



**CITY OF SUNNYVALE  
OFFICE OF THE CITY MANAGER**

**May 30, 2012**

**TO:** Mayor and City Council

**FROM:** Gary Luebbers, City Manager 

**THRU:** Hanson Hom, Community Development Director   
Michael Martello, Interim City Attorney 

**SUBJECT: Information Item on City Council Question Regarding Priority Development Areas (PDAs) and Implications on Local Land Use Authority**

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On May 15, the City Council requested clarification about the possible obligation of cities to commit to planned or proposed growth in Priority Development Areas (PDAs) and if a city can reverse these designations. The question arose when a member of the public alleged that the Association of Bay Area Governments (ABAG) prevented the City of Livermore from removing a PDA. Planning staff in Sunnyvale contacted the Livermore Planning Department for a clarification. Livermore staff indicated that the issue was not about removing a PDA, but about relocating or enlarging a PDA. Livermore had designated a PDA for an ACE train station site and wanted to place higher priority on growth at a nearby area designated for a future BART station. After consultation with ABAG staff, Livermore decided to merge the two areas to create one larger PDA. As explained below, ABAG's permission was not needed for this change. While the issue did not involve eliminating a PDA, this confusion warrants a clarification of the implications when a city nominates and receives approval from ABAG for a PDA designation.

ABAG is the designated metropolitan planning organization (MPO) that oversees regional land use planning for the Bay Area region. Its role is primarily advisory with no regulatory authority over local land use planning. One of its highlighted responsibilities which directly affect local agencies is determining the Regional Housing Needs Allocation (RHNA) formula and distributing the projected housing growth among cities and counties. While ABAG sets the RHNA numbers for Bay Area jurisdictions, the State Office of Housing and Community Development (HCD) is the regulatory agency that enforces the RHNA through certification of local housing elements.

ABAG also regularly updates and publishes annual projections on population, housing and job growth for the region. More recently, ABAG has used the projections process to promote compact infill development and resource conservation through its FOCUS

planning program. This regional effort includes designating PDAs where growth is encouraged in the region, such as at transit stations and along transit corridors. It also includes designating Priority Conservation Areas (PCAs) for open space preservation. Participation in the PDA program is strictly voluntary with each jurisdiction nominating its own PDAs. Staff contacted ABAG staff and verified that this is a voluntary program and each city has the discretion to nominate or remove a PDA within its jurisdiction. ABAG staff also clarified that they can only approve nominations and do not have the authority to designate PDAs themselves. Additionally, while ABAG can formally approve a PDA, they cannot prevent a jurisdiction from reversing its decision in the future.

The more significant question is whether cities are required to implement the planned or proposed growth in PDAs. The short answer is "no." Although ABAG administers the PDA program, this function does not include regulatory authority. However, the program is tied to certain grant funding opportunities. When a city designates a PDA, it signifies to ABAG and the Metropolitan Transportation Commission (MTC) that an area is envisioned or being considered for focused housing and/or employment growth. This qualifies the city for potential grants where priority may be placed on funding planning studies and capital improvement projects in designated PDAs. (The OneBayArea grant program is proposing to allocate 70 percent of program funds to PDAs.) The more essential information that influences regional planners is the underlying local general plan designations and the planned/proposed densities within PDAs. Each city is provided a menu of possible "place-types" with varying densities, including both employment and residential PDA types. Sunnyvale has assigned a place-type for each PDA based on its land use policies and a general assessment of development potential.

ABAG and MTC are currently overseeing the preparation of the Bay Area Sustainable Communities Strategy (SCS) which is mandated by SB 375. The SCS is non-binding to local jurisdictions, but will influence the next RHNA distribution and the prioritization of certain MTC transportation funds. The SCS will recognize the designated PDAs where housing and employment growth are planned or proposed; however, suggested growth will not be limited to the PDAs only. Other areas for focused growth will be identified based on the adopted SCS goals and guiding principles, and will include potential infill development in non-PDA and "PDA-like" areas. Emphasis will be on intensifying corridors and nodes (both PDAs and PDA-like areas) that are or will be well-served by multi-modal transportation facilities. Whether an area is a PDA or not is expected to have a marginal influence on the SCS. Ideally, ABAG is seeking to designate growth areas that are consistent with local general plans, and PDAs can highlight the agreement between local land use policies and regional goals.

Currently, ABAG has approved three Sunnyvale planned PDAs – El Camino Real, Downtown and Moffett Park, and two potential PDAs – Lawrence Station and East Sunnyvale ITR/Lakeside Specific Plan. Two proposed "employment center" PDAs are pending further ABAG review, Peery Park and Reamwood, which should be decided by the ABAG Executive Committee in June.