To: ABAG Executive Board

From: Miriam Chion, Planning and Research Director

Subject: Plan Bay Area – Draft Preferred Scenario

Date: September 7, 2016

This September session opens an important discussion for the ABAG Regional Planning Committee and Executive Board on the Plan Bay Area 2040 Preferred Scenario, which is scheduled for final approval by November 2016.

This packet includes a land use growth distribution (Attachment 1, Plan Bay Area 2040 DRAFT Preferred Land Use Scenario with its related transportation investments (Attachment 2, Plan Bay Area 2040 Draft Transportation Investment Strategy), performance measures (Attachment 3, Plan Bay Area 2040: Draft Preferred Scenario - Preliminary Results for Performance Targets and Equity Measures), and a draft of the proposed supportive implementation actions for Plan Bay Area (Attachment 4, Draft Implementation Actions) prepared by ABAG staff as a Draft for comment.

The first three components have been developed by ABAG and MTC staff to be discussed by both agencies' boards. As the regional transportation agency, the MTC Commission is responsible for the final Regional Transportation Plan component of Plan Bay Area 2040. As the Council of Governments, the ABAG Executive Board is responsible for preparing the land use growth distribution and the implementation actions related to housing, resilience, economic development, Priority Development Areas (PDAs), and open space (Attachment 4). The ABAG Administrative Committee and the MTC Planning Committee jointly approved the Performance Targets. The MTC Commission and the ABAG Executive Board will approve the final Plan Bay Area 2040 and Environmental Impact Report (EIR).

1. Background on Regional Land Use Planning at ABAG

As the Council of Governments, one of ABAG's primary responsibilities has been to develop land use and economic forecasts that distribute growth to all jurisdictions in the nine county Bay Area. These long-term forecasts represent ABAG's best assessment of the type, scale, and location of land use changes throughout the region. Many towns, cities, and counties use ABAG's forecast as a critical input as they develop their own General Plans and Specific Plans that show how their communities will grow and change over time. ABAG's forecast is also used for environmental review, water management plans and as a framework for infrastructure investments. ABAG's forecast is developed using economic and demographic models as well as information from local land use plans.

Since 2003, ABAG's forecasted growth pattern has also incorporated a variety of policy assumptions related to how the Bay Area will respond to larger global, national, state or regional trends. The policy direction incorporated into Projections 2003 was developed as part of the Smart Growth Strategy/Regional Livability Footprint Project. This collaborative effort among regional agencies, local governments, and stakeholders asked whether it was possible "to change the course of current growth: to find ways for

the Bay Area to accommodate its expanding populace, provide adequate housing, improve transportation, and at the same time protect the environment and preserve open space."1 The Footprint Project was lauded for establishing a vision for a more sustainable pattern of growth for the Bay Area. However, local governments criticized the planning process: more and broader consultation and collaboration with local governments was needed to garner their support for a regional vision of sustainable growth.

The FOCUS Program, initiated in 2007, represented the next step in the Bay Area's evolution toward a regional vision for a sustainable land use pattern that was developed in partnership with local governments. The process for local identification of Priority Development Areas (PDAs) and Priority Conservation Areas (PCAs) continued and expanded upon ABAG's collaboration with local governments. PDAs and PCAs became, and continue to be, the foundation for the vision articulated in Plan Bay Area.

Over the past ten years, regional agencies' experience with these initiatives to incentivize and support land use changes that move the region toward a more sustainable land use pattern have reinforced the importance of collaboration with jurisdictions. Throughout all of these efforts, an essential component of ABAG's planning and forecasting process has been close consultation with local governments. Information from local plans and local insights into community needs, political support, and fiscal constraints for a given development pattern informed and supplemented the analytic geographic distribution of the forecast. This allows the regional growth distribution to incorporate some of the local knowledge that regional-level modeling efforts might not capture. This is not to say that ABAG staff simply adjusted the projections to match the feedback provided by local governments. Instead, the collaboration with local governments enabled ABAG to develop a land use distribution that recognized the region's shared goals for a better quality of life in the future while remaining grounded in local realities. It also took into account the fact that land use changes only result from actions taken by local governments.

2. Addressing Land Use in Plan Bay Area 2040

One important purpose of Plan Bay Area 2040 is to promote a regional dialogue about the future of the region and to enable local government leaders, businesses, and residents to have a better understanding of how their community relates to the rest of the region. As part of this process, the Plan identifies the qualities and characteristics about the Bay Area to be preserved and enhanced as well as the key policies that will help make the region a better place to live and work for members of all communities—now and into the future.

The purpose of the land use portion of the Preferred Scenario is to present an aspirational yet achievable vision for growth that promotes a better quality of life for the Bay Area. The Draft Preferred Scenario growth numbers provide broad direction for the scale, type, and character of the growth to come to our neighborhoods over the next decades. More importantly, they serve as a point of reference for choosing the optimum long-term transportation investments, based on quantitative performance criteria defined in terms of health, jobs, environment, and equity.

The Preferred Scenario should highlight a path forward for how local governments can embrace this vision as they exercise their authority over land use decisions. While it is helpful to highlight the policies that will be necessary to implement the regional vision, it

is also helpful to provide local governments with specific benchmarks against which to gauge their decisions.

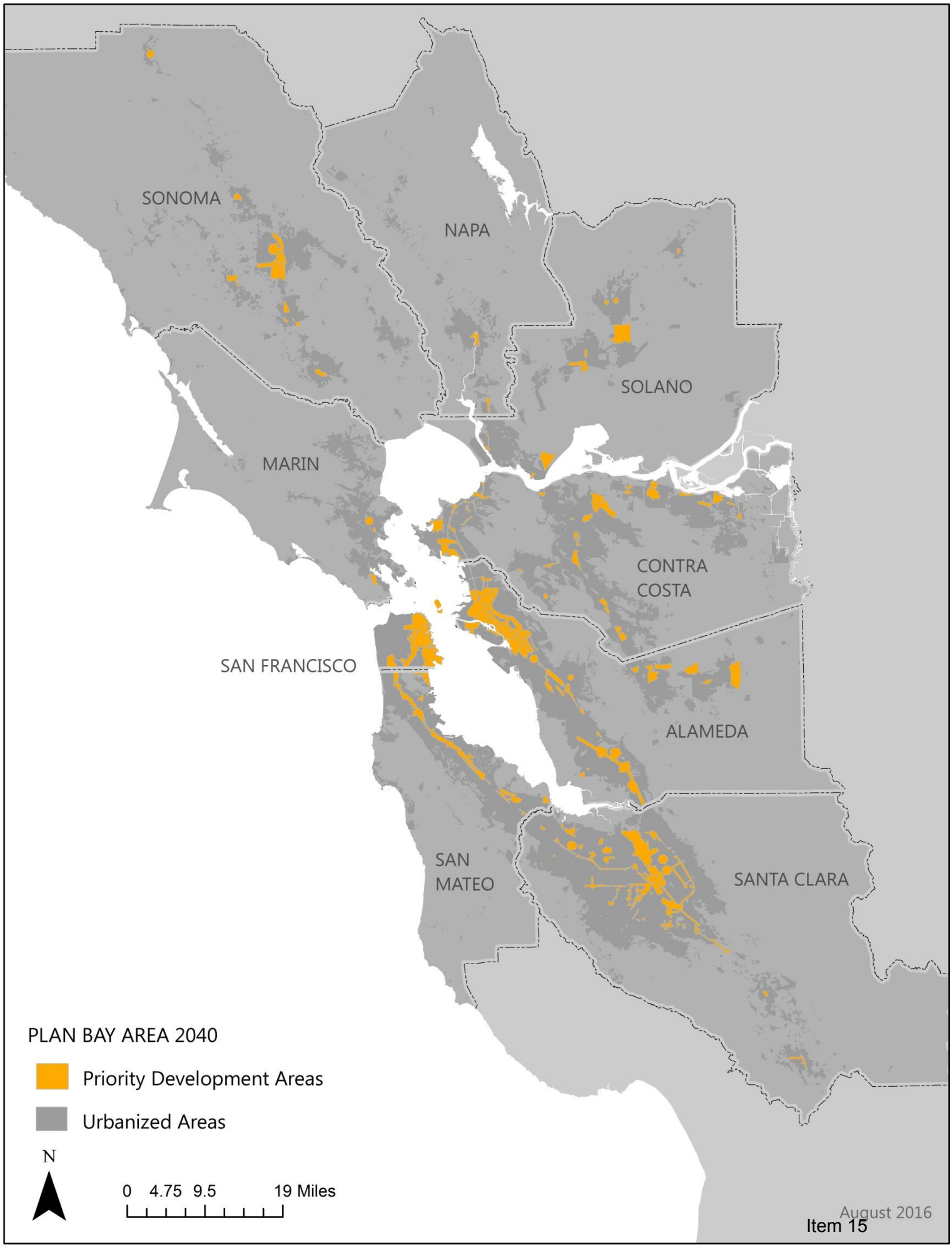
As an update to Plan Bay Area 2013, Plan Bay Area 2040 incorporates the underlying framework of the PDAs and PCAs as the foundation for the land use pattern. As a region, we have achieved consensus around PDAs as places of growth and PCAs as places that recognize our valuable natural resources. The characteristics of each locally-identified PDA and PCA vary according to the history, natural resources, and visions of each community. A PDA can convey the efforts to bring new vitality to Downtown Petaluma around the theater, new street lights, and shops; it can carry the efforts in Downtown Redwood City to bring music to Courthouse Square and address housing affordability; it can express the efforts in downtown Fremont to bring multifamily housing, offices, and shops around the BART station. A PCA can reflect local efforts to retain family farms in Solano County; it can be a section of Bay Trail in Napa; it can reflect the urban farms efforts in Oakland, or the restoration of wetlands in Santa Clara County. (For more information, visit the PDA website: http://abag.ca.gov/priority/development/)

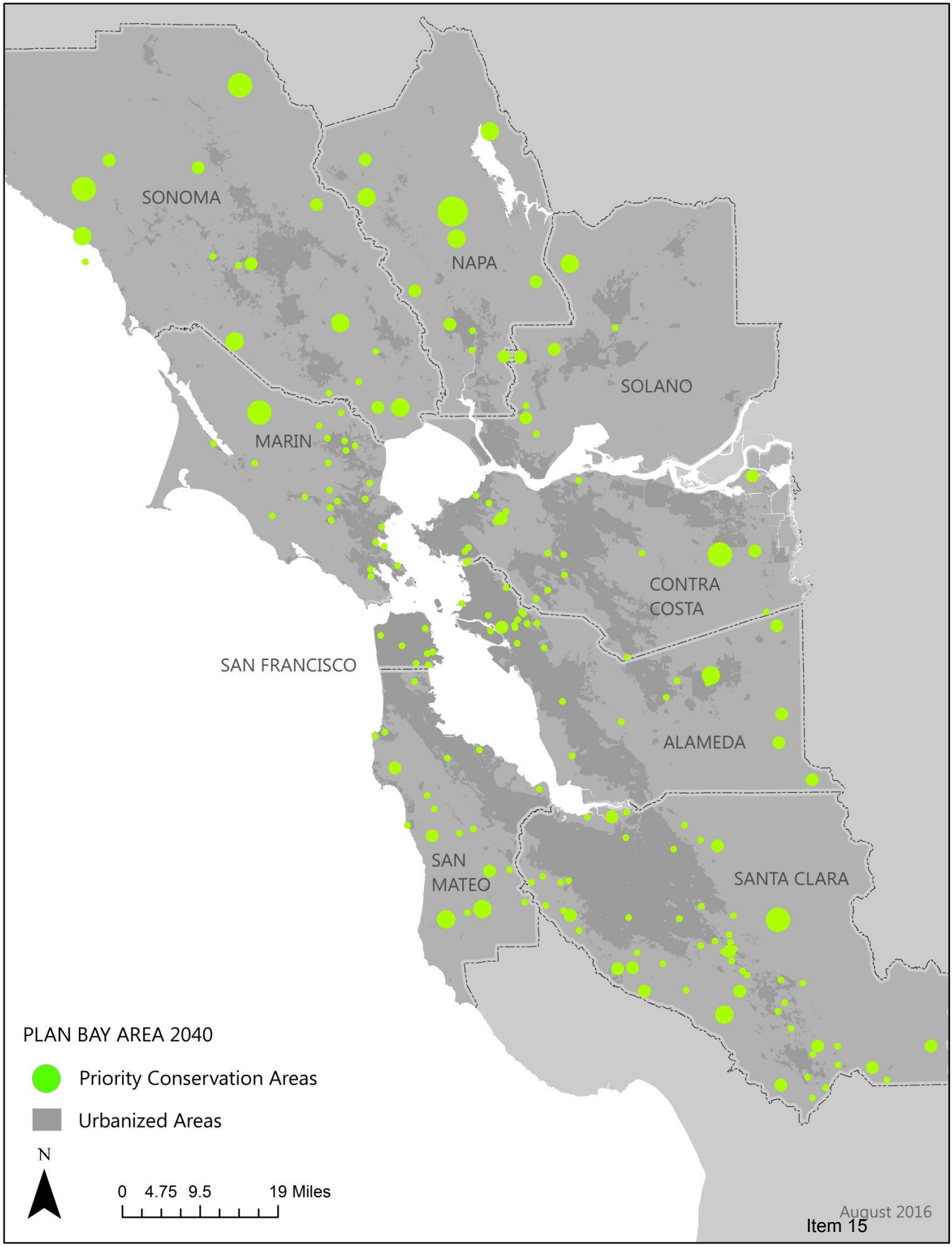
Our PCAs have increased in complexity since Plan Bay Area 2013 in order to better reflect the various ways in which these areas support our natural environment. PCAs are categorized by four designations: Natural Landscapes, Agricultural Lands, Urban Greening, and Regional Recreation. These areas are identified through consensus by local jurisdictions and park/open space districts as lands in need of protection due to pressure from urban development or other factors. While most PCA land is found in rural areas and open space, we also have a number of PCAs in urban areas to support recreation and access to green space. (For more information, visit the PCA website: http://abag.ca.gov/priority/conservation/)

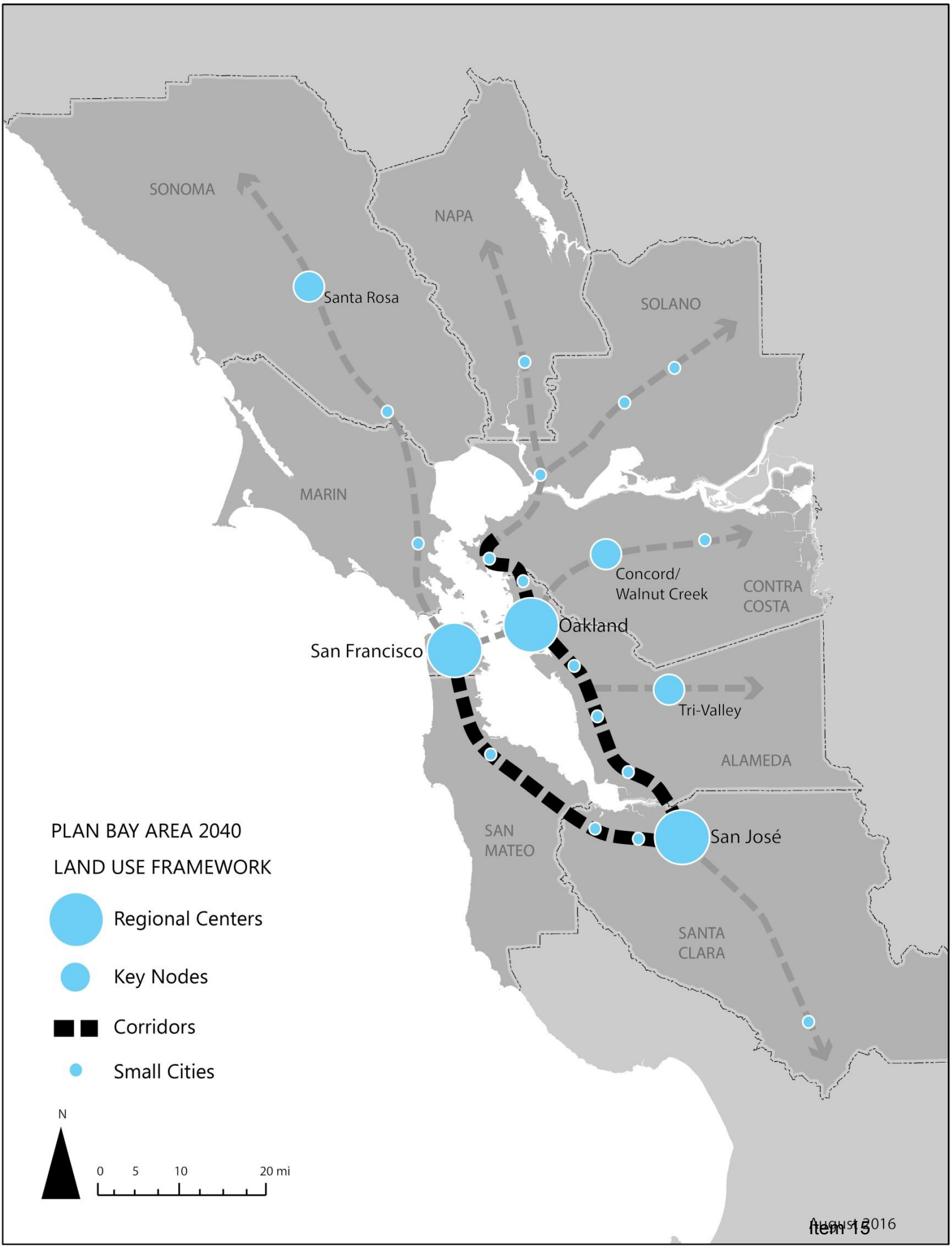
Based on this framework, most new housing and almost half of job growth are expected in PDAs in the ring around the bay defined by the three big cities—San Jose, Oakland, and San Francisco—and the two corridors on the East Bay and the West Bay. This ring allows access to major job clusters as well as a variety of services and entertainment, supported by transit, freeways, and trails. The corridors play an important role in connecting neighborhoods of different sizes and income that support the diversity of our region. Equally important are the PDAs in three other key urban nodes. Tri-Valley and Concord-Walnut Creek are major East Bay centers of job and population growth that support a wide range of smaller cities. In the North Bay, Santa Rosa is the region's fifth-largest city, providing health, education, and business services for neighboring communities. We also have PDAs in medium-sized cities that support residents as well as agricultural activities and recreation, such as those in Napa, San Rafael, Vallejo or Fairfield. This focused urban growth allows our small cities and rural communities to retain much of their character and scale—supporting the diversity of places in the Bay Area. (See Plan Bay Area, Land Use Framework on page 6)

3. Preparing the Land Use Growth Distribution

Since July 2015, ABAG staff has gathered input from jurisdictions and incorporated it into growth targets by PDA and jurisdiction. These growth targets are developed based on local plans and data, Plan Bay Area 2013, historic trends, recent development projects, and UrbanSim outputs. ABAG approached the development of the land use pattern in much the same way that it had in the past, with an emphasis on consultation and collaboration with local governments.


SONOMA
NAPA
SOLANO
MARIN
CONTRA COSTA
SAN FRANCISCO
ALAMEDA
SAN MATEO
SANTA CLARA
PLAN BAY AREA 2040
Priority Development Areas
Urbanized Areas
N
0 4.75 9.5 19 Miles
August 2016


SONOMA
NAPA
SOLANO
MARIN
CONTRA COSTA
SAN FRANCISCO
ALAMEDA
SAN MATEO
SANTA CLARA
PLAN BAY AREA 2040
Priority Conservation Areas
Urbanized Areas
N
0 4.75 9.5 19 Miles
August 2016


SONOMA
NAPA
SOLANO
Santa Rosa
MARIN
Concord/
Walnut Creek
CONTRA
COSTA
Oakland
San Francisco
Tri-Valley
ALAMEDA
SAN
MATEO
San José
SANTA
CLARA
PLAN BAY AREA 2040
LAND USE FRAMEWORK
Regional Centers
Key Nodes
Corridors
Small Cities
N
0 5 10 20 mi
August 2016

HOUSEHOLDS

	Plan Bay Area 2013						Plan Bay Area 2040 - Draft Preferred Scenario					
Three Biggest Cities	**Non-PDA**	**PDA**	**total**	**Non-PDA**	**PDA**	**total**	**Non-PDA**	**PDA**	**total**	**Non-PDA**	**PDA**	**total**
3 Cities-Oakland	4,406	54,275	58,681	8%	92%	100%	2,806	74,921	77,727	4%	96%	100%
3 Cities-San Francisco	13,309	88,225	101,534	13%	87%	100%	10,063	118,300	128,363	8%	92%	100%
3 Cities-San Jose	12,140	118,524	130,664	9%	91%	100%	8,362	134,523	142,885	6%	94%	100%
subtotal	***29,855***	***261,024***	***290,879***	***10%***	***90%***	***100%***	***21,231***	***327,744***	***348,975***	***6%***	***94%***	***100%***
Corridor Jurisdictions												
East Bay Corridor	30,547	53,244	83,791	36%	64%	100%	18,702	66,982	85,684	22%	78%	100%
West Bay Corridor	51,191	64,455	115,646	44%	56%	100%	39,098	96,073	135,171	29%	71%	100%
subtotal	***81,738***	***117,699***	***199,437***	***41%***	***59%***	***100%***	***57,800***	***163,055***	***220,855***	***26%***	***74%***	***100%***
Key Nodes Outside Corridors												
Concord-Walnut Creek	8,762	18,228	26,990	32%	68%	100%	5,915	22,842	28,757	21%	79%	100%
Dublin-Pleasanton-Livermore	6,597	18,952	25,549	26%	74%	100%	7,117	13,426	20,543	35%	65%	100%
Santa Rosa	4,403	12,582	16,985	26%	74%	100%	1,504	13,507	15,011	10%	90%	100%
subtotal	***19,761***	***49,763***	***69,524***	***28%***	***72%***	***100%***	***14,536***	***49,775***	***64,311***	***23%***	***77%***	***100%***
Other Areas												
Other Area-Alameda	3,916	8,697	12,613	31%	69%	100%	11,376	6,564	17,940	63%	37%	100%
Other Area-Contra Costa	19,213	22,124	41,337	46%	54%	100%	28,796	32,605	61,401	47%	53%	100%
Other Area-Marin	5,854	2,974	8,828	66%	34%	100%	10,374	1,647	12,021	86%	14%	100%
Other Area-Napa	4,956	2,475	7,431	67%	33%	100%	4,618	1,902	6,520	71%	29%	100%
Other Area-San Mateo	1,201	-	1,201	100%	0%	100%	1,479	-	1,479	100%	0%	100%
Other Area-Santa Clara	13,581	10,330	23,911	57%	43%	100%	18,345	10,574	28,919	63%	37%	100%
Other Area-Solano	12,245	14,698	26,943	45%	55%	100%	22,236	5,692	27,928	80%	20%	100%
Other Area-Sonoma	10,460	7,464	17,924	58%	42%	100%	15,914	13,235	29,149	55%	45%	100%
subtotal	***71,425***	***68,763***	***140,188***	***51%***	***49%***	***100%***	***113,138***	***72,219***	***185,357***	***61%***	***39%***	***100%***
Regional Total	**202,780**	**497,248**	**700,028**	**29%**	**71%**	**100%**	**206,705**	**612,793**	**819,498**	**25%**	**75%**	**100%**

EMPLOYMENT

	Plan Bay Area 2013						Plan Bay Area 2040 - Draft Preferred Scenario					
Three Biggest Cities	**Non-PDA**	**PDA**	**total**	**Non-PDA**	**PDA**	**total**	**Non-PDA**	**PDA**	**total**	**Non-PDA**	**PDA**	**total**
3 Cities-Oakland	11,114	74,150	85,264	13%	87%	100%	7,225	71,220	78,445	9%	91%	100%
3 Cities-San Francisco	29,465	161,314	190,779	15%	85%	100%	19,796	291,155	310,951	6%	94%	100%
3 Cities-San Jose	25,622	121,757	147,379	17%	83%	100%	44,669	70,267	114,936	39%	61%	100%
subtotal	***66,202***	***357,220***	***423,422***	***16%***	***84%***	***100%***	***71,690***	***432,642***	***504,332***	***14%***	***86%***	***100%***
Corridor Jurisdictions												
East Bay Corridor	54,450	69,080	123,530	44%	56%	100%	131,654	57,492	189,146	70%	30%	100%
West Bay Corridor	138,974	75,973	214,947	65%	35%	100%	264,515	79,617	344,132	77%	23%	100%
subtotal	***193,424***	***145,053***	***338,477***	***57%***	***43%***	***100%***	***396,169***	***137,109***	***533,278***	***74%***	***26%***	***100%***
Key Nodes Outside Corridors												
Concord-Walnut Creek	13,220	24,251	37,471	35%	65%	100%	11,325	33,242	44,567	25%	75%	100%
Dublin-Pleasanton-Livermore	12,245	32,658	44,903	27%	73%	100%	9,360	19,983	29,343	32%	68%	100%
Santa Rosa	10,393	18,081	28,474	37%	63%	100%	7,767	7,478	15,245	51%	49%	100%
subtotal	***35,857***	***74,991***	***110,848***	***32%***	***68%***	***100%***	***28,452***	***60,703***	***89,155***	***32%***	***68%***	***100%***
Other Areas												
Other Area-Alameda	7,109	11,827	18,936	38%	62%	100%	4,859	10,220	15,079	32%	68%	100%
Other Area-Contra Costa	32,796	32,775	65,571	50%	50%	100%	19,042	9,694	28,736	66%	34%	100%
Other Area-Marin	14,276	4,128	18,404	78%	22%	100%	15,548	1,193	16,741	93%	7%	100%
Other Area-Napa	15,458	3,430	18,888	82%	18%	100%	6,906	1,421	8,327	83%	17%	100%
Other Area-San Mateo	2,793	-	2,793	100%	0%	100%	2,116	-	2,116	100%	0%	100%
Other Area-Santa Clara	31,121	6,909	38,030	82%	18%	100%	24,071	4,890	28,961	83%	17%	100%
Other Area-Solano	31,982	15,596	47,578	67%	33%	100%	24,911	1,435	26,346	95%	5%	100%
Other Area-Sonoma	25,451	11,522	36,973	69%	31%	100%	22,042	1,372	23,414	94%	6%	100%
subtotal	***160,986***	***86,187***	***247,173***	***65%***	***35%***	***100%***	***119,495***	***30,225***	***149,720***	***80%***	***20%***	***100%***
Regional Total	**456,469**	**663,451**	**1,119,920**	**41%**	**59%**	**100%**	**615,806**	**660,679**	**1,276,485**	**48%**	**52%**	**100%**

MTC modeling staff has been working on revisions to UrbanSim since the completion of Plan Bay Area 2013. This parcel-based land use model has improved data and functionality since the last Plan. MTC and ABAG have used UrbanSim in developing the three preliminary Land Use Scenarios and this Draft Preferred Land Use Scenario.

For the development of the Draft Preferred Scenario, ABAG and MTC staff worked together in an effort to adjust the UrbanSim model to reflect policies and recent development activity at the local level. As a result, the planning process this time draws upon a land use model that can incorporate more detailed data than ever before. The agencies ran the model hundreds of times, testing the effects that different regional strategies could have on affecting the distribution of housing and employment growth. The output was measured against a set of growth targets put together by ABAG regional planners working with planners from local jurisdictions. Overall, the growth allocation results of the UrbanSim model align fairly closely with these growth targets at a summary level as well as for most localities, though, there are substantial differences for some individual localities. The extent of the differences between local plans and the UrbanSim output is a discussion for the agencies, regional stakeholders, and individual jurisdictions.

4. Implementation Actions to Support Growth Pattern

While the growth distribution is an important component of Plan Bay Area 2040, development of the implementation actions needed to meet our shared goals for a more prosperous, sustainable, and equitable future is equally important. Our transportation dollars are probably the most important financial resource to guide that growth. Attachment 2 includes a proposal for how those dollars would be allocated. In addition to transportation planning and investments, the regional land use growth pattern acquires meaning to the extent that cities and stakeholders can agree on a set of policies and strategies that have traction on the ground. The ABAG Executive Board and the Regional Planning Committee have requested that we address housing, resilience, economic development, PDAs, and open space implementation actions in this Plan. In approving *Plan Bay Area 2013*, the Executive Board recognized the importance of continuing the efforts to provide a broader range of housing choices and increased housing affordability in the region and requested that the next Plan explicitly address strategies to support good jobs and economic investment and resilience strategies to respond to the risks related to climate change and other natural events.

Since the last Plan, the region has accomplished major tasks, experienced strong investments, and encountered new challenges. In contrast to the economic downturn while we were preparing Plan Bay Area 2013, over the last five years many PDAs have flourished with new investments. Between January 2010 and December 2015, the region added over 500,000 jobs, advanced new technologies, and supported higher education. Half of the housing units for which permits were issued since 2013 went to PDAs. People are choosing housing close to schools, shops, and transit. However, during the same period of time, the region added about 70,000 units, faced population displacement and increased homelessness, reduced our middle-wage job opportunities, and experienced a severe drought and the Napa earthquake.

The draft implementation actions for Plan Bay Area 2040 (Attachment 4) will need to rely on the great human and natural resources of our region and our innovation capacity to meet these challenges. As we look to the adoption of Plan Bay Area 2040 next year, ABAG and MTC will continue to work closely with our other regional agencies, local

jurisdictions, advisory committees and stakeholders to develop a series of implementation strategies to meet our 2040 goals.