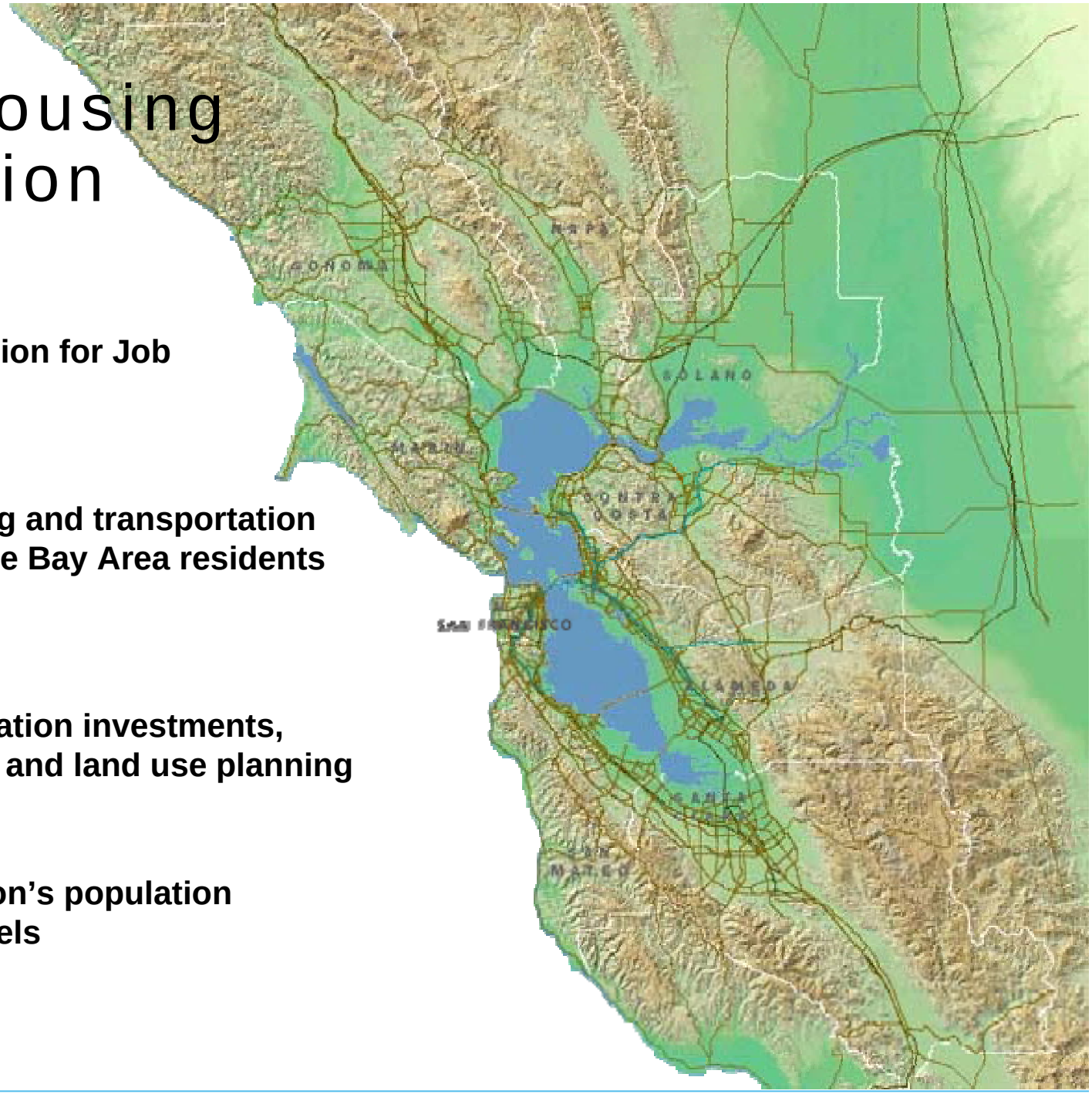
# Jobs - Housing Connection Scenario

***Draft***

MTC Planning/ABAG Administrative Committee

March 9, 2012

# Jobs - Housing Connection




- **Prepares the region for Job Growth**
- **Provides housing and transportation choices for future Bay Area residents and families**
- **Aligns transportation investments, housing growth, and land use planning**
- **Houses the region's population at all income levels**

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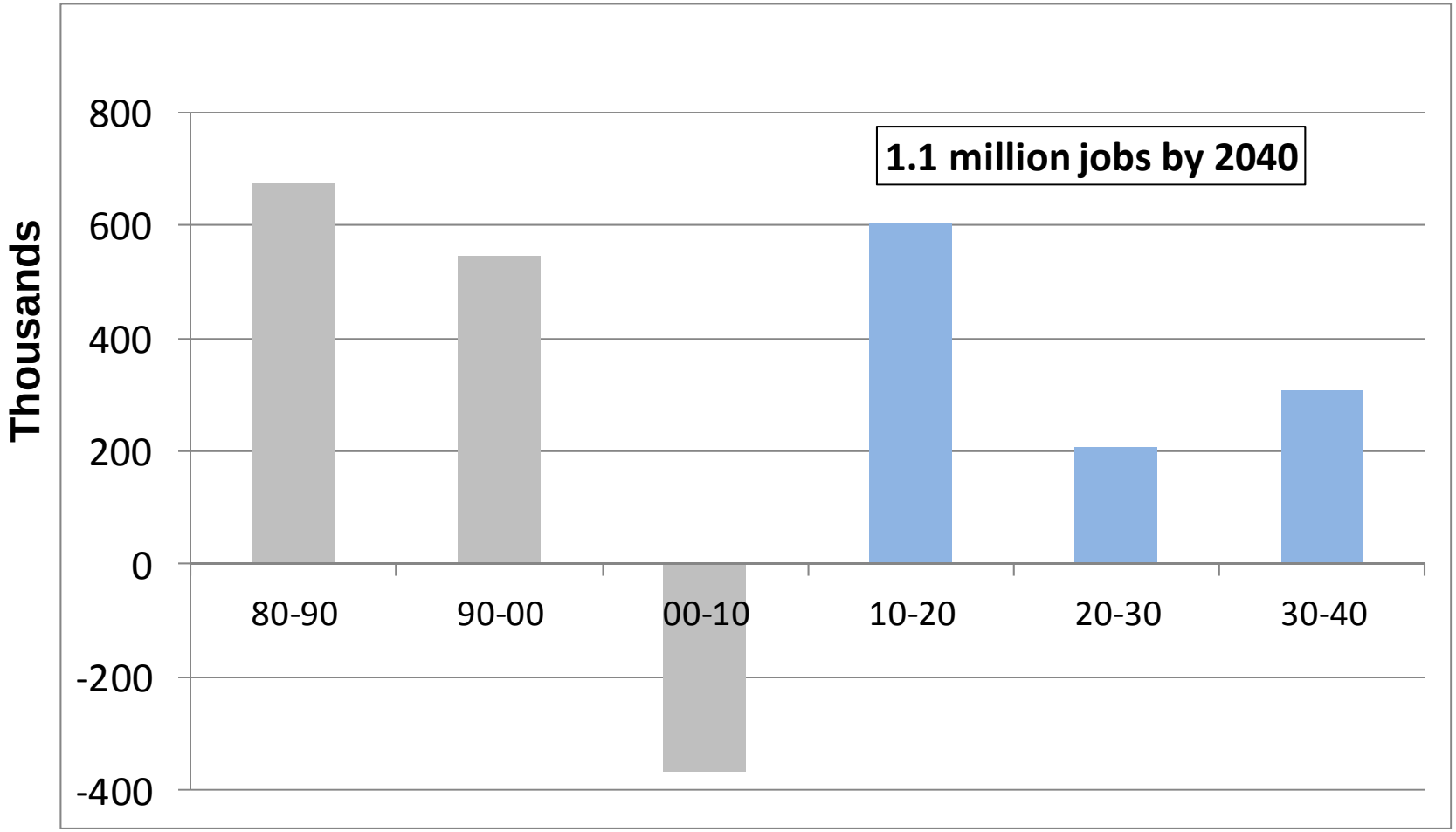
# 2. Past Trends & Future Projections

# Regional Growth

| | 2010 | 2040 | Growth 2010 - 2040 |
|---|---|---|---|
| Jobs | 3,385,000 | 4,505,000 | **1,120,000** |
| Population | 7,152,000 | 9,299, 000 | **2,147,000** |
| Housing Units | 2,786,000 | 3,446,000 | **660,000** |

**Source:** California Department of Finance, US Census, Center for Continuing Study of the California Economy, United States Department of Labor, Bureau of Labor Statistics, ABAG

# Employment Growth

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# Locations for new employment

- **Renewed regional centers**
- **Office parks**
- **Downtown areas and transit corridors**
- **Industrial and agricultural land**

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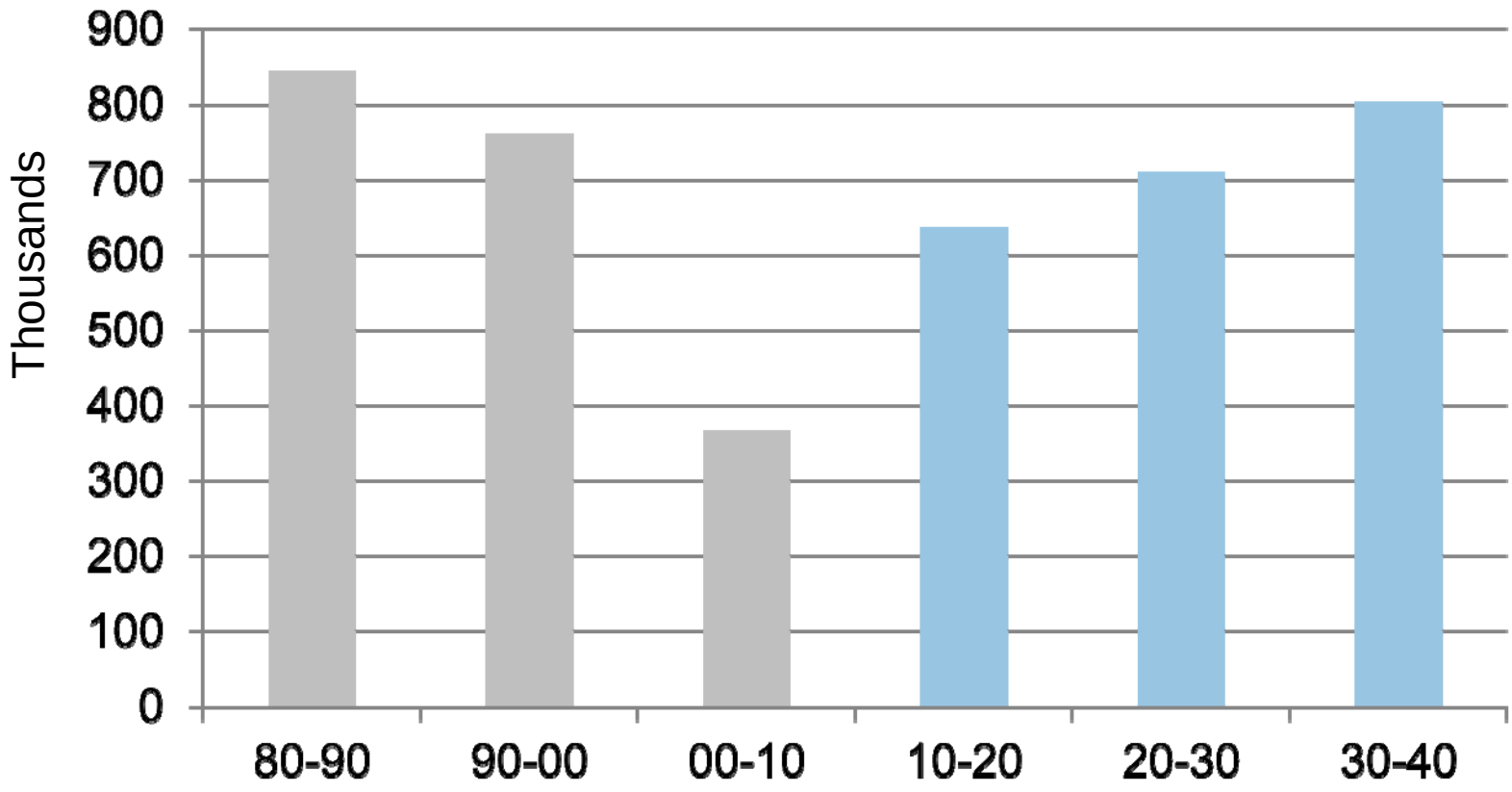
# Population Growth

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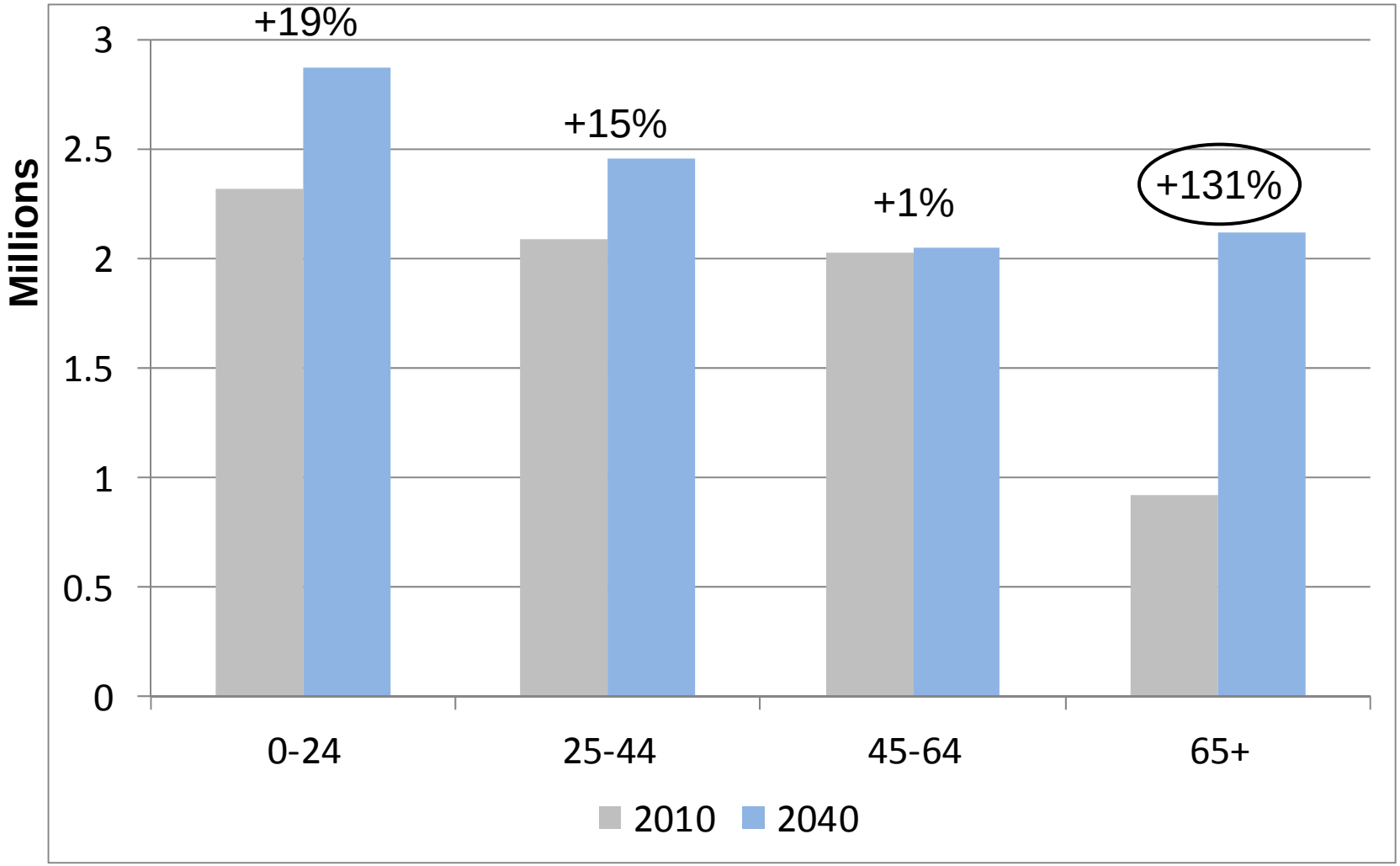
# Population by Age and Decade

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# Housing Unit Forecast

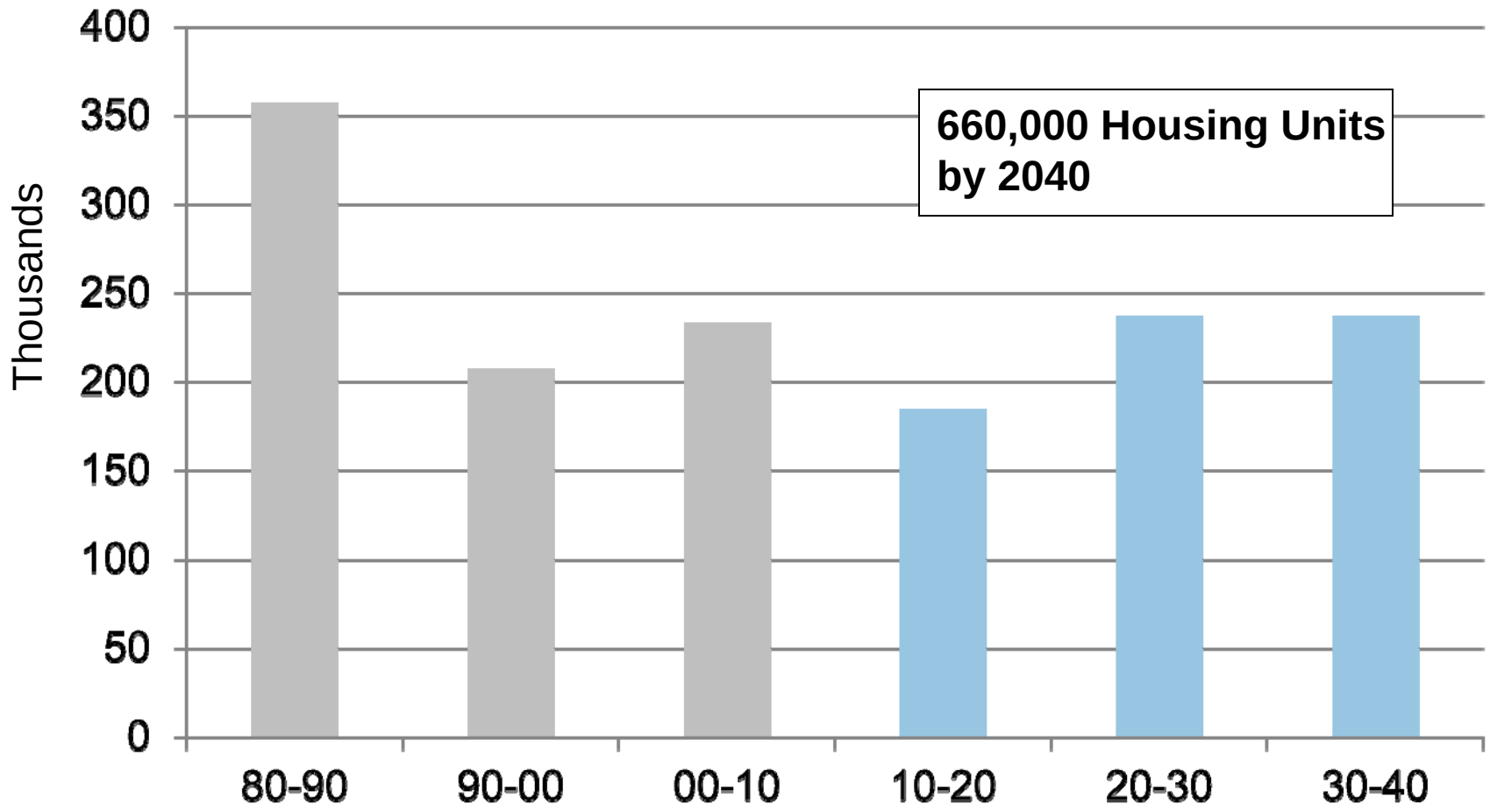
- **Market analysis**
  - Local Plan Capacity
  - Access to employment centers
  - Enhanced transit service
  - Pedestrian environment
  - Neighborhood amenities

- **Local Government Input**
  - Priority Development Areas
  - Place types
  - Use of existing infrastructure and transit

- **Absorbs current vacancies** (6.4%) to 4% in 2040

- **Increases group housing** to recognize projected growth in the senior population

# Housing Production

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# 3. Regional Employment and Housing Distribution

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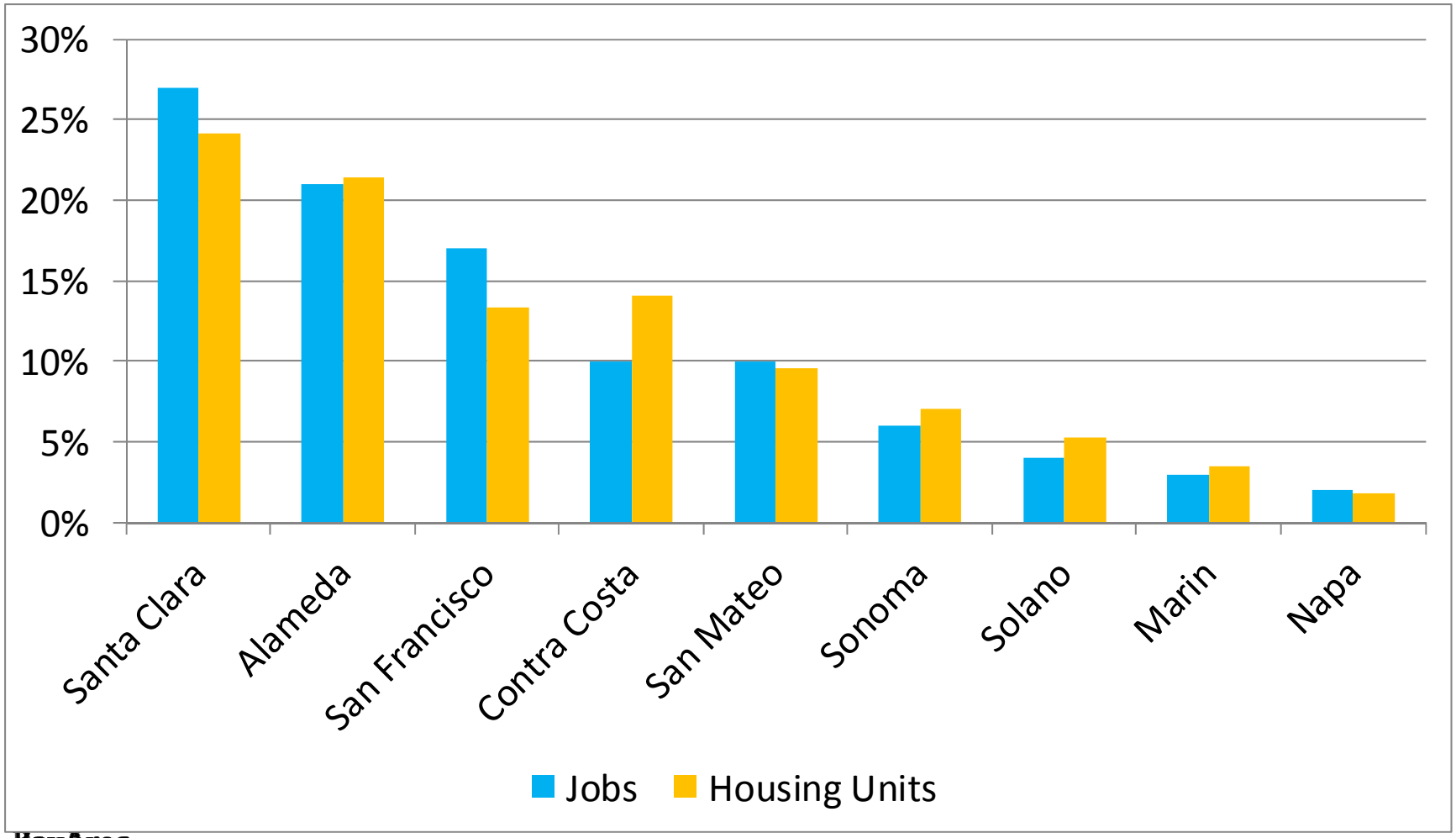
# Share of Bay Area's Housing Units and Jobs in 2040

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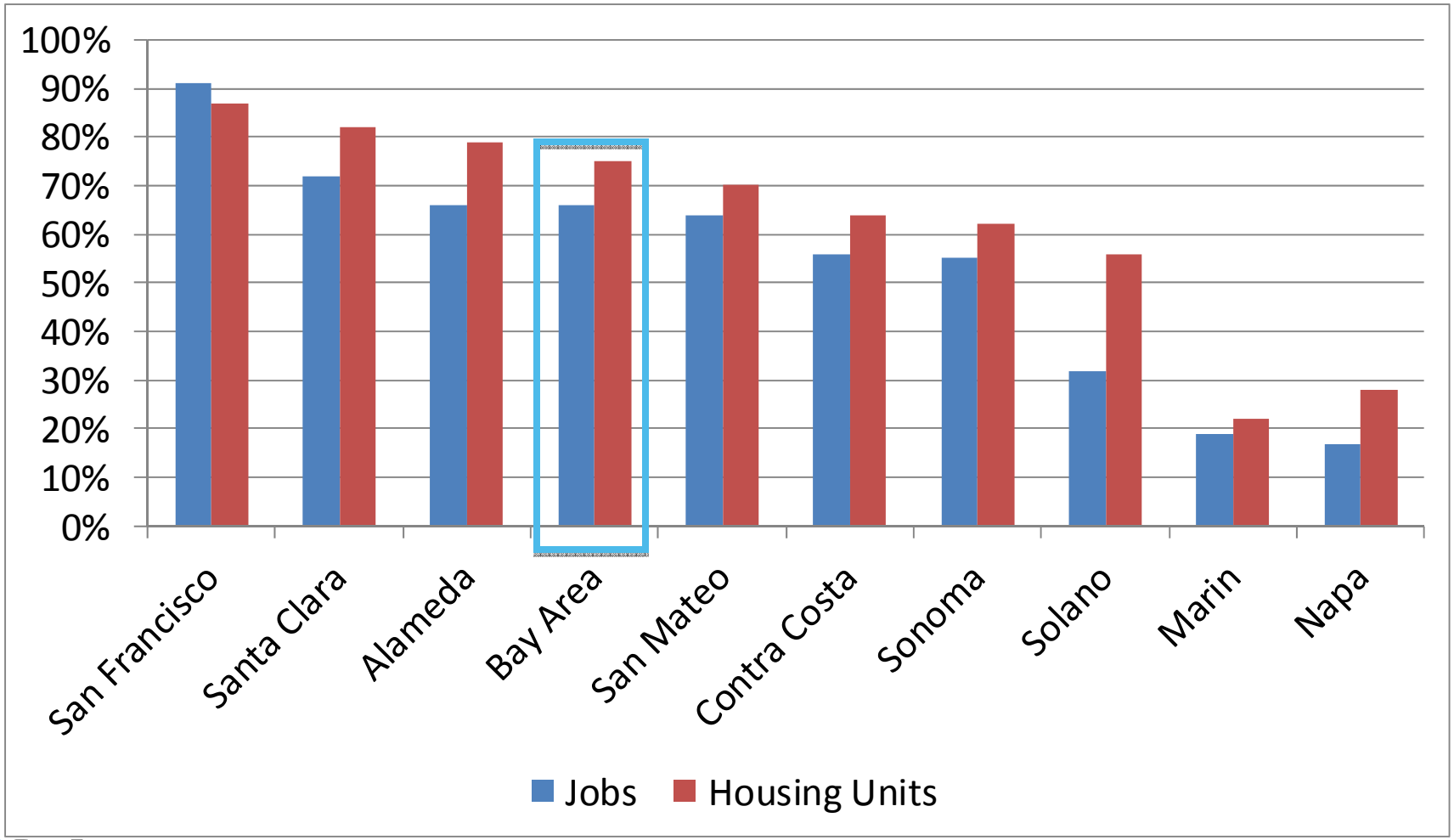
# % of 2010-2040 Employment & Housing Growth in PDAs

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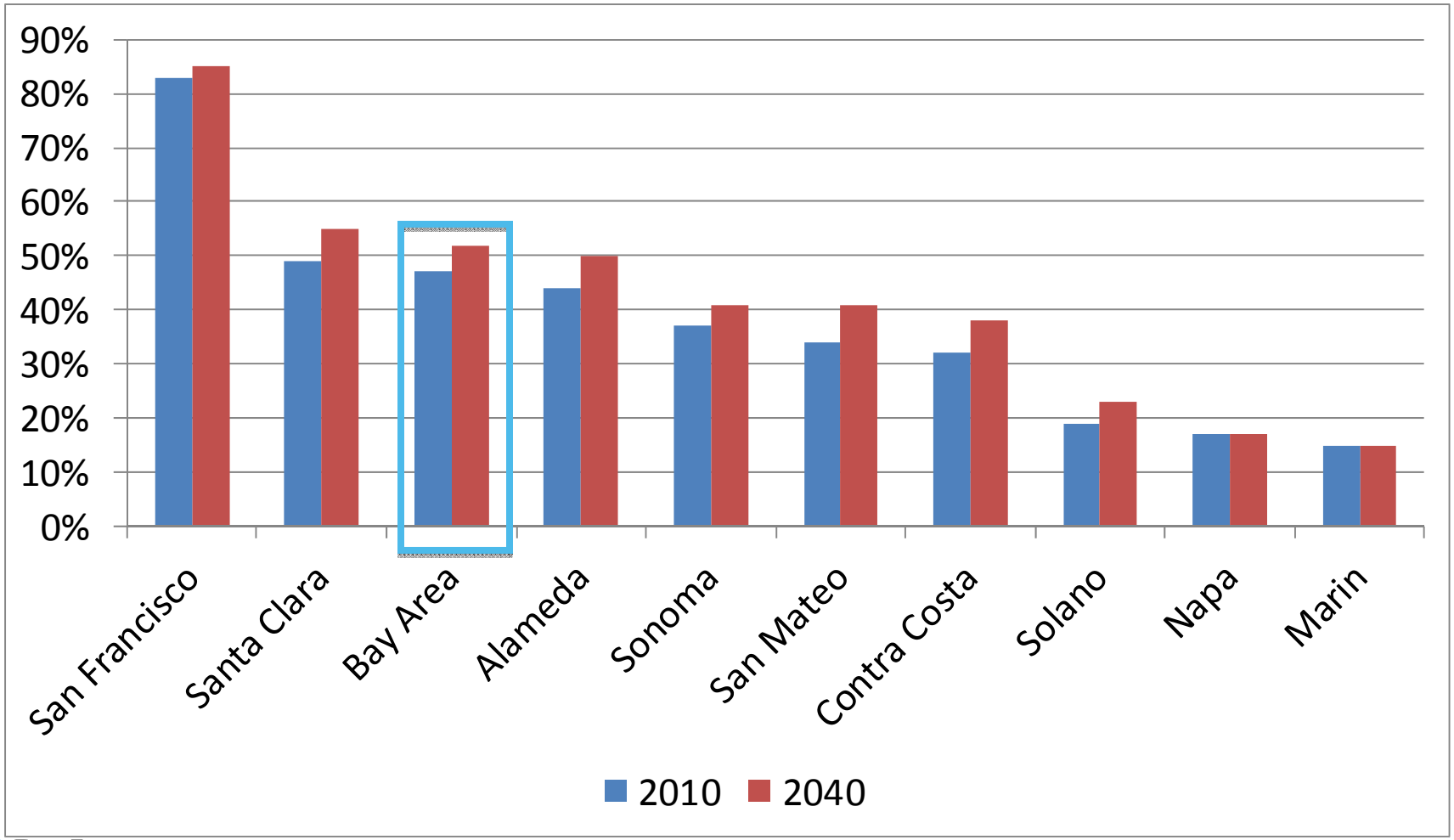
# % of Employment located in PDAs in 2010 and 2040

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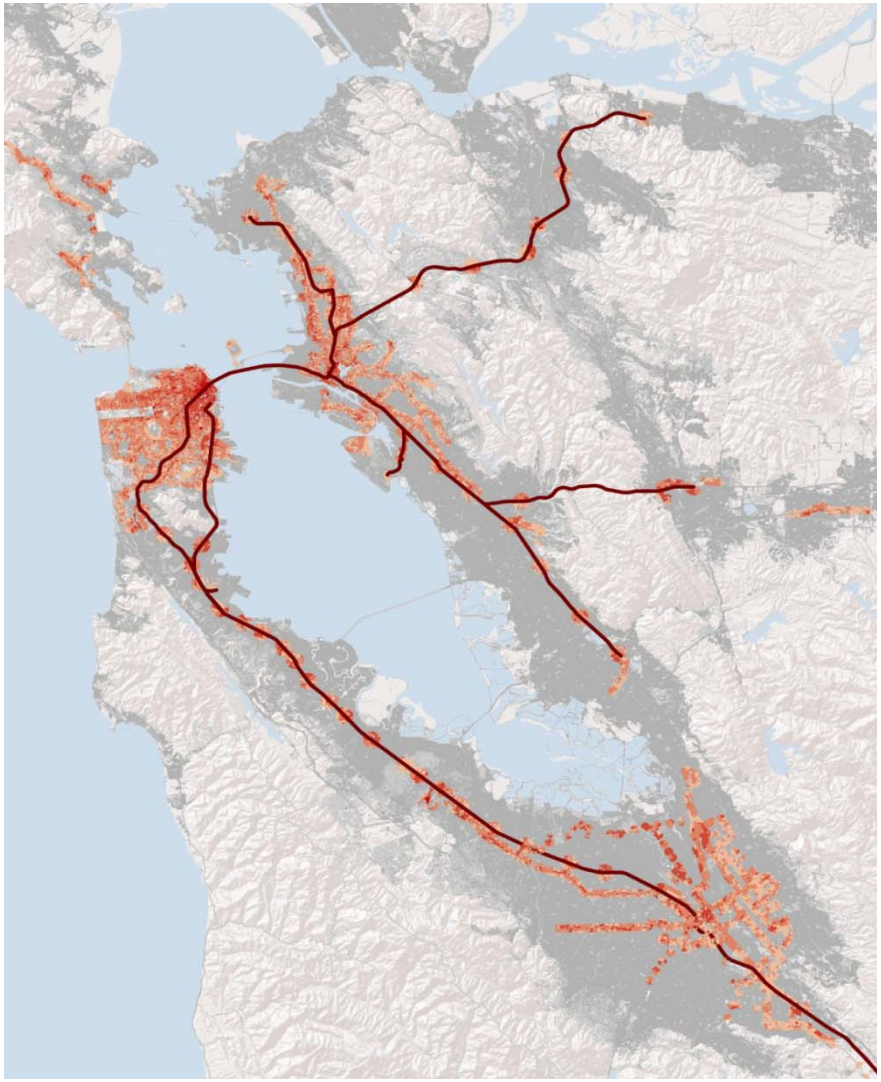
# 4. Key Challenges & Opportunities

# 44%of Bay Area Jobs are within a ½ Mile of Regional Transit Stations or ¼ Mile of Frequent Local Bus



*Employment Data Source*: National Establishment Time Series (NETS)

Maps produced by Mark Shorett, Arup

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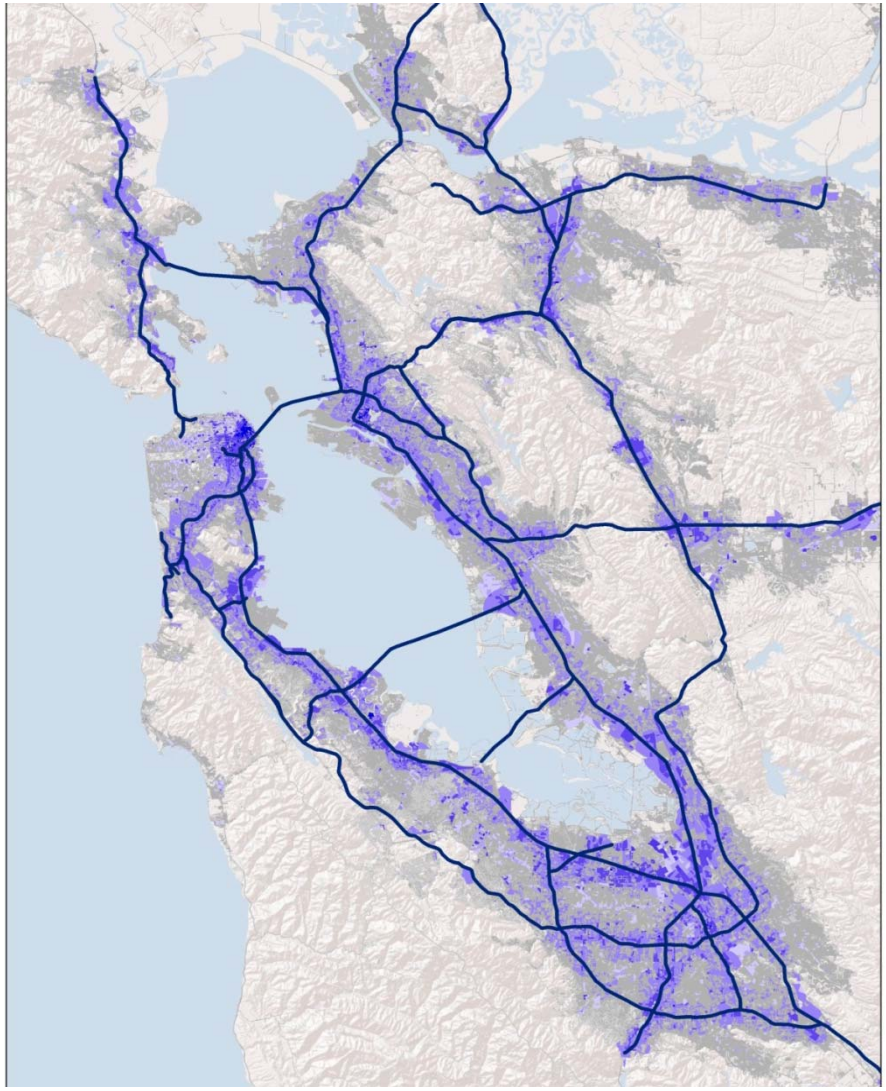
# 75 % of Bay Area Jobs are within a ½ Mile of Highway Off-Ramps



*Employment Data Source*: National Establishment Time Series (NETS)

Maps produced by Mark Shorett, Arup

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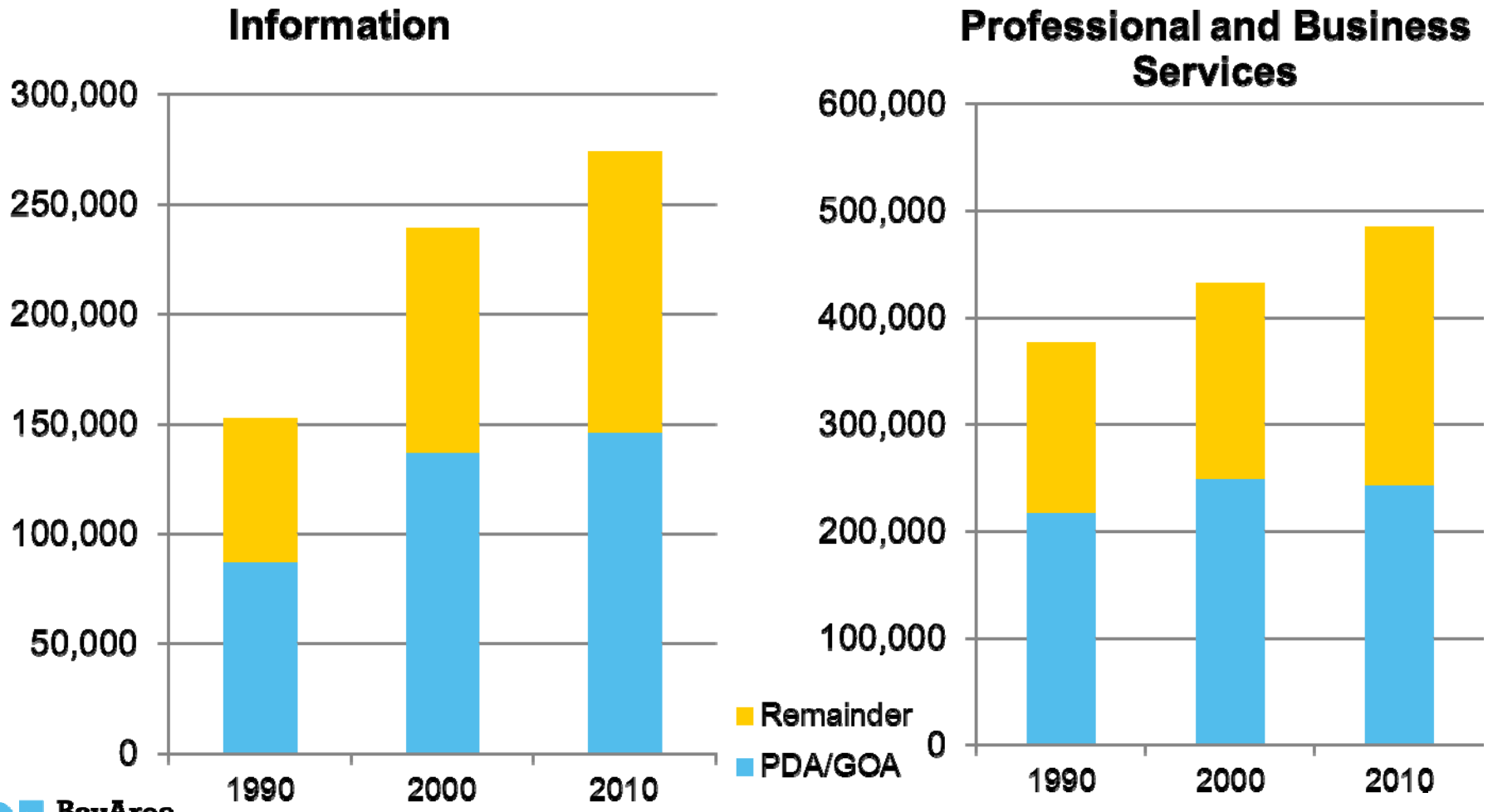
# Job Growth Issues

- **Housing Production** is critical
- **Significant employment concentrations are not well served by transit**
- Regional investments are needed to **foster job growth in PDAs** and **improve work accessibility**
- A variety of strategies should **support lower income workers** servicing the knowledge based employment sector

# "Knowledge based" jobs have grown in PDAs

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# Job Growth Opportunities

- **Knowledge-based industries are clustering close to amenities, services, and transit**
- **easier access to jobs and services**
- **Concentrated housing and office jobs** reducing pressures on industrial and agricultural land
- Housing in **Complete Communities** will support local serving jobs
- City commitment to **support local businesses** at selected locations

# Housing Production Challenges

- **Affordability gap** has increased for very low, low and moderate income households
- Multifamily housing is **expensive**, with a **complex entitlement process** and **high risk financing**
- Current housing crisis created high **vacancies** and number of **foreclosures**

# Housing Market Opportunities

- Increase in **multi-family development** throughout Bay Area in recent years

  *Multi-family developments in 2010 were 65% of all permits, versus 44% in 2000, and 25% in 1990.*

- Increase in **housing in transit-accessible cities** from 1990 to 2010:

  *San Francisco, Berkeley, Walnut Creek, San Mateo, and San Jose.*

- **Growth of senior population** in residential care facilities

- Young professional preferences for **urban housing**

# Per Capita GHG Reductions by 2035

- Jobs Housing Connection Scenario reduces GHG by 9%
- Plan Bay Area Transportation Investments to be released in April
- Other Policy Initiatives to be released in April
- Total To Be Determined

# 6. Regional Housing Need Allocation (RHNA)

# Brief history of RHNA

- **AB 2853** (Roos), passed in 1980, required that Councils of Governments (COGs) determine the **existing and projected regional housing needs for persons at all income levels**.

- **RHNA cycles:**
  - 1981 – 1988
  - 1988 – 1995
  - Temporary suspension of RHNA requirement
  - 1999 – 2006
  - 2007 – 2014

# RHNA - The allocation process

- State determines need for region based upon Department of Finance population forecasts and population forecasts used for the regional transportation plan.
- State and Council of Governments (COG) negotiate allocation numbers and reach agreement on final allocation for region.
- COG distributes Regional Housing Need Allocation numbers to cities/counties.
- Cities/counties incorporate local RHNA numbers into their general plans.

# Proposed Methodology

- **Sustainability Component**
  - 70% allocated based on growth in PDAs
- **Fair Share Component**
  - 30% allocated based on growth outside PDAs
- **Increase diversity of housing affordability in all jurisdictions**

# Sustainability Component

- PDAs as **Complete Communities**
- **Cities with PDAs are not overburdened**

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# Fair Share Component

- **Factors**
  - Transit
  - Jobs
  - RHNA past performance

- **Cities without PDAs address minimum amount of housing need**
  - Minimum housing floor (40%)

# Draft Regional Housing Need Determination from HCD

| 2007-2014 RHND | 2014-2022 RHND |
|---|---|
| 214,500 | 187,990 |

- **Bay Area's total housing need for 8-year RHNA period**
- **HCD's methodology accounts for recession and vacant / foreclosed units**

# 6. Timeline

# SCS Schedule

- **March 9,2012:** Release Draft Jobs – Housing Connection Scenario, Preliminary RHNA Methodology
- **April 13, 2012:** Release transportation scenarios and performance targets
- **May 2012:** Approval of Draft Preferred Scenario; RHNA Methodology, and OneBayArea Grant

→ Through **September 2012**: Additional Community Input

- **November 2012:** Release Draft SCS/RTP and Draft EIR
- **April 2013:** Adopt SCS