Plan BayArea 2040

Draft Preferred Scenario:

Overview of Growth Pattern & Investment Strategy

Image Source: https://www.flickr.com/photos/adamrschultz/8810617814

Ken Kirkey, MTC – September 9, 2016

Joint MTC Planning Committee with the ABAG Administrative Committee

Plan BayArea 2040

Plan Bay Area 2040 establishes a 24-year regional vision for growth and investment.

Image Source: https://www.flickr.com/photos/liyanage/5584040007

Our economy is booming – but we're not building enough housing.

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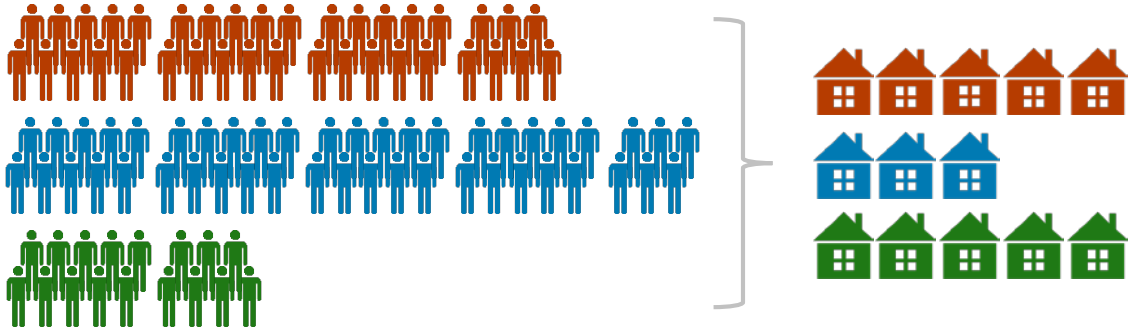
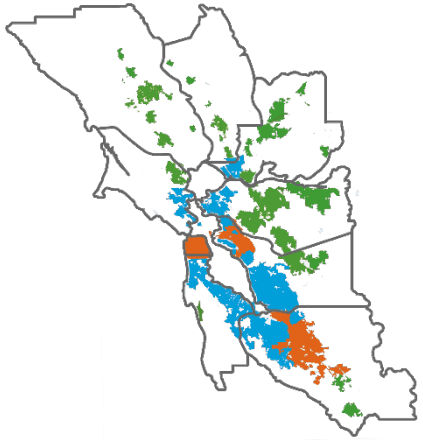
Jobs added from 2011 through 2015:
501,000

Housing units built from 2011 through 2015:
65,000





Big 3 Cities:
1 housing unit built for every
7 jobs created

Bayside Cities and Towns:
1 housing unit built for every
15 jobs created

Inland, Coastal, Delta Cities and Towns:
1 housing unit built for every
3 jobs created

Regionally: 1 house was built for every **8 jobs** created

http://www.dof.ca.gov/research/demographic/reports/estimates/e-5/2011-20/view.php

Our economy is booming – but we're not building enough housing.

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Low supply and high demand =

City	House Price, % Change 1996-2016	Housing Units Added, % Change 1996-2016	Average Months for Building Approval
San Jose	295%	20%	6
San Francisco	290%	12%	10
Oakland	223%	17%	11

Source: http://www.trulia.com/blog/trends/elasticity-2016/

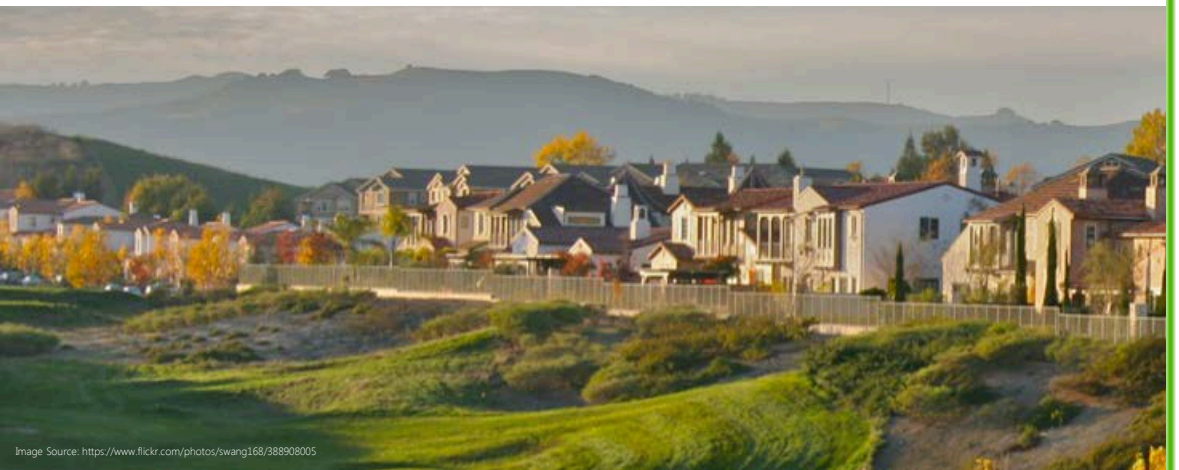
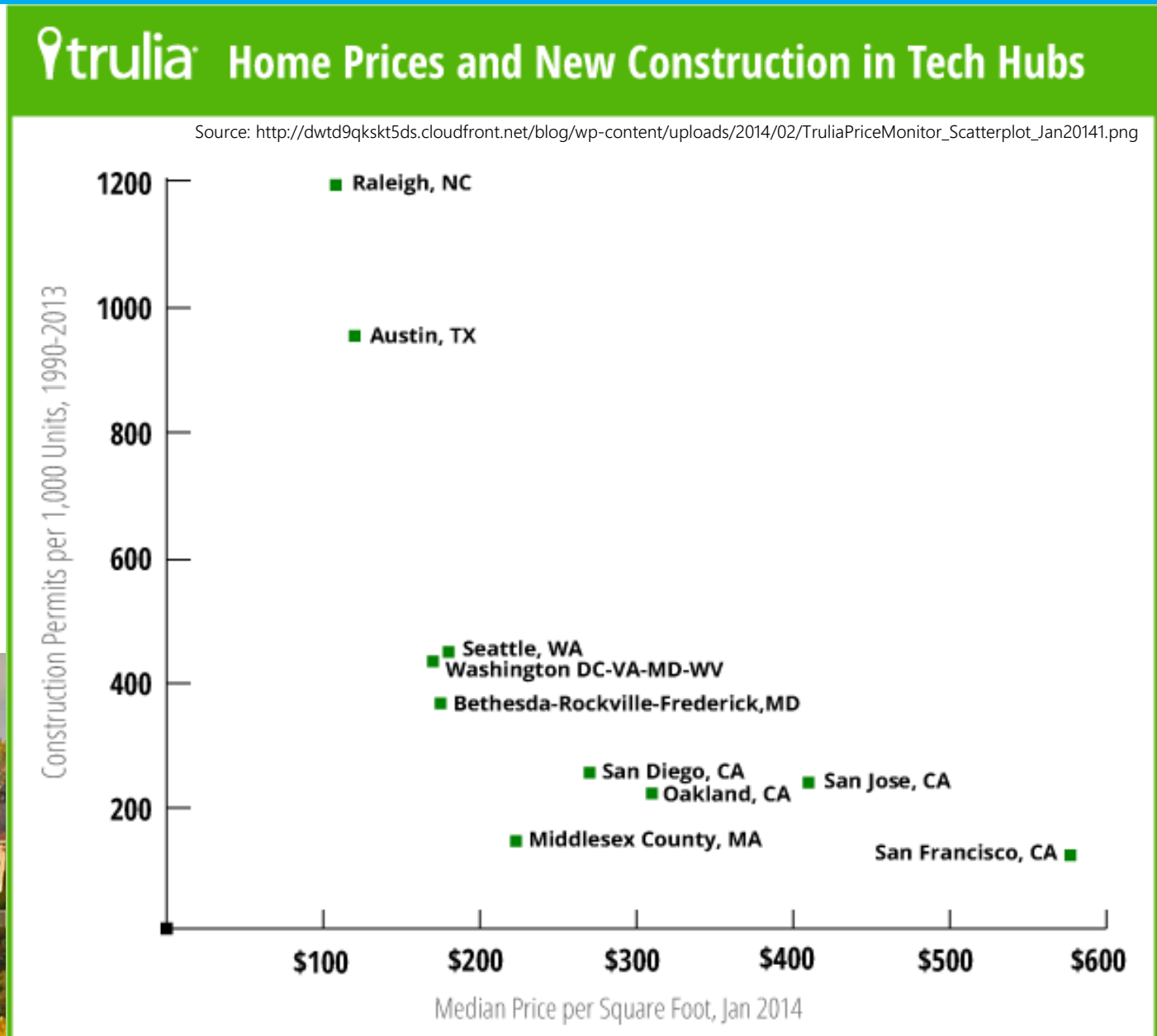


Image Source: https://www.flickr.com/photos/swang168/388908005



This current boom is translating into new pressures on our transportation system – even worse than the "dot com" boom.

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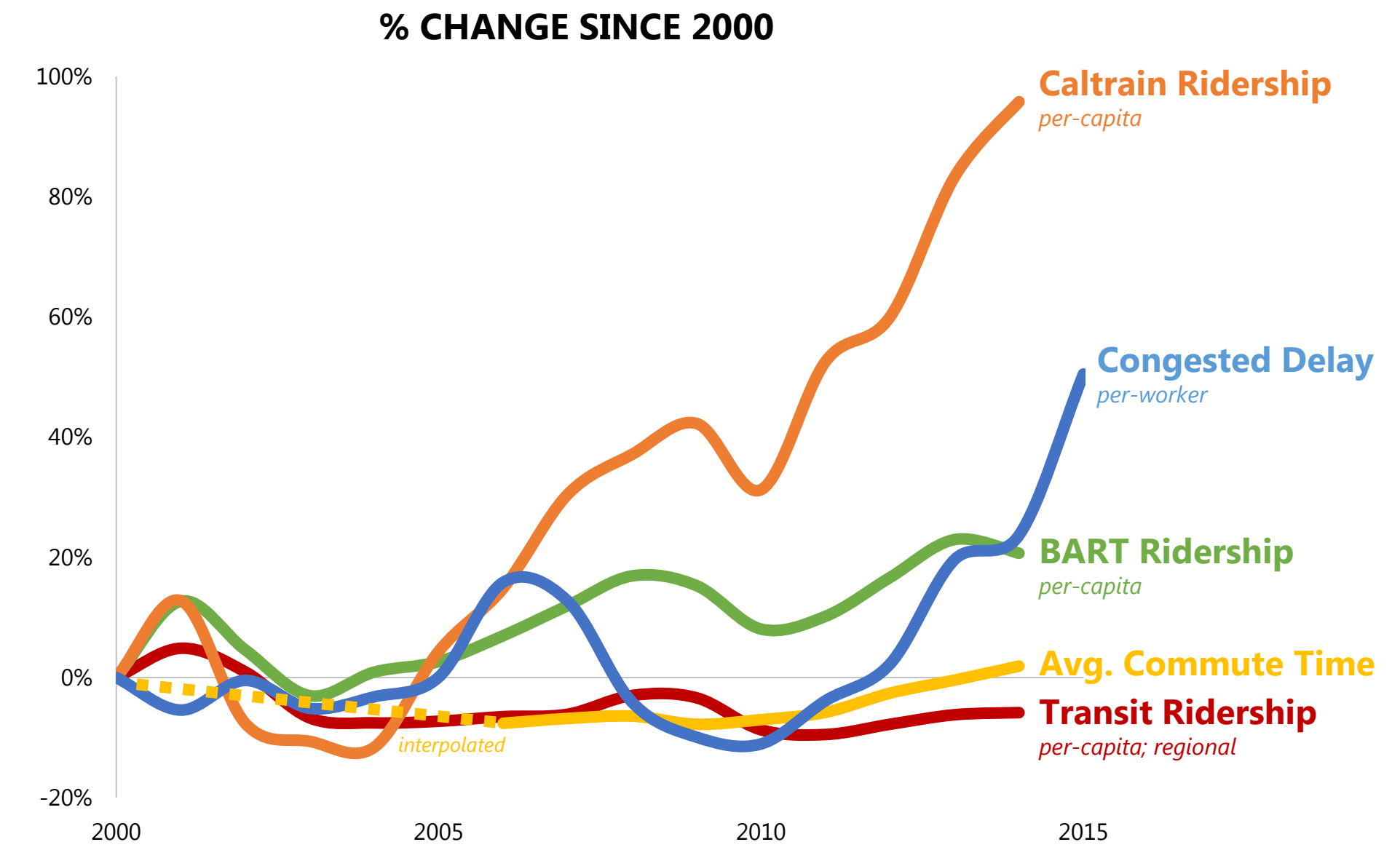

Source: Vital Signs (MTC 2015; ACS 2014; NTD 2014)

Funding and policies are available to help us tackle transportation challenges…

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	Transportation Strategies	Land Use Strategies
State/ Federal	• Generate new state/federal revenues • Fund projects and programs • Condition existing funding sources	
Regional Agencies	• Prioritize high-performing expansion projects • Fund preservation and operation of system • Generate new regional revenues • Condition existing funding sources • Coordinate multi-county transportation programs • Advocate for Bay Area projects at the state and federal levels	
Local Agencies	• Build transportation projects • Improve efficiency of operations and maintenance activities • Generate new local revenues • Condition local revenues • Advocate for local projects at the regional, state, and federal levels	
Other	• **Private Companies:** operate private shuttles and provide TNC service	

… but solving our land use and affordability challenges is much more difficult.

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	Transportation Strategies	Land Use Strategies
State/ Federal	• Generate new state/federal revenues • Fund projects and programs • Condition existing funding sources	• Reform tax policies (including redevelopment) • Subsidize affordable housing • Streamline regulatory processes (e.g., CEQA reform)
Regional Agencies	• Prioritize high-performing expansion projects • Fund preservation and operation of system • Generate new regional revenues • Condition existing funding sources • Coordinate multi-county transportation programs • Advocate for Bay Area projects at the state and federal levels	• Condition existing funding sources • Implement new regional development fees *Fewer regional policies available today than for transportation*
Local Agencies	• Build transportation projects • Improve efficiency of operations and maintenance activities • Generate new local revenues • Condition local revenues • Advocate for local projects at the regional, state, and federal levels	• Change zoning • Change fees and subsidies for development • Streamline approval processes • Implement inclusionary policies • Adjust urban growth boundaries • Build infrastructure to support growth (e.g., sewer/water, schools, etc.)
Other	• **Private Companies:** operate private shuttles and provide TNC service	• **Developers:** build new residential, commercial, and industrial buildings *(both market-rate and affordable)*

Working within these constraints – and keeping this update limited and focused – we achieve 5 of the 13 ambitious targets.

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Summary of the Draft Preferred Scenario Performance Target Results

Performance targets highlighted in this presentation are marked with an asterisk (*).

*Refer to **Attachment A** of the performance item for detailed results.*

Note that target results are subject to change as scenarios are further refined this fall, and as scenarios are ultimately analyzed against the 2040 horizon year.

Target Achieved (5)

- **Climate Protection***
- Adequate Housing
- **Open Space and Agricultural Preservation***
- Middle-Wage Job Creation
- **Goods Movement/ Congestion Reduction***

Right Direction (5)

- Healthy and Safe Communities
- Affordable Housing
- **Non-Auto Mode Shift***
- **Road Maintenance***
- Transit Maintenance

Wrong Direction (3)

- **Housing + Transportation Affordability***
- **Displacement Risk***
- Access to Jobs

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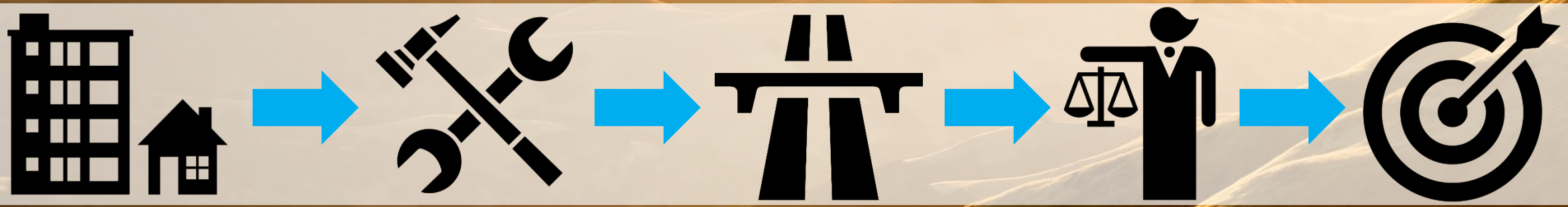
The Draft Preferred Scenario combines elements of the three scenarios evaluated so far, while balancing local priorities as well.

LAND USE

TRANSPORTATION



PLANNING FOR GROWTH

MAINTAINING EXISTING SYSTEMS

STRATEGIC MODERNIZATION & EXPANSION

KEY SOCIAL EQUITY FINDINGS

KEY PERFORMANCE FINDINGS

Image Source: https://www.flickr.com/photos/swang168/388908005; Icon Sources: The Noun Project (Bravo, Galtarossa, Prado, Helbig)

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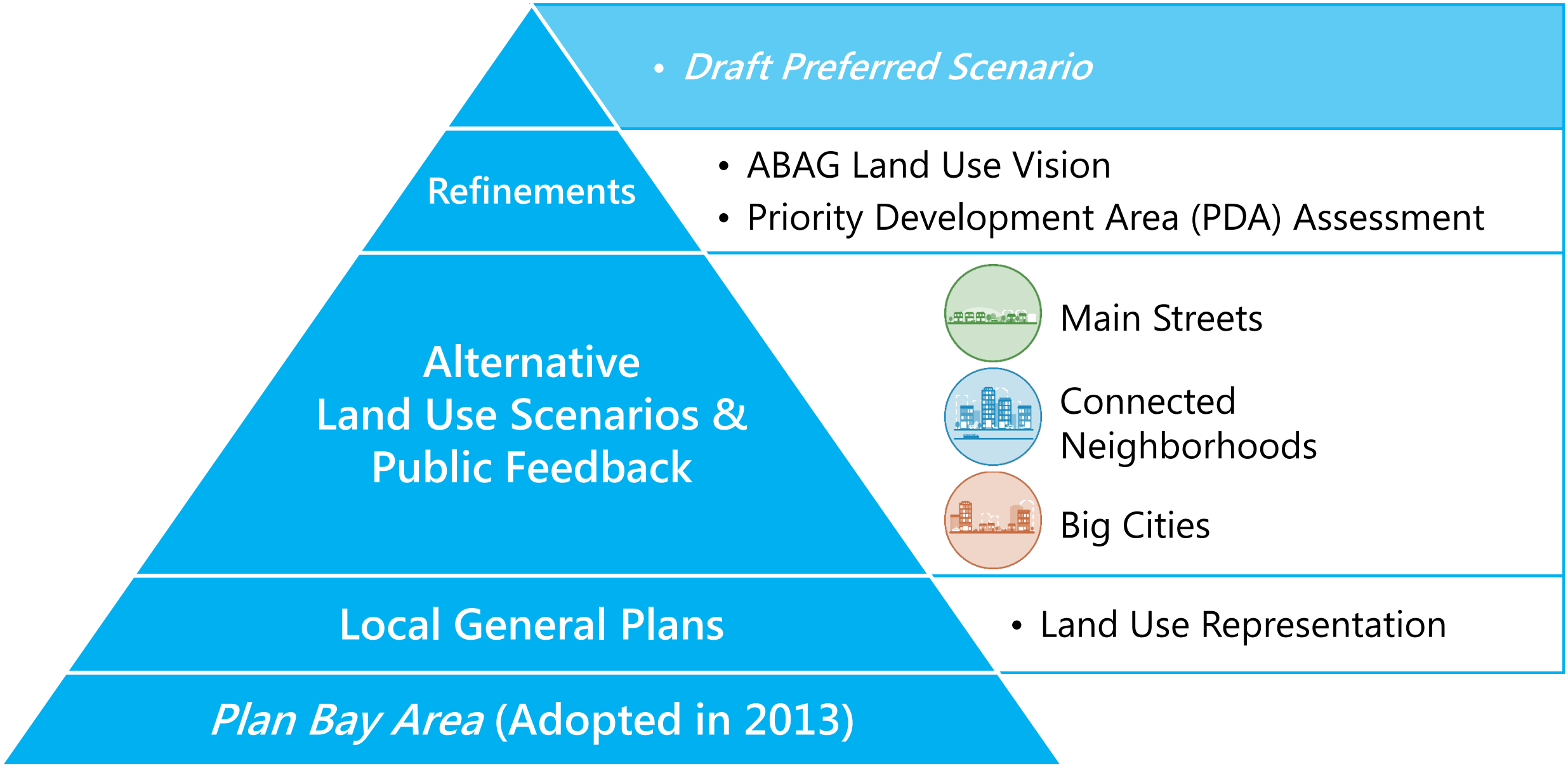
Identifying a feasible pattern for regional growth was the first step in crafting the Draft Preferred Scenario.

Image Source: https://www.flickr.com/photos/skakos/6421883439

The Draft Preferred Scenario builds on *Plan Bay Area*.



Land use strategies influence the location of future housing and jobs.

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*The **Draft Preferred Scenario** has the following key strategies for land use:*

Keep **current urban growth boundaries** in place.

Apply **inclusionary zoning** in all cities with PDAs.

Assume for-profit housing developments make **10 percent of units deed-restricted** in perpetuity.

Assign **higher densities** than currently allowed by cities to select PDAs.

Reduce the cost of building in PDAs and TPAs through **eased parking minimums** and **streamlined environmental clearance**.

Assume **subsidies** stimulate housing and commercial development within PDAs.

Source: https://www.flickr.com/photos/neighborhoods/4283507357; Icon Sources: The Noun Project (Mint Shirt, Creative Stall, Avery, Boatman, Gomez)

Similar to *Plan Bay Area*, the Draft Preferred focuses growth in the core of the region.

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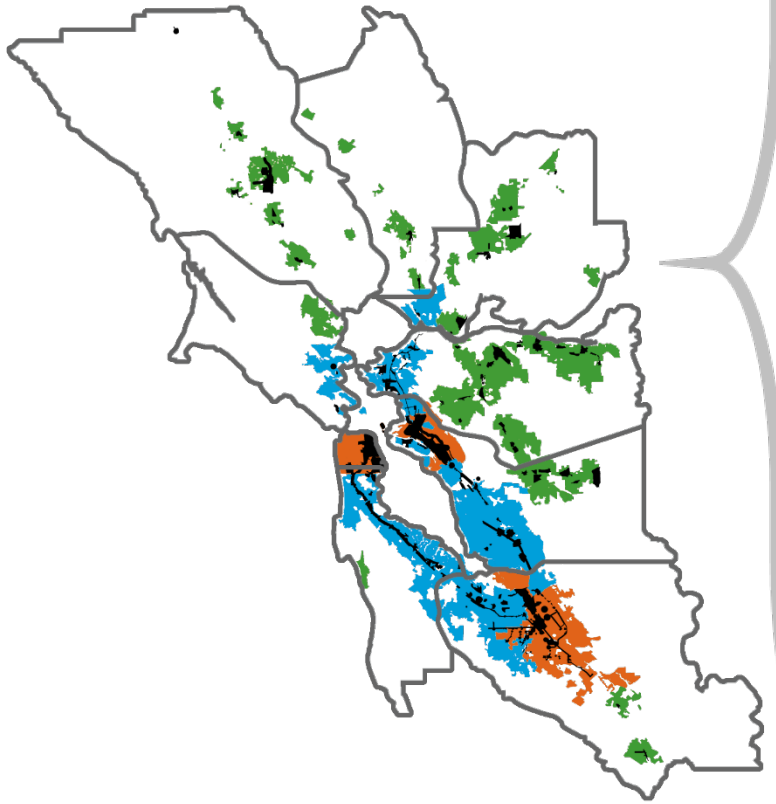
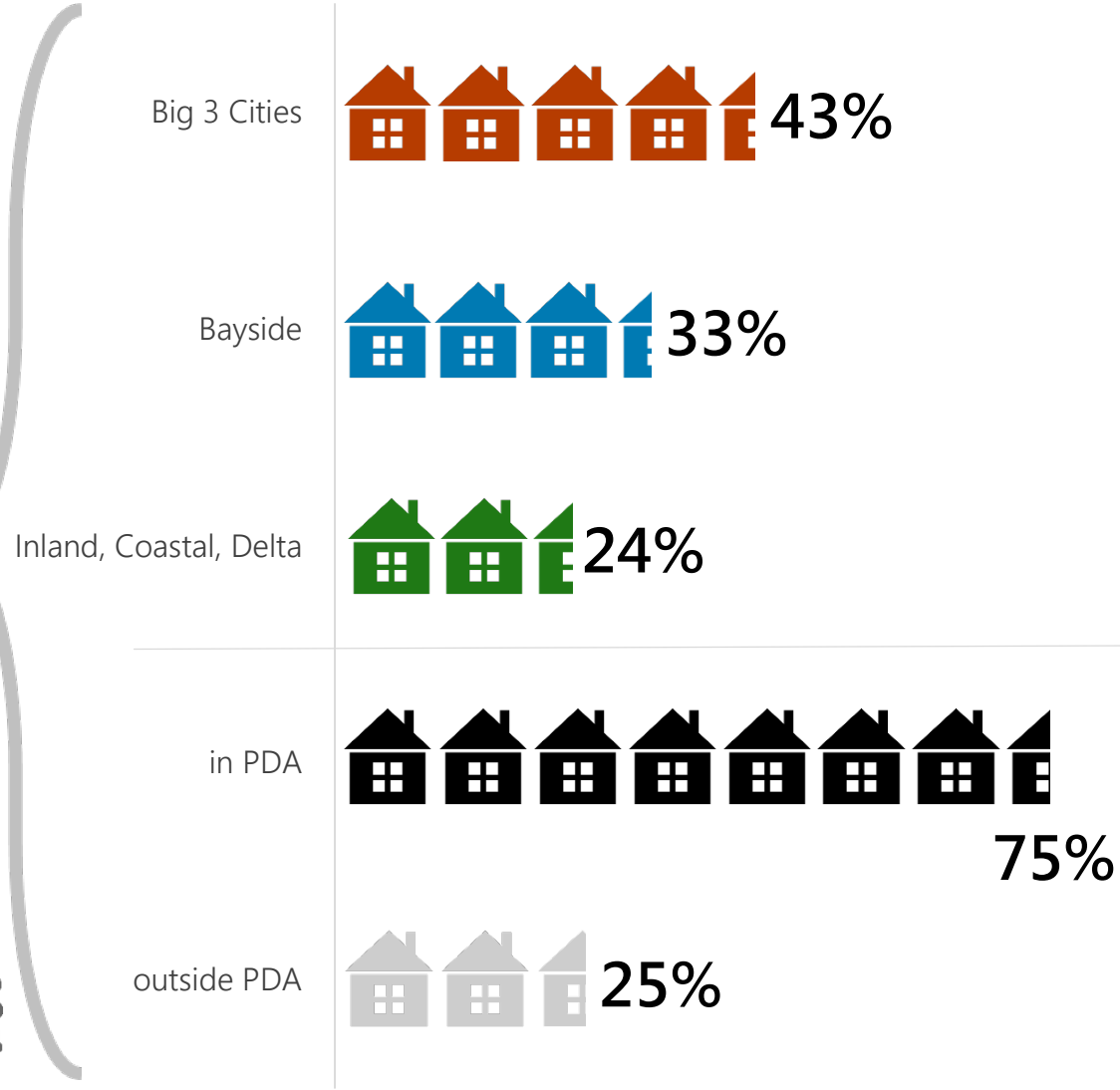
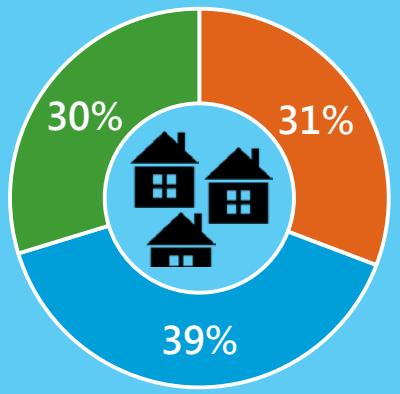
Where will the region plan for the 820,000 new households?

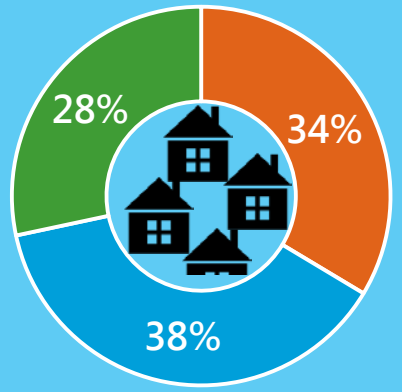




2010: **2.6 million** households



2040: **3.4 million** households



Fewer strategies exist to encourage shifts in job locations – meaning that the West Bay and South Bay remain primary centers.

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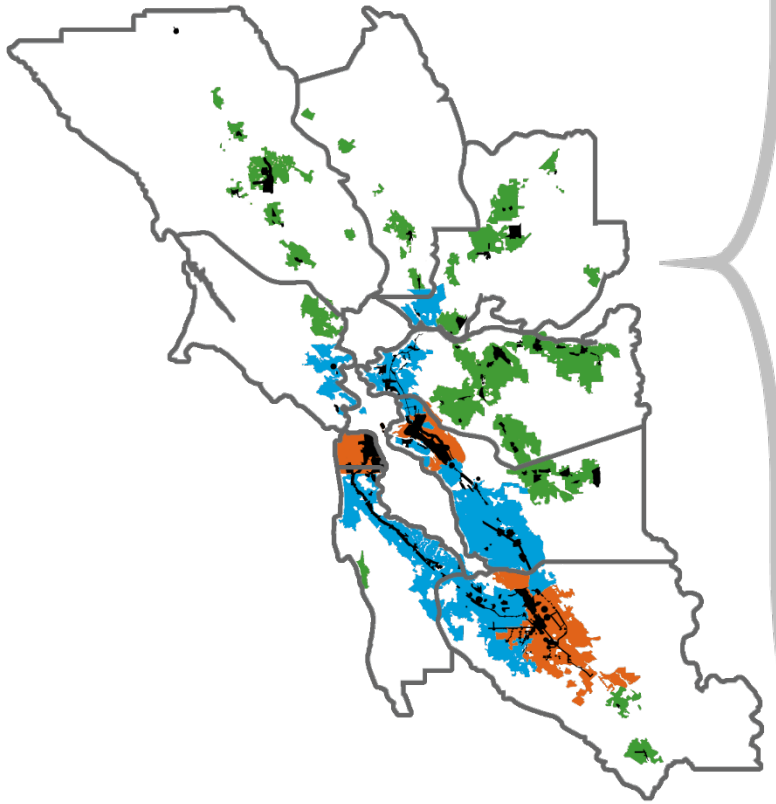
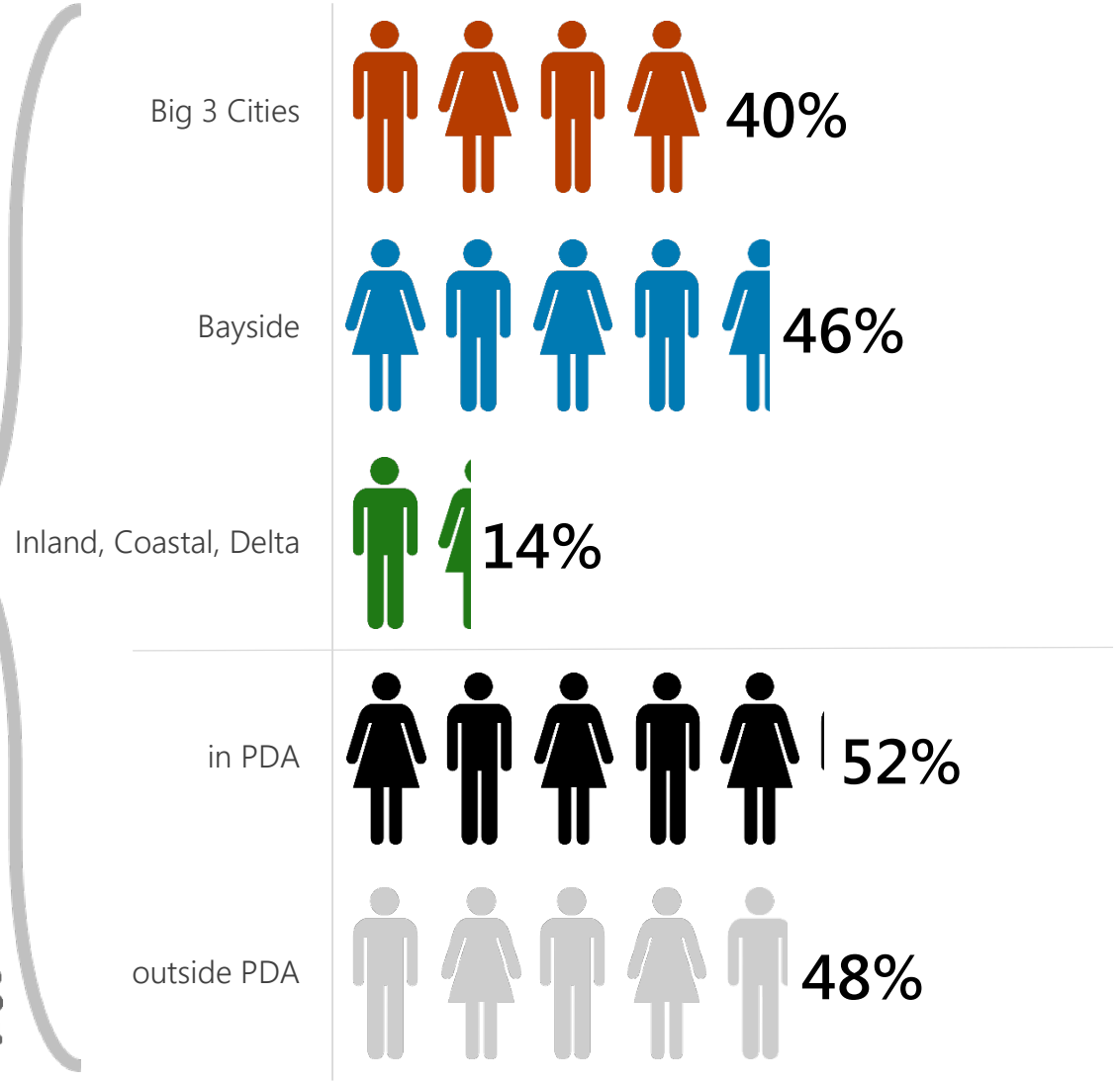
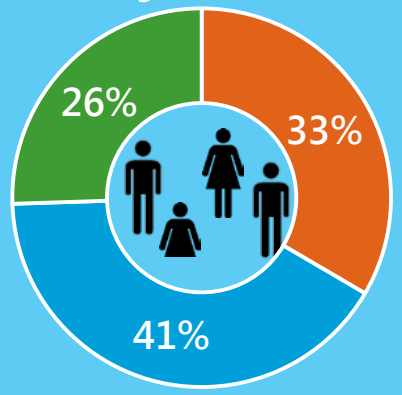
Where will the region plan for the 1.3 million new jobs?

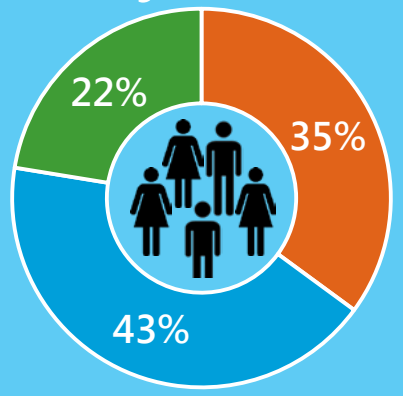




2010: **3.4 million** jobs



2040: **4.7 million** jobs



Accelerating housing production is critical to achieve this vision.

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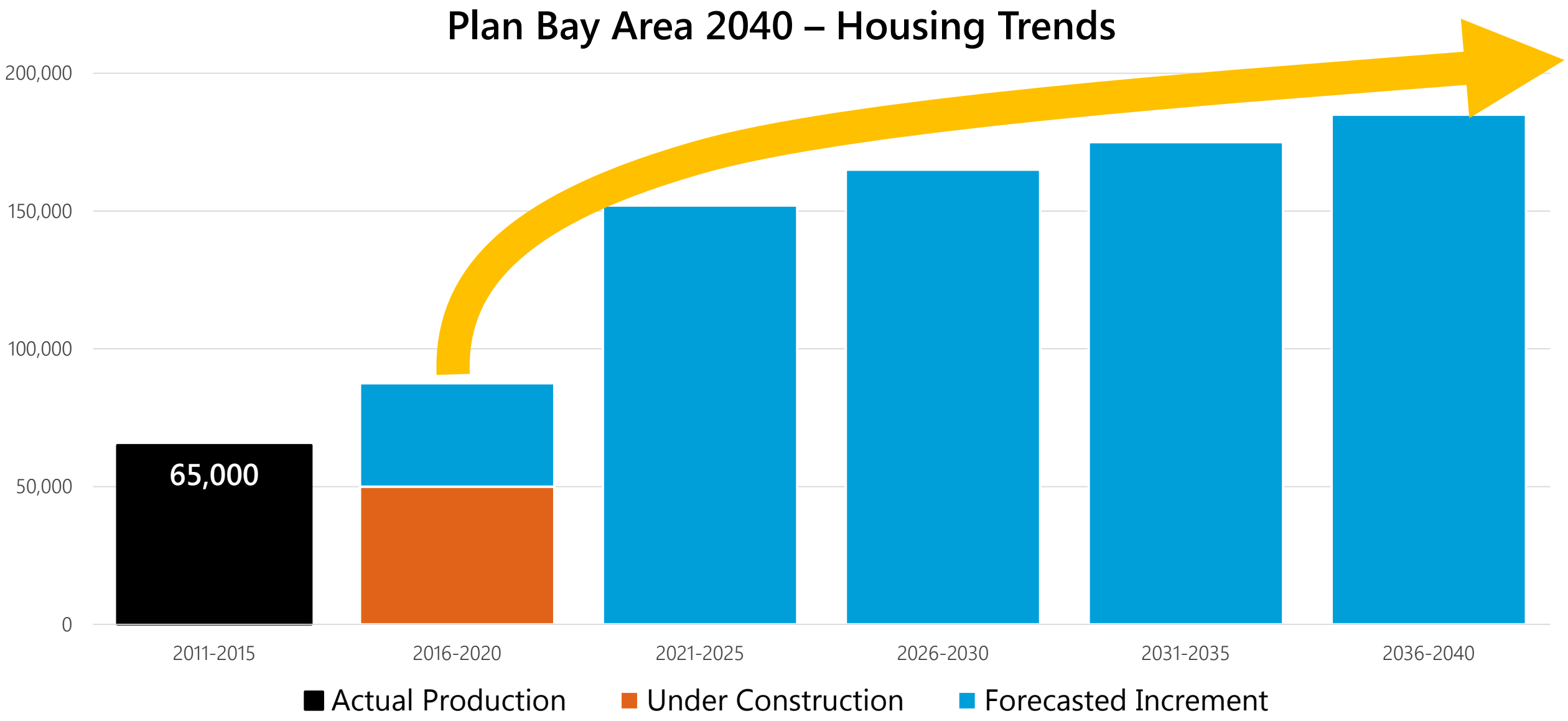

Local jurisdiction support is critical to realize the goals of Plan Bay Area 2040.

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Big Cities >350,000 people	**3** cities	**43%** of growth	avg. **3,880** units annually per city
Medium Cities 50,000 – 350,000	**35** cities	**40%** of growth	avg. **310** units annually per city
Small Cities <50,000 people	**53** cities	**11%** of growth	avg. **55** units annually per city
Towns	**10** towns	**<1%** of growth	avg. **15** units annually per town
Unincorporated Areas	**8** areas	**6%** of growth	avg. **220** units annually per area

Icon Sources: The Noun Project (Medard, Lopez, Luck, Helbig)

More information for local jurisdictions interested in detailed forecasts is publicly available.

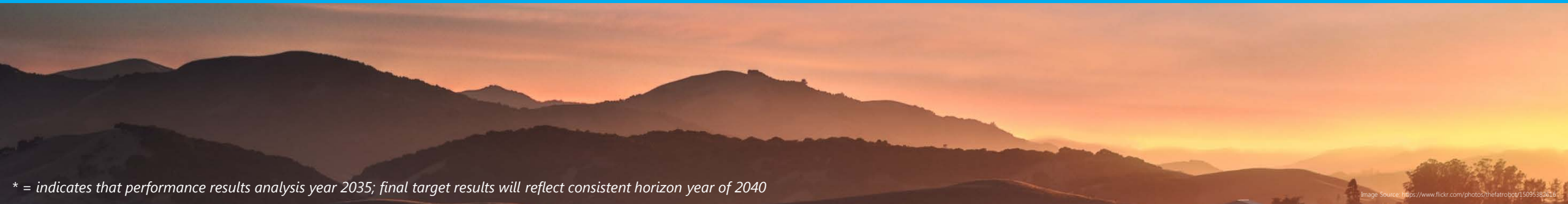
Plan BayArea 2040

County	Households 2010	Households 2040 (Forecast)	Employment 2010	Employment 2040 (Forecast)
Alameda	548,000	725,000	706,000	978,000
Contra Costa	376,000	491,000	360,000	473,000
Marin	104,000	116,000	121,000	138,000
Napa	49,000	56,000	71,000	79,000
San Francisco	347,000	476,000	577,000	888,000
San Mateo	257,000	316,000	343,000	475,000
Santa Clara	597,000	847,000	912,000	1,270,000
Solano	142,000	170,000	130,000	157,000
Sonoma	187,000	231,000	203,000	241,000
Total	**2,607,000**	**3,427,000**	**3,422,000**	**4,699,000**

The Draft Preferred land use pattern meets our environmental goals, but it does not solve the region's affordability issues.

Plan BayArea 2040

	Goal		TARGET		No Project	Main Streets	Connected Neighbor.	Big Cities	**Draft Preferred**
	Climate Protection	**1**	Reduce per-capita CO_2 emissions	-15%	**-5%**	**-15%**	**-18%**	**-20%**	**-18%**
	Open Space and Agricultural Preservation	**4**	Direct development within urban footprint	100%	**87%**	**91%**	**100%**	**100%**	**100%**
	Equitable Access	**5**	Decrease H+T share for lower-income households*	-10%	**+14%**	**+13%**	**+13%**	**+13%**	**+13%**
	Equitable Access	**7**	Do not increase share of households at risk of displacement*	+0%	**+18%**	**+11%**	**+13%**	**+15%**	**+9%**



** = indicates that performance results analysis year 2035; final target results will reflect consistent horizon year of 2040*

Image Source: https://www.flickr.com/photos/thefatrobot/15095382616

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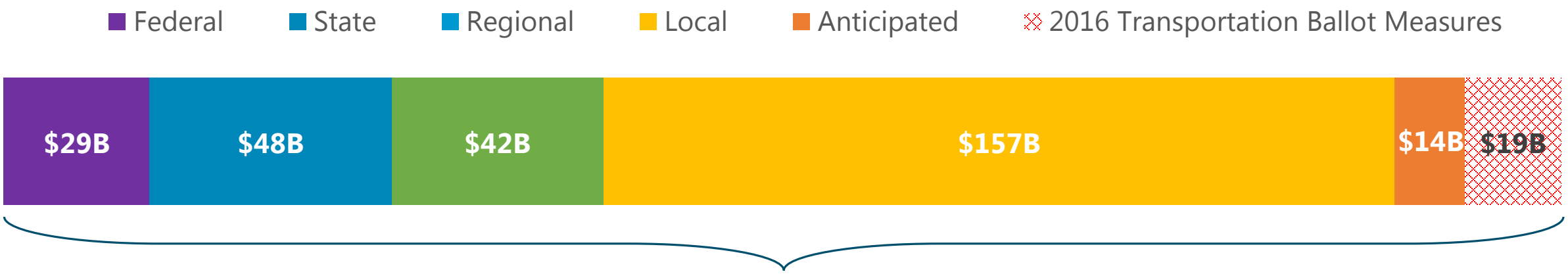
The Draft Preferred Scenario supports focused growth by prioritizing transportation operations, maintenance, and modernization.

Image Source: https://www.flickr.com/photos/luciuskwok/613513028

Fortunately, the region has significant resources for improving our transportation system – especially voter-approved sales taxes.

Plan BayArea 2040

Revenue Envelope for Plan Bay Area 2040



$309 billion

Year of Expenditure $

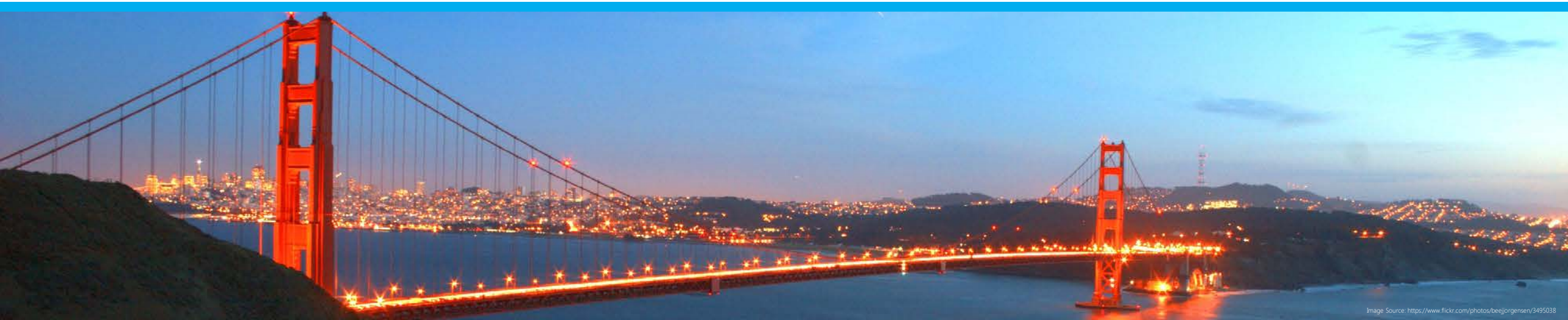


Image Source: https://www.flickr.com/photos/beejorgensen/3495038

All investment categories in the Draft Preferred are contingent on approval of new sales taxes this November.

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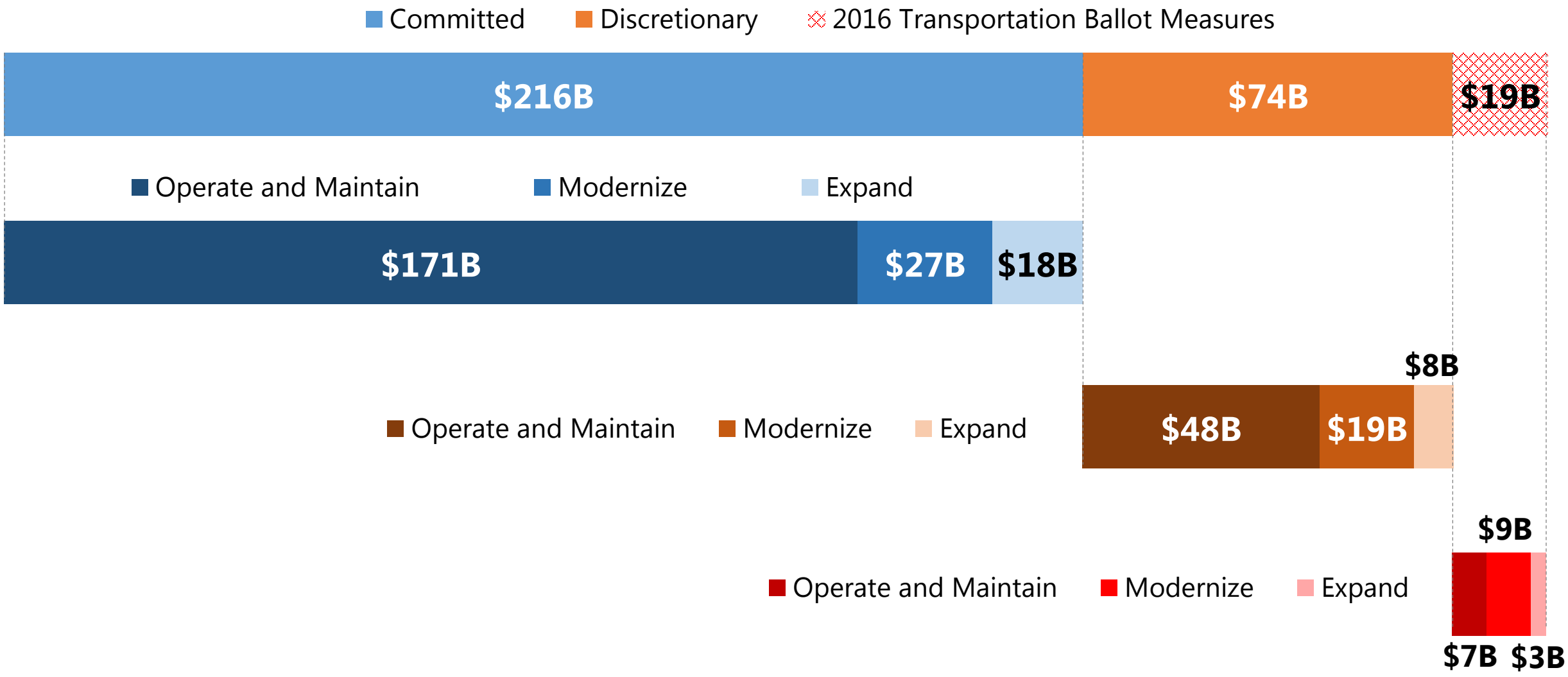
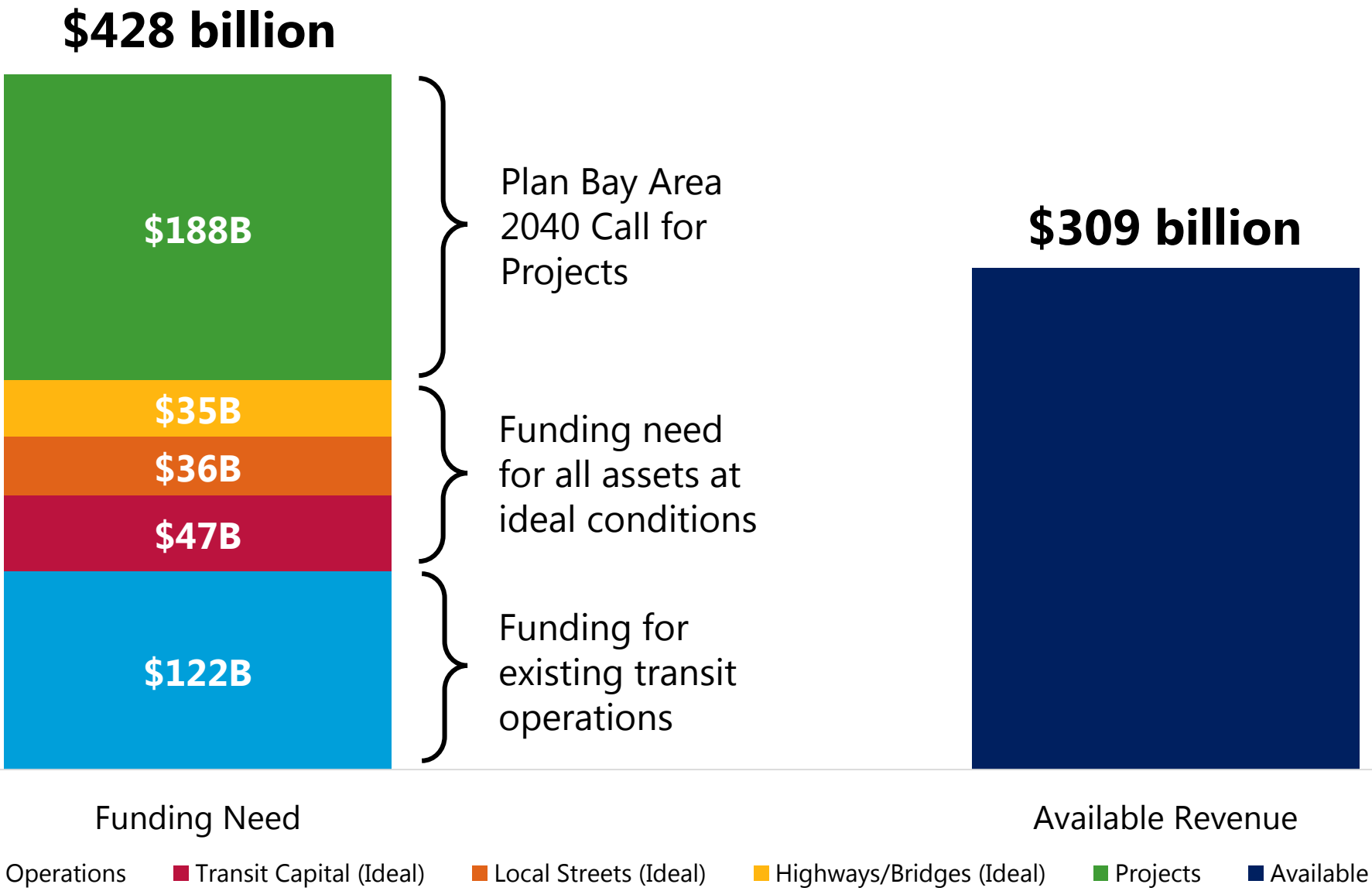
Breakdown of Draft Preferred Scenario Funding



Due to fiscal constraints, it was not possible to achieve ideal maintenance conditions and to fund all projects submitted.



The Draft Preferred Scenario allocates over 90 percent of funds towards maintenance and modernization, similar to Plan Bay Area.

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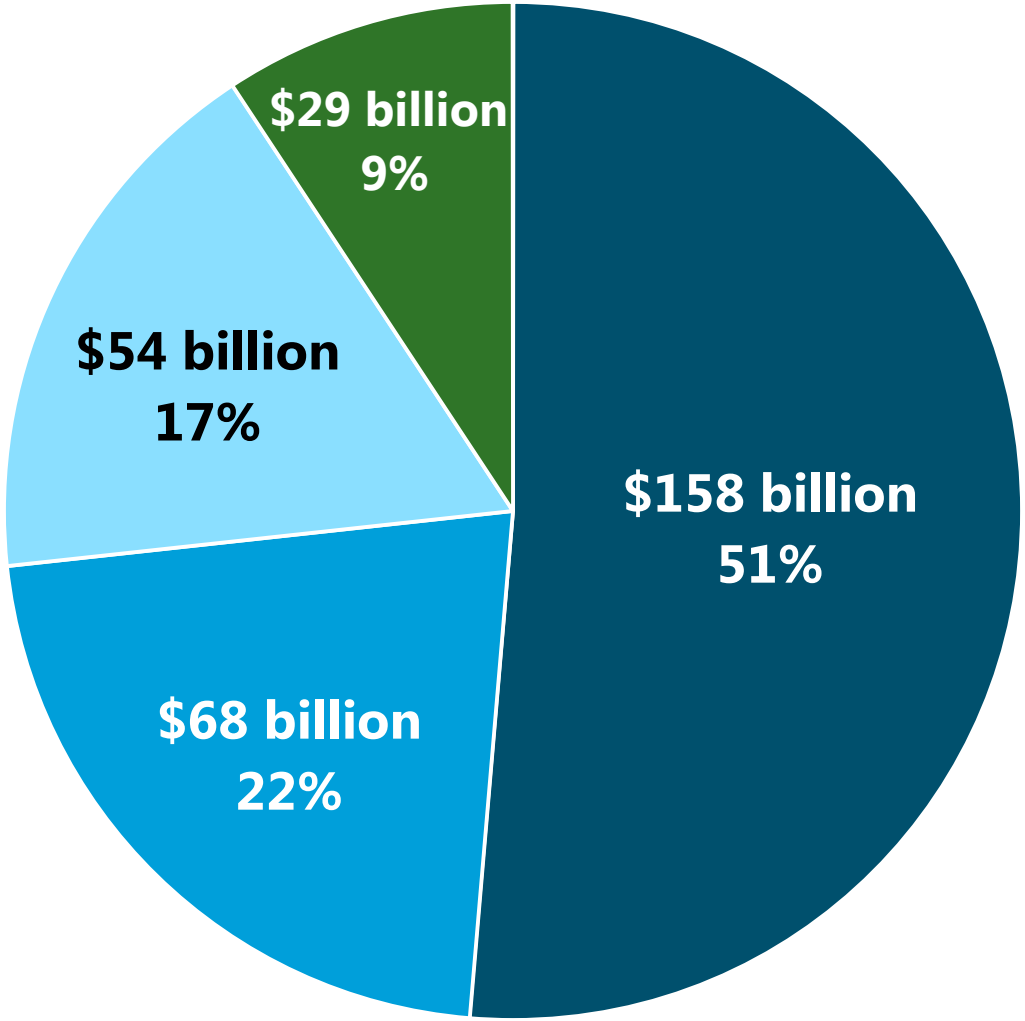
91%

Operate, Maintain, and Modernize

9%

Expand Existing System

Total Plan Bay Area 2040 Expenditures (in billions of $YOE)



- Operate and Maintain - Transit
- Operate and Maintain - Roads/Freeways/Bridges
- Modernize
- Expand

$226 billion goes directly to operations and "Fix It First", reflecting the high performance of transit maintenance investments.

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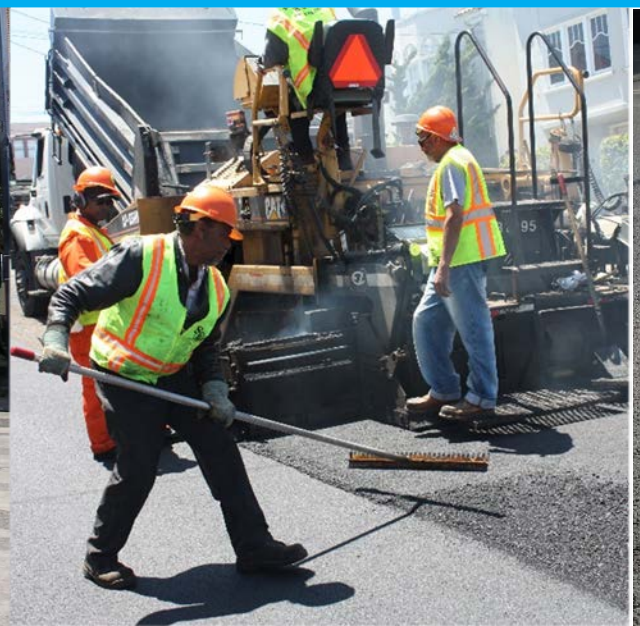

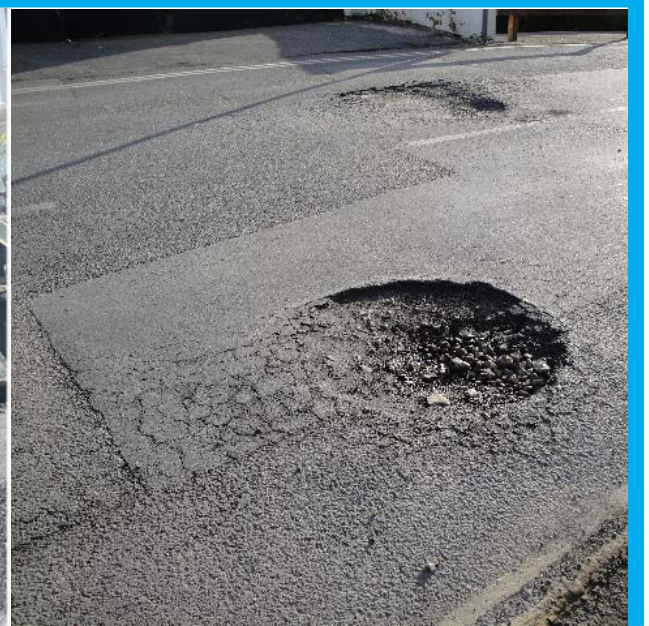

Strategy 1:

Operate and Maintain

$226 billion (73%)

Includes:

- Transit Operations ($122 billion)
- Transit Maintenance ($31 billion)
- Local Streets Maintenance ($25 billion)
- Bridge Maintenance ($14 billion)

Operating and maintaining the existing system remains our top priority, despite its high costs.

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Category	Current Conditions (2015)	Draft Preferred (2040)
Transit Operations	*Fully funds preservation of current service levels through 2040*	
Transit Maintenance	**29%** of transit assets past useful life	**12%** of transit assets past useful life
Local Road Maintenance	Pavement condition index of **66**	Pavement condition index of **69**
Highway Maintenance	**20%** of highway lane-miles in poor condition	**20%** of highway lane-miles in poor condition

Strategy 1:

Operate and Maintain

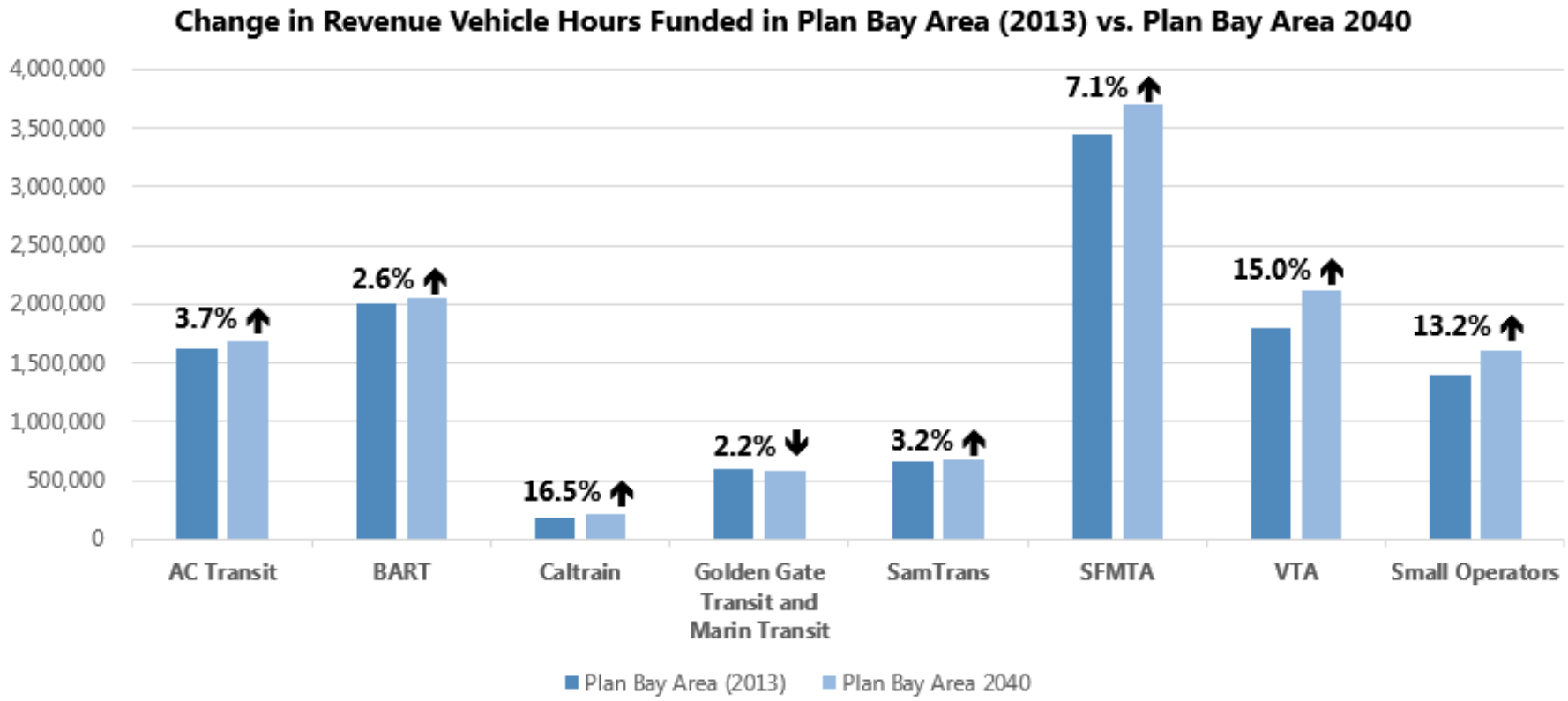
$226 billion (73%)

Includes:

- Transit Operations ($122 billion)
- Transit Maintenance ($31 billion)
- Local Streets Maintenance ($25 billion)
- Bridge Maintenance ($14 billion)

Operating and maintaining the existing system remains our top priority, despite its high costs.

The Draft Preferred Scenario fully funds existing operations in line with the original Plan Bay Area, increasing transit service **by 7.5%** over PBA 2013 levels. Annual costs are **25% higher**, however.



Strategy 1:

Operate and Maintain

$226 billion (73%)

Includes:

- Transit Operations ($122 billion)
- Transit Maintenance ($31 billion)
- Local Streets Maintenance ($25 billion)
- Bridge Maintenance ($14 billion)

Modernization of existing transit system and highways is a high priority as well.

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Strategy 2:

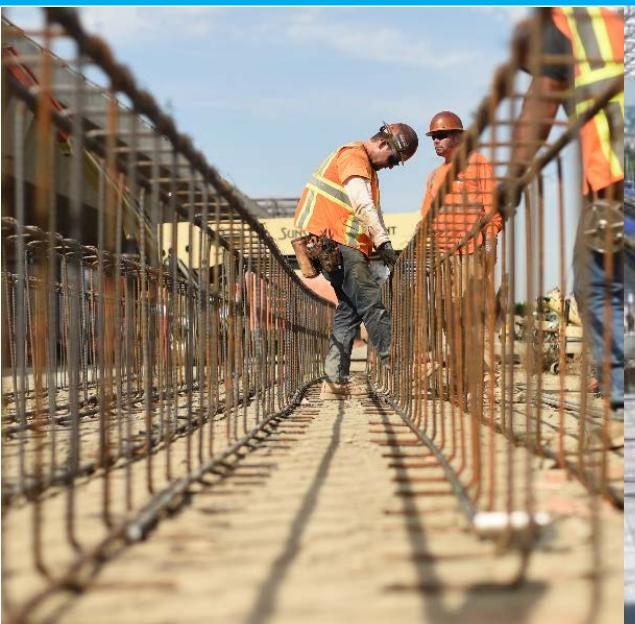
Modernize

$54 billion (17%)

Includes:

- Core Capacity ($7 billion)
- Bike/Ped Program ($3 billion)
- Goods Movement Program ($3 billion)
- Caltrain Electrification ($2 billion)
- Mobility and Access Program ($2 billion)
- BART Metro ($1 billion)

The share of funding allocated towards expansion projects continues to decline – focusing primarily on high-performers.



Strategy 3:

Expand

$29 billion (9%)

Includes:

- High Speed Rail in Bay Area ($8 billion)
- BART to San Jose ($5 billion)
- Caltrain Downtown Extension ($4 billion)
- Silicon Valley Express Lanes: SR-85 + US-101 ($2 billion)

The Draft Preferred Scenario includes specific strategies for equity.

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Fund existing bus operations through 2040

$62 billion

Fund bus service increases and transit improvements

$5 billion

Fund Lifeline Program and County Access Initiatives

$2 billion

Assume **increases in inclusionary zoning** within Priority Development Areas

Source: https://www.flickr.com/photos/kukkurovaca/3847019482; Icon Sources: The Noun Project (naim, Mint Shirt, Hossain)

Transportation investments are being targeted to benefit low-income Bay Area residents…

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TRANSPORTATION FUNDING ALLOCATION FOR DRAFT PREFERRED SCENARIO

	Share of Population	Share of Investment Benefit		
		Transit	Roadway	Total
Low-Income	**24%**	45%	26%	**42%**
Minority	**59%**	58%	52%	**57%**

Image Source: https://www.flickr.com/photos/pfsullivan_1056/4487394472; https://www.flickr.com/photos/coolsashy/27398341596

… but ultimately transportation isn't the primary challenge – rather, it's finding an affordable place to live.

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Image Source: https://www.flickr.com/photos/pfsullivan_1056/4487394472

TRANSPORTATION FUNDING ALLOCATION FOR DRAFT PREFERRED SCENARIO

	Share of Population	Share of Investment Benefit		
		Transit	Roadway	Total
Low-Income	**24%**	45%	26%	**42%**
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EQUITY MEASURE SUMMARY FOR DRAFT PREFERRED SCENARIO

Equity Measure	Better Performance in Disadvantaged Communities?	Disadvantaged Communities Moving in the Right Direction?
Access to Jobs	**Yes**	**Yes**
Risk of Displacement	**Yes**	**No**
Healthy and Safe Communities	**Same**	**Yes**
Middle-Wage Job Creation	**N/A**	**Yes**
Housing + Transportation Affordability	**No**	**No**
Affordable Housing	**No**	**No**

Performance results for transportation are generally positive but fall short on several key targets.

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	Goal		TARGET		No Project	Main Streets	Connected Neighbor.	Big Cities	**Draft Preferred**
	Climate Protection	**1**	Reduce per-capita CO_2 emissions	-15%	**-5%**	**-15%**	**-18%**	**-20%**	**-18%**
	Economic Vitality	**10**	Reduce per-capita delay on freight network	-20%	**+14%**	**-22%**	**-14%**	**-35%**	**-28%**
	Transportation System Effectiveness	**11**	Increase non-auto mode share*	+10%	**+2%**	**+2%**	**+3%**	**+4%**	**+3%**
	Transportation System Effectiveness	**12**	Reduce vehicle O&M costs due to pavement conditions*	-100%	**+46%**	**-66%**	**-9%**	**+15%**	**-16%**

** = indicates that performance results analysis year 2035; final target results will reflect consistent horizon year of 2040*

Image Source: https://www.flickr.com/photos/alleboutgeorge/5391451588

Despite its limitations, the Draft Preferred Scenario does perform notably better than the status quo (No Project).

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Compared to the No Project:

- The Draft Preferred Scenario achieves **13 additional percentage points** of per-capita greenhouse gas reduction, primarily due to the Climate Initiatives Program.
- **Nearly 12,000 fewer acres** of greenfield lands are developed in the Draft Preferred Scenario.
- **63,000 fewer households** are at risk of displacement in PDAs, TPAs, and HOAs in the Draft Preferred Scenario.
- The typical driver spends **$124 less per car** on auto maintenance due to smoother local streets in the Draft Preferred Scenario.

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If we really want to address affordability and equity challenges, action is needed by an engaged public and by all levels of government. Only the most aggressive policies will be sufficient to deal with our housing crisis.

Housing + Transportation Costs
(as a share of income)*

54%
of household income

2005

Housing: +12%

Transportation: +1%

Housing + Transportation: +13%

67%
of household income

2040

** = for lower-income households*

Image Source: https://www.flickr.com/photos/gdodge/15336815438

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We want your feedback on how to craft the best Preferred Scenario possible.

September	October	Fall	Spring 2017	Summer 2017
• Hold County Workshops with Planning Directors	• Comments on Draft Preferred Due **(October 14)** • Revise Preferred Scenario	• Adopt Revised Preferred Scenario • Begin CEQA Review	• Release Draft Plan • Release Draft EIR	• Adopt Plan Bay Area 2040 • Certify EIR

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