



CITY COUNCIL STAFF REPORT

MEETING DATE: February 13, 2023

ITEM TITLE: Adopt a Resolution Authorizing the Submission of a Grant Application for the Downtown Specific Plan in the Amount of \$300,000 in Response to the Metropolitan Transportation Commission's (MTC's) Priority Development Area (PDA) Grant Call for Projects.

RECOMMENDATION:

Staff recommends that the City Council adopt a Resolution authorizing the submission of a grant application for the Downtown Specific Plan in the amount of \$300,000 in response to the Metropolitan Transportation Commission's (MTC's) Priority Development Area (PDA) grant call for projects.

FISCAL IMPLICATIONS:

If the grant application is accepted and approved by MTC, \$300,000 of potential funding can be used to offset the budget allocated for the implementation of the Downtown Specific Plan. The Downtown Planning Initiative Project (Project #C2105) budget was approved by the City Council in Fiscal Year 2021 with an appropriation of \$1 million. As of January 31, 2023, the available project balance is approximately \$781,300.

BACKGROUND:

In 2011, MTC, the Association of Bay Area Governments (ABAG), and Bay Area Conservation and Development Commission (BCDC) initiated the FOCUS program to provide funds for PDAs that leverage existing infrastructure to minimize development impacts on communities. PDAs must be within an existing community, within a half-mile of frequent transit, and in an area planned for future housing and job growth. Through the PDA program, local governments identify areas envisioned for future housing and job growth that are served by transit. Bay Area cities have been nominated for 218 PDAs since 2007. PDAs facilitate coordinated regional planning for future growth and transportation investment. In addition to shaping the location of anticipated growth and major transit investments, PDAs receive a dedicated share of funding for local planning and transportation improvements such as complete streets, bikeways, and parking programs. This is reflected in Plan Bay Area 2050, the region's current long-range land use and transportation plan.

The San Carlos Railroad Corridor, which includes El Camino Real and Downtown, was designated as a PDA in 2011, because of its Caltrain access, the Downtown retail district, and housing within walking distance of the station. In June 2019, ABAG and MTC opened a call for

letters of interest (LOI) for new or modified PDAs following ABAG and MTC's adoption of revised criteria for priority areas. The City submitted an LOI in September 2019 to modify the existing PDA boundary to adequately capture the growth near San Carlos Avenue and include the multi-family zoning areas. The new PDA boundaries are shown in *Figure 1: Downtown and PDA Boundary*. Expanding the PDA boundary made San Carlos eligible for additional planning grants and technical assistance from the regional agencies such as this new PDA Grant.

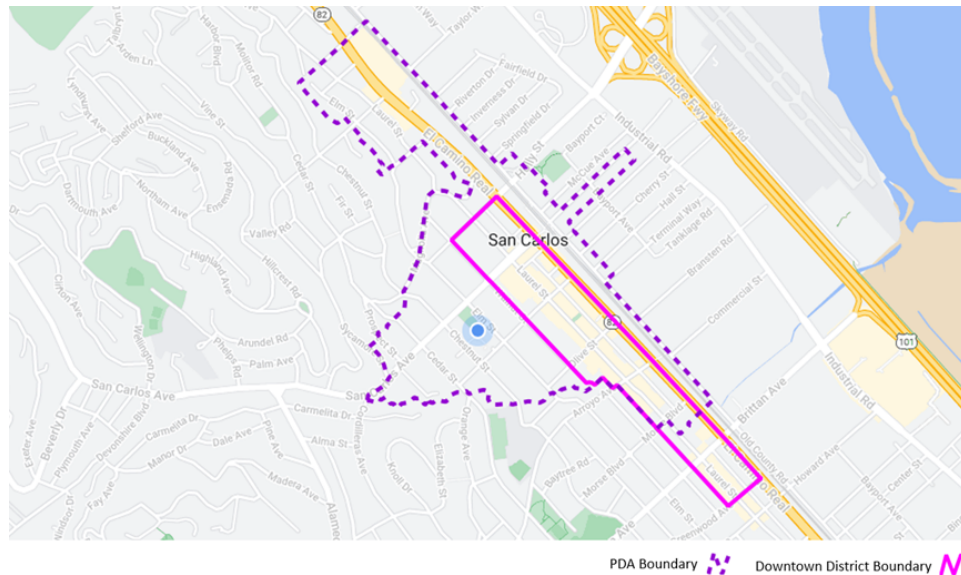


Figure 1: Downtown and PDA Boundary

In December 2022, MTC released a call for projects for PDA Planning Grants open to local governments with one or more PDAs. To date, these grants have funded more than 80 plans and a wide range of technical assistance. This round of funding supports three types of planning activities:

Full Plans that, at a minimum, establish development standards and identify public improvements, informed by community engagement and result in an adopted plan, CEQA analysis, and zoning and general plan amendments. (Maximum grant amount: \$1,200,000)

Plan Amendments that update an adopted plan to reflect changing community priorities, state and regional policies, and economic trends. Plan amendments typically involve revising part, but not all, of a plan, and result in updates to the zoning code and, if applicable, an environmental impact report (EIR) and general plan land use designations. (Maximum grant amount: \$600,000)

Plan Implementation: Technical assistance to develop and adopt policies or programs that facilitate the implementation of an adopted plan for one or multiple PDAs. (Maximum grant amount: \$200,000)

ANALYSIS:

To ensure both local and regional benefits, plans funded through the PDA program must meet minimum requirements, but can do so in a way that addresses community priorities. At a minimum, plans must include: development standards; standards for public rights of way and other public spaces; capital improvements; a funding strategy; actions to expand equity; any

necessary environmental analysis; and updates to zoning and the general plan to achieve consistency with the grant-funded plan. By receiving funding, grant recipients are committing to ensuring that plans are consistent with any applicable state and regional laws and policies, such as MTC's Transit-Oriented Communities Policy. MTC/ABAG staff will support City staff in ensuring minimum requirements are met and will offer technical resources and best practices.

The City of San Carlos plans to apply for the PDA Grant to support the Downtown Specific Plan. Specifically, the grant funds will be used to augment certain deliverables within the scope work that will help meet the PDA program priorities listed above. The Downtown Specific Plan is an excellent candidate for this grant because:

- It is within the PDA boundary
- The plans would address and implement certain aspects of MTC's Transit Oriented Communities (TOC) Policies (Attachment 2) in conjunction with 2023-2031 Housing Element
- It helps meet certain Plan Bay Area 2050 Strategies in conjunction with the 2023-2031 Housing Element

A fully executed Council Resolution authorizing the PDA Grant application is required before staff can submit a complete application for MTC to review. The final application deadline is February 23, 2023.

ALTERNATIVES:

The alternatives available to the City Council include:

1. Adopt the Resolution Authorizing the Submission of a Grant Application for the Downtown Specific Plan in the amount of \$300,000 in Response to the Metropolitan Transportation Commission's (MTC's) Priority Development Area (PDA) Grant Call for Projects; or
2. Do not adopt the proposed Resolution; or
3. Provide staff with alternative direction.

Respectfully submitted by:

Al Savay, Community Development Director

Approved for submission by:



Jeff Maltbie, City Manager

ATTACHMENT(S):

1. Resolution
2. MTC Transit Oriented Communities Policies