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To: ABAG Regional Planning Committee
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Subject: **Planned Priority Development Area Assessment – Planned Growth & Infrastructure Needs**

Overview

The Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) approach the implementation of the FOCUS Priority Development Areas (PDAs) as a key consideration for the development and adoption of the Sustainable Communities Strategy (SCS) under SB375. The designation of PDAs as a network of neighborhoods that will accommodate the majority of the region's population and employment growth calls for a thorough understanding of the changes expected to occur in these areas and potential barriers to future development.

To accomplish this goal, ABAG and MTC have undertaken an assessment of Planned PDAs, since Planned PDAs have an adopted neighborhood-level land use plan, and thus are closer to implementing a specific vision for growth. Potential PDAs are those that have not yet completed a neighborhood-level land use plan. Over time, it is expected that the Potential PDAs will complete plans and transition to Planned status.

This memo describes the purpose and approach for the PDA Assessment, and provides initial findings related to planned growth and infrastructure needs in the Planned PDAs.

Purpose and Rationale of PDA Assessment

The two primary goals of the PDA Assessment are to gain information about Planned PDAs in order to help hasten development of these areas as complete communities and to support the development of a realistic SCS. While all of the Planned PDAs have been proposed by local jurisdictions committed to sustainable transit-oriented development through local plans, they vary greatly in their visions of complete communities and readiness to produce new housing.

Using information primarily provided by local governments, the assessment will evaluate the scale and type of growth planned to occur in Planned PDAs, the strategies needed to ensure that this growth results in complete communities, how ready local governments and communities are for growth to occur, and the investments needed to make this growth a reality. The desired outcomes of the assessment are to identify the PDAs most ready for implementation and growth potential, identify policies and resources needed to support essential elements of complete communities, and consider policies for prioritizing additional funding to the PDAs via the SCS. The Assessment may additionally assist the Potential PDAs by identifying strategies and policies to facilitate plan implementation.

Assessment Approach

The information to be used in the PDA Assessment has been gathered from our local government partners through one-on-one meetings with local city staff and an extensive survey. This information will be complemented by data from other sources, such as the U.S. Census. The assessment is organized around four main topics related to future development in the Planned PDAs:

- The **Growth Potential** assessment looks at amount and type of growth planned in the PDAs.
- The **Need** assessment evaluates the amount of types of funding that the PDAs need to achieve their desired growth. It also identifies policy changes needed to support growth in the PDAs.
- The **Readiness** assessment will gauge which PDAs are ready for higher-density, transit-oriented development. This analysis will focus on funding needs, entitlement process, transit capacity and connectivity, community support, and implementation feasibility.
- The **Completeness** assessment evaluates local plans and community characteristics to determine the extent to which PDAs are poised to become complete communities. This analysis focuses on housing choices, multi-modal access and mobility, and neighborhood identity and vitality.

Preliminary Findings

The summaries of data presented below are based on responses provided by local jurisdictions to the Assessment Survey of Planned PDAs.

Planned Growth

The PDA Survey indicates that Planned PDAs in the Bay Area expect to add approximately 209,000 housing units and 607,000 jobs over the next 25 years. As a result, in 2035 there are anticipated to be nearly 579,000 housing units and 1.6 million jobs in the region's Planned PDAs. These numbers indicate that, while the 92 Planned PDAs included in this assessment account for a little over one percent of the land area of the Bay Area, they are planning to accommodate 32 percent of the housing growth and 37 percent of the job growth forecasted in ABAG's *Projections and Priorities 2009: Building Momentum*. Based on this data, jurisdictions are clearly expecting a high number of jobs relative to new housing in their Planned PDAs. This reflects a general pattern over recent decades where local jurisdictions plan for more jobs than the number that are ultimately produced.

The three counties planning for the most housing growth in Planned PDAs—based on total units added and the county's share of the region's total growth—are San Francisco, Alameda, and Contra Costa Counties, while the top three counties for job growth are San Francisco, Santa Clara, and Alameda.

By 2035, 37 percent of the region's housing units in Planned PDAs will be in San Francisco, down from 41 percent in 2010. Contra Costa County Planned PDAs are planning for the largest increase in the share of the region's total housing in Planned PDAs, moving from 7 percent in 2010 to 10 percent in 2035. San Francisco will see a 4 percent decline in their share of the region's total jobs in Planned PDAs, from 47 percent to 43 percent, while Santa Clara County's share will increase from 13 percent to 17 percent.

Table 1 provides a summary of the planned housing and job growth by county in the Planned PDAs.

Infrastructure Need

Preliminary analysis of the budget data from the PDA Assessment Surveys indicate that the capital infrastructure needs in the Planned PDAs total \$14.7 billion. The highest categories of capital needs for the Planned PDAs include affordable housing (\$2.5 billion), station improvements (\$2.5 billion), and parks (\$1.7 billion). Transit capital projects, such as BART expansion, bus rapid transit, and ferry system projects, were not included in the infrastructure needs analysis. However, it is important to note that a mix of transit expansion, rehabilitation and capacity improvement projects will be critical to supporting

growth in these PDAs. MTC's Resolution 3434 identifies a number of these critical transit improvements for which funding has been committed. Table 2 provides a summary of capital needs by category.

As expected, the highest capital needs for Planned PDAs by county occur where the greatest growth is planned – San Francisco, Santa Clara, Alameda, and Contra Costa Counties. The highest capital needs are estimated for the San Jose Central and North Consolidated PDA and San Francisco's Treasure Island and Bayview/Hunters Point Shipyard/Candlestick Point PDAs, each with over \$1 billion in infrastructure needs.

We have consistently heard that many jurisdictions require major public investments in infrastructure in order to stimulate significant new housing growth within their PDAs. To understand the variation of the public investments that will generate private investment in each of the PDAs, an analysis of the capital infrastructure needs identified relative to the number of new housing units planned in each PDA was performed. This metric is only rough comparative tool, and does not include the cost of constructing new housing in the PDAs. Given the planned growth in the Planned PDAs and the estimated capital infrastructure needs, the estimated public infrastructure investment that would be needed to spur private investment in new housing in the planned PDAs is approximately \$70,000/new housing unit. Santa Clara County has the highest capital infrastructure need per new unit, at approximately \$131,000/new housing unit, while Contra Costa County has the lowest capital infrastructure need per new unit, at \$38,000/new housing unit.

Table 3 shows the variation of capital infrastructure needs compared with housing growth across the counties.

Next Steps

Over the coming months, additional growth and need findings will be presented at the county-level SCS meetings, with the intention of informing the SCS base case modeling scenario and growth allocation discussions. Staff will also analyze the readiness and complete community characteristics of the Planned PDAs. The framework related to readiness and completeness factors will be presented to the Regional Advisory Working Group. A final report linking together the analyses of growth, need, readiness and completeness in the Planned PDAs will be produced, which will help inform discussion on how we might approach regional funding strategies as part of developing the SCS.

Table 1: Planned PDA Growth by County^{i, ii}

County	Existing Units (2010)	Future Units (2035) ¹	Change in Units (2010-2035)	Share of Total Planned PDA Housing Growth	Share of Total Planned PDA Housing (2010)	Share of Total Planned PDA Housing (2035)	Existing Jobs (2010)	Future Jobs (2035) ¹	Change in Jobs (2010-2035)	Share of Total Planned PDA Job Growth	Share of Total Planned PDA Jobs (2010)	Share of Total Planned PDA Jobs (2035)
Alameda	89,518	140,067	50,549	24%	24%	24%	228,845	335,839	106,994	18%	22%	20%
Contra Costa	25,428	60,095	34,667	16%	7%	10%	76,272	124,236	47,965	8%	7%	8%
Marin	2,777	4,363	1,586	1%	1%	1%	12,494	15,405	2,911	0%	1%	1%
San Francisco	152,389	215,907	63,518	30%	41%	37%	495,542	715,090	219,548	36%	48%	43%
San Mateo	21,475	39,096	17,621	8%	6%	7%	57,099	121,046	63,947	11%	5%	7%
Santa Clara	67,023	97,244	30,221	14%	18%	17%	131,357	276,332	144,975	24%	13%	17%
Solano	4,460	9,036	4,576	2%	1%	2%	10,621	17,220	6,599	1%	1%	1%
Sonoma	6,824	14,357	7,533	4%	2%	2%	29,899	45,333	15,434	3%	3%	3%
Total	369,893	580,164	210,271	100%	100%	100%	1,042,128	1,650,501	608,373	100%	100%	100%

Table 2: Total Regional Planned PDA Capital Need by Categoryⁱⁱⁱ

ALL PLANNED PDAs	Total Capital Need (\$ MM)	Category % of Total Need ²	Total Funded Capital Costs (\$ MM)	Total % Funded
Total Regional Infrastructure Need	\$ 14,712		\$ 2,743	21%
<i>Affordable Housing</i>	\$ 2,542	19%	\$ 535	21%
<i>Connectivity Projects</i>	\$ 518	4%	\$ 96	19%
<i>Environmental Clean-up</i>	\$ 37	0%	\$ 2	6%
<i>Land Assembly / Site Acquisition / Land Banking</i>	\$ 724	5%	\$ 670	93%
<i>Non-Transportation Infrastructure / Utilities</i>	\$ 1,282	10%	\$ 317	25%
<i>Parking Structures</i>	\$ 395	3%	\$ 97	24%
<i>Parks</i>	\$ 1,734	13%	\$ 330	19%
<i>Public Facilities</i>	\$ 1,073	8%	\$ 223	21%
<i>Road Improvements</i>	\$ 1,653	13%	\$ 133	8%
<i>Shuttles & Other Public Transportation</i>	\$ 805	6%	\$ -	0%
<i>Station Improvements</i>	\$ 2,467	7%	\$ 32	3%
<i>Streetscape Improvements</i>	\$ 920	7%	\$ 123	13%
<i>Transportation Demand Management</i>	\$ 65	0%	\$ 61	93%
<i>Other/Pre-development</i>	\$ 494	4%	\$ -	0%

Table 3: Planned PDA Growth and Capital Infrastructure Needs by County^{iv}

County	Change in Units (2010-2035)	Share of Total Planned PDA Housing Growth	Total Estimated Planned PDA Capital Need (\$M)	% of Total Planned PDA Capital Need	Capital Need/New Housing Unit (\$)
Alameda	50,549	24%	\$2,969	20%	\$58,743
Contra Costa	34,667	17%	\$1,302	9%	\$37,544
Marin	1,586	1%	\$157	1%	\$99,190
San Francisco	63,518	30%	\$4,990	34%	\$78,554
San Mateo	16,411	8%	\$737	5%	\$41,804
Santa Clara	30,221	14%	\$3,947	27%	\$130,613
Solano	4,576	2%	\$180	1%	\$39,333
Sonoma	7,533	4%	\$430	3%	\$57,093
Total	209,061	100%	\$14,712	100%	\$69,966

ⁱ No PDA Assessment Survey was received for the following PDAs: Alameda Naval Air Station; Hayward Cannery, Downtown, and South Hayward BART; and San Leandro Downtown TOD and East 14th Street, El Cerrito San Pablo Avenue Corridor, WCCTAC San Pablo Avenue Corridor, San Francisco Port, Campbell Central Redevelopment Area, Gilroy Downtown Specific Plan Area, Fairfiled Downtown South/Jefferson Street/Union Avenue, Suisun City Downtown Waterfront District, Vacaville Allison Policy Plan Area, and Santa Rosa Sebastopol Road Corridor. Growth data from PDA Applications was substituted where available. Projections 2009 growth data was used where PDA Application data was not available.

ⁱⁱ If a jurisdiction reported a planning horizon for their PDA that was not 2035, growth figures were extrapolated to 2035.

ⁱⁱⁱ Total capital need figure excludes transit capital projects (BART, VTA, High Speed Rail, Caltrain, SMART, eBART, Dumbarton Rail, Transbay rail, SF Muni, Amtrak, & Ferry capital expansion projects).

^{iv} Data about infrastructure needs was not provided or was incomplete for the following PDAs: Berkeley Downtown, San Pablo Avenue, South Shattuck, and University Avenue; Dublin Town Center and Transit Center/Dublin Crossings, San Pablo-San Pablo Avenue Corridor, San Rafael Downtown and Civic Center/North Rafael Town Center, San Francisco/San Mateo Bi-County, Menlo Park El Camino and Downtown, San Mateo County (unincorporated Colma) El Camino Real, San Jose Central/North Consolidated Area and Cottle Transit Village, Vallejo Waterfront and Downtown, and Windsor Redevelopment Project Area. Budget data from PDA Applications was substituted where available for survey non-respondents and for surveys with missing or incomplete budgets.