

**Projections Background  
for the  
Housing Methodology Committee  
August 24, 2006**

Every two years ABAG produces a long-run regional forecast called *Projections*. Our *Projections* forecast provides specific information for population, households, employment and other related variables. Values are reported for year 2000, and then for each five year increment to 2035.

Several related models are used to perform the forecast. The economic model balances demand for the production of goods and services with the supply of productive capacity. The demographic model uses birth rates, death rates and migration data to forecast future population using a cohort-survival model. A great deal of data is required by the models including information on economic relationships and trends, population related information like births, deaths and migration, as well as land use and land use policy data.

Since *Projections 2003*, we have assumed the "Network of Neighborhoods" land use pattern. This pattern expects higher levels of housing production. It also means that an increasing proportion of regional growth occurs near transit and in existing urban areas. In the *Projections* forecast additional housing production and a shift in the pattern of development primarily occurs in the later part of the forecast. Earlier in the forecast population growth is generally consistent with the California Department of Finance forecast. The distribution of growth is generally consistent with local general plans.

ABAG has continually collected information on local land use as part of its modeling efforts. The forecast is produced for each of about 1400 census tracts in the region and existing land use and the capacity of each tract to support additional population or economic activities.

Because the forecast is based on local land use information, forecasted growth occurs in appropriate locations. However, even with 1400 census tracts, only so much detailed information can be included. We may know that moderate growth can occur in an area without specifically understanding that a portion of that area is a nature preserve. We may know that growth should not occur in an area, but it may not be clear whether it is due to a physical limitation, or a general plan policy.

We use data that reflects many of the RHNA methodology factors the committee has been discussing when we make the *Projections* forecast. As a result, we think it is fair to say that a RHNA methodology that includes the housing or employment data from *Projections* would reflect regional policy objectives and many of the other factors the committee has outlined. It may be the case that the committee thinks that these factors need to be included more strongly and more specifically when we construct the method.