

Plan BayArea

To: MTC Planning Committee, ABAG Administrative Committee

Date: July 9, 2012

Fr: Executive Director, ABAG
Executive Director, MTC

Re: Plan Bay Area: EIR Alternatives

On June 11, 2012, MTC and ABAG started the Environmental Impact Report (EIR) process for Plan Bay Area by filing a Notice of Preparation (NOP). The environmental review process governed by the California Environmental Quality Act (CEQA) intends to inform decision makers, responsible and trustee agencies, and the general public of the range of potential environmental impacts that could result from the implementation of Plan Bay Area. The EIR will examine a range of reasonable alternatives, identify the environmentally superior alternative, and recommend a set of measures to mitigate the impacts of the selected alternative.

During June and July, staff conducted five public outreach meetings across the region, in addition to several focused meetings with equity advocates, business groups, county congestion management agency staff, and local jurisdictions, to obtain input on evaluation issues and proposed alternatives. Written and oral comments from these meetings have informed and will continue to inform the alternative definitions. For a summary of the outreach process and key themes heard to date, see **Attachment A**. The comment period closes July 11th, so additional refinements to the alternatives described herein may be necessary.

Staff is proposing to move forward with five EIR alternatives. These alternatives are defined by explicit land use and transportation policies and will be evaluated using an integrated regional modeling system comprised of the UrbanSim spatial economic/land use model and the MTC travel model. While UrbanSim is a new modeling tool for use by MTC and ABAG, recent surveys show that UrbanSim has become the most widely used economic/land use model system by planning agencies in the U.S., including Seattle, Houston, Phoenix, and San Francisco, as well as internationally in cities such as Paris, Rome, Zurich, Seoul, and Beijing. This analytical approach has been met with support of stakeholders who participated in the scoping process. Furthermore, as recommended by the California Transportation Commission's 2010 Regional Transportation Plan Guidelines, the largest metropolitan planning organizations should build formal microeconomic land use models, as soon as practical, so that they can be used to analyze and evaluate the effects of growth scenarios on economic welfare (utility), including land prices, home affordability, jobs-housing fit, the combined housing-transportation cost burden, and economic development (wages, jobs, exports). The CTC also recommends that mapping and visualization tools be used, to the extent practicable, to create visual representations of proposed scenarios to facilitate more effective and meaningful public involvement in development and

refinement of the Sustainable Communities Strategy. As such, over the past two years, MTC and ABAG have collaborated with University of California, Berkeley to develop the UrbanVision visualization tool and the UrbanSim economic/land use model for use in Plan Bay Area. Notably, based on the Bay Area's use of UrbanSim, SANDAG is presently considering developing UrbanSim to assist them in the development of their next SCS, particularly in light of the legal challenges on their certified EIR.

The UrbanSim and MTC travel model interact with each other, such that land use policies will affect transportation outcomes and transportation projects and policies will affect land use outcomes. UrbanSim will test explicit land use policies (e.g., zoning, fees and subsidies, urban growth boundaries, and incentives such as OneBayArea Grants and CEQA streamlining), and produce the resulting land use development pattern that reflects those policy levers. UrbanSim simulates the interactions of households, businesses, developers and governments within the urban market, specifically representing choices made by:

- Households in considering whether to move and where to locate based on neighborhood amenities, travel times to jobs, demographics, housing prices, etc.
- Businesses in determining whether to relocate and where to relocate based on access to other businesses, access to labor, building prices, etc.
- Developers in deciding what properties to develop or redevelop and into what use at what density in order to maximize profit. Profit is calculated on each parcel using a pro forma analysis to determine the market feasibility of development.
- Governments in making infrastructure investments and implementing land use regulations (i.e., zoning).

The UrbanSim output of all of these interactions is the representation of the densities, intensities and uses of development, prices, and population and employment distributions. The MTC travel model then takes these UrbanSim outputs and attempts to represent traveler behavior, considering new transportation infrastructure and policies proposed for Plan Bay Area. The introduction of new transportation infrastructure (e.g., BART to San Jose service) will result in changes in accessibility. These accessibility changes will then be fed back into UrbanSim, which will produce a new simulation wherein the accessibility changes will affect the real estate market, and thus may produce a modified land use pattern. The change in land use is once again feed back into the travel model, which now forecasts changes in travel characteristics (such as higher BART ridership). In sum, the integration of the land use/economic model and travel model allows land use and transportation policies to influence each other in both directions.

The five proposed EIR alternatives are as follows:

1. The **No Project** alternative begins with the 2010 built environment and assumes, through 2040, the continuation of currently-adopted general plans. The transportation network adds all committed projects to a representation of the 2010 transportation system. CEQA requires the examination of a no project alternative.
2. The **Jobs-Housing Connection**, or "Project", alternative pairs a land development pattern in which 80 percent of household growth and 66 percent of the job growth are

located in Priority Development Areas (PDAs) with the Preferred Transportation Investment Strategy. MTC and ABAG approved the land use and transportation element of this scenario in May 2012. The UrbanSim model will be used to adequately recreate the Jobs-Housing Connection land development pattern through land use policies.

3. The **Transit Priority Focus** alternative will evaluate the potential for greater development in Transit Priority Project (TPP) areas and consequently less development intensity in PDAs than Alternative 2. Senate Bill 375 explicitly defines TPPs, which are types and locations of developments that the State would like to see occur. This scenario includes fees on development in regionally-inefficient locations that would be imposed by other regional agencies or local governments. In addition, this alternative will make adjustments to the transportation network by exchanging funds identified in the Preferred Transportation Investment Strategy for arterial signal coordination and transit capital rehabilitation projects in order to make investments in AC Transit and BART.
4. The **Enhanced Network of Communities** alternative is titled and informed by input from the business community. This alternative will be based on the land use pattern previously identified in “Current Regional Plans/Projections 2011.” However, it seeks to eliminate the net daily importing of workers to the region. Thus, it has a higher number of residents and housing units than the other alternatives. Similar to the Jobs-Housing Connection alternative, it assumes significant land use policies need to be implemented by regional and local authorities, including substantial subsidies in PDAs and other areas (except no new development fees), as well as the Preferred Transportation Investment Strategy. In addition, this alternative would clarify that the OneBayArea Grant funding be conditioned on receiving jurisdiction identifying and eliminating or reducing local regulatory constraints to achieving the jobs and housing development as envisioned in PDAs.
5. The **Environment, Equity, and Jobs** alternative is titled and designed with input from Public Advocates, Urban Habitat, and TransForm; this alternative seeks to maximize affordable housing in opportunity areas outside of the PDA framework. It seeks growth in both urban and suburban areas. The suburban growth is supported by increased transit service to Communities of Concern, which is funded by transferring funds identified in the Preferred Transportation Investment Strategy for arterial signal priority and transit capital rehabilitation projects.

The EIR will assess the potential impacts of the five proposed alternatives across a number of environmental resource categories, as follows:

- Transportation
- Air Quality
- Land Use, Housing, Agriculture, and Physical Development
- Energy
- Greenhouse Gases/ Climate Change
- Noise
- Geology and Seismicity
- Water Resources
- Biological Resources
- Visual Resources
- Cultural Resources

- Public Utilities
- Growth-Inducing Impacts

During the scoping process, we received input from the public to also consider evaluating the potential impacts on public services and recreation. Staff will take this input under consideration as we determine whether there may be significant impacts of regional importance expected to occur in these areas.

Please see **Attachment B** for a detailed description of each alternative. Note that an alternative must meet the state-assigned greenhouse gas (GHG) reduction target in order to become an adopted Sustainable Communities Strategy. The inputs to the **Housing Opportunities for Bay Area Workers** and/or **Environment, Equity, and Jobs** alternatives will respond to the requests of the business and equity advocates, respectively.

At your July 13th meeting, staff will review and request input on the refined alternatives, as well as seek approval to begin the EIR analysis. Approval by the joint committees will refer this item to the July 19th special joint meeting of the Commission and ABAG Executive Board. A detailed schedule of ongoing Plan Bay Area EIR activities is shown in **Table 1**.


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TABLE 1: Plan Bay Area EIR Schedule

<i>Dates</i>	<i>EIR Milestones</i>
July 11	End of 30-Day Public Review Period for Notice of Preparation
July 13	Present Final Alternatives for review by Joint MTC Planning/ABAG Administrative Committees and recommendation to the Commission and ABAG Executive Board
July 19	Commission and ABAG Executive Board approve Final EIR Alternatives
July – December	Prepare Draft EIR
December 14	Release Draft EIR for 45-Day Public Review Period by Joint MTC Planning/ABAG Administrative Committees (Comment Period: December 14, 2012 – January 31, 2013)
January 2013	Hold Public Hearings on Draft Plan and Draft EIR
February – March 2013	Prepare Final EIR (includes Response to Comments)
April 2013	Commission and ABAG Executive Board Certify Final EIR and Adopt Final Plan

ATTACHMENT A: Public Outreach Efforts & Comments Received

On June 11, 2012, MTC and ABAG jointly released a Notice of Preparation (NOP) for the Plan Bay Area Environmental Impact Report (EIR) in accordance with the California Environmental Quality Act (CEQA). This initiated the 30-day comment period, which concludes on July 11, 2012, in which we are gathering detailed regarding the scope and content of the environmental information that will be evaluated in the EIR. Written comments are accepted by mail, email, and fax.

MTC and ABAG conducted five scoping meetings and met with several different stakeholder groups to discuss their comments on the scope of the EIR. The following list identifies the locations and dates of the scoping meetings held during the NOP comment period.

Public Scoping Meetings

- June 20: Oakland, Joseph P. Bort MetroCenter, 6:00 to 8:00 p.m.
- June 21: San Jose, Dr. Martin Luther King, Jr. Library, 10:00 to Noon
- June 25: Fairfield, Solano County Events Center, 1:30 to 3:30 p.m.
- June 26: San Francisco, SF Planning + Urban Research (SPUR), 10:00 to Noon
- June 27: San Rafael, Embassy Suites Hotel, 1:30 to 3:30 p.m.

Stakeholder Meetings

- June 20: Equity Stakeholders
- June 26: Equity Stakeholders
- June 29: Equity Stakeholders
- June 27: Congestion Management Agencies (CMAs) and Local Jurisdictions
- July 3: Business Coalition

Other Agency Meetings

- June 21: Presented at San Francisco Bay Conservation and Development Commission (BCDC) Board Meeting

MTC and ABAG worked closely with the public as well as equity, business, and local government stakeholders to ensure we received their input on the scope of the Plan Bay Area EIR. Several general themes emerged from the process, as described below.

Note that these themes are based on feedback received through June 30, 2012. The comment period remains open until July 11. MTC and ABAG will consider all comments received from these scoping meetings, as well as written comments received during the development of the Plan Bay Area EIR.

Input from the General Public

- 1. Some meeting participants expressed significant concerns about the legitimacy, impacts, and influence of Plan Bay Area.** In particular, residents were concerned about regional actions that might supersede local land use control or individuals' property rights. These individuals were interested in additional public forums to express support for the No Project alternative.
- 2. Some meeting participants were skeptical of the accuracy of population and job projections developed by ABAG,** as well as the validity of the 100 percent housing target achievement for the Jobs-Housing Connection Scenario.
- 3. A wide range of alternatives should be considered in the EIR process,** both in transportation networks and land use patterns.
- 4. CEQA streamlining was a concern to many individuals, specifically the potential in SB 375 for certain projects' full exemption from CEQA.** Staff will need to provide a more detailed explanation of this issue in the future, given its importance to the planning effort.
- 5. Additional impacts were suggested for inclusion in the EIR beyond the initial list presented by agency staff,** including impacts to recreation and open space, localized transportation networks, and public services.

Input from Equity Stakeholders

- 1. While PDAs are an important part of the regional growth pattern, MTC/ABAG should also emphasize "high-opportunity" areas outside of PDAs for additional affordable housing.** These areas have higher levels of in-commuting, good schools, and a relative dearth of affordable housing.
- 2. Fees, subsidies, and incentives should all be designed to favor the development of affordable housing.** OBAG and RHNA should incorporate policies like anti-displacement regulations and requirements for including affordable, deed-restricted units in new developments.
- 3. Increasing funding for transit, while at the same time scaling back highway expansion, should be a top transportation priority.** While some additional funding should go towards core urban areas to counteract transit service cuts, the rest should go towards "high-opportunity" suburban areas where equity stakeholders want to support low-income housing.

Input from the Business Community

1. **UrbanSim will provide a market-based feasibility tool to verify the viability of prior population and jobs “vision-based” forecasts.** In particular, ABAG’s growth allocation to PDAs is of major concern; UrbanSim should provide the framework to assess the economic viability of such forecasts on a PDA-by-PDA basis.
2. **Policies in the EIR alternatives should be directly influenced by MTC/ABAG.** These policies should emphasize reduced regulation through streamlining or lower development fees, as that would be the best approach to provide housing for the region’s expected growth.
3. **All EIR alternatives should be analyzed using higher population control totals,** which would eliminate net in-commuting to the region and provide a level playing field across the alternatives.

Input from CMAs and Local Jurisdictions

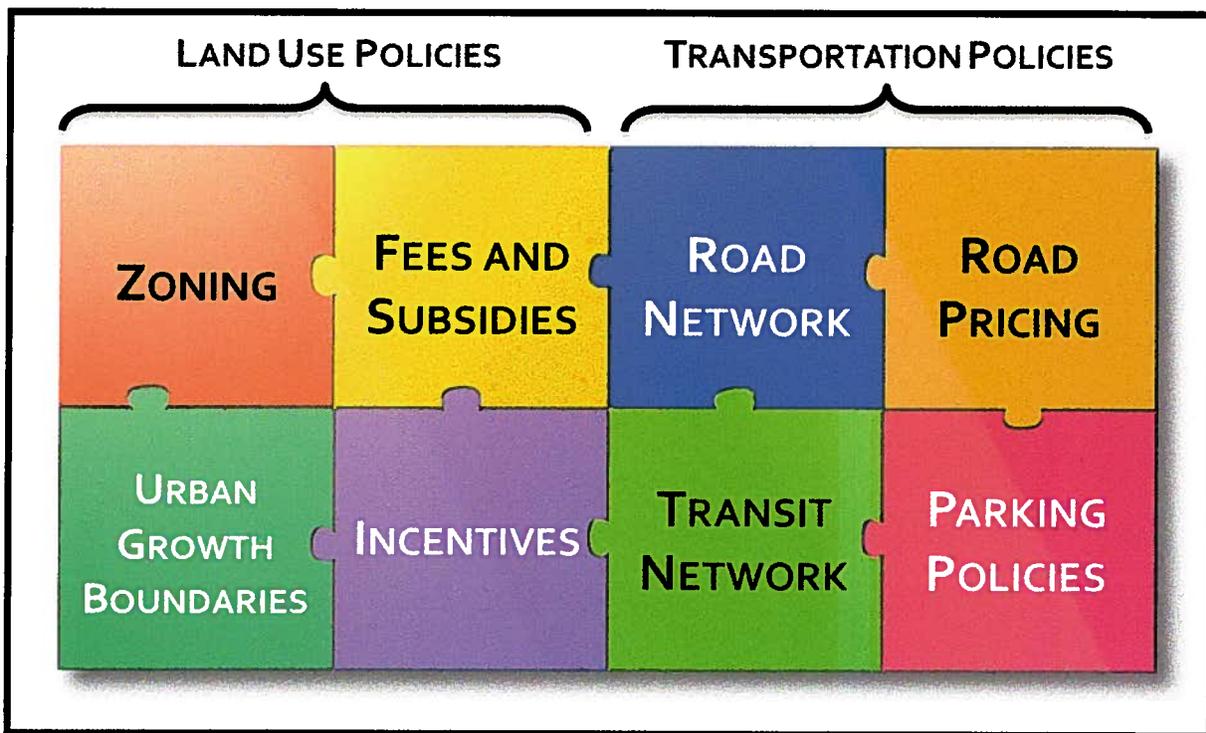
1. **UrbanSim represents an exciting new analytical approach that supports a policy-based analysis framework.** This framework is more transparent than past “vision-based” land use patterns developed by ABAG, and it should provide more detailed and accurate information for review.
2. **The analytical tool and methodology should be consistent for all alternatives, including the Jobs-Housing Connection scenario.** Failure to use a consistent analytical frame would lead to unfair comparisons across alternatives and call into question the usefulness of the EIR.
3. **CEQA streamlining in Plan Bay Area is of significant interest to agencies working to implement “smart growth” at a local level.**
4. **Pricing remains of interest for inclusion in alternatives,** but alternatives should not include pricing policies if they expect to be deemed infeasible during analysis.

*Note: Includes Alameda, Santa Clara, San Francisco, Marin, Napa, Sonoma, and San Mateo CMAs and planners from Oakland, San Jose, San Francisco, and Santa Rosa.

ATTACHMENT B: Policy Levers for EIR Alternatives

In order to analyze the impacts of various transportation and land use patterns, it is necessary to first define the policies used to construct each alternative. The specific policies used to achieve a focused or dispersed land use pattern have different environmental impacts and the degree or strength of these policy levers will determine how successful each alternative is in achieving its objectives.

While there are myriad policies that could be feasibly implemented, the “puzzle” shown below represents eight key policy categories that we have chosen to identify when constructing the EIR alternatives.



Zoning

In order to facilitate growth in specific areas, staff will analyze the potential for upzoning specific parcels within Priority Development Areas (PDAs), as identified by local jurisdictions, or within certain Transit Priority Project eligible areas (TPPs), as identified by SB 375. This additional capacity for growth may make development economically viable on a given parcel. Alternately, upzoning may have minimal impact when there is insufficient market demand to develop the parcel in question. Note that policy-based (i.e. generated from a regional strategy) upzoning will not be implemented in the model if the proposed upzoning is less than the existing general plan (meaning, parcels will not be downzoned).

Urban Growth Boundaries

While the region's urban growth boundaries have tended to expand slowly over time, we can analyze alternative forecasts in which local communities either more strictly constrain or even loosen these boundaries.

Fees and Subsidies

Authority exists for the levying of a regional development fee to create growth patterns that emit less toxic contaminants into our air. This type of fee, which would be added to existing jurisdictional-level fees, would discourage development in location-inefficient areas with high levels of emissions.

Separately, assuming funding can be identified, subsidies could also be provided to encourage development in PDAs or TPPs where market demand is insufficient.

Incentives

One regional incentive is the OneBayArea Grant (OBAG) program, which provides funding to support growth in PDAs. Additional incentives that could be implemented include CEQA streamlining for TPPs, as provided in Senate Bill 375, or redevelopment funding for TPPs, as included in proposed Senate Bill 1156.

Road Network & Transit Network

While the Preferred Transportation Investment Strategy included a proposed road network and transit network for Plan Bay Area, we may remove uncommitted projects, or shift limited amounts of eligible funding, to support specific priorities for a given EIR alternative.

Road Pricing

There have been many ideas proposed in the realm of road pricing; a VMT fee is included here. A VMT fee or tax would increase the cost of driving, provide funding for roads or transit, and encourage the use of alternative modes of transportation.

Parking Policies

In addition to increased parking pricing, incentive programs like OBAG could encourage local jurisdictions to revise parking minimum policies, which often require new developments to build parking at rates in excess of market demand. Lowering these minimums would free developers to reduce the number of parking spaces in new residential or commercial developments if market demand warrants, thus reducing the regulatory burden (and cost) associated with new development.

ATTACHMENT B: Specific Components of EIR Alternatives

For the purposes of analyzing the environmental impacts of Plan Bay Area, staff first developed a set of EIR alternatives and then refined these alternatives based on comments received during the scoping process. In addition to the No Project and Jobs-Housing Connection (“Project”) alternatives required for analysis under CEQA, three additional alternatives were developed to provide a range of reasonable alternatives. Note that one or more of the alternatives may fail to achieve the greenhouse gas reduction target and thus be ineligible to serve as the Bay Area’s Sustainable Communities Strategy.

At this time, staff is defining the key inputs to each alternative. Once the alternatives have been approved, staff will analyze the impacts of each alternative using our integrated land use/transportation modeling system. This process will forecast differences in regional transportation and land use outcomes.



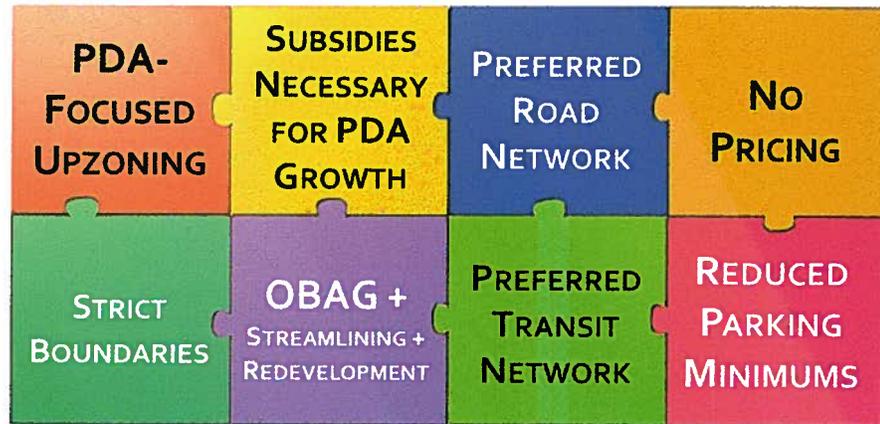
Intent of Alternative 1:

This alternative is required by CEQA and will analyze the potential environmental impacts if Plan Bay Area is not implemented. Staff anticipates that this alternative will reflect the trends of the past half-century – i.e., a dispersed growth pattern, combined with continued high levels of automobile dependency.

Policy Measures Included in Alternative 1:

The No Project alternative cannot, per CEQA, include policy measures being considered for inclusion in Plan Bay Area. For this alternative we assume no new regional policies will be implemented to influence local land use patterns and that no uncommitted transportation investments will be made. Land use patterns are assumed to be constrained, through 2040, by existing locally-adopted general plans, and urban growth boundaries are assumed to continue to expand at historical rates. Neither regional land development fees or incentives, nor road or parking pricing are considered.

ALTERNATIVE
2
Jobs-Housing
Connection



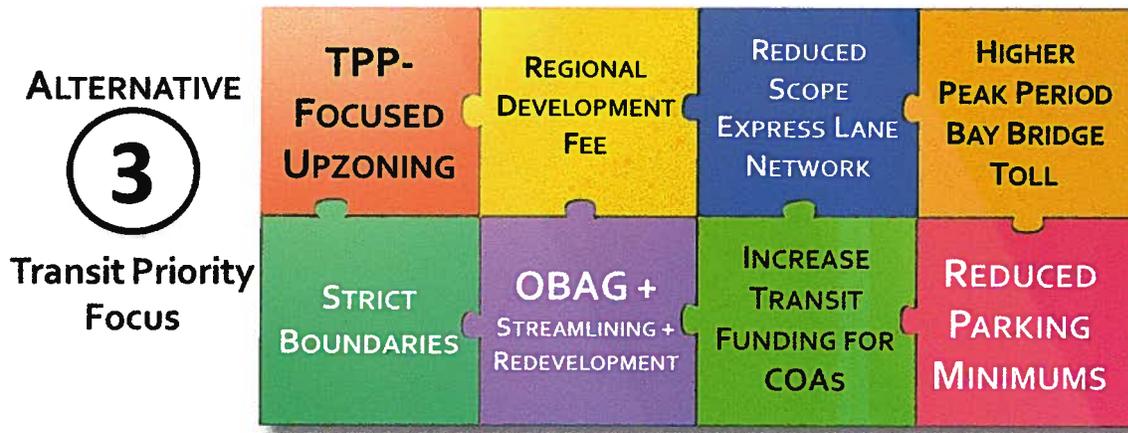
Intent of Alternative 2:

This alternative is required by CEQA as it best represents the “Project” (Jobs-Housing Connection Strategy) approved by MTC/ABAG. The Jobs-Housing Connection alternative will implement strategies to achieve increased population and employment density in the Priority Development Areas (PDAs) that have been put forward by local jurisdictions. Building from the Jobs-Housing Connection Strategy vision, this alternative seeks to identify and quantify the policies necessary to achieve that vision (e.g., focus 80 percent of the region’s household growth and 66 percent of the job growth into PDAs).

Policy Measures Included in Alternative 2:

In order to achieve the goal of focusing 80 percent of the region’s growth in PDAs, significant land use policies need to be implemented by regional and local authorities, including substantial subsidies for certain PDAs. Staff will assume that, in order to focus growth in PDAs, that jurisdictions will upzone those areas to match the density levels of their self-identified PDA Place Types. Urban growth boundaries will be treated in a strict manner – i.e. development will not be allowed to leak into “greenfield” locations over time. In order to incentivize growth in the PDAs, the OneBayArea Grant (OBAG) program will provide funding to encourage dense development in these areas.

The transportation elements of this alternative will include infrastructure investments included in the Preferred Transportation Investment Strategy, which was previously approved as part of the Jobs-Housing Connection Strategy in May 2012.



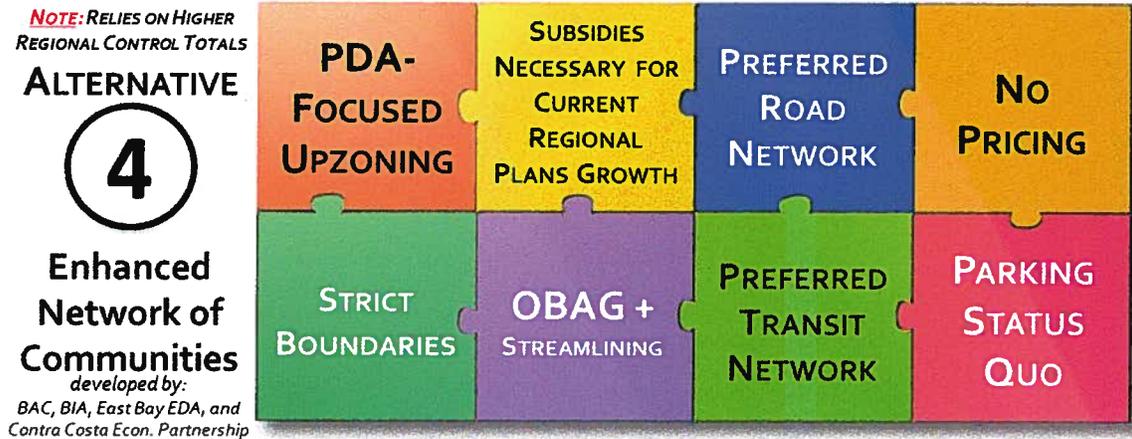
Intent of Alternative 3:

In order to consider a reasonable range of alternatives, it is important to evaluate alternatives to the “Project” that are potentially less disruptive to the environment. Alternatives 4 and 5 implement policies that support a more balanced pattern of suburban and urban growth than the “Project”. This alternative, in contrast, will attempt to develop a more focused growth pattern primarily in the region’s urban core. In line with SB 375, this alternative relies on Transit Priority Project eligible areas (TPPs), which are defined as areas of high-frequency transit eligible for higher-density development streamlining. While this alternative will likely not have as much growth in PDAs as the “Project”, the TPP framework should support a more highly-efficient growth pattern that leverages the significant investment our region has made and continues to make in transit service.

Policy Measures Included in Alternative 3:

This alternative will include an aggressive set of policy measures for both land use and transportation – including upzoning in all of the region’s TPP-eligible areas, a regional development fee to discourage inefficient (in regards to vehicle-miles traveled (VMT) creation) growth patterns, OBAG grants to incentivize PDA growth, CEQA streamlining in TPPs, and tax-increment financing to fund focused growth in TPPs which could be authorized under proposed SB 1156.

The transportation network will be revised to support the urban core. Specifically, the Regional Express Lanes Network will be scaled back to only include conversions of existing HOV lanes. In addition, funding would be shifted from other priorities to support implementation of Comprehensive Operations Analyses (COAs) as developed by the Transit Sustainability Project (TSP). As VTA has already implemented its COA, and San Francisco’s Transit Effectiveness Project (TEP) is already funded in the preferred transit network, this leads to two agencies receiving significantly increased funding – AC Transit and BART. This transfer of funds also could, however, adversely affect transit service by removing funding for arterial signal timing and transit capital rehabilitation projects. To further boost transit ridership, a higher peak toll in the Bay Bridge corridor will be evaluated.

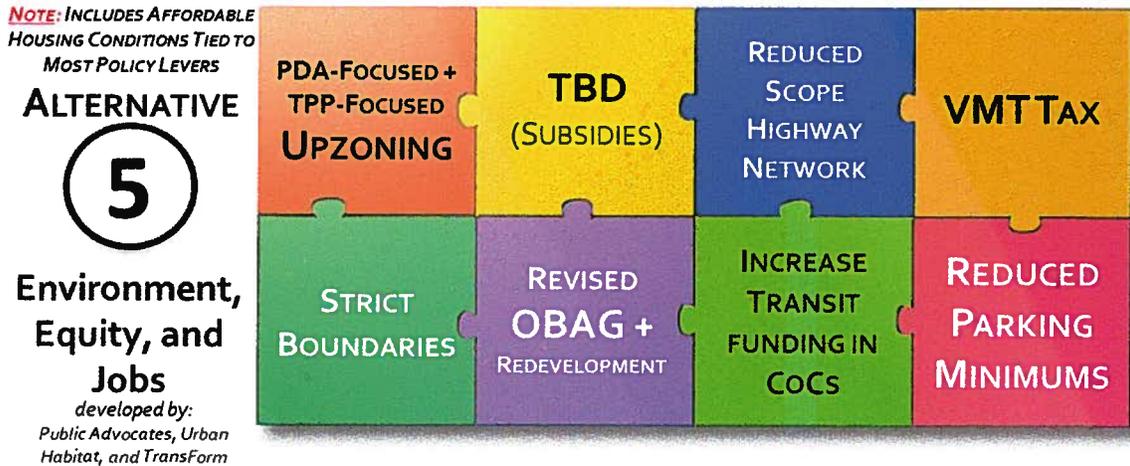


Intent of Alternative 4:

Among numerous other provisions, SB 375 requires that Plan Bay Area “identify areas within the region sufficient to house all the population in the region”. This EIR alternative provides sufficient housing in the region for all Bay Area workers who want to live here. All other alternatives assume that the Bay Area imports workers from our neighboring counties, although at a lower rate of growth than in the past few decades. This alternative relies on higher population and employment control totals to “zero out” the net in-commute. Furthermore, it reflects input from the region’s business community, which has requested an alternative that mirrors the land use pattern previously identified in “Current Regional Plans/Projections 2011.” Similar to the Jobs-Housing Connection alternative, it assumes significant land use policies need to be implemented by regional and local authorities, including substantial subsidies in PDAs and other areas (except no new development fees), as well as the Preferred Transportation Investment Strategy. In addition, this alternative would clarify that the OneBayArea Grant funding be conditioned on receiving jurisdiction identifying and eliminating or reducing local regulatory constraints to achieving the jobs and housing development as envisioned in PDAs.

Policy Measures Included in Alternative 4:

With the exception of the “No Project” alternative, this alternative would minimize development constraints to the greatest extent. Upzoning in PDAs, as well as substantial subsidies (except no new development fees) and CEQA streamlining, should reduce the costs of constructing housing. Implementation of the OneBayArea Grant incentive will apply only to jurisdictions with eliminated or reduced local regulatory constraints. No modifications will be made to the Preferred Transportation Investment Strategy, and no road pricing will be implemented (thus preventing an increase in fees for drivers). Parking will remain as status quo, as is the case in the “No Project” alternative.



Intent of Alternative 5:

This alternative attempts to embody the proposal by Public Advocates, Urban Habitat, and TransForm. The intent of the alternative is to reduce displacement and support affordable housing in both PDAs and “high-opportunity” suburban locations. The alternative seeks to strengthen public transit by boosting service in suburban and urban areas, eliminating uncommitted highway projects, and implementing taxes to discourage driving.

Policy Measures Included in Alternative 5:

Upzoning would be expanded beyond PDAs to include jobs-rich, high-opportunity TPPs not currently identified as PDAs. Based on the criteria specified by equity stakeholders, these additional areas would include those which are generally rich in employment and good schools but lack affordable housing. The equity advocates specified that a modified RHNA would be used to encourage this upzoning pattern.

While many of these same policy concepts are implemented in other alternatives, this alternative includes additional affordable housing and anti-displacement policies as pre-conditions for subsidies and incentives (i.e., a modified OBAG program). Development fees will be eliminated for affordable housing developments, while subsidies will be used for policies like a Regional Housing Trust Fund to minimize displacement.

With respect to the transportation system, this alternative removes all capacity-increasing, uncommitted roadway projects from the Preferred Transportation Investment Strategy, including the reduced scope Express Lane Network from Alternative 3. Funding shifts noted previously would be spent on Communities of Concern in the urban core and on suburban routes in “high opportunity” areas; free youth passes would also be funded from that source. In exchange for funding these priorities, the amount of arterial signal priority and transit capital rehabilitation projects will be reduced, which could result in slower transit speeds and less reliable transit service in the urban core. Road pricing will be implemented to reduce driving, although the proposed VMT tax will exempt all low-income drivers. Parking minimums will be reduced for affordable housing developments.