OneBayArea

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To: ABAG Regional Planning Committee

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Subject: **PDA Assessment Input into the Sustainable Communities Strategy Vision Scenario**

Overview

ABAG and MTC expect the FOCUS Priority Development Areas (PDAs) to be the foundation for identifying areas of future population and employment growth in the Bay Area's Sustainable Communities Strategy (SCS). For this reason, we have undertaken an assessment of Planned PDAs to better understand the changes expected to occur and potential barriers to future development in these areas. The PDA Assessment focuses on the Planned PDAs, which, by designation, have an adopted neighborhood-level plan and are therefore closer to implementing a specific vision for growth than the Potential PDAs.

The main purpose of the PDA Assessment is to identify the areas that are most ready to accommodate significant additional growth in ways that will create complete communities as well as the policies and resources needed to make that growth a reality. 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 support this growth.

This information will be used to help shape the scenarios that are developed as part of the SCS process, and to inform efforts to implement the growth planned in the PDAs. It will also help MTC and ABAG to allocate resources available through regional funding programs and prioritize additional funding to the PDAs through the SCS.

Approach

ABAG and MTC have developed a framework for utilizing key PDA Assessment factors to inform the initial Vision Scenario of the SCS. While the PDA Assessment evaluates a wide range of factors related to Growth, Need, Readiness, and Completeness, this framework for input into the initial Vision Scenario focuses on those pieces of data that are likely to have the most significant impact on land use patterns and the potential to meet the housing and greenhouse gas targets of the SCS. This framework will help us determine where best to allocate household growth in the region's Planned PDAs.

The more comprehensive PDA Assessment (expected to be completed in Spring 2011) will include additional metrics for assessing potential development, and will also explore the incentives, resources, and policies that are needed to support additional growth. This analysis will inform the SCS detailed scenarios and the regional agencies' ongoing efforts to develop a package of incentives and policies to help local governments to accommodate growth in ways that will improve the overall quality of life for their communities and reduce greenhouse gas (GHG) emissions related to automobiles and light trucks.

The approach for informing the initial SCS Vision Scenario consists of four "filters", and related metrics, that identify the areas that are more suitable for future growth. Input from the PDA Assessment will be one of several factors that influence the growth distributions in the initial Vision

Scenario, along with information provided by local governments through the county/corridor engagement process and an analysis of local market conditions. More broadly, the analysis will also be used to assess the accuracy of the land use scenarios forecast as part of the SCS, as well as identify specific policy levers that can serve to support growth in the PDAs.

The four filters that are the foundation of the Assessment framework are: Location, Planned Growth, Readiness for Implementation, and Completeness. Table 1 lists the specific metrics proposed for each filter. The filters are described in more detail below.

Table 1: PDA Assessment Input into the initial Vision Scenario

Filter 1: Location
Transit access • Transit type and frequency
Proximity to existing jobs • Total jobs within 30 minutes by transit and auto
Filter 2: Planned Growth
Planned change in total housing units • Total additional housing units • Percent change in housing units
Planned housing densities • Minimum and maximum allowable zoning densities, by Place Type • Gross future housing densities
Planned affordable housing units • Jurisdiction's Regional Housing Need Allocation (RHNA), if Housing Element certified by the California Department of Housing and Community Development (HCD) • Affordable units planned in PDA • Percent of RHNA allocation accommodated in PDA
Filter 3: Readiness for Implementation
Planning completed to date • Specific Plan or other area plan (neighborhood/precise plan) adopted • Programmatic EIR for primary PDA-plan adopted • Zoning code amendments adopted • General Plan amendments adopted
Ease of entitlements • Total processing time • Streamlining policies in place • Development fees
Investment attraction • Pipeline projects – total number of units approved and entitled
Filter 4: Completeness
Housing choices • Existing housing variety, based on unit type, unit size, and tenure • Existing combined housing and transportation costs • A comparison of PDA housing costs to the earnings available for jobs within a 30-minute commute
Walkability • Pedestrian access to major destinations, based on MTC's Walkability Index
Parks • Park acres per capita • Proportion of residents within walking distance of a park
Schools • Access (walking and transit) • Quality

Filter 1: Location

One of the primary strategies for meeting the SCS' goal of reducing the emission of greenhouse gases from personal vehicles is for people to drive less. The primary factor that influences the extent to which residents and workers in an area can reduce their vehicle miles traveled (VMT) is that area's location within the region. Specifically, those areas that are near transit—particularly areas with frequent transit service—provide travelers with an alternative to driving. Thus, the first step in the framework for distributing housing growth is to direct it to areas that have frequent transit service, to give residents the greatest opportunity to reduce their VMT by choosing transit instead of driving. Housing growth in PDAs that have rail service with 15-minute headways during commute hours or bus, ferry, or light rail service with 20-minute headways during commute hours would have a better chance of resulting in lower VMT than in PDAs with less frequent transit service.

Another strategy for reducing individuals' VMT is to have homes and jobs located close to one another. Ideally, most of the region's future household growth would be located within a short distance of one of the region's employment centers, to enable shorter commutes. For this reason, we have included proximity to jobs as a second factor to consider as part of the Location filter. Those PDAs with the highest number of jobs within 30 minutes—by either auto or transit—would be considered locations where growth would more likely result in lower VMT, given appropriate support to improve transit service and overall quality of life in these areas.

Filter 2: Planned Growth

The second filter is related to the amount and type of growth that is expected in the Planned PDAs. In the Planned PDAs, local governments have already identified opportunities for future growth, and are working to accommodate that growth. For this reason, the growth planned in these areas is the most likely to occur during the horizon of the SCS. The metrics would include the total number of additional units planned in the PDA as well as the percent change in housing units, to account for jurisdictions of different size.

Another factor related to planned growth included in the input into the initial Vision Scenario is future residential density. In general, those areas with higher future densities are planning for the type of compact growth most likely to contribute to reductions in driving, and the associated greenhouse gas emissions. Thus, a PDA that is planning for densities that are appropriate for its designated Place Type[1] would be considered a more appropriate location for growth.

A final component of planned growth to be considered is the extent to which the PDA is planning to provide housing choices for all income groups—one of the statutory targets for the SCS and a key attribute of a complete community as defined by the FOCUS Program. To assess the extent to which PDAs are planning for affordable housing, we look at the number of affordable units included in the PDA plan, the PDA jurisdiction's total Regional Housing Needs Allocation (RHNA), whether or not the jurisdiction has a certified Housing Element, and how much of the RHNA is expected to be accommodated in the PDA. Based on these factors, those PDAs that are planning for the most affordable housing would play a major role in addressing the statutory target of the SCS.

[1] Each Planned PDA was asked to designate a future Place Type using the typology described in MTC's *Station Area Planning Manual* (October 2007). There are seven different Place Types that are defined based on the characteristics of an area, such as the transit mode, land use mix and density, and the area's role within the region, with regard to employment, retail, and housing.

Filter 3: Readiness for Implementation

The third filter, implementation readiness, attempts to gauge which PDAs are more poised for higher-density, transit-oriented growth by identifying those factors that are barriers to development as well as those that are critical for initiating or speeding implementation of Planned PDAs. Specifically, this filter is intended to show: (1) how complete and robust the plans are for each PDA, (2) how the existing entitlement process in a PDA affects implementation, and (3) the potential interest of developers, builders, and financial institutions to invest in a PDA. Analysis of the specific planning and entitlement processes in each PDA will help to identify where developers can have more certainty in terms of the vision for the area, the approval process, and the communities' expectations. Likewise, assessing current developer interest in a PDA can provide an indication of the development community's appetite for investing in infill development within the PDAs in the future. In the PDAs where development is streamlined and where developers have shown interest in investing, growth is more likely to occur in the short term. These PDAs, therefore, would be considered to be more ready to take on the levels of growth specified by the SCS. A PDA that is considered more ready for implementation would receive a higher growth allocation.

We anticipate that the first metric, the degree and comprehensiveness of planning completed to address development challenges, will be assessed by determining whether a specific or other neighborhood-level plan, programmatic EIR, zoning code amendments, and general plan amendments have been adopted for the PDA. The second metric, ease of entitlements, could be measured by the total processing time for entitlements, entitlement streamlining policies in place, as well as the level of total development fees in the PDA. The final planning and entitlement metrics are still to be determined based on discussion with both local planners and developer focus groups.

The last component of readiness to be considered is the extent to which developers, builders and financial institutions have shown interest in investing in a given PDA. This would be measured based on the total number of housing units or commercial square feet within current pipeline projects in the PDA.

Filter 4: Completeness

One of the primary goals of the SCS is to promote development in the PDAs that contributes to the creation of complete communities and support local jurisdictions that are addressing sustainable development challenges. The PDAs are areas that welcome more residents and are committed to offering options for everyone: a variety of homes, jobs, shops, services and amenities close to rail stations, ferry terminals, or bus stops. Thus, the completeness filter includes metrics related to housing and transportation choices and access to parks and schools.

To assess the housing choices within a PDA, we propose to review the diversity of the area's existing housing stock, based on housing type, unit size, and tenure. We will also look at the combined housing and transportation costs for households in the PDA, to evaluate the overall affordability of the PDA. As another measure of affordability, we will assess whether or not the jobs within a 30-minute commute of the PDA provide salaries that match the costs of the housing in the area.

Another key component of completeness is whether there are a variety of transportation options in an area. The Location Filter takes into account if a PDA has frequent transit service. As part of this filter, we will assess the number of businesses in the PDA that can easily be accessed on foot, using MTC's Walkability Index.

Since parks play an important role in contributing to the quality of life in a community, we will look at whether PDA residents can easily access a park. This will be measured by the acres of parks per capita, and the proportion of residents that are within ½ mile of a park.

Finally, schools are an important factor in regional land use and transportation patterns, as 12 percent of all trips made in the Bay Area are school-based. Schools also play an important role in community building, and are a major determinant of households' location decisions. Access to high quality schools – defined by both the educational quality of school programs and a school's role as a local, place-based community asset – are key metrics for assessing completeness. School quality will be measured based on school, student, and staff characteristics, as well as school performance. School accessibility will be measured by identifying the number/proportion of schools that are accessible by either walking or taking transit.

While these characteristics are important in evaluating the quality of a place, it is more challenging to determine how they should be used as factors for distributing growth. For example, although some PDAs may have better housing choices now, it is desirable that, over time, all of the PDAs will meet this goal. Future growth could go to the places where housing choices are already good, or alternatively, to the places where additional housing growth might diversify the housing stock. Thus, this filter may be better suited for identifying the areas that may not yet have the appropriate qualities and services to accommodate future growth, face challenges in meeting completeness goals, and need additional attention or resources.

Growth Distribution Performance and Policy Levers

Assessing all of the Planned PDAs across these metrics will help to identify the most suitable places for accommodating future growth in the near term and what policy support is needed for those areas that are less ready to accommodate additional growth at this time.

The performance of each PDA will be established based on specific thresholds for each of the metrics that we will develop and refine in the coming weeks. These thresholds will vary for each metric, and will define "high", "moderate", and "low" ranges. The whole range of metrics proposed in the four filters will be evaluated to identify which PDAs are more suitable for future growth. In general, those Planned PDAs with overall "high" performance across filters and metrics would be considered better locations for growth in the immediate future.

Analyzing the PDAs across these metrics provides a useful tool to identify specific policy "levers"[2] to support development of complete communities. It is unlikely that any of the Planned PDAs will score high on all twelve of these metrics. Thus, each of these metrics could be considered levers that, with the appropriate support, can be shifted over time. For example, a PDA that demonstrates "high" planned growth but "low" performance in other metrics would indicate the potential for the PDA to accommodate growth in the medium or long term assuming appropriate support is provided. Table 2 shows how the metrics will be assembled to describe the various qualities of each PDA and which policy levers need to be applied to enable the PDA to accommodate additional growth and move toward becoming a complete community.

[2] *Twin Cities CTLUS Initiative/Identifying and Evaluating Regionally Significant Walkable Urban Places* (2009), from the Center for Transit-Oriented Development sets forth a framework of "levers" that is used as a model for this PDA Assessment Vision Scenario framework.

Table 2: PDA Assessment Vision Scenario Growth Distribution Performance & Policy Levers

Planned PDA	Location		Planned Growth			Readiness			Completeness			
	Transit Access	Proximity to Existing Jobs	Housing Unit Growth	Future Residential Density	Planned Affordable Housing Units	Planning Completed to Date	Ease of Entitlements	Investment Attraction	Housing Choices	Walkability	Parks	Schools
PDA 1	High	Low	High	High	High	Moderate	High	High	High	Low	High	Low
PDA 2	Moderate	Moderate	Moderate	Moderate	Low	High	High	High	Moderate	High	Moderate	High
PDA 3	High	High	High	Moderate	Moderate	Low	Moderate	Low	High	High	Moderate	Low

Next Steps

Over the next month, we will develop and refine scoring thresholds for each of the metrics described above and will continue to analyze the PDA data. The threshold methodology will be applied to the data to determine how each Planned PDA performs within each of the twelve metrics defined.

After reviewing the data, we will determine which of the following metrics might be used as input into the growth allocation model, as well as identify the policy levers that the regional agencies should focus on to support sustainable growth and development of complete communities in the PDAs.

Key Questions for the RPC

1. Do these filters and metrics provide an appropriate framework to inform the distribution of household growth?
2. Which filters or metrics can provide most appropriate guidance for the Sustainable Communities Strategy?