



**METROPOLITAN  
TRANSPORTATION  
COMMISSION**

**Agenda Item 6**

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***Memorandum***

TO: Policy Advisory Council

DATE: May 2, 2012

FR: Pam Grove, Staff Liaison

WI: 1114

RE: Plan Bay Area – Draft Investment Strategy

At your May 9<sup>th</sup> meeting, staff will present the Draft Preferred Land Use Scenario and Transportation Investment Strategy.

**Process to Date**

The Policy Advisory Council has heard and commented on presentations by ABAG and MTC staff on the proposed preferred land use scenario and transportation investment strategy for Plan Bay Area. ABAG staff attended your March 2012 Council meeting to obtain your feedback on the Draft Jobs-Housing Connection Scenario that was released in March 2012. MTC staff presented the Draft Transportation Investment Strategy to you at your April 11, 2012 meeting and to the Joint MTC Planning Committee and ABAG Administrative Committee at their April 13<sup>th</sup> meeting. ABAG and MTC staffs will present an integrated proposed preferred land use scenario and transportation investment strategy for review by the ABAG/MTC committees on May 11, 2012 and for approval by the Commission and ABAG Executive Board approval on May 17, 2012.

**Draft Preferred Land Use Scenario and Transportation Investment Strategy**

Presentation materials for the Draft Preferred Land Use Scenario and Transportation Investment Strategy will be mailed to the Joint MTC Planning/ABAG Administrative Committees on Friday, May 4, 2012. MTC staff will distribute the documents to the Policy Advisory Council as soon as they are available. Staff will attend your May 9, 2012 meeting to:

- Facilitate a continued discussion around Investment Strategy #1 and #5, both of which the Council stated they would like to explore further at the next meeting (see Council's concerns outlined in the April 11<sup>th</sup> meeting minutes and summarized in Attachment A to this memo).
- Present a final look at the OBAG program, including how the Council's request to reward jurisdictions for affordable housing production and anti-displacement policies will be addressed.
- Receive any additional feedback from the Council on the draft preferred scenario.

## **Attachment A**

At the April 11<sup>th</sup> meeting of the Policy Advisory Council, the discussion surrounding proposed Investment Strategy #1 and #5 was not concluded. Below is a summary of the concerns mentioned.

### **Investment Strategy #1**

- The suggested policy initiatives need to be organized as one list from which the Commission can select individual items (as opposed to presenting them as Option A policies vs. Option B policies).
- The policies the Commission ends up selecting need to be subjected to a full equity analysis to ensure that low-income users of the systems are not paying the price for programs they are unable to afford/use.
- Need to define MTC's role regarding the public investment required for electric vehicles.
- Need to prioritize an educational campaign for drivers on the benefits of getting out of their single-driver cars, smart driving, and taking transit.

### **Investment Strategy #5**

- The Council remains divided regarding the purpose and potential effectiveness of a Regional Express Lane Network.
- Need more information about the expansion of the Freeway Performance Initiative from T2035 levels.



# P1 BayArea Plan

## Preferred Land Use and Transportation Investment Strategy

Joint MTC Planning/ABAG Administrative  
Committees

May 11, 2012

# Plan Bay Area Reinforces Land Use and Transportation Integration per SB 375:

- 1. PDAs are organized around transit corridors, thus enhancing mobility to housing and offering greater return on transit investment by promising greater ridership.**
- 2. The transportation “Fix it First” commitment undergirds the in-fill housing strategy featured in the growth element.**
- 3. The One Bay Area grant program incentivizes housing production, especially for low-income residents, and encourages local governments to adopt policies to reduce displacement risk of existing residents.**
- 4. New transit expansion projects proposed for funding in the federal New Starts program will be adjacent to nearly 800,000 jobs and housing units in nearby TODs.**
- 5. Housing and transportation elements are guided by the three E's of sustainability: building a stronger economy, protecting our natural environment, and enhancing opportunities for Bay Area residents from all walks of life.**

# Thousands Give Input on Plan Bay Area

*Spring 2011 & Winter 2012*

- **Two telephone polls (March/April 2011; 1,069 residents) and Nov. 2011/Jan. 2012; 1,610 residents) and two rounds of focus groups**
- **Ten public workshops spring 2011 (790 participants) and 9 public workshops winter 2012 (1,100 participants)**
- **Partnered with 14 non-profits to conduct two rounds of outreach in low-income communities/ communities of color (1,600 surveys and 10 focus groups with 150 participants)**
- **Strong web presence (web survey, social media, e-newsletter)**
- **Ongoing meetings with our various advisory groups (eg Policy Advisory Council, Regional Advisory Working Group meeting, Regional Equity Working Group)**
- **Extensive, ongoing outreach to local government and stakeholders**

Preferred Land Use Scenario:  
Jobs-Housing Connection Strategy

# Goal 1: Create Jobs to Maintain and Sustain a Prosperous and Equitable Economy



## Goal 2: Increase the amount, accessibility, affordability, and diversity of housing



# Goal 3: Create a Network of Complete Communities



# Goal 4: Protect the Region's Unique Natural Environment



# Regional Growth

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

# Jobs-Housing Connection Scenario

## What we heard:

- **Support for the Scenario's alignment of Jobs, Housing and Transit**
- **Housing distributions in unincorporated counties, communities with limited transit-service/access to employment is too high**
- **Housing Distributions in suburban employment centers is too low**

# Jobs-Housing Connection Scenario

## Responses:

- **Addresses shortcomings in the draft Jobs-Housing Connection (JHC) scenario related to the regional objective of focused growth and access to opportunity**
- **Narrows the gap relative to the GHG performance target**
- **Incorporates jurisdictional feedback on draft JHC**

# Jobs-Housing Connection Scenario: Household Growth 2010-2040

	Draft JHC (March)	Revised JHC* (May)	Difference
Alameda	157,850	160,400	+2,550
Contra Costa	90,030	87,740	-2,290
Marin	11,180	8,700	-2,480
Napa	9,250	7,300	-1,960
San Francisco	93,470	101,720	+8,250
San Mateo	58,280	57,270	-1,010
Santa Clara	196,420	214,980	+18,560
Solano	35,670	26,910	-8,760
Sonoma	47,970	35,070	-12,900
Bay Area Total	700,120	700,090	

# Jobs-Housing Connection Scenario

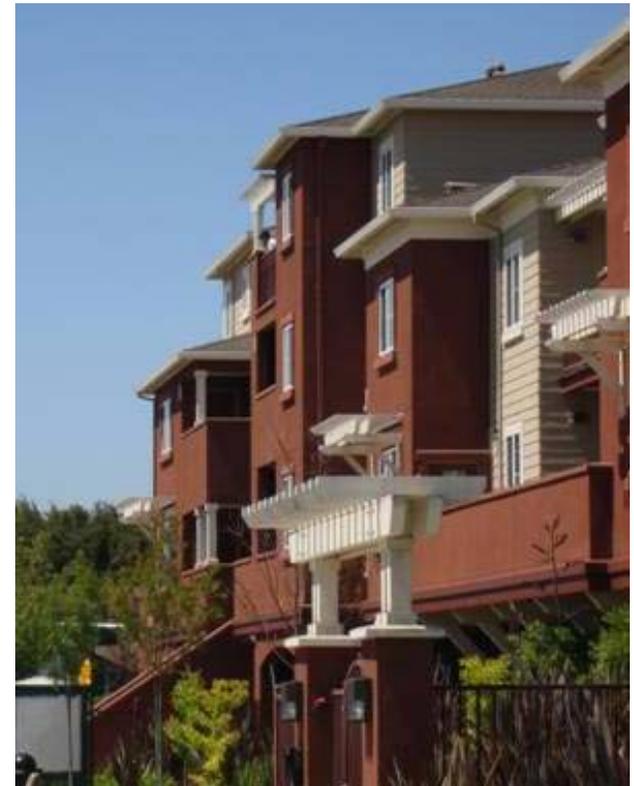
## Employment Growth 2010-2040

	Draft JHC (March)	Revised JHC (May)	Difference
Alameda	252,450	253,170	+720
Contra Costa	122,920	120,530	-2,390
Marin	19,290	18,380	-910
Napa	19,560	18,920	-640
San Francisco	175,060	191,500	+16,440
San Mateo	112,730	100,290	-12,440
Santa Clara	296,600	303,490	+6,890
Solano	50,970	47,810	-3,160
Sonoma	70,350	65,820	-4,530
Bay Area Total	1,119,920	1,119,920	

# Regional Housing Needs Allocation

# Proposed Methodology

- **Focused**
  - 70% allocated based on PDA growth
- **Fair Share**
  - 30% allocated based on transit, jobs and housing outside PDAs
- **Forward-Looking**
  - Goal is to increase housing diversity and affordability in all jurisdictions



# Regional Housing Need Determination

<b>2007-2014 RHND</b>	<b>2014-2022 RHND</b>
<i>214,500</i>	<i>187,990</i>

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

# Regional Housing Needs Allocation

## What we heard:

- *Housing Methodology Committee supports overall RHNA methodology*
- *Unincorporated counties allocations too high*
- *Some smaller jurisdictions hit hard by 40% household growth formation minimum*
- *PDA-like places with significant employment have allocations that are too low*
- *Jurisdiction's need greater HCD transparency with housing element approval*

## Responses:

- **Removed the 40% household formation growth minimum for counties**
- **Capped RHNA at not more than 50% above previous cycle for any community**
- **Made Employment Center adjustments to the Jobs-Housing Connection Scenario**
- **ABAG staff will assist and meet with HCD**

# Preferred Transportation Investment Scenario

# Fix-It First

## What We Heard

- Require Muni and BART to maintain at least an existing state of repair
- Commit an additional \$70 million per year (\$2.7 billion over 28 years) to restore recent bus service cuts

## Response to Comments

- Proposed approach ensures that all operators maintain existing state of repair for all critical assets, including Muni and BART
- Assertion that all transit services cut in recent years were on productive routes not supported by transit operators
- TSP recommendation to improve transit cost/service hours by 5% provided \$4.7 billion that was used to close transit operating needs for existing service levels
- Funding the \$2.7 billion would require unfunding other investment strategies (eg Climate, high performing projects, OBAG, transit rehab), or require transit operators to increase operating efficiency

## Proposed Recommendations

- No change from April proposal



# OneBayArea Grant Framework

## What We Heard

- Need to address resident displacement and encourage affordable housing
- Too much authority for investment decisions transferred to counties

## Response to Comments

- These and other comments are being addressed in separate agenda item

## Proposed Recommendation

- These and other revisions are being addressed in separate agenda item



# Fund High-Performers

## What We Heard

- \$660 million in New Starts/Small Starts reserve should be set aside for North Bay and East Bay projects

## Response to Comments

- Will present language for committee consideration

## Proposed Recommendation

- Consider adopting following policy:

“The \$660 million New Starts reserve, or a regional investment equivalent, is proposed to support transit projects that are located in or enhance transit service in the East and North Bay counties before additional investment policy commitments are considered for projects in San Francisco, San Mateo, and/or Santa Clara counties. All projects are subject to evaluation for cost-effectiveness and for performance against the TOD Policy and Plan Bay Area performance targets. Further, projects to be funded through the New Starts and/or regional investment equivalent will be established through an amendment to Resolution 3434, or a successor transit expansion program.”



# Squeeze More Efficiency Out of Our Existing System

## ▪ Regional Express Lanes Network

### What We Heard

- Fully integrate express bus, vanpools and carpools with Express Lanes
- Analyze how low-income commuters can benefit
- Eliminate I-80 to Yolo Co and I-580 to San Joaquin Co.

### Response to Comments

- MTC will consult with transit operators during the Express Lane design and environmental process to develop a project that fully integrates express bus, vanpools and carpools with Express Lanes
- The environmental clearance process will evaluate the impacts on low-income and minority residents
- The Commission will have ample opportunity to review the full Network scope and phasing in light of actual performance of earlier segments of the Network

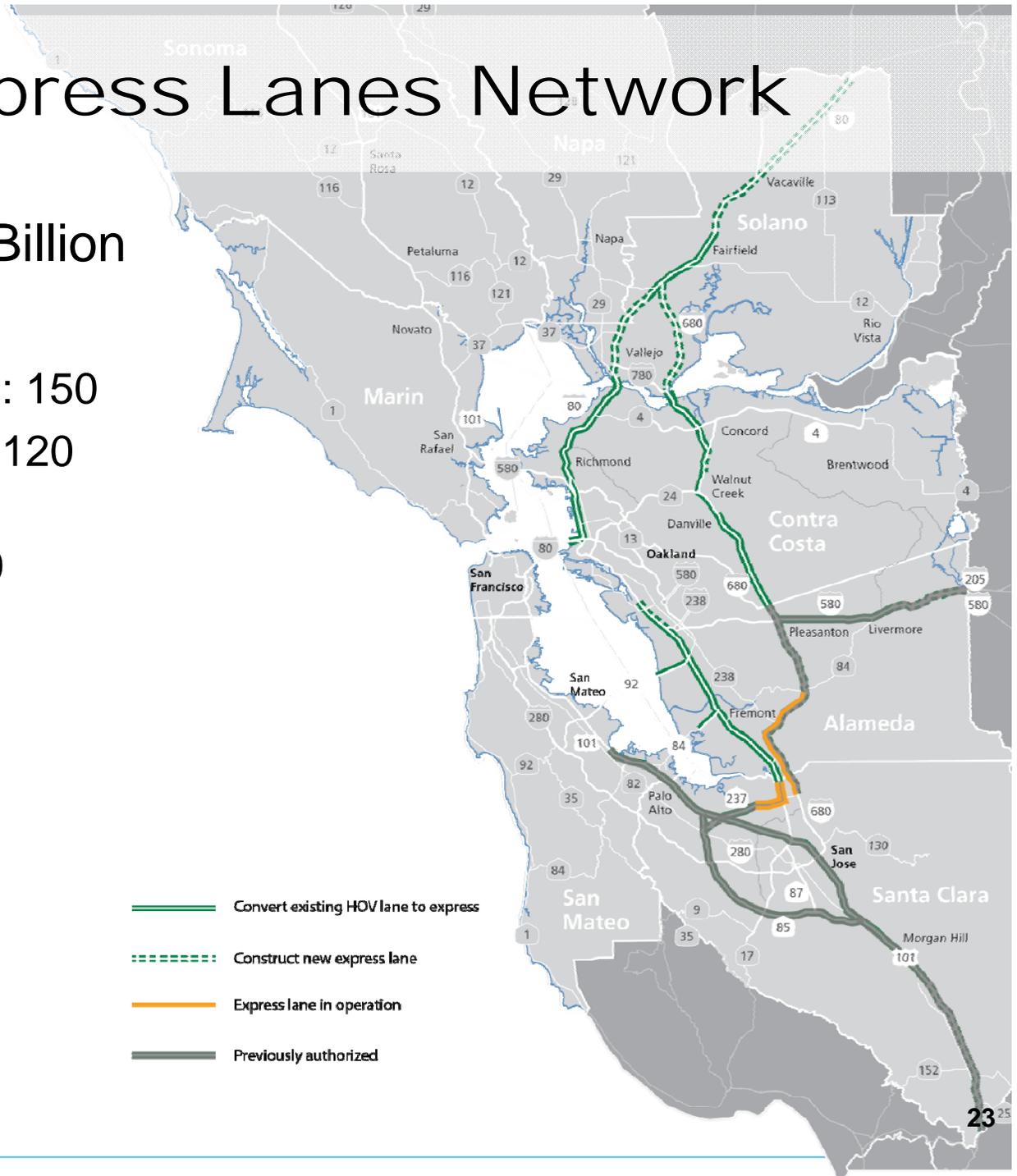
### Proposed Recommendation

- Support inclusion of the entire Network previously approved by MTC and the CTC



# Regional Express Lanes Network

- Total Cost: \$3.6 Billion
- Total Miles: 290
  - Conversion Miles: 150
  - New Lane Miles: 120
  - Operational Gap Closure Miles: 20



# Pricing Strategies

## What We Heard

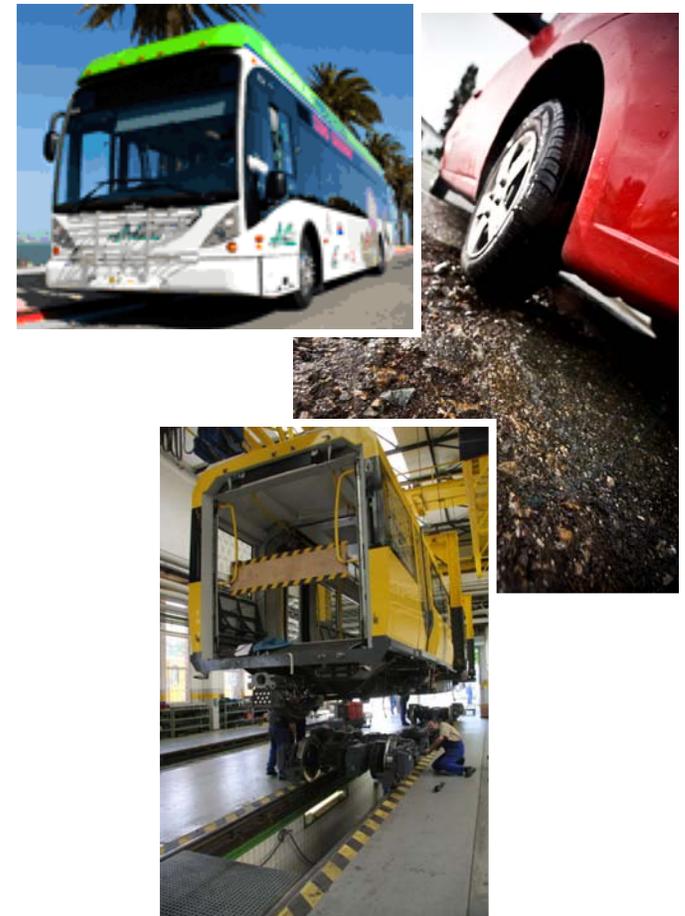
- Consider regional road pricing and other local parking pricing initiatives

## Response to Comments

- Had previously considered congestion and parking pricing during target-setting but lacked support/regional authority
- Local agencies establish parking policies so regional impacts difficult to quantify
- Express Lanes represent the regional road pricing strategy in the financially constrained/preferred Scenario
- Investment strategy does include SFMTA's downtown cordon pricing and Treasure Island pricing programs
- MTC will be providing funding to SFMTA for SF Go/parking pricing initiative

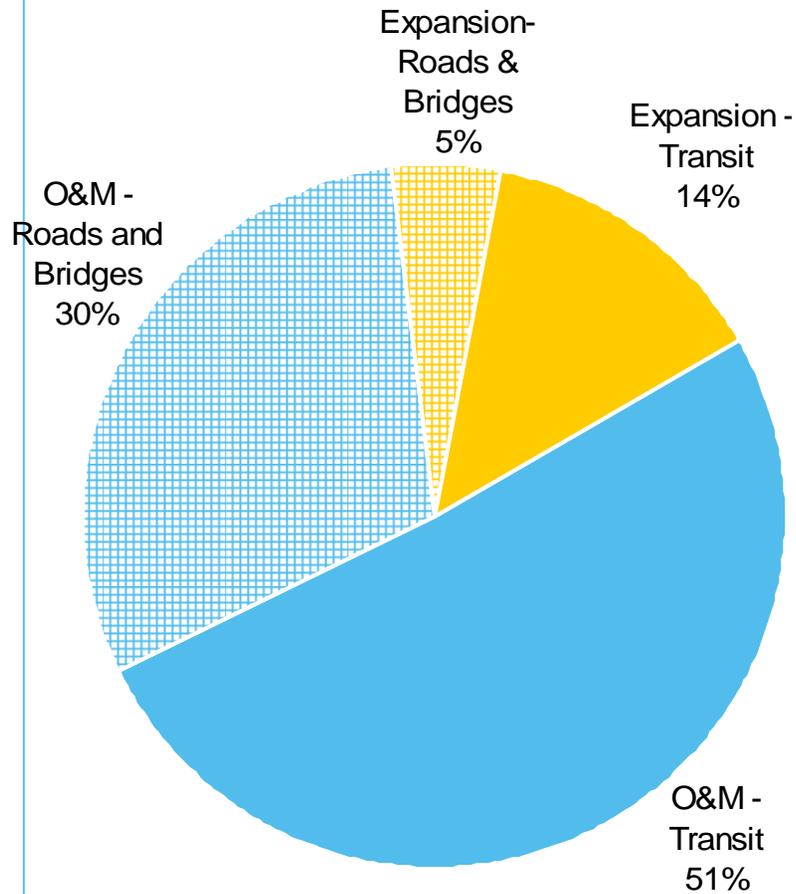
## Proposed Recommendation

- Consider pricing options in the SCS/RTP EIR to assess regional impacts

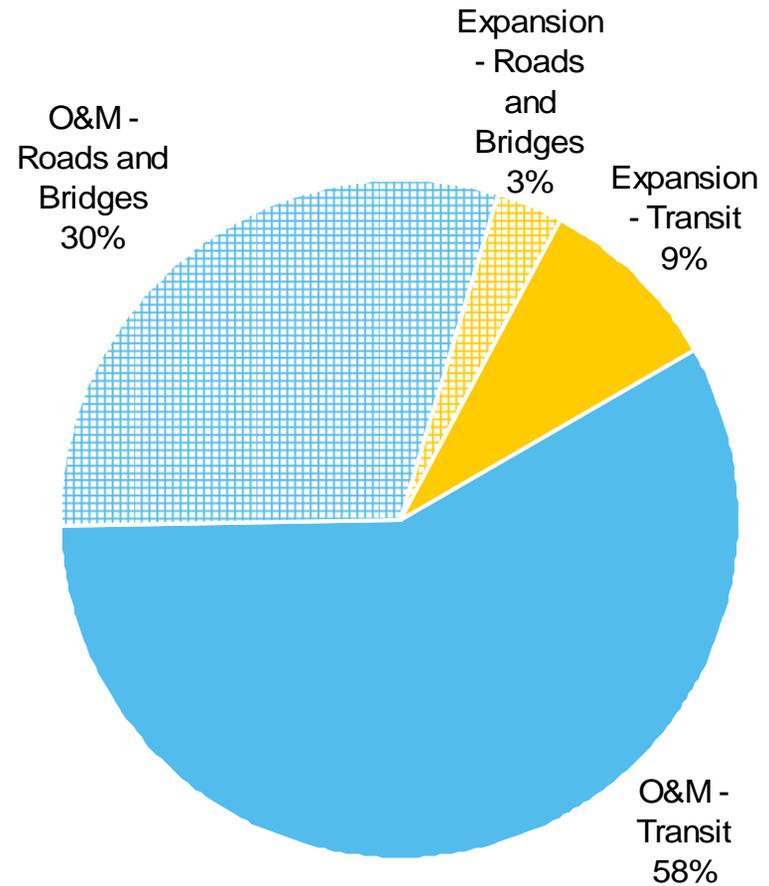


# Plan Bay Area Summary

## T2035 by Function - \$218 B



## Plan Bay Area by Function - \$277 B



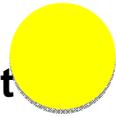
# How Does the Preferred Land Use and Transportation Investment Strategy Perform Against Targets?

2 Mandated – GHG and Housing  
8 Others Adopted  
in January 2011 Plus Equity Indicators

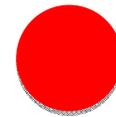
# PREFERRED SCENARIO:



Meets or Exceeds Target



Falls Short of Target



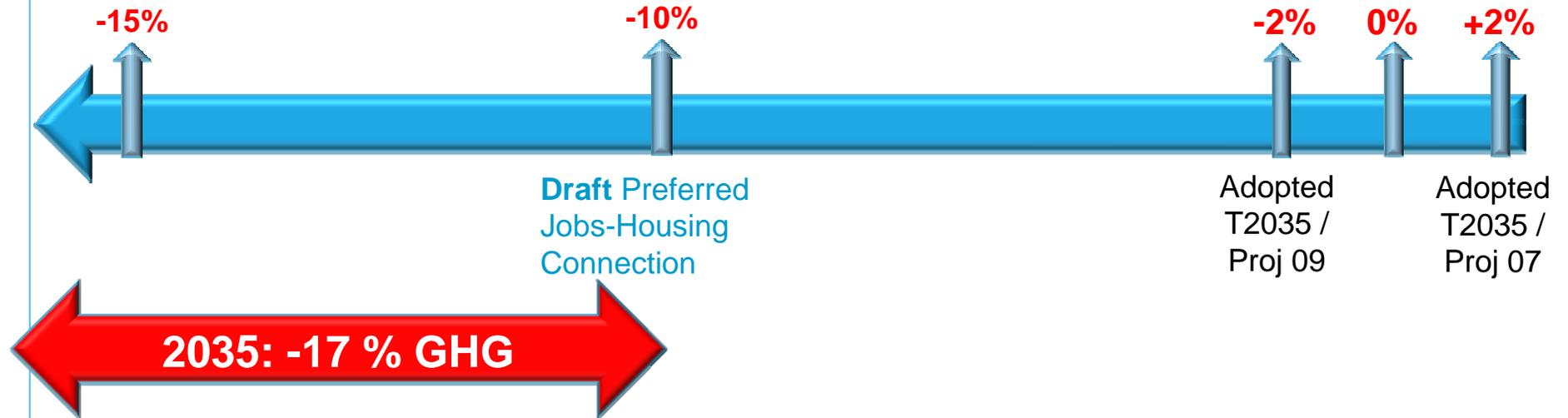
Moves in the Wrong Direction

TARGET (2035)	GOAL	PREFERRED SCENARIO
1 Carbon Dioxide (CO <sub>2</sub> ) per capita	-15%	-17%
2 Adequate Housing	100%	100%



# Target #1

## GHG Emission Reductions Target - 2035



“... set forth a forecasted development pattern for the region, which, when integrated with transportation network, and other transportation measures and policies, will reduce GHG emissions from autos and light trucks to achieve ... GHG emission reduction targets approved by ARB...”

- SB 375 (Section 65080 et al)

# Target #1

## Close the GHG Gap

### Climate Policy Initiatives

#### What We Heard

- Too heavily focused on improving vehicle efficiency; should be reducing auto dependency
- Fund programs for low-income groups
- Include other bike/ped programs
- Mainly negative reaction to 55 mph speed limit

#### Response to Comments

- Need strategies that move us measurably toward our GHG reduction target
- 85% of 2035 Bay Area trips still by auto
- “Greening the fleet” a critical ARB strategy
- \$180 billion in “Fix it First”, which includes Lifeline, and “Transit Expansion” support mobility for low-income groups

#### Proposed Recommendations

- Eliminate 55 mph speed limit
- Add Commuter Benefits Ordinance
- Evaluate SFMTA and VTA requests for funding low-income transit pass pilot programs



## Target #1

# Recommended Climate Policy Initiatives:

Policy Initiative	Cost 2035 in millions YOES)	Per-Capita CO <sub>2</sub> Emissions Reductions 2035	Cost per GHG ton Reduced 2035
<b>Electric Vehicle Acceleration</b> •Regional Public Charger Network	\$240	-0.9%	\$812
<b>Vehicle Buy-Back &amp; Plug-In or Electric Vehicles Purchase Incentives</b>	\$180	-0.8%	\$684
<b>Car Sharing</b> •For Profit and Non-Profit Car Sharing (includes clean vehicle car sharing) •Peer-to-Peer Car Sharing (includes clean vehicle car sharing)	\$4	-1.2%	\$10
<b>Vanpool Incentives</b>	\$6	-0.6%	\$29
<b>Clean Vehicles Feebate Program</b>	\$25 for admin costs	-0.7%	\$108
<b>Smart Driving Strategy</b> •Tire Pressure Cap Rebate Program •In-vehicle Fuel Economy Meters Rebate Program •Education Campaign	\$230	-2.2%	\$322
<b>Commuter Benefits Ordinance</b>	No Additional Investment	-0.3%	\$0
<b>Total</b>	<b>\$685</b>	<b>-6.7%</b>	<b>N/A</b>

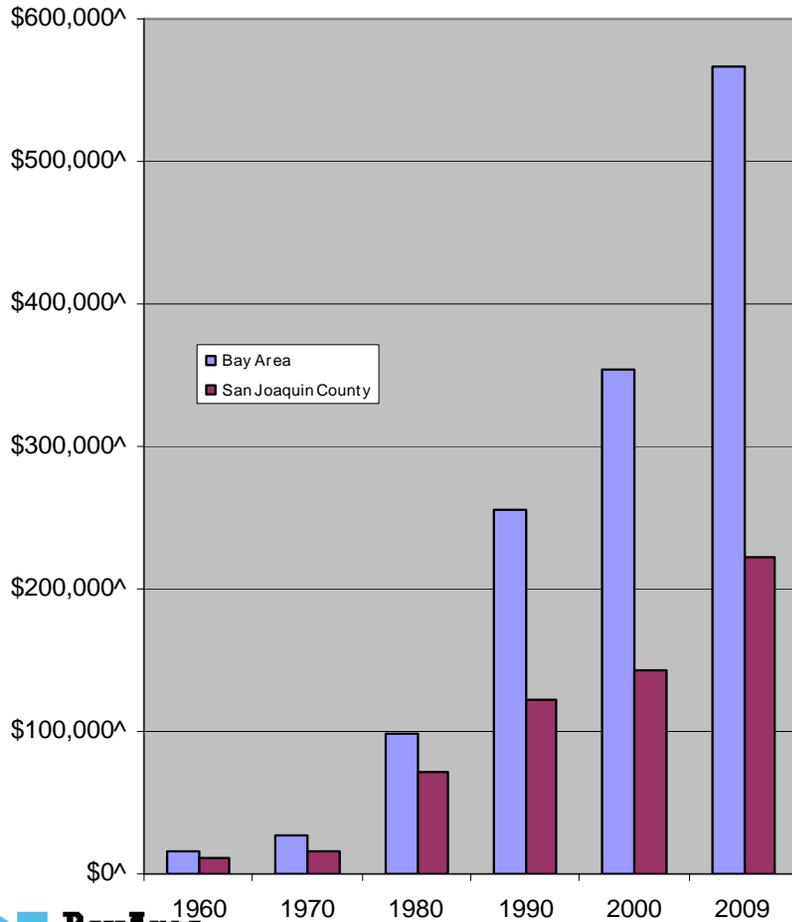
# Target #2: Adequate Housing

## Implementation Strategies:

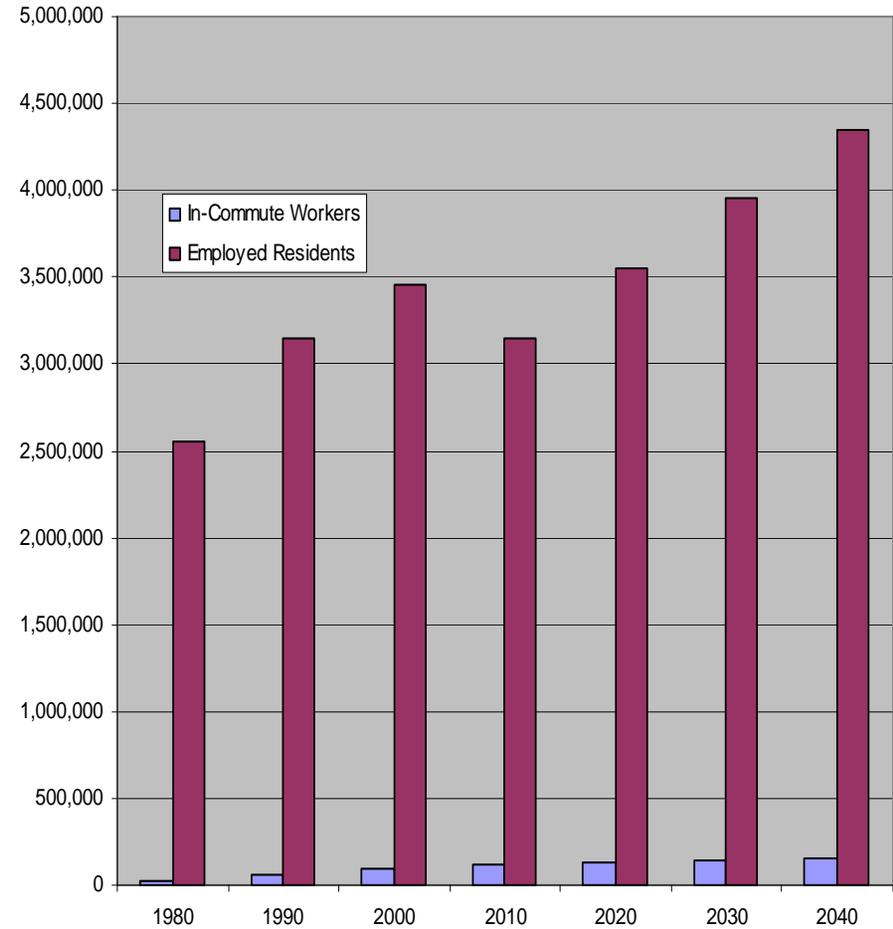
- **Focused investments and planning in PDAs.**
- **Coordination of regulations and CEQA amongst regional agencies, local jurisdictions and special districts.**
- **Legislative strategy and related policies to support improvements in neighborhood amenities, infrastructure and affordable housing development.**
- **Continued support for policy protection to retain open space.**
- **Support job growth and equity through transit accessibility and linking transportation investments to housing and employment.**

# Target #2: Adequate Housing

Median Home Values



Employed Residents vs. In-Commute



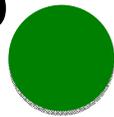
## Target #2: Adequate Housing

	2010	2040	Growth
Employed Residents	3,153,000	4,350,000	1,197,000*
Jobs	3,271,000	4,505,000	1,234,000
Jobs less Employed Residents	118,000	155,000	0*

**\*Assumes no increase in Jobs/Employed Residents Imbalance in 2040:**

- **There are 37,000 more Jobs than Employed Residents between 2010 and 2040**
- **Reasonable to assume that these jobs filled by Employed Residents holding multiple jobs** (Bureau of Labor Statistics: 4% of Californians work multiple jobs  
- 4% x 1,197,000 = Employed residents = 60,000 workers holding multiple jobs)

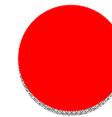
# PREFERRED SCENARIO:



Meets or Exceeds Target



Falls Short of Target



Moves in the Wrong Direction

TARGET	GOAL	PREFERRED SCENARIO
<b>1</b> Carbon Dioxide (CO <sub>2</sub> ) per capita	<b>-15%</b>	<b>-17%</b>
<b>2</b> Adequate Housing	<b>100%</b>	<b>100%</b>
<b>3a</b> Fine Particulate Matter (PM <sub>2.5</sub> ) (premature deaths due to emissions)	<b>-10%</b>	<b>-73%</b>
<b>3b</b> Coarse Particulate Matter (PM <sub>10</sub> ) (tons of particulate emissions)	<b>-30%</b>	<b>-19%</b>
<b>3c</b> Particulates in CARE Communities (achieve greater reductions than Non-CARE communities)	<b>Yes</b>	<b>Yes</b>
<b>4</b> Collisions (fatalities & injuries)	<b>-50%</b>	<b>+15%</b>
<b>5</b> Active Transport (time spent walking/biking)	<b>+70%</b>	<b>+15%</b>

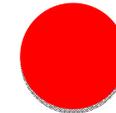
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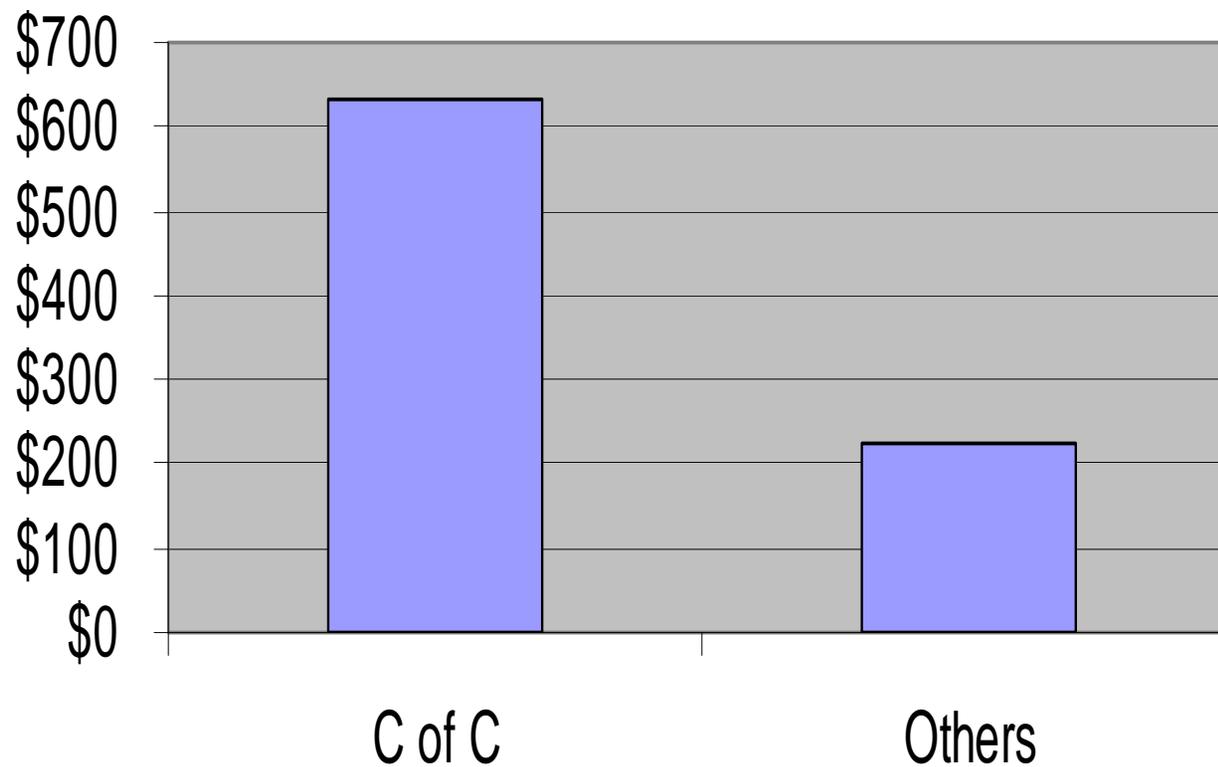
	TARGET	GOAL	PREFERRED SCENARIO
<b>6</b>	<b>Open Space/Ag. Preservation</b> (development within urban footprint)	<b>100%</b>	<b>99%</b>
<b>7</b>	<b>Low-Income H+T Affordability</b> (for households less than \$60,000)	<b>-10%</b>	<b>+2%</b>
<b>8</b>	<b>Gross Regional Product (GRP)</b>	<b>+90%</b>	<b>+114%</b>
<b>9a</b>	<b>Non-Auto Mode Share</b>	<b>26%</b>	<b>20%</b>
<b>9b</b>	<b>VMT per capita</b>	<b>-10%</b>	<b>-8%</b>
<b>10a</b>	<b>Local Road Maintenance (PCI)</b>	<b>+19%</b>	<b>+5%</b>
<b>10b</b>	<b>Highway Maintenance</b> (distressed lane-miles)	<b>-63%</b>	<b>+51%</b>
<b>10c</b>	<b>Transit Maintenance</b> (assets past their useful life)	<b>-100%</b>	<b>+87%</b>

# Equity Analysis Results

INDICATOR	POPULATION	BASE YEAR	PREFERRED SCENARIO	% CHANGE
<b>1</b> <b>Housing + Transportation Affordability</b> % of income spent	HH < \$30K	72%	75%	+3%
	HH > \$30K	41%	42%	+2%
<b>2</b> <b>Displacement Risk</b> % of today's rent-burdened households at risk for displacement from future growth	COC	n/a	33%	n/a
	Remainder	n/a	9%	n/a
<b>3</b> <b>VMT Density</b> daily VMT on major roads near developed areas (avg. VMT per sq. mi. / total population wgt.)	COC	6.7	5.9	-12%
	Remainder	1.8	1.7	-5%
<b>4</b> <b>Non-Commute Travel Time</b> minutes	COC	12	13	+1
	Remainder	13	13	0
<b>5</b> <b>Commute Travel Time</b> minutes	COC	25	26	+1
	Remainder	27	27	0

Relative Expenditures in Communities of Concern  
Total of \$277 Billion over 28 Years

Total Expenditures per Capita



## Target #8

# Bay Area Economic Forecast: 2035 Gross Regional Product (in billions)



## Follow-up Activities:

- **Bay Area Economic Strategy Framework** (Joint Policy Committee/Bay Area Council Economic Institute): develop regional strategies to support strengthened economic competitiveness and business economic growth
- **Bay Area Economic Impact Report** (MTC, ABAG): assess how the next SCS/RTP can provide a more rigorous analysis of the plan's impact on the region's economy
- **HUD Regional Planning Grant** (MTC, ABAG): focus on creating middle-income jobs and developing and preserving affordable housing in transit-served communities

# Next Steps

- May 17, 2012 - Special Joint meeting of MTC Commission and ABAG Executive Board
- June 2012 – Select alternatives to be evaluated in Plan Bay Area EIR
- December 2012 – Release Draft Plan Bay Area and EIR
- January 2013 – Hold public hearings/workshops
- April 2013 – Adopt final Plan Bay Area and certify final EIR