



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Community Development

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City Manager Approval: _____ *AS*

TOPIC: PLAN BAY AREA 2050 - PRIORITY DEVELOPMENT AREAS (PDA)

SUBJECT: INFORMATIONAL REPORT ON PROPOSED PRIORITY DEVELOPMENT AREAS FOR THE CITY OF SAN RAFAEL; P20-004

EXECUTIVE SUMMARY:

As part of the General Plan 2040 preparation process for the Neighborhood Element, there has been direct outreach to and communication with the individual community and neighborhood groups/organizations throughout the City. In response, City staff has received requests from representatives of the North San Rafael/Northgate and Canal communities to pursue a deeper dive planning effort for these two areas. These representatives have requested that the General Plan 2040 incorporate programs that would commit to pursuing funding and development of a Specific, Precise or Neighborhood Plan for the Canal neighborhood and North San Rafael. In addition, community members have indicated that funding and developing a Specific/Precise Plan for their respective areas should be identified as a high priority, short-term program in the General Plan 2040. The General Plan 2040 Neighborhood Element will incorporate these programs.

The timing for programming and initiating a Specific/Precise Plan requires funding certainty and is heavily reliant on outside funding sources such as grants. The Downtown Precise Plan, which is being prepared concurrent with the General Plan 2040 was funded primarily by a One Bay Area Grant (OBAG), as the Downtown area is designated as a "Priority Development Area" (PDA). A PDA is a planning/funding tool and a key component of Plan Bay Area, a regional plan developed by the Metropolitan Transportation Commission (MTC) and Association of Bay Area Governments (ABAG). Plan Bay Area is updated every four (4) years).

MTC/ABAG has started developing Plan Bay Area 2050, the third update of this regional plan. ABAG/MTC has launched a call for "letters of interest" to local jurisdictions to designate new PDAs. ABAG/MTC has prepared a map showing areas potentially eligible for designating a new or expanded PDA (see Map 1, below). Eligible areas include the Canal neighborhood, and portions of North San Rafael and Northgate adjacent to US 101. The definition of a PDA has changed since its inception in 2007; PDAs are now more broadly defined as places with convenient public transit service prioritized

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Disposition: _____

by local governments for housing, jobs, and services. PDAs are voluntarily nominated by cities and counties and are key to focusing on reducing greenhouse gas emissions, meeting the housing needs of every community, and advancing equity, mobility, and economic vitality. As the PDA nomination process is typically launched every four (4) years concurrent with the Plan Bay Area update, the next PDA nomination cycle (following this current call) is not expected until 2024.

It is important to note that establishing a PDA designation has no impact on a local jurisdiction's authority over its zoning, development review, or other land use decision. Plan Bay Area 2050 does not mandate any changes to local zoning rules, general plans, or processes for reviewing projects; nor is the plan an enforceable direct or indirect cap on development locations or targets in San Rafael.

Expanding PDAs within San Rafael presents an opportunity to access designated funding to support several City Goals and housing priorities, including:

- Adopting community-driven special or precise plans for the Canal and Northgate neighborhoods by 2025;
- Allocating additional resources to support planning for an increased RHNA allocation and corresponding Housing element update; and,
- Increasing access to designated funding and tools for streamlining planning and housing development.

Staff has met with representatives of North San Rafael/Northgate and Canal communities to discuss the potential for and pursuing a PDA designation. As part of these discussions, numerous questions were raised about how such a designation would, among others: a) impact their community; b) relate to State mandates such as the Regional Housing Need Allocation (RHNA); and c) CEQA/environmental review streamlining for development within these areas. Therefore, this report includes a discussion of a number of topic areas that are related and indirectly related to the PDA topic.

Staff finds that a nomination of PDAs in the North San Rafael/Northgate and Canal Neighborhoods is worthy of consideration, understanding that this action will increase the resources available to facilitate community-driven planning processes in these communities. Given the submittal timing requirements, nomination of PDAs will allow the City to continue to move this process forward without any impact to local planning control. Staff recognizes that additional community conversations are needed regarding these PDA boundaries. The PDA designation process is the first step of many community conversations to influence and determine the future of these PDA boundaries. Funding a Specific/Precise Plan is a tall order for the City, which requires reliance on outside funding sources such as grants. With both areas meeting the eligibility requirements for a PDA designation, the Plan Bay Area 2050 process provides an opportunity to consider the PDA designation to leverage outside funding resources to conduct this planning. The PDA designation would also set a time frame (2025) for pursuing funding and completing a Specific/Precise Plan, which is in line with the community interest to prioritize programming.

RECOMMENDATION:

Direct the City Manager to submit a Letter of Interest nominating Priority Development Areas for the City of San Rafael and return to City Council with an authorizing resolution before June 30, 2020.

BACKGROUND:

SB 375 Sustainable Communities Strategy – Plan Bay Area

In 2008, former Governor Schwarzenegger signed Senate Bill 375 (SB 375), which promoted a direct linkage of regional transportation plans (RTP) with the statewide goals to reduce greenhouse gas (GHG) emissions. SB 375 requires that regional metropolitan transportation organizations develop a Sustainable Communities Strategy (SCS), which is to serve as a new element to the RTP. The goal of the SCS is to reach a GHG reduction for each region. The GHG reduction target for the Bay Area was set at 15% per capita. Partnering with the Association of Bay Area Governments (ABAG), the Metropolitan Transportation Commission (MTC) developed Plan Bay Area 2040 to serve as the Bay Area's SCS. The goal of Plan Bay Area 2040 was to focus and concentrate future growth in and around a sustainable transportation system in the inner, urban areas of the Bay Area, thus reducing the need to continue to reach out to the undeveloped "green field" areas of the region to accommodate housing growth. By focusing growth in the inner urban areas, there would be less reliance on vehicle travel, which would reduce GHG emissions. As a regional Plan, the goal and intent of Plan Bay Area is to chart the course for the future of the nine-county San Francisco Bay Area. Plan Bay Area lays out regional planning policies and a set of investments that can be implemented in the Bay Area over the next 30 years; the Plan is not a near-term action or legislative proposal. The initial Plan Bay Area 2040 was completed in 2013.

It is important to note that Plan Bay Area is an aspirational regional planning document; however, it is a critical component to how transportation funding is allocated to the Bay Area (noted below). Any recommendations or findings from the Plan Bay Area process are not considered legally binding. Plan Bay Area holds no mandate or authority over local land use planning and development decisions. Any changes to planning or land use policies are held with the authority of the local jurisdictions. MTC does not have the authority to direct jurisdictions to change their planning or land use policies. Under state law, regional plans such as Plan Bay Area cannot supersede local land use authority. As stated in California Government Code Section 65080(b)(2)(K),

"[n]othing in a sustainable communities strategy shall be interpreted as superseding the exercise of the land use authority of cities and counties within the region... Nothing in this section shall require a city's or county's land use policies and regulations, including its general plan, to be consistent with the regional transportation plan or an alternative planning strategy."

Senate Bill 375 also established new CEQA exemptions and environmental review tools to encourage Transit Priority Projects (TPP). A Transit Priority Project is a residential or mixed-use development (at least 50% residential) that has a floor area ratio of not less than 0.75, a minimum net density of at least 20 dwelling units per acre, and is located within ½-mile of a major transit stop or a high quality transit corridor included in a regional transportation plan.¹ A Transit Priority Project must be consistent with the local General Plan density and intensity limitations, and the applicable policies specified for the project area in either an SCS (Plan Bay Area) or an alternative planning strategy. This legislation added new sections to CEQA to Public Resources Code 21555-21555.4² addressing streamlining review for Transit Priority Projects. The provisions are briefly summarized as follows:

¹ A high-quality transit corridor means a corridor with fixed-route bus service with service intervals of no longer than 15 minutes during peak commute hours. A project is considered to be within ½-mile within a major transit stop or high-quality transit corridor if all parcels within the project have no more than 25% of their area farther than ½-mile from the stop or corridor and if no more than 10% of the residential units, or 100 units, whichever is less in the project are further than ½-mile from the stop or corridor.

² It is important to note that there are numerous CEQA streamlining provisions for projects, particularly projects near transit. SB 743 legislation (2013) established similar streamlining for transit-oriented infill projects located within a Transit Priority

1. Per Public Resources Code Section 21155.1, a Transit Priority Project qualifies for a full CEQA exemption if it meets a list of environmental criteria including, among others: a) the site must not contain wetlands or riparian areas and would not have a significant impact on wildlife; b) the site does not contain hazardous materials that would expose future residents to health hazards; c) the project would not have a significant impact on historic resources; d) the site is not within a wildlife hazard zone; e) the site is not located on developed open space. Further, to qualify as an exempt Transit Priority Project under this section, the site cannot exceed eight acres in size, the project does not contain more than 200 units, the project does not contain any single-level building that exceeds 75,000 square feet, and the project would not result in the net loss of existing affordable units in the project area. Lastly, to be exempt, the project must provide either a component of affordable housing units or public open space equal to or greater than five acres per 1,000 residents. The legislative body is required to hold a public hearing to determine if the project meets this criteria.

2. Per Public Resources Code Section 21155.2, environmental review for a Transit Priority Project that incorporates all the required mitigation measures in a prior, applicable certified EIR can be streamlined through either: a) the preparation of an Sustainable Communities Environmental Assessment; or b) the preparation of a limited scope EIR. A Sustainable Communities Environmental Assessment requires the preparation of an Initial Study to identify all significant or potentially significant impacts of the project based on substantial evidence in light of the whole record. The assessment is required to be circulated for public review for a period of no less than 30-days. Notably, while a Sustainable Communities Assessment functions similar to an Initial Study/Negative Declaration, it is subject to the more deferential substantial evidence standard of review in litigation, similar to an EIR. The limited scope EIR alternative under this statute would be prepared if the project has the potential to result in new significant or changed impacts for which there is substantial evidence to conclude they will be significant and unavoidable. Neither the Sustainable Communities Environmental Assessment or the EIR alternative are required to analyze any growth-inducing impacts or any project specific or cumulative impacts from cars and light-duty trucks on global warming or the regional transportation network. Where an EIR is prepared for a qualifying residential or mixed-use project, it is not required to analyze a reduced density alternative or address the effects of car and light-duty truck trips generated by the project.

3. Per Public Resources Code Section 21155.4, a Transit Priority Project is exempt from environmental review if: a) it is within a Transit Priority Area;³ b) the project is undertaken to implement and is consistent with an adopted Specific Plan for which a supportive EIR has been certified; c) the project is consistent with the general plan use designation, density/intensity limits; and d) the project is consistent with the applicable policies specified for the project area in the SCS.

San Rafael has areas eligible for Transit Priority Projects. To date, the City has not received any requests for streamlined CEQA review for a Transit Priority Project. While staff has not tested individual sites or potential projects for such review, the criteria to qualify for a Transit Priority Project are very prescribed, making it challenging for a development project to meet these minimum criteria. At present, no Transit Priority Project would be eligible for a CEQA exemption under SGC Section

Area. For such projects, aesthetics, and parking impacts of a residential, mixed-use or employment center project are not considered significant impacts, so are essentially waived from review.

³ Per CEQA Guidelines Section 21099, a Transit Priority Area means an area within ½-mile of a major transit stop included in a Transportation Improvement Program or applicable Regional Transportation Plan.

21155.4 as the City does not have an adopted Specific Plan with a supportive EIR. The pending Downtown Precise Plan and supportive EIR is being prepared to provide project streamlining and possible exemptions. The full exemption under SGC Section 21155.1 could be available to the City if the project could meet all of the criteria, as no Specific Plan covering the project area is required for this exemption.

Plan Bay Area 2050

Plan Bay Area 2050, the third generation of this SCS is currently underway and being developed by MTC (MTC now includes ABAG). Plan Bay Area 2050 will focus on four key issues—the economy, the environment, housing, and transportation—and will identify a path to make the Bay Area more equitable for all residents and more resilient in the face of unexpected challenges. This new regional plan will outline strategies for growth and investment through the year 2050, while simultaneously striving to meet and exceed federal and state requirements. The current Plan Bay Area 2050 process has four main phases:

- Horizon- The Horizon phase started the Plan Bay Area update process. Horizon was conducted in 2018 and focused on wrestling with challenging questions about the external forces that could shape the Bay Area through 2050.
- The Blueprint- This is our current phase. The Plan Bay Area 2050 Blueprint is a package of strategies designed to advance the regional vision. Currently, MTC is in the process of developing the Draft Blueprint Plan. The vision of this draft plan is to ensure by the year 2050 that the Bay Area is affordable, connected, diverse, healthy, and vibrant for all.
- Plan Bay Area 2050- Plan Bay Area 2050 will outline a roadmap for the Bay Area's future. While it will pinpoint policies and investments necessary to advance the goal of a more affordable, connected, diverse, healthy, and vibrant Bay Area, Plan Bay Area 2050 neither funds specific infrastructure projects nor changes local policies. Cities and counties will retain all local land use authority. Plan Bay Area 2050 does identify a potential path forward for future investments – including infrastructure to improve our transportation system and to protect communities from rising sea levels – as well as the types of public policies necessary to realize a future growth pattern for housing and jobs.
- Implementation Plan- This phase will outline tangible actions that MTC, ABAG and their partners could advance to make the Bay Area more equitable and resilient in the future.

Plan Bay Area 2050 reflects a shared vision – one that cannot be implemented by any single organization or government agency. Only through partnership with local, state, and federal governments – as well as with businesses and non-profit organizations – will the Plan's vision come to fruition. Before the Plan is adopted in 2021, MTC and ABAG, along with partner organizations, will create an implementation plan that will advance the strategies outlined in Plan Bay Area 2050.

To achieve this vision, MTC staff will be adjusting their analysis to focus on [Growth Geographies](#) and [Growth Strategies](#), within the areas of Transportation, Housing, Economic, and Environmental. Purpose of the growth Strategies and Geographies for the Draft Blueprint are designed to work in concert; both are designed to align the Plan more closely with RHNA.

Plan Bay Area 2050 must meet a range of federal and state requirements. First, the Plan must be fiscally constrained, which means that strategies and investments recommended in the Plan must be possible to fund using reasonably anticipated monies. Second, as required by SB 375, the Plan must meet or exceed a recently increased GHG reduction target. Third, the Plan must accommodate housing growth at all income levels; its process is paralleling the next Regional Housing Need Allocation (RHNA) cycle process, which will influence the ultimate Plan growth pattern. Failure to achieve any of these

requirements could result in the Plan not being approved by federal or state agencies, which would lead to transportation funding consequences for the Bay Area.

Priority Development Areas (PDA)

PDA History for San Rafael

The key Plan Bay Area tool to achieving concentrated growth and reduction in vehicle trips has been the establishment of "Priority Development Areas" (PDA). The initial Plan Bay Area 2040 defined a PDA as a "geographic area close to, along or within transit nodes and connections that is sustainable for concentrated growth, particularly housing growth." The initial incentives for a PDA included, among others, greater grant and funding opportunities for planning, transportation, and infrastructure. For San Rafael, the initial Plan Bay Area 2040 designated two planned PDAs, Downtown and Civic Center.

In 2008 and 2009, the City submitted a FOCUS⁴ application to designate Downtown San Rafael and the Civic Center/North San Rafael Town Center, respectively, as PDAs. These PDAs covered a ½-mile radius surrounding the then planned SMART stations. These applications were pursued as an opportunity for San Rafael to have access to planning funds and grants that were earmarked for PDAs, and to be eligible for a greater percentage of transportation dollars that are allocated to Marin County. In preparation for the arrival of the SMART service, the designation made it possible for San Rafael to be eligible for a planning grant to study the planned Downtown and Civic Center SMART stations, specifically to study needed infrastructure improvements for bicycle and pedestrian access, parking, security, land use opportunities and design guidelines.

In 2010, the City received a One Bay Area planning grant (OBAG) to prepare the [Downtown Station Area Plan](#) and the [Station Area Plan for the Civic Center SMART station area](#). Both Station Area Plans were completed and accepted by the City Council in 2012, presenting a "vision" for the ½- mile area surrounding the planned SMART stations.⁵ As a vision document, the two Station Area Plans presented a list of recommendations to improve access and connectivity to the planned SMART station, recommendations for station parking and recommendations for land use changes. A number of the Plan recommendations required further study (particularly environmental review) and formal actions by the City (e.g., General Plan Amendment, Rezoning).

On September 16, 2013, City Council adopted [Resolution 13619](#) rescinding the Civic Center/North San Rafael PDA and [Resolution 13618](#) amending the Station Area Plan to scale back a number of the land use recommendations. The decision to rescind followed public concern regarding the designated Civic Center Priority Development Area and the recommendations of the Civic Center Station Area Plan. The City Council held a study session on September 6, 2013 to discuss the responses to the community questions on the Civic Center PDA and to discuss the recommendations of the Civic Center Station Area Plan. Following lengthy discussion and public comment, the City Council directed staff to prepare a resolution amending the Civic Center Station Area Plan for [presentation to City Council](#).

The Downtown San Rafael PDA remains, which made it possible to receive funding in 2018 to prepare the Downtown Precise Plan (underway). The recommendations of the 2012 Downtown Station Area Plan are being incorporated into the Downtown Precise Plan.

⁴ MTC/ABAG administered the FOCUS process, which offered the local jurisdictions of the Bay Area the opportunity to designate "Priority Development Areas" (PDA).

⁵ When the two PDAs defined them as locally identified, infill development opportunity areas within existing communities. They are generally areas of at least 100 acres where there is local commitment to developing more housing along with amenities and services to meet the day-to-day needs of residents in a pedestrian-friendly environment served by transit. To be eligible to become a PDA, an area had to be within an existing community, near existing or planned fixed transit or served by comparable bus service and planned for more housing.

Current PDA Opportunity for Plan Bay Area 2050

Plan Bay Area 2050 continues to use the PDA as a tool for planning future growth. However, since the initial Plan Bay Area 2040, PDAs have been more broadly redefined as places with convenient public transit service prioritized by local governments for housing, jobs, and services. PDAs range from downtowns to main streets to aging malls. PDAs are voluntarily nominated by cities and counties and are included in Plan Bay Area - the region's long-range strategy for reducing greenhouse gas emissions, meeting the housing needs of every community, and advancing equity, mobility, and economic vitality.

As mentioned earlier, PDAs are used as a key tool for MTC staff to help prioritize Growth Geographies for new housing and jobs in the Plan Bay Area 2050 Draft Blueprint. The analysis used for the Growth Geographies will utilize specific density and land use assumptions based upon Draft Blueprint Housing Strategies. MTC has released [maps of the region identifying PDA-eligible areas for all jurisdictions and the reasons for their eligibility](#).

The following areas are excluded from PDA eligibility, and not used in calculating the share of a jurisdiction's PDA-eligible land locally nominated:

- Wildland urban interface areas;
- Areas of unmitigated sea level rise (i.e., areas at risk from sea level rise through year 2050 that lack mitigation strategies in Plan Bay Area 2050 Environment Element);
- Areas outside locally adopted urban growth boundaries; and
- Parkland and other open spaces within urbanized areas identified in the California Protected Areas Database.

In local jurisdictions that have nominated less than 50 percent of the PDA eligible areas as PDAs, MTC will apply these specific density and land use assumptions on all remaining Transit-Rich Areas and High-Resource Areas within ¼ mile of a bus stop with 16- to 30-minute peak period headways. These areas can be identified in MTC maps linked above.

MTC has posted a list of frequently asked questions about PDAs, which can be accessed [here](#).

2019 PDA Nomination Process

MTC uses a Letter of Interest (LOI) process to allow jurisdictions to nominate PDA-eligible areas to be designated as a PDA. By nominating a PDA, the City will be providing a critical local lens in identifying additional areas that are best suited for growth in the Final Blueprint.

As stated above, establishing a PDA has no impact on a jurisdiction's authority over its zoning, development review, or other land use decision. PDAs are voluntary local designations that help ensure regional planning and investment decisions are shaped by community priorities. Jurisdictions retain local land use authority and that local jurisdictions will continue to determine where future development occurs. Plan Bay Area 2050 will be supported through implementation efforts such as neighborhood-level planning grants for PDAs and local technical assistance. As with the initial Plan Bay Area 2040, the current Plan Bay Area 2050 does not mandate any changes to local zoning rules, general plans or processes for reviewing projects; nor is the plan an enforceable direct or indirect cap on development locations or targets in the region. As is the case across California, the Bay Area's cities, towns, and counties maintain control of all decisions to adopt plans and to permit or deny development projects.

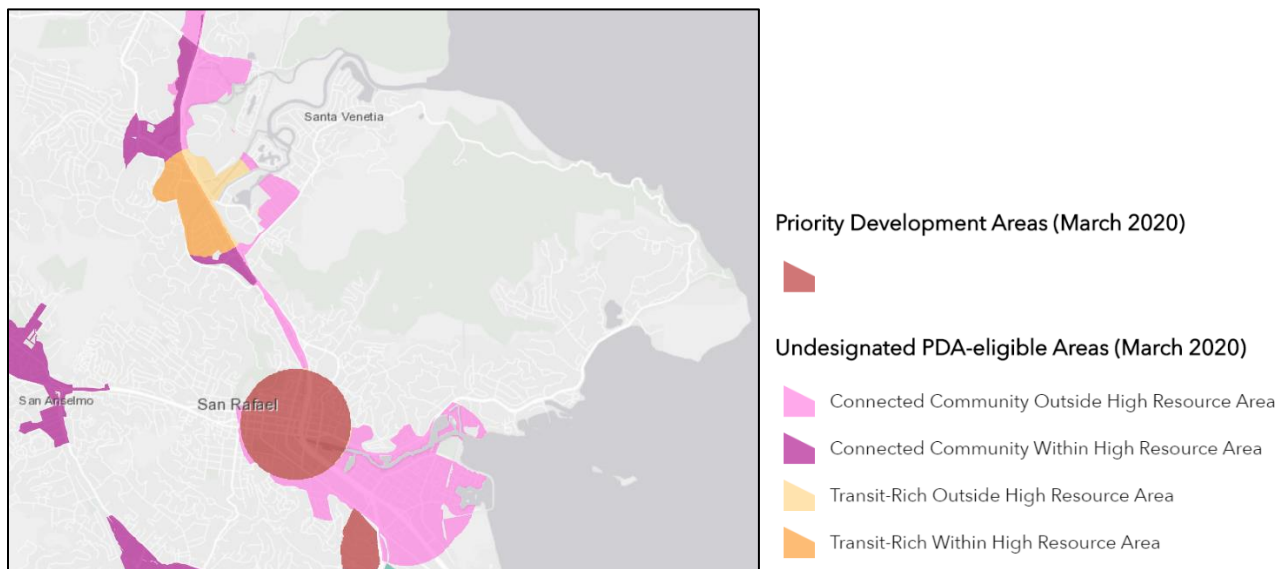
Last year, MTC conducted an LOI process to nominate new and expanded PDAs for consideration as locations for focused housing growth in advance of the Plan Bay Area 2050 Blueprint planning process.

However, many jurisdictions did not nominate most of their PDA-eligible areas for consideration, creating challenges in advancing critical equity and sustainability goals for the region and the state. In response, MTC initiated a second LOI process for jurisdiction to nominate PDAs for consideration in Plan Bay Area 2050 Final Blueprint.

Under this second round of nominations, LOIs must be submitted by May 31, 2020. LOIs can be signed by the Planning Director or City Manager. However, Resolutions from a City Council or Board of Supervisors are required for new PDAs, and must be adopted or agendized by May 31, 2020, with all agendized resolutions adopted by June 30, 2020.

While designating a PDA does not modify local land use control, continued [PDA eligibility is contingent on initiating a specific, precise, or equivalent plan for housing and job growth by 2025](#). For PDA areas designed a “Connected Community Outside High Resource Area”—as is the case with proposed Canal PDA described in the Analysis section—jurisdiction also need to adopt Vehicle Miles Traveled (VMT) reduction plans by 2025. The Canal and Northgate areas meet the eligibility requirements for PDA designation (**Map 1**). Because the new General Plan 2040 will include prescribed programs committing to pursue funding and completion of Specific/Precise Plans for the Canal and Northgate areas, it is worthy to consider a PDA designation for these areas.

Map 1. Spring 2020 PDA Guide Map- San Rafael



To assist with the adopting of these plans, Jurisdictions with PDAs have access to dedicated funding for plans and infrastructure improvements in PDAs. Since 2012, MTC has invested more than \$630 million in PDA projects that advance community goals, including new sidewalks and bike lanes, downtown plans, and improved transit access.

ANALYSIS:

Due to the many state programs related directly and indirectly to the Plan Bay Area process, staff has provided the below summary table outlining the key program elements:

Summary of Relevant State Programs

Topic	Priority Development Area (PDA)	Regional Housing Need Allocation (RHNA)	Transportation Priority Project (TPP)
Update Cycle	<ul style="list-style-type: none"> • Every four (4) years 	<ul style="list-style-type: none"> • Every eight (8) years 	<ul style="list-style-type: none"> • As needed
Methodology	<ul style="list-style-type: none"> • Uses TCAC Opportunity Maps & Indicators⁶ • Transit Proximity 	<ul style="list-style-type: none"> • Uses TCAC Opportunity Maps & Indicators 	<ul style="list-style-type: none"> • Transit Proximity
Jurisdiction	<ul style="list-style-type: none"> • MTC/ABAG 	<ul style="list-style-type: none"> • California HCD 	<ul style="list-style-type: none"> • California HCD
Requirement	<ul style="list-style-type: none"> • Voluntary by local jurisdiction 	<ul style="list-style-type: none"> • Required by State Law 	<ul style="list-style-type: none"> • Projects within a designated area allowed access to streamlined CEQA review⁷
Process to Change	<ul style="list-style-type: none"> • Allowed throughout the planning process • can be rescinded, if necessary 	<ul style="list-style-type: none"> • No Change within a planning cycle 	<ul style="list-style-type: none"> • N/A
Penalties for non-compliance	<ul style="list-style-type: none"> • None, cannot impact local planning 	<ul style="list-style-type: none"> • Yes, limitations placed on local oversight 	<ul style="list-style-type: none"> • N/A
Funding	<ul style="list-style-type: none"> • Jurisdictions with PDAs have access to additional funding 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • N/A

Staff finds that it is worthy to consider designating a Canal PDA and reconsidering a more focused PDA for Northgate area based on the following findings and information:

1. Relationship to the City’s Housing Priorities

As part of the [housing policy priorities approved by the City on January 21st, 2020](#), staff was directed to pursue options policy and development opportunities to reduce the constraints to housing development. Nomination of PDAs of Plan Bay Area 2050 falls firmly within this direction. The PDA process would begin the planning for necessary to accommodate increases in housing and jobs as well as conducting the environmental review needed to spur housing development.

Like the Downtown Precise Plan, a PDA designation will allow the City opportunities to leverage important funding and technical assistance provided through MTC. MTC anticipates releasing a call for funding for PDA planning--which would allow activities similar to the Downtown Precise Plan—Fall 2020. Additional planning funding is likely to also be available through the next Plan Bay Area, which is scheduled for adoption in 2021, making funding likely available in 2022. Designation of multiple PDAs would also not create a disadvantage to access to these funds. Funding application would be conducted for each individual PDA, and the applications would be assessed the same as all others.

In addition, many competitive state transportation and housing funding programs now prioritize projects in places that implement regional plans such as PDAs. Increasing the number of PDAs in San Rafael will increase the number of projects competitive for these statewide funding opportunities.

⁶ <https://belonging.berkeley.edu/tcac-2020-preview>

⁷ None of the streamlining mechanisms available under SB 375 apply to developments in PDAs. Additionally, for projects in a TPP, the scope of topics that must be discussed in CEQA documents is so vast, the value of eliminating these topic areas is somewhat limited.

2. Relationship to RHNA

Plan Bay Area 2050 does not establish new state-mandated [Regional Housing Needs Allocation](#) (RHNA) numbers for any jurisdiction. RHNA cannot allocate specific housing requirements to a PDA as allocations must be done at the jurisdiction level. However, the indicators used to determine RHNA allocations overlap with the indicators used to determine PDA eligible areas. The PDA designation itself does not increase the RHNA allocation. Jurisdictions with PDA eligible areas will get a higher RHNA allocation, regardless if the area is designated a PDA or not.

While RHNA and Plan Bay Area 2050 are separate planning processes, Plan Bay Area 2050 is required to incorporate RHNA allocations for the period of time with RHNA is valid. Due to this relationship, MTC has made a concerted effort this year to better align development of both documents. The key difference between these documents is RHNA has legal implications and Plan Bay Area 2050 is solely a planning and aspirational document. But by nominating these areas as PDA's we expand our access to the funding and technical assistance provided by MTC to better meet these RHNA goals.

3. Relationship to Pending General Plan 2040

The designation of two new PDAs would not impact the current work on nor prejudice the outcome of the San Rafael General Plan 2040. The draft San Rafael General Plan 2040 and supportive Draft Environmental Impact (DEIR) are near complete and are expected to be published for public review within the next month. With work in earnest on Plan Bay Area 2050 not occurring until after the completion of the General Plan process, pertinent data or projections from this regional plan would be reviewed and considered when pursuing a subsequent Specific/Precise Plan process for these two areas. A decision on the PDA designation by the MTC/ABAG Board will not occur until fall 2020. The same approach is being taken with the San Rafael Transit Center Relocation Project. A specific site for this project has yet to be selected, so the San Rafael General Plan 2040 and Downtown Precise Plan will acknowledge that the determination of the selected site will be made after the city adopts these Plans.

As part of the General Plan 2040 process, representatives from the Northgate and Canal communities have requested incorporation of Plan programs: a) requesting a deeper dive into long-range planning for their respective neighborhoods; and b) endorsing the City to pursue funding and development of Specific/Precise or similar plans for their respective areas. Further, community members have indicated that funding and developing a Specific/Precise Plan for their respective areas should be identified as a high priority, short-term program on the General Plan 2040. Funding a Specific/Precise Plan is a tall order for the City, which requires reliance on outside funding sources such as grants. With both areas meeting the eligibility requirements for a PDA designation, the Plan Bay Area 2050 process provides a strong argument to consider the PDA designation to leverage outside funding resources to conduct this planning. The PDA designation would also set a time frame (2025) for pursuing funding and completing a Specific/Precise Plan, which is in line with the community interest to prioritize programming.

4. Rationale to Consider a Canal PDA

A Canal PDA would help align regional planning with the priorities identified in the General Plan 2040. Nominating a Canal PDA would present a significant opportunity to increase access to dedicated regional funding and technical assistance. A potential increase in dedicated funding could be used to facilitate a robust community-driven planning process to develop a specific or precise plan for the Canal Neighborhood. Access to these planning funds could not be timelier with the inequities felt by the Canal neighborhood as a result of the region's housing crisis and the disproportionate impact presented by sea level rise. Additionally, with the "Connected Community" PDA designation,

the City efforts would also include adoption two or more policies shown to reduce vehicle miles traveled.

5. Rationale to Reconsider a Northgate PDA

There have been a number of significant changes since the City's 2013 action rescinding the Civic Center/Northgate PDA. First, the definition of a PDA as it applies to San Rafael has changed from being a ½-mile radius surrounding a rail station or transit center to a more fluid configuration that considers numerous factors such as proximity to transit and the transportation network and opportunities for housing. The local jurisdictions are given the discretion to custom-configure areas eligible for a new PDA or expanded PDA. This change is critical as one of the major concerns about the former Civic Center/Northgate PDA was that it included lands east of US 101 and the developed neighborhood south of Mt. Olivet Cemetery (San Rafael Meadows, Merrydale/Redwood Highway). The rescinding of the PDA designation also resulted in amending the Civic Center Station Area Plan to: a) propose no land use or development changes to the areas east of US 101; and b) reduced building heights and development intensities along the Redwood Highway and Merrydale Road frontages south of the SMART rail line and Mt. Olivet Cemetery. Second, with the ability to customize the PDA boundaries, the area can be focused on and around the Northgate Mall, which is the site of most interest in the community for a deeper planning study.

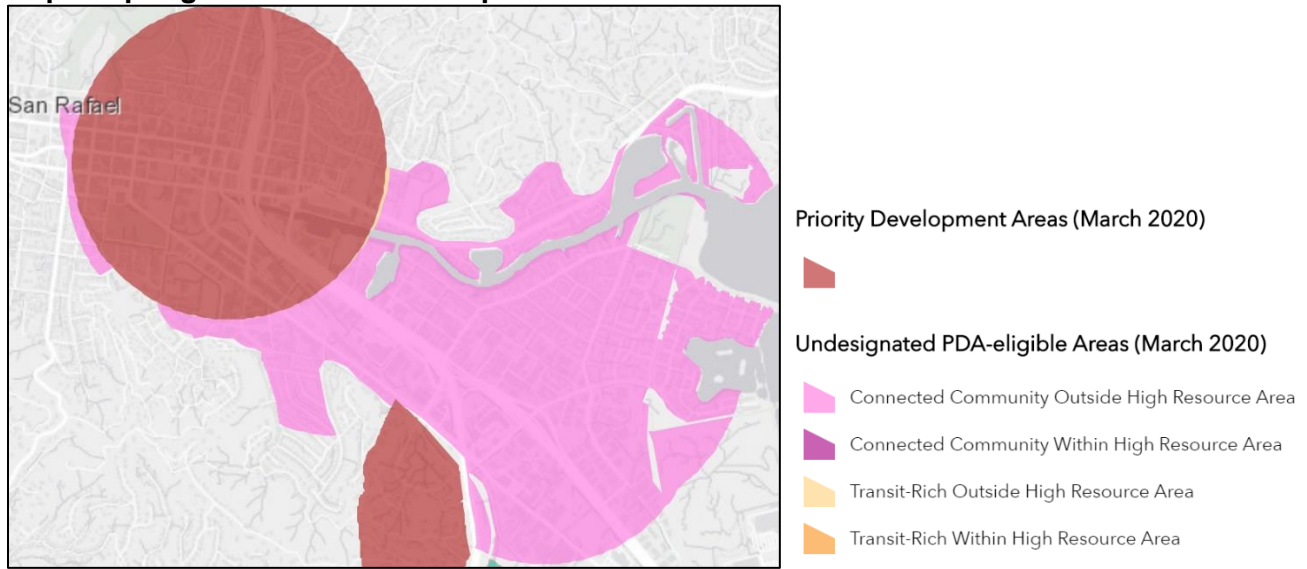
To file a LOI, the City is required to define the boundaries of the PDA and provide basic jobs, housing, and population data for the defined areas. Staff has prepared PDA boundary options for each potential PDA (See Attachment 2). The boundary options and related information are described below, followed by a staff recommendation for each potential PDA. Once the LOI is submitted, it will go to the ABAG Board for approval, likely in August or September 2020. If approved, the PDAs would then be included in the analysis conducted as part of Plan Bay Area 2050 and be eligible for funding opportunities related to PDAs.

It is also important to note, MTC Staff have confirmed that the City will be to make future adjustments to the PDA boundaries after Plan Bay Area is adopted. For instance, if during the development of a Precise Plan, or any subsequent planning process, new PDA boundaries are determined, future updates to Plan Bay Area would reflect these changes. Additionally, MTC Staff have stressed there is no requirement that a local plan achieve consistency with Plan Bay Area (i.e. housing densities). Plan Bay Area 2050 is studying a possible pattern of future growth to 2050 to understand what is needed to meet the regions GHG reduction targets and does not come with any requirements for the jurisdiction.

Proposed Canal PDA

As seen in **Map 2**, the PDA eligible area in the Canal Neighborhood includes large area's west of Highway 101 and portions of Point San Pedro Road along the Canal. After review of the PDA eligible areas, Staff has created three PDA options. Based upon community feedback, in all three options, staff has extended the PDA boundary to include the non-PDA-eligible areas southeast of Bellam Blvd, in-order to include the Canalways property and businesses along Windward Way.

Map 2. Spring 2020 PDA Guide Map- Canal



Inclusion of the Canal as a PDA is consistent with the following General Plan policies:

NH-1. Neighborhood Planning.

Engage neighborhood associations in preparing neighborhood plans for their area.

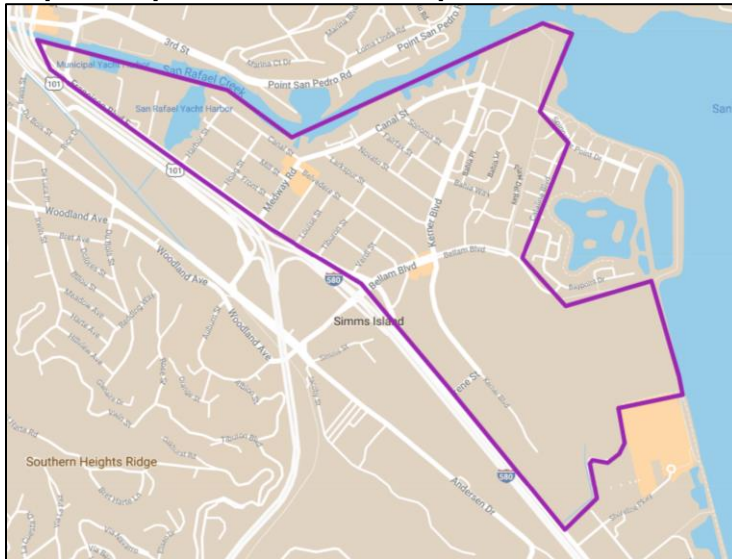
NH-1a. Neighborhood Planning Process. Develop a neighborhood planning process where there is significant desire or need for a neighborhood plan. As of July 2003, neighborhoods expressing a desire for a neighborhood plan are Bret Harte, Gerstle Park, Lincoln/San Rafael Hill, the Santa Margarita area in the Terra Linda neighborhood and **the Canal**.

NH-50. Canal Neighborhood Plan.

Prepare a new Canal Neighborhood Plan. Building on the results of Canal Voice, create a vision for the neighborhood that addresses the need for better access, more shopping and services, and improved housing.

Canal PDA Option 1

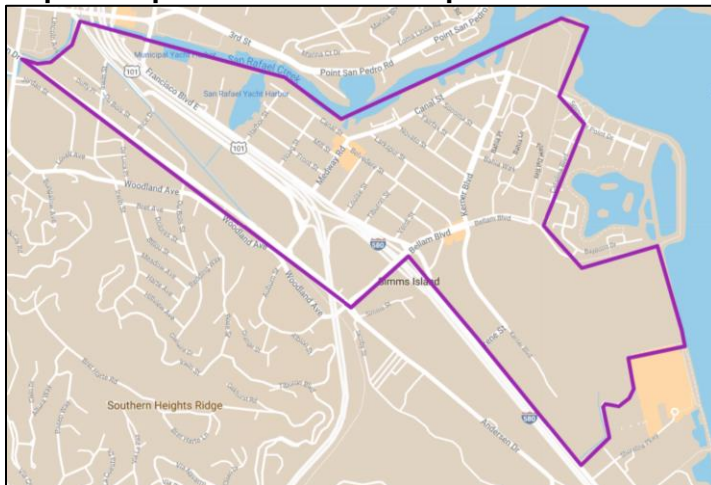
Map 3. Proposed Canal PDA- Option 1



Canal PDA Option 1 (**Map 3**) includes the major boundaries of the area canal waterfront and a large portion of the Canal neighborhood (see General Plan 2020). This area contains most of the residential areas and include the Canalways property. It does not include Spinnaker/Baypoint, which is developed with single family homes

Canal PDA Option 2 -Canal with Marin Square

Map 4. Proposed Canal PDA - Option 2

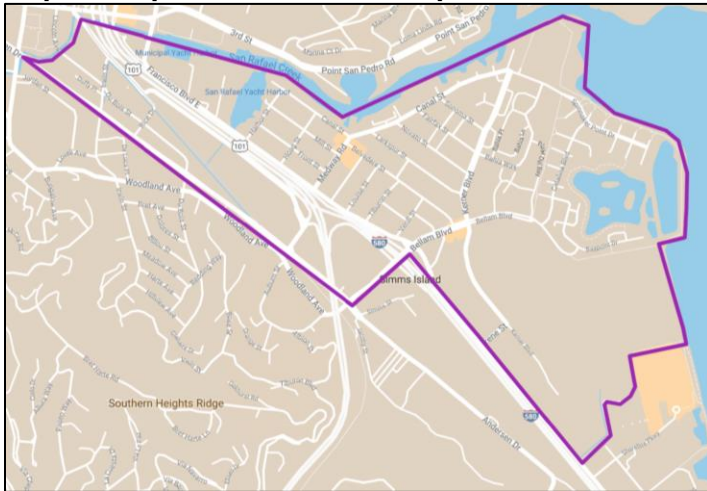


Canal PDA Option 2 (**Map 4**) includes the major boundaries of the area canal waterfront and a large portion of the Canal neighborhood (see General Plan 2020). It does not include Spinnaker/Baypoint, which is developed with single family homes. This Option includes the-PDA eligible areas to the west of the highway bounded on the west by Andersen Dr. and would connect with the Downtown PDA at San Rafael Creek to the north. Also included in this option is the Marin Square property, which would be consistent with General Plan Policy NH-58:

Encourage joint planning for the Marin Square/Gary Place area, including improved access to Gary Place. With any future redevelopment of the Marin Square shopping center and Gary Place, emphasize the following land uses: mixed-use (retail on the ground level and residential above), and possibly a hotel

Canal PDA Option 3 -Canal with Marin Square

Map 5. Proposed Canal PDA- Option 3

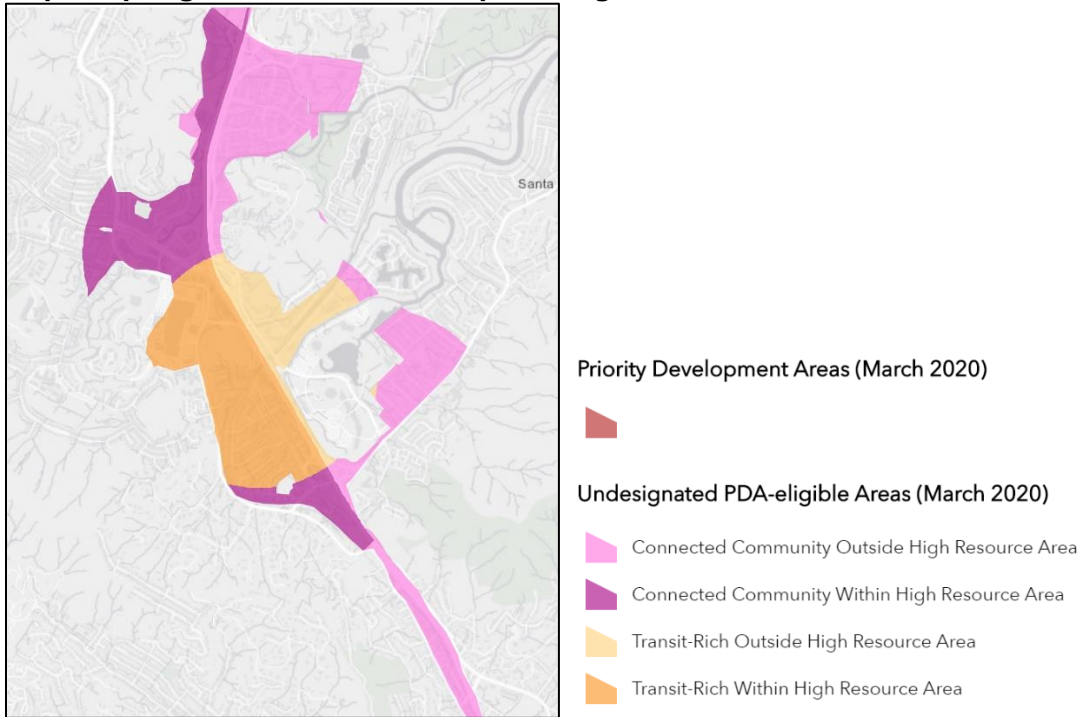


Canal PDA Option 3 (**Map 5**) would include all areas described in Option 2, and expand the boundary to include Spinnaker/Baypoint.

Proposed Northgate PDA

As seen in **Map 6**, the PDA eligible area in North San Rafael includes a large area ranging for immediate surrounding the Civic Center SMART Train station and following the path of the SMART train along Lincoln Ave. Due to feedback received during the 2013 PDA process, Staff has proposed three PDA options that are much more limited in size and scope than what is PDA eligible. As a result of this limited size, staff proposes naming this PDA the “Northgate PDA” rather than the “Civic Center/North San Rafael PDA” naming convention used in 2013. Like the Canal PDA options above, while staff has provided a recommendation, City Council may also suggest a different PDA boundary to be included in the resolution under consideration.

Map 6. Spring 2020 PDA Guide Map- Northgate



In all three options, staff has included Northgate Mall, Northgate III, Northgate I center and the Las Gallinas office and gas station areas. In all options, Mt. Olivet Cemetery has been removed. The Northgate Mall areas include land that is designated General Commercial/Office which provides opportunities for residential densities of 15-32 units per acres. Inclusion of this area in the PDA would be consistent with the following General Plan Policies:

General Plan Policy NH-132 Town Center Activities, which states:

Create a Town Center with high quality retail stores for local residents as well as the broader community. Broaden the appeal of the Town Center area by improving pedestrian traffic, increasing the number of local shoppers, and attracting a mix of high-quality stores, entertainment, and services.

NH-133. Northgate Mall, which states:

Revitalize the economic health of the Northgate Mall and surrounding business areas. Encourage efforts to revitalize and expand Northgate Mall, including improving the mix of activities and the quality of shops, and upgrading the appearance of the buildings and landscaping, while maintaining a scale consistent with the surrounding community and not exceeding infrastructure capacity. Allow the addition of residences, maximize the potential for affordable housing, and incorporate promenade improvements as described in the North San Rafael Promenade Conceptual Plan in any substantial rehabilitation or expansion of the mall.

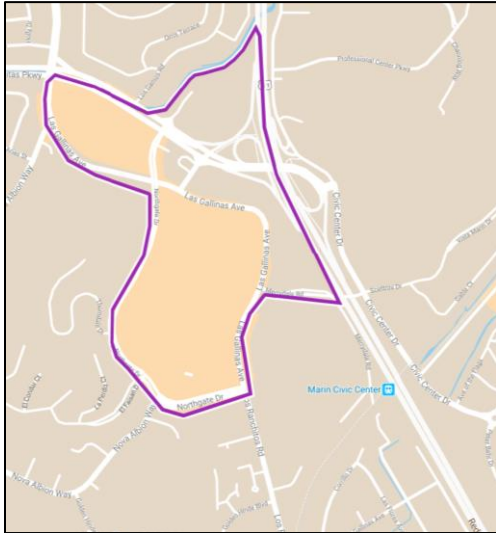
NH-139. Pedestrian and Bicycle Safety and Accessibility, which states:

Improve access and bicycle/pedestrian connections between Northgate One, the Mall at Northgate and Northgate Three.

Northgate PDA Option 1

Northgate PDA Option 1 includes only the PDA-eligible areas surrounding Northgate Mall, Northgate III, and the Four Points by Sheraton, and extending to the intersection of Las Gallinas Avenue and Manuel T. Freitas Parkway.

Map. 7 Proposed Northgate PDA- Option 1



Northgate PDA Option 2

Northgate PDA Option 2 (**Map 8**) includes all of the Option 1 area and expands the PDA boundary to include the triangle shaped area immediate west of the Civic Center SMART station bound on the north by Mt. Olivet Cemetery, on the south by the SMART train tracks, and the west by Los Ranchitos Rd.

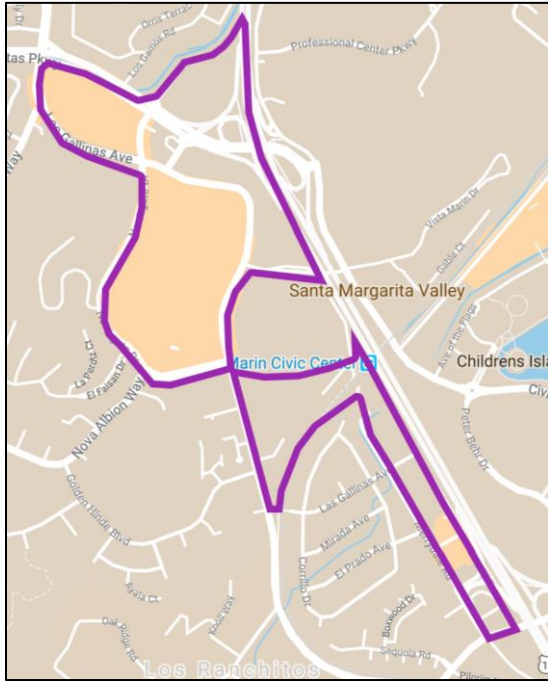
Map. 8 Proposed Northgate PDA- Option 2



Northgate PDA Option 3

Northgate PDA Option 3 (**Map 9**) includes all of Option 2 and expands the PDA boundary along the 101 Corridor to include the business south of the Civic Center SMART station between Redwood Highway and Merrydale Rd. ending at San Pedro Rd.

Map. 9 Proposed Northgate PDA- Option 3



Staff PDA Recommendation

Staff finds that a nomination of PDAs in the North San Rafael/Northgate and Canal Neighborhoods is worthy of consideration, understanding that this action will increase the resources available to facilitate community-driven planning processes in these communities. Given the submittal timing requirements, nomination of PDAs will allow the City to continue to move this process forward without any impact to local planning control. With both areas meeting the eligibility requirements for a PDA designation, the Plan Bay Area 2050 process provides an opportunity to consider the PDA designation to leverage outside funding resources to conduct this planning. The PDA designation would also set a time frame (2025) for pursuing funding and completing a Specific/Precise Plan, which is in line with the community interest to prioritize programming.

COMMUNITY OUTREACH:

Due to the COVID-19 Shelter-In-Place and the required timing for response, robust community engagement was unable to occur as part of the Letter of Interest process. However, City staff conducted conference meetings with key representatives of the Canal neighborhood and North San Rafael areas. Canal representatives are receptive and supportive of a PDA designation for the Canal area.

In the conference with the North San Rafael representatives, there were concerns expressed and some very good and detailed questions raised about the impacts of creating a PDA. The questions and issues

raised have been covered in this report. In addition, representatives inquired about similar call for letters of interest to nominate Priority Conservation Areas (PCA). Plan Bay Area defines a PCA as follows:

“Priority Conservation Areas, or PCAs, are regionally significant open spaces which have broad agreement for long-term protection. These are lands that are being pressured by urban development and other factors, and they are supported through local government consensus.”

There are 165 Priority Conservation Areas that have been adopted throughout the region. These areas typically include natural landscapes (e.g., wetlands), agricultural land, urban greening, and recreation that is of regional significance. Marin County includes PCAs, most spanning large areas of West Marin agricultural land and large areas of permanent open space in the eastern corridor. The window for submitting nominations for new PCAs closed in 2019.

It is also important to note, that the Letter of Interest nominating a PDA is only the first step of the PDA process. One of the main purposes of the PDA process is to better focus planning efforts and ensure regional planning and investment decisions are shaped by community priorities. MTC is finalizing their engagement strategy to respond to COVID-19, but regardless of the format, they will be highlighting the role of PDAs – emphasizing local nomination - as part of the Plan’s strategies. Additional information will be made available when finalized.

As stated earlier, refinement of the PDA will be a community driven process utilizing subsequent planning processes, like specific and precise places. A PDA designation will allow the City to access designated funding and tools provided by MTC to help facilitate these discussions.

FISCAL IMPACT:

There is no fiscal impact of nominating a PDA. As described in the Background section, Jurisdictions with PDAs have better access to designated funding streams specifically design for the implementation of PDAs. For example, the PDA designation for Downtown San Rafael provide access to One Bay Area Grants (OBAG), which greatly subsidized the Downtown Station Area Plan (\$250,000) and the Downtown Precise Plan (\$600,000). The City was awarded OBAG funds for sidewalk improvements along Francisco Boulevard East (\$2.1 million), as this street is within the boundaries of (and tributary to) the Downtown PDA. Lastly, in 2013, the City was awarded OBAG funds (\$1.9 million) for Downtown transportation enhancement improvements (signalization upgrades and other improvements) to prepare for the planned SMART rail service. These enhanced transportation improvements were identified as a high priority program in the Downtown Station Area Plan (2012).

OPTIONS:

The City Council has the following options to consider on this matter:

1. Direct the City Manager to submit a Letter of Interest nominating Priority Development Areas for the City of San Rafael and return to City Council with an authorizing resolution before June 30, 2020.
2. Direct the City Manager with modifications.
3. Direct staff to return with more information.
4. Take no action.

RECOMMENDED ACTION:

Direct the City Manager to submit a Letter of Interest nominating Priority Development Areas for the City of San Rafael and return to City Council with an authorizing resolution before June 30, 2020