

ABAG
Jan/Feb 2000



Service Matters

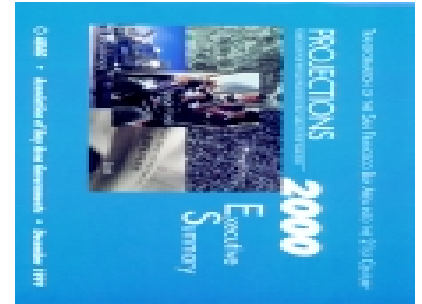
A MILLION PEOPLE & A MILLION JOBS

Projections 2000 Details 20-Year Growth Forecast



The latest growth projections for the San Francisco Bay Area were released at ABAG's **Projections 2000** Symposium on December 3, 1999.

Projections 2000 (Catalog No. P00001PRO) is available in print (with diskette) for \$200 plus \$5 shipping and handling, and local sales tax. (ABAG members receive a 20 percent discount.)



Projections 2000 is the most complete and up-to-date resource available for analyzing the future of the Bay Area. The report presents the most recent forecasts for population, jobs, labor force, income, households and household size for the period 1995-2020. The report also contains data for the region, each city and county, and numerous unincorporated communities.

The Projections Symposium examined the Bay Area transformation into the 21st century. Paul Fassinger, ABAG research director, discussed expected changes in the economy, projected job hot spots and changing commuting patterns.

"As technology is moving more toward telecommunications, software and the Internet, high-tech jobs are moving beyond the Silicon Valley to places like Pleasanton, Dublin, Livermore and Emeryville," Fassinger said. "It's going to take action over time by government officials to deal with some of the problems this type of growth engenders" Fassinger added.

Hing Wong, ABAG regional planner, presented data related to shifting demographics and population growth, as well as the demand of land supply. "With an increase in population over the next 20 years, available land could become a major constraint," according to Wong.

The forecasts presented are primarily prepared for and used by governmental agencies. However, all Bay Area residents and businesses can benefit from these findings. It is clear that the region will continue to experience demographic and economic transformations well into the next century. However, the challenges that growth poses can be managed through proactive public policies.

Executive Summary Highlights Forecasts

In conjunction with **Projections 2000**, ABAG also published the **Executive Summary** as a stand-alone report. This overview provides a snapshot of the larger report's significant findings without the numerical details.

While notable shifts will occur within the region's borders over the next 40 years, it is interesting to note that the Bay Area's growth will cause phenomenal changes in the counties that border our nine-county region. Triple-digit growth is forecast for Lake, San Joaquin, Stanislaus, Merced, San Benito and Monterey Counties.

The **Executive Summary** (Catalog No. P00002PRO) can also be purchased for \$20, plus \$3 shipping and handling and local sales tax.

(See page 3 for information on how to order)

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*Service Matters is a publication of the Association of Bay Area Governments,
the planning and services agency for the San Francisco Bay Area's 9 counties and 101 cities.*

Help in Sight for Area Homebuyers

Location Efficient Mortgages Support Compact Development

Bay Area home seekers will soon have more ammunition to help them buy a home in the region's ultra hot housing market—the Location Efficient Mortgage^{CM} (LEM).

The Natural Resources Defense Council (NRDC) and two other non-profit partners designed the LEM to help residents qualify for homes in the region's more densely developed neighborhoods as well as alleviate the demand to develop on the urban fringe. The national environmental advocacy group spent two years studying how the physical characteristics of a community—residential density, transit availability, proximity of

pedestrian-scale retail uses—affected levels of car ownership and driving. It found that as the density of a neighborhood increased, car ownership and driving levels dropped dramatically; in some cases as density doubled, driving dropped by half.

The implications of these findings on homeownership are tremendous. The underwriting formula lenders have used for decades assumes that the average household will spend 18 percent on transportation expenses. But what if a household was able to demonstrate it would spend **less** than 18 percent because of the characteristics of the community in which they hope to buy, i.e. a dense neighborhood with transit access and shopping—savings that could be applied to their house payments?

With a LEM, homebuyers can capitalize on these savings by increasing the mortgage amount for which they can qualify. For instance, under conventional underwriting a household making \$50,000 a year could qualify for a \$166,000 loan on a \$171,000 home with a 3% downpayment. But, if the house desired is in a dense, walkable neighborhood with transit access and the household would spend \$100 less per month on transportation than their low-density counterpart, the household could qualify for a **\$221,000 loan on a \$228,000 home—a \$55,000 boost.**

Homebuyers will find housing near transit stations, good bus lines, or mixed-use retail/commercial developments, accessible with a

LEM. Homebuyers could very well qualify for a loan in an area where they had only dreamed of buying.

Not only will LEMs increase home ownership opportunities and support infill development in the urban core, the research behind the mortgage scientifically justifies compact development to meet *future* residential, commercial and transit demands. The amount of developable, open land is quickly decreasing due to the strong economy, increasing employment opportunities and booming population.

As an environmental organization embroiled in energy saving measures, protection of air quality, the preservation of public lands and other pressing issues in our state, NRDC and its project partners – the Surface Transportation Policy Project and the Center for Neighborhood Technology — are jumping into the smart growth ring with what is possibly the only market-based tool to spur livable communities. FannieMae is also taking the plunge by partnering with the project in four regions of the country, including the San Francisco Bay Area.

LEM's will be available through major lenders in the coming months. Watch for a posting in this newsletter. Any questions about the Location Efficient Mortgage^{CM} Project can be directed to Donna Liu at NRDC, (415) 777-0220.

The Location Efficient Mortgage^{CM} is a registered certification mark of the Institute for Location Efficiency.

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Children's Hospital

\$65 Million for Expansion



Children's Hospital recently acquired the Martin Luther King Plaza (pictured to the left) which will house its research facilities.

The recent trend of hospital mergers and closures has not affected Children's Hospital in the **City of Oakland**. Instead, Children's Hospital is expanding its facilities and services with the help of a \$65 million tax-exempt securities offering issued through the ABAG Finance Authority for Nonprofit Corporations.

The hospital's capital project will replace an existing helipad; expand the pediatric intensive care unit, laboratory departments and operating rooms; install a new emergency backup generator; renovate the emergency room and patient rooms; and help create a bone marrow transplant program.

Children's Hospital has also acquired a nearby building—the Martin Luther King Plaza—to house research activities. The funding will also help renovate this former public school into research facilities.

The hospital provides a full range of pediatric acute and intensive care services primarily to residents in **Alameda** and **Contra Costa Counties**. Its secondary service area includes **Napa, Solano**, Stanislaus and San Joaquin Counties.

For more information about this or other ABAG-issued tax-exempt financings, please call ABAG financial services manager, Clarke Howatt, at 510/464-7932 or you may send an e-mail to ClarkeH@abag.ca.gov

Four easy ways to purchase *Projections 2000* and/or the *Executive Summary* and other ABAG publications:

- Make a credit card purchase electronically through our website at <http://www.abag.ca.gov/abag/overview/pub/p2000>.
- Fax your credit card order to 510/464-7985.
- Mail a check or money order to ABAG Publications, P.O. Box 2050, Oakland, CA 94604-2050. Be sure to include the catalog number(s).
- Drop by our offices Monday through Friday between 8:30 am and 5:00 pm.

ABAG Releases Housing Numbers

Comment Period Begins for regional housing needs process

After extensive discussion at their November 18th meeting, ABAG's Executive Board released preliminary numbers for the Regional Housing Needs Determination 1999 process.

The state-mandated housing needs process requires every community to plan for its share of California's anticipated housing need. The housing need for each jurisdiction is identified as a number of housing units in each of four income categories. Using a formula developed by a committee of ABAG member agencies, each jurisdiction in the Bay Area has been assigned a proportionate share of the region's housing need. A table posted on ABAG's website specifies the total number of housing units assigned to each county.

In January, ABAG will hold several informational meetings around the region. Staff will be available to answer questions related to the housing needs process, methodology and general information. All of the sessions will

start at 10 am and last for two hours. Check ABAG's website for directions.

- **January 7** - ABAG's Auditorium in Oakland
- **January 10** - Petaluma Community Center
- **January 12** - Vallejo City Hall
- **January 14** - San Mateo City Hall

Local jurisdictions have until **February 29, 2000** to file comments on their allocation numbers with ABAG. ABAG must respond to all jurisdictions by **April 28, 2000**, and the Executive Board will discuss the region's final numbers at its **May 18, 2000** meeting.

For more information, visit ABAG's Housing Needs website at <http://www.abag.ca.gov/planning/housingneeds/99rhnd.htm>, or contact ABAG Senior Planner Alex Amoroso at 510.464.7955 or email AlexA@abag.ca.gov.



Abag Donates Computers to Oakland Technology Exchange

From left to right, ABAG Executive Director Eugene Leong, Anthony Woodhouse (11th grade), ABAG President and Alameda County Supervisor Mary King, Binh Nguyen (10th grade), Tyrone Hazel, OTX Assistant Manager, and Brandon Jensen (11th grade).

In November, ABAG donated 23 used computers to the Oakland Technology Exchange (OTX) program at Oakland Technical High School. The OTX program recycles computers and peripherals for Oakland's public schools. Students participating in the school-based enterprise program learn valuable workplace skills—how

to repair computers and provide technical support. OTX also enables the Oakland School District to substantially increase the number of computers it can make available to its students and staff. Over the last two years, OTX has put more than 2,500 retrofitted computers in the district's 90 schools according to Principal - Larry Todd.

Grasscycling Campaign for Bay Area

Program helps local governments meet AB 939 goals

Grasscycling is the natural practice of leaving clippings on the lawn when mowing. The clippings quickly decompose, returning nutrients to the soil.

Grasscycling can also help local governments achieve the mandate to reduce waste disposal by 50 percent.

Yard trimmings make up the largest single component of California's municipal waste. The average California lawn generates 300 to 400 pounds of grass clippings per 1,000 square feet annually. This can be as much as eight tons per acre each year!

As a result, the California Integrated Waste Management Board's "Greening Team" has identified grass clippings generated from urban residential landscapes as a primary target to assist local jurisdictions in achieving their mandated 50 percent diversion requirement.

In support of this goal, a Bay-Delta Grass Recycling Program has been developed. The purpose of the program is to promote and implement the use of grasscycling practices among local residents to decrease the volume of residential-derived grass clippings being disposed of in California landfills. The current task force is comprised of **ABAG** and **Contra Costa, Napa** and **Solano Counties**.

According to Kevin Miller, the Napa Grasscycling coordinator, "this practice can save time and labor while

avoiding fertilizer use. It also helps reduce waste and air and noise pollution—an effective environmental protection strategy."

In addition to reducing waste, the task force encourages the use of electric mowers. Catherine McCarthy, Solano's coordinator, explains that "gas mowers with a two-stroke engine emit about 25 percent the of gas used, unburned, into the environment. This engine generates as much air pollution as driving 40 cars in an hour."

To reduce these emissions, in the spring of 1999, the three counties sponsored a lawnmower rebate program. The program encouraged residents to turn in their gas-powered mower for an electric mower rebate.

According to Bart Carr, representing Central Contra Costa Solid Waste Authority, "the 1999 campaign has given Contra Costa County a strong start to promoting grasscycling as an effective way to remove grass clippings from landfills while allowing residents to maintain a healthy and attractive lawn."

The task force, working with local jurisdictions and industry sponsors, is developing campaign materials and sponsoring outreach activities. (See information below about a workshop for local governments in January.)

For more information, visit ABAG's grasscycling website at <http://www.abag.ca.gov/bayarea/grass>.



Grasscycle

A Workshop for Local Governments

Wednesday, January 19, 2000

9 am to 1 pm

MetroCenter Auditorium, Oakland

Registration is \$30 including lunch (\$24 for ABAG members); a \$5 late fee will apply if postmarked after January 12, 2000. The registration form may be retrieved online at <http://www.abag.ca.gov/bayarea/grass/workshop.html>. For more information, please call Sharon Kendrick at 510/464-7964.

Bay Area Median Home Prices See Double-digit Growth

The median price of a Bay Area home increased to \$368,880, posting a 15.8 percent gain over last year's price. Statewide, the median home price rose to \$218,160, an 11.9 percent jump, according to the California Association of Realtors (C.A.R.).

"The housing market in California continues to outpace the nation," according to C.A.R. president Dick Gaylord. "California homeowners are benefiting from the largest year-to-year median price appreciation in more than ten years."

The high demand for housing is being fueled by the continuing job growth in the high-tech industry. This demand is outpacing the supply of new homes, causing prices for homes in older neighborhoods to skyrocket.

"Despite higher interest rates compared to a year ago, demand continues to be strong in all segments of the housing market," said Leslie Appleton-Young, C.A.R.'s vice president and chief economist.

Of the top ten cities and communities with the highest median home prices in the state during October 1999, eight are right here in the Bay Area: **Atherton**, \$1,850,000; **Los Altos Hills**, \$1,690,000; **Monte Sereno**, \$1,550,000; **Hillsborough**, \$1,122,500; **Woodside**, \$1,000,000; **Saratoga**, \$974,000; La Jolla, \$956,590; **Los Altos**, \$838,500; Coronado, \$775,000 and **Belvedere/Tiburon**, \$750,000.

Statewide, the ten cities and communities with the greatest median home price increase in October 1999 compared to the same period a year ago were: Twentynine Palms, La Jolla, **Sausalito**, Solana Beach, **Atherton**, Laguna Hills, Riverside, Coronado, **Monte Sereno** and Lake Forest.

For more information, please log on to the California Association of Realtors website at <http://www.car.org>.

| County | Oct. 1999 | Change Over 1998 |
|---------------|-----------|------------------|
| Alameda | \$276,000 | + 17.5% |
| Contra Costa | \$220,000 | + 11.7% |
| Marin | \$404,500 | + 10.2% |
| Napa | \$188,318 | -4.4% |
| San Francisco | \$393,000 | + 19.8% |
| San Mateo | \$400,000 | + 20.1% |
| Santa Clara | \$350,000 | + 17.9% |
| Solano | \$158,000 | + 9.3% |
| Sonoma | \$230,000 | + 21.1% |

ABAG SPRING 2000 GENERAL ASSEMBLY

City and County elected officials and staff from throughout the region will convene in San Francisco to explore **Smart Growth** Issues.



Mark your Calendars – Save these Dates!

Thursday, April 27 & Friday, April 28, 2000

March 2000 Ballot Propositions

A total of 19 items have qualified for the March 7 primary election ballot (as of December 1, 1999).

- **Proposition 1A** - would allow slot machines, lottery games and banking and percentage card games on Native American tribal lands.
- **Proposition 12** - the Safe Neighborhoods, Clean Water, Clean Air and Coastal Protection Bond Act of 2000. \$2.1 billion for acquisition and restoration of parks and recreational resources.
- **Proposition 13** - Safe Drinking Water, Clean Water, Watershed and Flood Protection Act. \$1.97 billion in general obligation bonds.
- **Proposition 14** - CA Reading & Literacy Improvement and Public Library Construction Bond Act. \$350 million general obligation bonds.
- **Proposition 15** - Crime (Forensics) Construction Bonds. \$220 million in general obligation bonds.
- **Proposition 16** - Veterans' Homes Bond Act. \$50 million.
- **Proposition 17** - would authorize raffles in CA, provided that 90 percent of gross receipts go to charitable works.
- **Proposition 18** - calls for the death penalty for a defendant who intentionally kills by "lying in wait," kidnapping or arson.
- **Proposition 19** - extends certain peace officer protections to BART, University of California and CA State University police.
- **Proposition 20** - calls for lottery revenue increases to benefit public education, and would require voter approval to change the benefit percentages.
- **Proposition 21** - juvenile crime initiative; increases penalties for gang-related crimes and requires adult trial for murder or sex offenses (age 14 and up).
- **Proposition 22** - would provide that only marriage between a man and woman is valid in California.
- **Proposition 23** - would provide "none of the above" option in elections for President, VP, Congress, Governor, Lt. Governor, Attorney General, Controller, Secretary of State, Treasurer, Supt. of Public Instruction, Insurance Commissioner, Bd. of Equalization and the State Senate and Assembly.
- **Proposition 24** - [removed from the ballot by the Supreme Court.]
- **Proposition 25** - campaign contribution limits (\$5,000 for statewide candidates; \$3,000 others; \$25,000 for political parties; \$50,000 total per election). Bans corporate contributions. Limits fundraising period. Sets campaign spending limits.
- **Proposition 26** - allows the issuance of bonds for school construction/rehabilitation by majority vote.
- **Proposition 27** - congressional term limits; permits candidates to voluntarily sign non-binding declaration of intent to serve no more than three terms in the House of Representatives or two terms in the United States Senate.
- **Proposition 28** - repeal of the (Proposition 10) fifty cent/pack Tobacco Surtax previously approved by voters (11-3-98).
- **Proposition 29** - referendum to overturn prior ratification of Indian Gaming compacts between Native American tribes and the State of California.

Signature Verification - four additional initiatives have submitted petitions for signature verification: (1) *Private contractors* - would allow use of private contractors for engineering and architectural services for public works projects, (2) *Indian Gaming* - would exempt Indian gaming from prohibition against lotteries and casino gambling, (3) *Insurer Lawsuits* - would prevent implementation of a recent law allowing injured persons to sue insurers for unfair handling of insurance claims, (4) *Insurer Lawsuits* - alternative to #3 limiting the right to sue and exempting professional liability insurers.

In Circulation - another 11 initiatives are still in circulation.

Mark Your Calendar for ABAG's Short Term Economic conference

On **January 25, 2000**, ABAG will conduct its annual analysis of the regional economic outlook for the next two years.

- Learn where the jobs are headed and which sectors of the economy are expected to grow.
- Hear what the retail sales prospects are for individual cities and counties.

**Tuesday, January 25,
2000
9 am to Noon
MetroCenter
Auditorium,
101 Eighth Street,
Oakland**

For more information, please contact Hing Wong at 510/464-7966 or e-mail HingW@abag.ca.gov.

On **January 28, 2000** the League of Women Voters of the Bay Area will present its annual meeting, Bay Area League Day, with the theme, "The State of the Region" at the First Unitarian Church in Oakland. ABAG and the Commonwealth Club of San Francisco are co-sponsors of this exciting entry into the new millennium.

**Friday, January 28, 2000
9:00 am to 2:30 pm
First Unitarian Church
14th St. and Castro
Oakland**

Registration is \$30.00. Please send your registration fee to:

League of Women Voters of the Bay Area
500 St. Mary's Road, Suite 14, Lafayette, CA
94549-5431 (Phone: 925.283.7093)

Mark Your Calendar!

Noteable Numbers...

January 2000

- | | |
|---|---|
| 5 - 1:00 p.m. Regional Planning Committee MetroCenter - Auditorium | 20 - 5:00 p.m. Finance & Personnel ABAG Room 102A |
| 19 - 12 Noon ABAG POWER Executive Committee Meeting MetroCenter - Auditorium | 20 - 7:30 p.m. Executive Board MetroCenter - Auditorium |

February 2000

- 16 - 12 Noon
ABAG POWER Executive
Committee Meeting
MetroCenter - Auditorium

ABAG and the staff of Service Matters wishes Michelle Fadelli, Manager of Communciations a fond farewell and best wishes as she joins **Alameda County** as Public Information Officer.

8 Million:

Population of the Bay Area in the year 2020.

999,360:

Number of new jobs in the 9-county region over the next two decades.

719,000:

The projected increase for "Over-65" age group in the Bay Area by the year 2000.

129,300:

Number of new residents expected in the City of San Jose in the next 20 years.

335:

Percentage change for the population of Rio Vista (Solano County) between the years 2000 and 2020.

41:

Percentage of the Bay Area population forecast to be comprised of Caucasians in the year 2020. (As compared to 61% in 1990.)



Association of Bay Area Governments

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