MEMO

Date: May 6, 2011

To: ABAG Executive Board

From: Ken Kirkey
ABAG Planning Director

Subject: **Sustainable Communities Strategy – Scenarios Development and Historical Trends**

Overview

After the release of the Initial Vision Scenario of the Sustainable Communities Strategy (SCS) in March, MTC and ABAG staff are focused on the development of Alternative Scenarios to inform the selection of the Preferred Scenario. The final Preferred Scenario will be adopted by February 2012. Three essential tasks are linked to the development of this Preferred Scenario.

- **Household and job forecast:** ABAG and MTC are addressing the economic and land use constraints that will inform the Bay Area's long term housing supply, job creation, and population growth. This forecast will address the recent release of the 2010 Census, specific demographic issues and current economic restructuring trends, as well as coordination with federal and state agencies to identify the most appropriate forecast approach.
- **Regional Housing Needs Allocation (RHNA):** The RHNA methodology will use the Preferred Scenario of the SCS as one of the components. The RHNA schedule has been recently adjusted to allow this coordination. The draft RHNA methodology will be released at same time as the draft Preferred Scenario in November 2011. The final methodology will be adopted in January 2012.
- **Sustainability Block Grant Proposal:** Regional agencies are working on a funding program that will support the implementation of the SCS. Funding availability will be commensurate with the scale and quality of the local SCS effort. Regional agencies will release a proposal by July 2011. A proposed "block grant" will pull together different transportation funding streams to support sustainable development.

The sections below and the upcoming presentation at the Executive Board provide an update on the Initial Vision Scenario feedback from local jurisdictions and preliminary discussions on the Alternative Scenario Concepts. They also provide an overview of past

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growth patterns in the Bay Area and surrounding counties as background to the discussions on the SCS scenarios.

Feedback on Initial Vision Scenario

On March 11, 2011 MTC and ABAG released the Initial Vision Scenario to open the dialogue on the Sustainable Communities Strategy. This was an unconstrained scenario that assumed strong economic growth and resources for housing production. This scenario proposed a future land use pattern driven by Priority Development Areas and Growth Opportunity Areas and their locally designated place types. This land use pattern allowed some accomplishments on our adopted performance targets but additional work on employment distribution, transportation strategies and funding remains to be done.

This Initial Vision Scenario was presented by regional agencies before local elected officials, planning directors, and Congestions Management Agencies (CMAs). Similarly, local jurisdictions have presented this Scenario to their respective councils. We have been gathering input through those presentations, meetings with the Regional Advisory Working Group and stakeholders groups as well as our Basecamp sites, letters, additional meetings, and phone calls.

In our presentations and later in Basecamp, we posted a set of questions to frame the input from local jurisdictions. These questions focused on the appropriateness of the selected place type for PDAs and Growth Opportunity Areas and the related housing and employment growth; the potential relocation of growth somewhere else in the city, the county or the region; and the priority of resources to implement this sustainable strategy. At the Executive Board meeting staff will present a summary of the multiple responses and additional questions we receive to inform the development of the Alternative Scenarios.

Preliminary Alternative Scenarios Concepts

Phase 2 of the Plan Bay Area process focuses largely on the development and analysis of alternative scenarios to demonstrate how the Bay Area can achieve its 15 percent per-capita greenhouse gas emission reduction target, stipulated by CARB, and other ABAG/MTC adopted performance targets. While both the Current Regional Plans and Initial Vision Scenario get us closer to the greenhouse gas targets, they still fall short. We must now find alternative ways to achieve this target as required by SB 375. This means identifying and testing a range of alternative scenarios that feature different combinations of land use, transportation investments, and policy strategies.

MTC/ABAG staff has conducted initial brainstorming on alternative scenario concepts with the Regional Advisory Working Group and Partnership Technical Advisory Committee in April and May 2011. We are also receiving feedback through the Plan Bay

Area/You Choose Bay Area workshops that are now underway. The following points have been raised thus far:

- Create distinct scenarios, including a historical land use "trend" option for comparative purposes.
- Focus more growth in the urbanized areas of the region to preserve agricultural lands and open space.
- Consider refocusing development along transportation corridors (not just transit lines).
- Increase growth in Priority Development Areas (PDAs) but realize that they have limits on their carrying capacities.
- Increase existing transit service and improve pedestrian access to transit
- Create a strategy that places importance on supporting growth in rural/suburban communities, but recognize that the growth will not be at the same density and intensity as growth in the more urbanized areas of the region.
- Emphasize the importance of the "fix-it first" policy (i.e., maintain existing system)
- Consider policy initiatives such as Transportation Demand Management and road and parking pricing

The Alternative Scenarios will address economic and policy constraints. Each scenario will present distinct land use growth patterns, transportation investments, and supportive policies. They will provide different combinations of housing and employment growth distribution and the corresponding transportation strategies and investments.

These scenarios are informed by input we are receiving from local jurisdictions on scale of growth and place type and their related policies and investment needs. While no one scenario will work for all communities, we would like to accommodate within the range of alternatives most of the local jurisdictions perspectives on future development. For example, understanding how much additional growth could go into the regional centers, city centers and urban neighborhoods in the inner Bay Area would inform one of the alternatives; or understanding where job growth could shift closer to housing into the outer region could inform another alternative.

The regional agencies have received a wide range of input from local jurisdictions on specific policies and investments. MTC/ABAG also received much input through the *Initial Vision Scenario Place Type and Policies Information Form* at the beginning of 2011. However, we welcome any additional input on high priority policies and investments for the range of development options your local jurisdiction might be considering in the SCS.

The following Alternative Scenario Concepts are currently under consideration:

PDA and Growth Opportunity Area Pattern with Focused Employment

- Focuses housing and employment growth among all Priority Development Areas and Growth Opportunity Areas
- This scenario is the Initial Vision Scenario with consideration for job location/intensity, financial constraints and local input
- Assumes most efficient use of existing transportation system with limited transit and road expansion

Maximizing growth in Transit Corridors around the Bay

- Focuses housing and employment growth inward in communities close to the Bay with existing transit and road infrastructure
- Focuses on existing and emerging major employment centers within established communities
- Accommodates growth in areas with effective transit services but assumes increased funding for increased transit service levels and expansion in strategic locations

Increase growth in the Urban Periphery with Shorter Vehicle Trips

- Focuses housing and employment growth into Priority Development Areas and other areas with some transit access and existing roadway infrastructure to shorten employment-related trip lengths
- Focuses job growth in communities with significant housing supply
- Identifies constraints and subsidies needed to locate employment in the outer Bay Area.

For illustrative and comparative purposes, the scenario analysis will also include a historical pattern "scenario" that depicts the regional growth trends of the past 10-20 years as projected forward.

Each Alternative Scenario will be analyzed relative to adopted performance targets. This analysis will be discussed among local and regional agencies to inform the selection of the draft Preferred Scenario.

Past growth patterns in the Bay Area and surrounding counties

The Initial Vision Scenario of the Sustainable Communities Strategy proposes a concentrated growth pattern that focuses on Priority Development Areas, as well as new infill Growth Opportunity Areas. The level and pattern of growth proposed in the Initial Vision Scenario is a significant departure from current and past trends and will be difficult to achieve, particularly in light of current economic conditions. While there is now arguably a broad regional consensus on pursuing a more sustainable development pattern in the future than existed in the Bay Area in the past, there have been many questions about exactly how the growth proposed in the Initial Vision Scenario compares to past development patterns in the region. In order to inform this discussion as well as

the development of the Alternative Scenarios, staff will present a historical overview of regional job, population, and housing growth over the past three to four decades. Staff will present data that documents the previous land use growth patterns in the region and the relationship between past growth in the region and the surrounding counties. Staff will also present past regional growth in relation to state and national growth rates. The purpose of this review is to further understand our past and current development trends to inform our choices for future development.