

policy issues

san francisco bay area . third scenario . projections to 2035

On February 9, 2009, local government representatives and other interested parties will be asked to discuss a series of growth-related policy issues, as they relate to the San Francisco Bay Area. These issues stem from local government comments on two alternative growth scenarios. These scenarios were developed as part of the biennial update to *Projections*, the Association of Bay Area Government's long-term forecast of population, jobs and households. Over the summer of 2008, both scenarios were tested against a series of performance targets to determine their alternate impacts on the region.

Local government comments on the scenarios can be categorized into four different policy areas: 1) **General Plans**; 2) **Employment Centers**; 3) **Incentives**; and 4) **Constraints**. Local governments and regional policy makers will contend with these policy issues, not only as part of the completion of *Projections 2009*, but also during the implementation of SB375, i.e. the development of the Sustainable Communities Strategy. Development of the region's Sustainable Communities Strategy will begin this year and will need to meet state mandated regional GHG emission targets.

Getting Beyond General Plans

Development patterns and access to transportation alternatives greatly affect the amount of driving we do, and therefore our transportation-related GHG emissions. In communities rich in density, transit and jobs, household greenhouse-gas emissions from transportation activities can be as low as 17 pounds on an average weekday. In outer, more remote parts of the Bay Area, where jobs and travel options are limited, emissions can be as high as 53 pounds per day. The two alternative land use scenarios, **Scattered Success** and **Focused Future**, were designed to illustrate this correlation.

In California, land use is the prerogative of local governments. In developing the **Focused Future** scenario, regional agency staff was intentionally being provocative by creating a land use scenario that would reduce region-wide auto use. The point was to clearly demonstrate how the intensification of development in urban locations, where there is direct access to jobs or public transit, could effectively reduce region-wide driving or VMT (vehicle miles traveled), and therefore carbon-emissions from cars and light trucks. The aim was NOT to ensure consistency with general plans, and this was certainly noticed by local governments. The lack of consistency between the **Focused Future** scenario and local plans was the most frequent comment received by local governments.

The crucial policy questions in regards to local plan are:

1. How does the region continue a productive dialogue around issues of region-wide growth?
2. How could the land use dialogue be best framed? Is the Climate Change context most compelling?
3. Is asking local governments to reconsider adopted plans, in the interest of region-wide VMT reductions a “non-starter”?
4. How do we make it a “starter”, especially as we embark on SB375 implementation, i.e. the creation of the GHG emissions reduction-oriented Sustainable Communities Strategy?

Employment

The location of jobs greatly influences travel behavior within the region. We estimate that an additional 1.6 million jobs will be located in the Bay Area by 2035. The Third Scenario makes realistic assumptions about the degree to which we foresee jobs being shifted around the region. Market forces, such as agglomeration economies, where like business locate near one another, prevent more wide scale movement of jobs, for example from the Silicon Valley to Solano County. However, in our discussions with local governments on the alternative scenarios, there was considerable interest in having greater shifts in job locations within the region. This prompted dialogue about whether or not the region should do more to influence the location of jobs. Furthermore, beyond simply the location of employment, the design and density of employment centers, which also has a tremendous effect on VMT, was brought up as an area of concern.

The crucial policy questions in relation to employment are:

1. What region-wide action can regional agencies take to influence the location of jobs?
2. Should the region develop and advocate for a regional employment location policy?
3. Is it remotely reasonable to think that localities would consider curbing economic development programs, i.e. company recruitment and expansion efforts, to support broader regional efforts toward job relocation?
4. How best can the regional agencies address the employment center design issue?

Incentives

The Bay Area’s FOCUS initiative has been a successful start in establishing an incentive-based approach for promoting region-supporting development. Nearly \$7.5 million dollars for the development of neighborhood-level plans has been awarded to local governments with “priority development areas” – neighborhoods with transit and access to jobs. Through the current Transportation 2035 process, MTC has increased the Transportation for Livable Communities (TLC) account to approximately \$2.2 billion dollars – which amounts to approximately \$60 million annually for capital infrastructure investments in transit-served neighborhoods. However, during our outreach, we continuously heard that most of our urban communities have infrastructure needs that total well into the billions of dollars. If the region expects these areas to take on significantly more growth, than significant more capital dollars will also have to be directed to these areas.

The crucial policy questions in relation to employment are:

1. Considering the gap between available federal and state dollars for incentives, relative to our needs, should the region focus its efforts on becoming a “self-help” region?
2. Self-help could come in various forms, which seem most viable, which do not?
 - a. Regional Commercial Linkage Fees
 - b. Regional Gas Tax
 - c. Indirect Source Rule
 - d. New local infrastructure financing tools (e.g., TIF for TOD)

Growing Pains

In addition to consistency with local plans, the broader issue of growth also resonated as a dominant concern during our Summer/Fall outreach on the alternative scenarios. Communities expressed anxiety about the Bay Area’s continued growth trend, when they are challenged in meeting even the short term demands of growth, as they are required to do so in the state mandated Regional Housing Needs Process. The Bay Area is expected to add 1.75 million people over the next 25 years. This growth is attributed to both job development and natural population increase. Over the next few decades, the region will add approximately 1.6 million jobs. About half of our population growth can be attributed to people migrating into the region to fill these new jobs. The other half of our population growth is from natural increase, more births than deaths each year. Our fundamental challenge is to find a sustainable way to house our new population in the coming decades. And this is indeed what we are mandated to do as a region via SB375.

The crucial policy questions in relation to growth are:

1. What are your community’s growth constraints?
2. What are the benefits of growth?
3. What do you see as the major impacts from growth?
4. How can we capitalize on the benefits, while minimizing the impacts of growth?