The first round of applications to established priority development areas was initiated in 2007. The City Council discussed the program in 2007 and decided not to submit an application at that time.

## **DISCUSSION**

The advantages of pursuing the PDA application are two-fold: first, to support and participate in the region-wide effort to create a more sustainable metropolitan area; and second, to be more competitive for grant funds. In addition, approval of a PDA would be the key step to initiate Policy TL 3-2 in the City's Climate Action Plan, which calls for "Update planning documents to promote high-quality, mixed-use, pedestrian- and transit-oriented development in the San Pablo/Solano Commercial districts." Implementation of this policy is expected to reduce greenhouse gases by 790 metric tons, which is about 5% of the City's overall reduction target.

Attached is a draft resolution based on a template prepared by the Association of Bay Area Governments (Attachment 2). In addition to City Council approval of the resolution, an application for must be submitted by December 17, 2011. The ABAG Executive Board is scheduled to make a decision on an application at their March 15, 2012 meeting.

### ***Sustainable Communities Strategy***

In March 2011, the first draft of the "Bay Area Plan" (e.g., Sustainable Community Strategy Plan) was released. The initial scenario for Albany was an increase in households from 7,150 in 2010 to 9,317 in 2035. The Plan also had a corresponding increase in jobs from 4,476 to 4,974. In September, an alternative analysis was released by ABAG. The alternative analysis reduced the growth of households to 8,360 by 2040, but increased the job creation to 6,480 jobs. Compared to historical growth rates, these projections reflect a significant increase in growth for Albany. The projected rate of increase, however, is less than other nearby cities.

City staff is working with Alameda County Transportation Commission and colleagues in other Alameda County cities in the development of a further refined alternative scenario that achieves the greenhouse gas reduction goals and better reflects realistic development patterns. Irrespective of the final outcome of the SCS process, it is clear that the regional greenhouse gas reduction goal will result in the need to develop housing and employment opportunities in Albany at a rate faster than recent history.

### ***Proposed PDA Areas***

In the course of preparation of the Bay Area Plan, ABAG planners evaluate potential locations of future development, based both on nominated PDAs, and on other urban areas in ABAG judgment, can accommodate sustainable growth. These locations are referred to in the Plan as Growth Opportunity Areas (GOA). For Albany, San Pablo Avenue and Solano Avenue (between San Pablo and Masonic) are designated by ABAG as GOAs. These two corridors represent the most viable opportunity for successful high quality

development that provides both for economic development and for housing. In neighboring cities, San Pablo Avenue is established as a PDA.

### ***Financial Incentives***

Attachment 3 describes the OneBayArea Grant Program available to PDAs. For the next cycle of funding, the program proposes to reduce program categories, and shift discretionary funding to local level in order to create a large flexible pool of grant funding. For Alameda County, \$42.4 million is projected to be available, with \$29.7 available to PDA areas and \$12.7 million available to anywhere in the County. As a result of this distribution, there is an advantage for planning initiatives and capital improvement projects that serve PDAs.

### ***Implications for Changes in Zoning and Density***

The FOCUS program and the PDA program are not fully developed, and thus the implications will continue to evolve over time. There may be a concern that an application for a PDA may eventually lead to a requirement to allow higher density development. At this time, there is no explicit requirement on cities to modify development standards be in response to the PDA program. In addition, the PDA process does not limit the City's discretion in reviewing the project application.

Ultimately, however, state housing element mandates will likely be imposed irrespective of whether or not the City submits an application for a PDA. Thus, the staff recommendation is based on the premise that the City should prepare for future development by seeking grant funds to identify and implement capital improvements that address the potential impacts generated by future development.

### **Attachments**

1. Focus program Summary
2. Draft Resolution #2011-59
3. OneBayArea Grant program