



101 Eighth Street,
Joseph P. Bort
MetroCenter
Oakland, CA

Meeting Agenda

Joint MTC Planning Committee with the ABAG Administrative Committee

James Spering, MTC Chair Anne Halsted, MTC Vice Chair

Friday, October 9, 2015

9:15 AM

Lawrence D. Dahms Auditorium

Call Meeting to Order

1. Roll Call / Confirm Quorum

Quorum: A quorum of this committee shall be a majority of its regular voting members (4).

2. ABAG Compensation Announcement - Clerk of the Board

3. [15-0927](#) ABAG - Minutes of the September 11, 2015 Meeting

Action: ABAG Administrative Committee Approval

Attachments: [ABAG - Minutes of the September 11, 2015 Meeting.pdf](#)

4. Consent Calendar

- 4a. [15-0867](#) MTC - Minutes of the September 11, 2015 Meeting

Action: MTC Planning Committee Approval

Attachments: [MTC Minutes Sept 2015.pdf](#)

- 4b. [15-0870](#) 2015 Congestion Management Program Guidance: MTC Resolution No. 3000, Revised

Staff recommends these minor revisions to the CMP guidance to reflect updated information.

Action: Committee Approval

Presenter: Valerie Knepper, MTC

Attachments: [2015 Congestion Management Program Guidance- MTC Resolution No. 3000-](#)

5. Information

- 5a. [15-0869](#) Plan Bay Area Draft Regional Forecast (Jobs, Housing & Population)
- Draft Regional Forecast of jobs, population and housing for Plan Bay Area 2040
- Action:** Information
- Presenter:** Cynthia Kroll, ABAG
- Attachments:** [Plan Bay Area Draft Regional Forecast -Jobs, Housing & Population-.pdf](#)
[5a_ABAG Preliminary Regional Forecast 100915Ranim-revised.pdf](#)
- 5b. [15-0776](#) Priority Development Area (PDA) Assessment Update
- Overview of the update to the 2013 PDA Readiness Assessment, an in-depth representative analysis of the ability of the PDAs to accommodate new residential development in Plan Bay Area.
- Action:** Information
- Presenter:** Therese Trivedi MTC and Cynthia Kroll, ABAG
- Attachments:** [Priority Development Area \(PDA\) Assessment Update.pdf](#)
- 5c. [15-0868](#) Plan Bay Area 2040 Draft Revenue Forecast
- Draft revenue forecast of transportation fund sources for Plan Bay Area 2040.
- Action:** Information
- Presenter:** William Bacon
- Attachments:** [Plan Bay Area 2040 Draft Revenue Forecast.pdf](#)

6. Public Comment / Other Business

7. Adjournment / Next Meeting

The next meeting of the Joint MTC Planning Committee with the ABAG Administrative Committee will be November 13, 2015, 9:30 a.m. in the Lawrence D. Dahms Auditorium, First Floor, 101 Eighth Street, Oakland, CA.

Public Comment: The public is encouraged to comment on agenda items at committee meetings by completing a request-to-speak card (available from staff) and passing it to the committee secretary. Public comment may be limited by any of the procedures set forth in Section 3.09 of MTC's Procedures Manual (Resolution No. 1058, Revised) if, in the chair's judgement, it is necessary to maintain the orderly flow of business.

Meeting Conduct: If this meeting is willfully interrupted or disrupted by one or more persons rendering orderly conduct of the meeting unfeasible, the Chair may order the removal of individuals who are willfully disrupting the meeting. Such individuals may be arrested. If order cannot be restored by such removal, the members of the committee may direct that the meeting room be cleared (except for representatives of the press or other news media not participating in the disturbance), and the session may continue.

Record of Meeting: MTC meetings are recorded. Copies of recordings are available at a nominal charge, or recordings may be listened to at MTC offices by appointment. Audiocasts are maintained on MTC's Web site (mtc.ca.gov) for public review for at least one year.

Accessibility and Title VI: MTC provides services/accommodations upon request to persons with disabilities and individuals who are limited-English proficient who wish to address Commission matters. For accommodations or translations assistance, please call 510.817.5757 or 510.810.5769 for TDD/TTY. We require three working days' notice to accommodate your request.

可及性和法令第六章：MTC 根據要求向希望來委員會討論有關事宜的殘疾人士及英語有限者提供服務/方便。需要便利設施或翻譯協助者，請致電 510.817.5757 或 510.817.5769 TDD / TTY。我們要求您在三個工作日前告知，以滿足您的要求。

Acceso y el Titulo VI: La MTC puede proveer asistencia/facilitar la comunicación a las personas discapacitadas y los individuos con conocimiento limitado del inglés quienes quieran dirigirse a la Comisión. Para solicitar asistencia, por favor llame al número 510.817.5757 o al 510.817.5769 para TDD/TTY. Requerimos que solicite asistencia con tres días hábiles de anticipación para poderle proveer asistencia.

Attachments are sent to committee members, key staff and others as appropriate. Copies will be available at the meeting.

All items on the agenda are subject to action and/or change by the Committee. Actions recommended by staff are subject to change by the Committee.

MTC's Chair and Vice-Chair are ex-officio voting members of all standing committees.



Metropolitan Transportation Commission

101 Eighth Street,
Joseph P. Bort MetroCenter
Oakland, CA

Legislation Details (With Text)

File #: 15-0927 **Version:** 1 **Name:**

Type: Report **Status:** Agenda Ready

File created: 9/25/2015 **In control:** Joint MTC Planning Committee with the ABAG Administrative Committee

On agenda: 10/9/2015 **Final action:**

Title: ABAG - Minutes of the September 11, 2015 Meeting

Sponsors:

Indexes:

Code sections:

Attachments: [ABAG - Minutes of the September 11, 2015 Meeting.pdf](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|

Subject:

ABAG - Minutes of the September 11, 2015 Meeting

Recommended Action:

ABAG Administrative Committee Approval

Attachments

SUMMARY MINUTES (DRAFT)

ABAG Administrative Committee Special Meeting
Friday, September 11, 2015
Joseph P. Bort MetroCenter
101 8th Street, Oakland, California

1. CALL TO ORDER / ROLL CALL / CONFIRM QUORUM

ABAG President and Committee Chair Julie Pierce, Councilmember, City of Clayton, called the special meeting of the Administrative Committee of the Association of Bay Area Governments to order at about 9:32 a.m.

The Committee met jointly with the Planning Committee of the Metropolitan Transportation Commission.

A quorum of the Committee was present.

Members Present

Councilmember Julie Pierce, City of Clayton
Supervisor David Rabbitt, County of Sonoma
Supervisor Dave Cortese, County of Santa Clara
Mayor Pro Tem Pat Eklund, City of Novato
Councilmember Pradeep Gupta, City of South San Francisco
Supervisor Scott Haggerty, County of Alameda
Mayor Bill Harrison, City of Fremont
Supervisor Mark Luce, County of Napa
Supervisor James Sperling, County of Solano

Members Absent

Supervisor Eric Mar, City and County of San Francisco
Supervisor Dave Pine, County of San Mateo (Alternate)

Staff Present

Ezra Rapport, ABAG Executive Director
Kenneth Moy, ABAG Legal Counsel
Miriam Chion, ABAG Planning and Research Director

2. PLEDGE OF ALLEGIANCE

President Pierce and MTC Planning Committee Chair Sperling led the Committees and the public in the Pledge of Allegiance.

3. COMPENSATION ANNOUNCEMENT

Fred Castro, Clerk of the Board, made the compensation announcement.

4. CONSENT CALENDAR

A. Approval of MTC Planning Committee Minutes of July 10, 2015

The MTC Planning Committee approved its minutes of July 10, 2015.

B. Update on Vital Signs: Environment

Dave Vautin, MTC, reported on Vital Signs: Environment.

C. Approval of ABAG Administrative Committee Summary Minutes of July 10, 2015 and July 16, 2015

President Pierce recognized a motion by Pat Eklund, Mayor Pro Tem, City of Novato, which was seconded by Bill Harrison, Mayor, City of Fremont, to approve the Administrative Committee summary minutes of July 10, 2015, with the following amendment under Item 6, Plan Bay Area 2014 Goals and Targets and Project Performance Update: Some members expressed concerns about proposed revisions to the performance targets for Plan Bay Area 2017 including removing the phrase “without displacing current low-income residents,” adding the phrase “with no increase in in-commuters over the Plan baseline year” of low income, and adding “increase the share of affordable housing in PDAs by [TBD]%”.

Members discussed the proposed amendment to the summary minutes of July 10, 2015.

The following individuals gave public comments:

The ayes were: Pierce, Cortese, Eklund, Gupta, Haggerty, Harrison, Luce, Sperring.

The nays were: None.

The abstentions were: None.

The absences were: Mar, Pine (Alternate), Rabbitt.

The motion passed unanimously.

5. UPDATE ON PLAN BAY AREA

A. Amendment to Plan Bay Area

Ashley Nguyen, MTC, reported on the amendment to Plan Bay Area:

(a) Proposed Final Transportation-Air Quality Conformity Analysis (MTC Resolution No. 4196)

(b) Proposed Final Addendum to Plan Bay Area Environmental Impact Report (MTC Resolution No. 4197, ABAG Resolution No. 07-15)

(c) Proposed Final Amendment to Plan Bay Area (MTC Resolution No. 4198, ABAG Resolution No. 08-15)

(d) Proposed Final Amendment to 2015 Transportation Improvement Program (TIP Revision Number 2015-18) (MTC Resolution No. 4175, Revised)

Approval of the Amendments to Plan Bay Area and 2015 Transportation Improvement Program (TIP) to include the Richmond-San Rafael Bridge Access Improvement Project, and approval of related technical Transportation-Air Quality Conformity Analysis and Addendum to Plan Bay Area EIR that demonstrate the Plan and TIP comply with federal transportation conformity and California Environmental Quality Act (CEQA) requirements. Public comment period on all four planning documents closed on July 20, 2015, and a summary of comments and responses will be presented prior to Committee action.

Staff recommended the following:

(a) Approve and Refer to Commission MTC Resolution No. 4196 to Approve the Final Transportation-Air Quality Conformity Analysis for the Amendment to Plan Bay Area and Amendment to 2015 Transportation Improvement Program (Revision 2015-18)

(b) Approve and Refer to Commission and ABAG Executive Board MTC Resolution No. 4197 and ABAG Resolution No. 07-15, respectively, to certify the Final Addendum to the Plan Bay Area Final Environmental Impact Report

(c) Approve and Refer to Commission and ABAG Executive Board MTC Resolution No. 4198 and ABAG Resolution No. 08-15, respectively, to adopt the Final Amendment to Plan Bay Area

(d) Approve and Refer to Commission MTC Resolution No. 4175, Revised to Adopt the Final 2015 Transportation Improvement Program (Revision 2015-18)

Members discussed the Richmond-San Rafael Bridge Access Improvement Project.

The following individual gave public comments: David Schonbrunn, TRANSDEF.

President Pierce recognized a motion by Eklund, which was seconded by Harrison, to approve and refer to the Executive Board for adoption ABAG Resolution No. 07-15, to certify the Final Addendum to the Plan Bay Area Final Environmental Impact Report; and to approve and refer to the Executive Board for adoption ABAG Resolution No. 08-15, to adopt the Final Amendment to Plan Bay Area.

The ayes were: Pierce, Cortese, Eklund, Gupta, Haggerty, Harrison, Luce, Spring.

The nays were: None.

The abstentions were: None.

The absences were: Mar, Pine (Alternate), Rabbitt.

The motion passed unanimously.

B. Plan Bay Area 2040 Goals and Targets—Revised Staff Recommendation

Pedro Galvao, ABAG, and Dave Vautin, MTC, reported on a revised staff recommendation for goals and performance targets related to Plan Bay Area 2040 in advance of Commission and ABAG Executive Board consideration for approval later this month.

Members discussed PBA 2040 goals and targets; the Fix It First program; economic vitality and wage growth; goods movement; the Regional Housing Control Totals; displacement; the mega-region; accessible housing.

The following individuals gave public comments: Louise Averhahn, Working Partnerships; Jill Ratner, Rose Foundation for Communities and the Environment; Lisa Vorderbrueggen, Building Industry Association of the Bay Area; David Zisser, Public Advocates; Kirsten Snow Spalding, San Mateo County Union Community Alliance; Matt Vander Sluis, Greenbelt Alliance; David Schonbrunn, TRANSDEF; Rich Hedges; Bob Allen, Urban Habitat.

Members discussed incentives to change behavior change; placeholder for Item 2, Adequate Housing Item 7, Displacement Risk, Item 9, Jobs and Wages; Item 10, Goods Movement; coordination between the mega-region; connectivity; jobs and wages.

President Pierce recognized a motion by Scott Haggerty, Supervisor, County of Alameda, which was seconded by Eklund, to refer to the Executive Board for approval the Plan Bay Area 2040 Goals and Targets—Revised Staff Recommendations, with the exception of Item 2, Adequate Housing, and addition of placeholders for Item 7, Displacement Risk; Item 9, Jobs and Wages; and Item 10, Goods Movement.

The ayes were: Pierce, Cortese, Eklund, Gupta, Haggerty, Harrison, Luce, Sperling.

The nays were: None.

The abstentions were: None.

The absences were: Mar, Pine (Alternate), Rabbitt.

The motion passed unanimously.

6. UNDERSTANDING DISPLACEMENT IN THE BAY AREA—DEFINITION, MEASURES AND POTENTIAL POLICY APPROACHES

Miriam Chion, ABAG, and Ken Kirkey, MTC, reported on recent trends in the Bay Area, a working definition, potential methods to measure risk, options for a displacement performance measure, and existing policy tools for discussion.

Members discussed displacement measures.

The following individuals gave public comments: David Zisser, Public Advocates; Matt Vander Sluis, Greenbelt Alliance; Bob Allen, Urban Habitat; Roland Lebrun; Rhovy Lyn Antonion, California Apartment Association, Tri-County Division; Vincent Rocha, Santa Clara County Association of Realtors.

Members discussed work proximity housing; displacement context by local jurisdictions; tool kit; opportunity sites; community investment.

7. PUBLIC COMMENT / OTHER BUSINESS

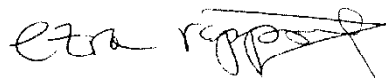
The following individual gave public comments: [Unidentified Speaker].

8. ADJOURNMENT / NEXT MEETING

The meeting adjourned at about 1:00 p.m.

The Committee's next meeting is scheduled for Friday, October 9, 2015.

Submitted:



Ezra Rapport, Secretary-Treasurer

Date Submitted: October 2, 2015

Date Approved: TBD

*For information, contact Fred Castro, Clerk of the Board, at (510) 464 7913 or
FredC@abag.ca.gov.*



Metropolitan Transportation Commission

101 Eighth Street,
Joseph P. Bort MetroCenter
Oakland, CA

Legislation Details (With Text)

File #: 15-0867 **Version:** 1 **Name:**

Type: Minutes **Status:** Consent

File created: 9/11/2015 **In control:** Joint MTC Planning Committee with the ABAG Administrative Committee

On agenda: 10/9/2015 **Final action:**

Title: MTC - Minutes of the September 11, 2015 Meeting

Sponsors:

Indexes:

Code sections:

Attachments: [MTC Minutes Sept 2015.pdf](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|

Subject:

MTC - Minutes of the September 11, 2015 Meeting

Recommended Action:

MTC Planning Committee Approval

Attachments



101 Eighth Street,
Joseph P. Bort
MetroCenter
Oakland, CA

Meeting Minutes - Draft

Joint MTC Planning Committee with the ABAG Administrative Committee

James Sperling, MTC Chair Anne Halsted, MTC Vice Chair

Friday, September 11, 2015

9:30 AM

Lawrence D. Dahms Auditorium

Call Meeting to Order

1. Roll Call / Confirm Quorum

Present: 7 - Chairperson Sperling, Vice Chair Halsted, Commissioner Aguirre, Commissioner Haggerty, Commissioner Kinsey, Commissioner Liccardo and Commissioner Pierce

Non-Voting Members Present: Commissioner Azumbrado and Commissioner Giacomini

Ex Officio Voting Member Present: Commission Chair Cortese

Ad Hoc Non-Voting Members Present: Commissioner Bates, Commissioner Campos, Commissioner Luce and Commissioner Tissier

ABAG Administrative Committee members present were: Cortese, Eklund, Gupta, Haggerty, Harrison, Luce, Pierce, Rabbitt and Sperling.

2. Pledge of Allegiance

3. Compensation Announcement - Committee Secretary

4. Consent Calendar

Approval of the Consent Calendar

Upon the motion by Commissioner Haggerty and second by Commissioner Aguirre, the Consent Calendar was unanimously approved by the following vote:

Aye: 6 - Chairperson Sperling, Vice Chair Halsted, Commissioner Aguirre, Commissioner Haggerty, Commissioner Kinsey and Commissioner Pierce

Absent: 1 - Commissioner Liccardo

4a. [15-0774](#) Minutes of the July 10, 2015 Meeting

Action: Committee Approval

4b. [15-0775](#) Vital Signs: Environment

Action: Information

Presenter: Dave Vautin, MTC

Commissioner Liccardo arrived after the approval of the Consent Calendar

5. Approval

5a [15-0779](#) Amendment to Plan Bay Area:

- (a) Proposed Final Transportation-Air Quality Conformity Analysis (MTC Resolution No. 4196).
- (b) Proposed Final Addendum to Plan Bay Area Environmental Impact Report (MTC Resolution No. 4197).
- (c) Proposed Final Amendment to Plan Bay Area (MTC Resolution No. 4198).
- (d) Proposed Final Amendment to 2015 Transportation Improvement Program (TIP Revision Number 2015-18) (MTC Resolution No. 4175, Revised).

Approval of the Amendments to Plan Bay Area and 2015 Transportation Improvement Program (TIP) to include the Richmond-San Rafael Bridge Access Improvement Project, and approval of related technical Transportation-Air Quality Conformity Analysis and Addendum to Plan Bay Area EIR that demonstrate the Plan and TIP comply with federal transportation conformity and California Environmental Quality Act (CEQA) requirements. Public comment period on all four planning documents closed on July 20, 2015, and a summary of comments and responses will be presented.

- Action:**
- (a) Approve MTC Resolution No. 4196 to Approve the Final Transportation-Air Quality Conformity Analysis for the Amendment to Plan Bay Area and Amendment to 2015 Transportation Improvement Program (Revision 2015-18).
 - (b) Approve MTC Resolution No. 4197, to Certify the Final Addendum to the Plan Bay Area Final Environmental Impact Report.
 - (c) Approve MTC Resolution No. 4198 to Adopt the Final Amendment to Plan Bay Area.
 - (d) Approve MTC Resolution No. 4175, Revised to Adopt the Final 2015 Transportation Improvement Program (Revision 2015-18).

Presenter: Ashley Nguyen, MTC

David Schonbrunn was called to speak

Upon the motion by Commissioner Kinsey and second by Vice Chair Halsted, MTC Resolution No. 4196 to Approve the Final Transportation-Air Quality Conformity Analysis for the Amendment to Plan Bay Area and Amendment to 2015 Transportation Improvement Program (Revision 2015-18); MTC Resolution No. 4197 to Certify the Final Addendum to the Plan Bay Area Final Environmental Impact Report; Resolution No. 4198 to Adopt the Final Amendment to Plan Bay

Area and MTC Resolution No. 4175, Revised to Adopt the Final 2015 Transportation Improvement Program (Revision 2015-18) was approved and forwarded to the Commission for approval. The motion carried by the following vote:

Aye: 7 - Chairperson Sperling, Vice Chair Halsted, Commissioner Aguirre, Commissioner Haggerty, Commissioner Kinsey, Commissioner Liccardo and Commissioner Pierce

5b. [15-0778](#) Plan Bay Area 2040 Goals & Targets - Revised Staff Recommendation.

Presentation on a revised staff recommendation for goals and performance targets related to Plan Bay Area 2040.

Action: Commission Approval

Presenter: Pedro Galvao, ABAG and Dave Vautin, MTC

The following individuals spoke on this item:

Louise Averhahn of Working Partnerships;

Jill Ratner of Rose Foundation for Communities and the Environment;

Lisa Vorderbrueggen of the Building Industry Association of the Bay Area;

David Zisser of Public Advocates;

Reverend Kirsten Snow Spalding of San Mateo County Union Community Alliance;

Matt Vander Sluis of Greenbelt Alliance;

David Schonbrunn of TRANSDEF;

Rich Hedges; and

Bob Allen of Urban Habitat.

A motion by Commissioner Kinsey and second by Commissioner Aguirre, to approve MTC Resolution No. 4204 - Adopt Goals and Performance Targets for Plan Bay Area 2040 targets list with inclusion of two additional placeholders for future targets, one focused on goods movement and another focused on wages / jobs; and including a deferral of adoption of target language under Adequate Housing (target #2) until a later date to allow for additional discussion at the staff and policymaker levels. The motion was approved by the following vote:

Aye: 7 - Chairperson Sperling, Vice Chair Halsted, Commissioner Aguirre, Commissioner Haggerty, Commissioner Kinsey, Commissioner Liccardo and Commissioner Pierce

6. [15-0856](#) Understanding Displacement in the Bay Area - Definition, Measures and Potential Policy Approaches

Staff presentation on recent trends in the Bay Area, a working definition, potential methods to measure risk, options for a displacement performance measure, and existing policy tools for discussion.

Action: Information

Presenter: Miriam Chion, ABAG and Ken Kirkey, MTC

The following individuals spoke on this item:

David Zisser of Public Advocates;

Matt Vander Sluis of Greenbelt Alliance;

Bob Allen of Urban Habitat;

Roland Lebrun;

Rhovy Lyn Antonion of California Apartment Association, Tri-County Division; and

Vincent Rocha of Santa Clara County Association of Realtors.

7. Public Comment / Other Business

Jane Kramer was called to speak

Roland Lebrun was called to speak

8. Adjournment / Next Meeting

The next meeting of the Joint MTC Planning Committee with the ABAG Administrative Committee will be held on October 9, 2015 at 9:30 a.m. in the Lawrence D. Dahms Auditorium, First Floor, 101 Eighth Street, Oakland, CA.



Metropolitan Transportation Commission

101 Eighth Street,
Joseph P. Bort MetroCenter
Oakland, CA

Legislation Details (With Text)

File #: 15-0870 **Version:** 1 **Name:**

Type: Resolution **Status:** Consent

File created: 9/11/2015 **In control:** Joint MTC Planning Committee with the ABAG Administrative Committee

On agenda: 10/9/2015 **Final action:**

Title: 2015 Congestion Management Program Guidance: MTC Resolution No. 3000, Revised

Staff recommends these minor revisions to the CMP guidance to reflect updated information.

Sponsors:

Indexes:

Code sections:

Attachments: [2015 Congestion Management Program Guidance- MTC Resolution No. 3000- Revised.pdf](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|

Subject:

2015 Congestion Management Program Guidance: MTC Resolution No. 3000, Revised

Staff recommends these minor revisions to the CMP guidance to reflect updated information.

Presenter:

Valerie Knepper, MTC

Recommended Action:

Committee Approval

Attachments



METROPOLITAN
TRANSPORTATION
COMMISSION

Joseph P. Bort MetroCenter
101 Eighth Street
Oakland, CA 94607-4700
Tel: 510.464.7700
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Fax: 510.464.7848

Memorandum

TO: Planning Committee

DATE: October 2, 2015

FR: Executive Director

RE: 2015 Congestion Management Program Guidance: MTC Resolution No. 3000, Revised

Background

Congestion Management Programs (CMPs) were established by State law in 1990, and created a cooperative context for transportation planning by cities within California counties. However, the specified approach creates some unintended consequences and is out of sync with modern approaches to land use/transportation planning, as per AB 32 and SB 375.

Many affected jurisdictions throughout the state have chosen to opt out of the CMP process, as provided for in the law; CMPs are not required in a county if a majority of local governments representing a majority of the population and the Board of Supervisors adopt resolutions electing to be exempt from this requirement (AB 2419 (Bowler) Chapter 293, Statutes of 1996). MTC encourages local consideration of the option to opt out, in order to more effectively focus limited resources on planning efforts of the highest importance. For counties that opt out of preparing a CMP, MTC will directly work with the appropriate county agencies to establish project priorities for funding.

This Guidance is for those counties that prepare a CMP in accordance with state statutes. MTC's responsibilities include review of the consistency of the CMPs with the Regional Transportation Plan (RTP), evaluation of the consistency and compatibility of the CMPs in the region, and for inclusion of CMP projects in the Regional Transportation Improvement Program (RTIP) subject to funding constraints.

CMP Review Process and Schedule

MTC is required to evaluate consistency of the CMPs every two years with the RTP that is in effect when the CMP is submitted. Given that the last CMP Guidelines, adopted in 2013, already incorporated the direction and performance measures of a draft of Plan Bay Area, there are only minor revisions made to this update. Projects proposed for the Regional Transportation Improvement Program (RTIP) will be reviewed for consistency with MTC's Plan Bay Area. Note that the current approved fund estimate for the 2016 Statewide Transportation Improvement Program is \$46 million statewide, so new funding capacity is essentially zero.

Recommendation

MTC Resolution No. 3000, Revised, delegates to this Committee the responsibility for approving amendments to the CMP Guidance (MTC Resolution No. 3000, Revised). Staff recommends

that the committee approve the revisions to Attachments A and B of MTC Resolution No. 3000, Revised, for the purpose of providing guidance for the development of the 2015 CMPs consistent with Plan Bay Area.



Steve Heminger

SH: vk

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Table 1**MTC's 2015 CMP Review Process and Schedule**

| Date | Activity | Responsible Party |
|---------------------------|--|-------------------------------|
| October 9, 2015 | Approval of updates to CMP Guidance | MTC's Planning Committee |
| October 14 | CMAs submit RTIP projects summary listings and identification of projects requiring project-level performance measure analysis to MTC. Deadline to submit Complete Streets Checklist for new projects. | CMAs |
| October 14- November 2 | Review of consistency of CMPs with the Regional Transportation Plan (RTP) | MTC staff |
| November 4 | Final Project Programming Request (PPR) forms due to MTC. Final RTIP project listing and performance measure analysis due to MTC. Final PSR (or PSR equivalent), Resolution of Local Support, and Certification of Assurances due to MTC (final complete applications due) | CMAs |
| December 9 | Policy Advisory Council scheduled review of RTIP and referral to Commission for approval | MTC's Policy Advisory Council |
| December 15 | 2016 RTIP due to the California Transportation Commission (CTC) (PAC approved project list will be submitted) | MTC staff |
| December 16 | MTC's scheduled Consistency Findings on 2015 CMPs MTC's scheduled approval of the 2016 RTIP | MTC Commission |

| | | |
|--------------|---------------|--------------|
| Date: | June 25, 1997 | |
| W.I.: | 30.5.10 | |
| Referred By: | WPC | |
| Revised: | 06/11/99-W | 05/11/01-POC |
| | 06/13/03-POC | 06/10/05-POC |
| | 05/11/07-PC | 05/08/09-PC |
| | 06/10/11-PC | 07/12/13-PC |
| | 10/09/15-PC | |

ABSTRACT

Resolution No. 3000, Revised

This resolution revises MTC's Guidance for Consistency of Congestion Management Programs with the Regional Transportation Plan (RTP).

This resolution supersedes Resolution No. 2537

Attachments A and B of this resolution were revised on June 11, 1999 to reflect federal and state legislative changes established through the passage of the Transportation Equity Act of the 21st Century and SB 45, respectively. In addition, the Modeling Checklist has been updated.

Attachments A and B of this resolution were revised on May 11, 2001 to reflect state legislative changes and to reference updated demographic and forecast data.

Attachments A and B of this resolution were revised on June 13, 2003 to reflect state legislative changes, 2001 RTP goals and policies, and to reference updated demographic and forecast data.

Attachments A and B of this resolution were revised on June 10, 2005 to reflect the updated RTP goals, as per Transportation 2030, and to reference updated demographic and forecast data.

Attachments A and B of this resolution were revised on May 11, 2007 to reflect federal legislative changes established through the passage of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA), and to reference new State Transportation Control Measures and updated demographic and forecast data.

Attachments A and B of this resolution were revised on May 8, 2009 to reflect MTC's new RTP (Transportation 2035 Plan), an updated Travel Demand Modeling Checklist, and revised Resolution 3434 and TOD policy.

ABSTRACT

MTC Resolution No. 3000, Revised

Page 2

Attachments A and B of this resolution were revised on June 10, 2011 to reflect the new regional coordinated land use and transportation planning process as directed through SB 375, an updated Travel Demand Modeling Checklist, the newly released Highway Capacity Manual 2010, the Bay Area 2010 Ozone Strategy, and updates to the table noting achievement of the Transit Oriented Development requirements by Resolution No. 3434 transit extension project.

Attachments A and B of this resolution were revised on July 12, 2013 to reflect the new RTP (Plan Bay Area) and the statutory requirements in MAP-21 for RTP and air quality conformity requirements.

Attachments A and B of this resolution were revised on October 9, 2015 to reflect the final Plan Bay Area document, revisions to the Modeling Consistency Requirements and Transportation Control Measures, and to include minor updates to descriptive language.

Date: June 25, 1997
W.I.: 30.5.10
Referred By: WPC

Re: Congestion Management Program Policy.

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 3000

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code Sections 66500 et seq; and

WHEREAS, Government Code § 65080 requires each transportation planning agency to prepare a regional transportation plan and a regional transportation improvement program directed at the achievement of a coordinated and balanced regional transportation system; and

WHEREAS, Government Code § 65089 requires a designated local agency in each urbanized county to develop, adopt, and periodically update a congestion management program for the county and its included cities unless a majority of local governments in a county and the county board of supervisors elect to be exempt; and requires that this congestion management program be developed in consultation, among others, with the regional transportation planning agency; and

WHEREAS, Government Code § 65089.2 requires that, for each congestion management program prepared, the regional transportation planning agency must make a finding that each congestion management program is consistent with the regional transportation plan, and upon making that finding shall incorporate the congestion management program into the regional transportation improvement program; and

WHEREAS, Government Code § 65082 requires that adopted congestion management programs be incorporated into the regional transportation improvement program approved by MTC; and

WHEREAS, MTC has adopted a Congestion Management Program Policy (MTC Resolution 2537, Revised) to provide guidance for all the counties and cities within the region in preparing their congestion management programs; and,

WHEREAS, MTC's Congestion Management Program Policy needs to be updated from time to time to provide further guidance, now, therefore, be it

RESOLVED, that MTC adopts the Congestion Management Program Policy, as set forth in Attachments A and B to this resolution, which are incorporated herein by reference; and, be it further

RESOLVED, that the MTC Work Program Committee is delegated the responsibility for approving amendments to Attachments A and B; and, be it further

RESOLVED, that this resolution shall be transmitted to the nine Bay Area Congestion Management Agencies for use in preparing their congestion management programs; and, be it further

RESOLVED, that MTC Resolution No. 2537, Revised is hereby superceded.

METROPOLITAN TRANSPORTATION COMMISSION

Jane Baker, Chairwoman

The above resolution was entered into
by the Metropolitan Transportation
Commission at a regular meeting of the
Commission held in Oakland,
California, on June 25, 1997.

| | | |
|--------------|---------------|--------------|
| Date: | June 25, 1997 | |
| W.I.: | 30.5.10 | |
| Referred By: | WPC | |
| Revised: | 06/11/99-W | 05/11/01-POC |
| | 06/13/03-POC | 06/10/05-POC |
| | 05/11/07-PC | 05/08/09-PC |
| | 06/10/11-PC | 07/12/13-PC |
| | 10/09/15-PC | |

Attachment A
Resolution No. 3000
Page 1 of 11

GUIDANCE FOR CONSISTENCY OF

CONGESTION MANAGEMENT PROGRAMS

WITH THE REGIONAL TRANSPORTATION PLAN

Metropolitan Transportation Commission

October 2015

GUIDANCE FOR CONSISTENCY OF CONGESTION MANAGEMENT PROGRAMS WITH THE REGIONAL TRANSPORTATION PLAN

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I. INTRODUCTION

A. Purpose of This Guidance

The Congestion Management Program (CMP) statutes establish specific requirements for the content and development process for CMPs, for the relationship between CMPs and the metropolitan planning process, for CMA monitoring and other responsibilities, and for the responsibilities of MTC as the regional transportation agency. CMPs are not required in a county if a majority of local governments representing a majority of the population and the Board of Supervisors adopt resolutions electing to be exempt from this requirement (AB 2419 (Bowler) Chapter 293, Statutes of 1996). This Guidance is for those counties that prepare a CMP in accordance with state statutes. For counties that opt out of preparing a CMP, MTC will directly work with the appropriate county agencies to establish project priorities for funding.

CMP statutes also specify particular responsibilities involving CMPs for the regional transportation agency, in the Bay Area, MTC. These responsibilities include review of the consistency of the CMPs with the RTP, evaluation of the consistency and compatibility of the CMPs in the Bay Area, and inclusion of the CMP projects in the Regional Transportation Improvement Program (RTIP).

The purpose of this guidance is to focus on the relationship of the CMPs to the regional planning process and MTC's role in determining consistency of CMPs with the Regional Transportation Plan (RTP).

B. Legislative Requirement for Congestion Management Programs

Congestion Management Programs were established as part of a bi-partisan legislative package in 1989, and approved by the voters in 1990. This legislation also increased transportation revenues and changed state transportation planning and programming processes. The specific CMP provisions were originally chartered by the Katz-Kopp-Baker-Campbell Transportation Blueprint for the Twenty-First Century by AB 471 (Katz); (Chapter 106, Statutes 1989). They were revised by AB 1791 (Katz) (Chapter 16, Statutes of 1990), AB 3093 (Katz) (Chapter 2.6, Statutes of 1992), AB 1963 (Katz) (Chapter 1146, Statutes of 1994), AB 2419 (Bowler) (Chapter 293, Statutes of 1996), AB 1706 (Chapter 597, Statutes of 2001), and SB 1636 (Figueroa)(Chapter 505, Section 4, Statutes of 2002), which defines and incorporates "infill opportunity zones." The provisions regarding establishing new "infill opportunity zones" have now expired, but established infill opportunities zones are still subject to the statutes.

CMP statutes establish requirements for local jurisdictions to receive certain gas tax subvention funds. Additionally, CMPs play a role in the development of specific project proposals for the Regional Transportation Improvement Program.

C. The Role of CMPs in the Metropolitan Planning Process

CMPs can play a role in the countywide and regional transportation planning processes (although these functions can be achieved without an official CMP as well):

- CMPs can be used to identify specific near term projects to implement the longer-range vision established in a countywide plan.
- Through CMPs, the transportation investment priorities of the multiple jurisdictions in each county can be addressed in a countywide context.
- CMPs can be used to establish a link between local land use decision making and the transportation planning process.
- CMPs can be used as a building block for the federally required Congestion Management Program.

II. MTC's ROLE and RESPONSIBILITIES

A. MTC's Responsibilities regarding CMPs

MTC's direct responsibilities under CMP statutes are concentrated in the following provisions:

“The regional agency shall evaluate the consistency between the program (i.e., the CMP) and the regional transportation plans required pursuant to Section 65080. In the case of a multicounty regional transportation planning agency, that agency shall evaluate the consistency and compatibility of the programs within the region.” (Section 65089.2 (a))

The regional agency, upon finding that the program is consistent, shall incorporate the program into the regional transportation improvement program as provided for in Section 65082. If the regional agency finds the program is inconsistent, it may exclude any project in the congestion management program from inclusion in the regional transportation improvement program. (Section 65089.2(b))

It is the intent of the Legislature that the regional agency, when its boundaries include areas in more than one county, should resolve inconsistencies and mediate disputes which arise between agencies related to congestion management programs adopted for those areas.” Section 65089.2.(d)(1))

B. The Regional Transportation Plan (RTP) Regulatory Setting and Goals

Federal Requirements

The primary federal requirements regarding RTPs are addressed in the metropolitan transportation planning rules in Title 23 of the Code of Federal Regulations (CFR) Part 450 and 500 and Title 49 CFR Part 613. These federal regulations have been updated to reflect the metropolitan transportation planning regulations called out in MAP-21. Under MAP-21, the U.S. Department of Transportation requires that metropolitan planning

organizations, such as MTC, prepare long-range transportation plans and update them every four years if they are in areas designated as “nonattainment” or “maintenance” for federal air quality standards. Plan Bay Area fulfills this requirement.

State Requirements

California Government Code Section 65080 sets forth the State’s requirements for RTPs. Section 65080 requires MPOs located in air quality nonattainment regions update their RTPs at least every four years.

The regional agencies, particularly MTC, the Association of Bay Area Governments, the Bay Area Air Quality Management District, and the Bay Conservation and Development Commission, also address the requirements flowing from California’s 2008 Senate Bill 375 (Steinberg), which calls on each of the state’s 18 metropolitan areas to reduce greenhouse gas (GHG) emissions from cars and light trucks. The mechanism for achieving these reductions is the Sustainable Communities Strategy (SCS). Plan Bay Area is the region’s SCS and RTP and has been developed in an integrative process with the Bay Area’s regional and local partners.

State Regional Transportation Plan (RTP) Guidelines

The RTP Guidelines adopted by the California Transportation Commission (CTC) state that the CTC cannot program projects that are not identified in the RTP.

Section 65080 of the Government Code, as amended by SB 375, states that the RTP shall contain four distinct elements:

- A Policy Element that reflects the mobility goals, policies and objectives of the region;
- A Sustainable Communities Strategy, as established through SB 375;
- An Action Element that identifies programs and actions to implement the RTP; and
- A Financial Element that summarizes the cost of implementing the projects in the RTP in a financially constrained environment.

Plan Bay Area serves all the specific planning purposes outlined in the CTC RTP Guidelines

C. Consistency Findings

MTC’s findings for the consistency of CMPs focus on five areas:

- Goals and objectives established in the RTP,
- Consistency of the system definition with adjoining counties,
- Consistency with federal and state air quality plans,
- Consistency with the MTC travel demand modeling database and methodologies; and
- RTP financial assumptions.

1) Goals and objectives established in the RTP

Plan Bay Area represents the adopted transportation policy and action statement of how the Bay Area will approach the region's transportation needs to the year 2040. It was prepared by MTC in partnership with the Association of Bay Area Governments (ABAG), the Bay Area Air Quality Management District (BAAQMD), and the Bay Conservation and Development Commission (BCDC) and in collaboration with Caltrans, the nine county-level Congestion Management Agencies (CMAs) or substitute agencies, over two dozen Bay Area transit operators, and numerous transportation stakeholders and the public.

Plan Bay Area incorporates a set of performance targets as quantifiable measures against which progress may be evaluated, as shown below:

PLAN BAY AREA PERFORMANCE TARGETS

| Goal/Outcome | # | Target |
|--|---|---|
| CLIMATE PROTECTION | 1 | Reduce per-capita CO ₂ emissions from cars and light-duty trucks by 15% <i>Statutory - Source: California Air Resources Board, as required by SB 375</i> |
| ADEQUATE HOUSING | 2 | House 100% of the region's projected growth by income level (very-low, low, moderate, above-moderate) without displacing current low-income residents <i>Statutory - Source: ABAG, as required by SB 375</i> |
| HEALTHY & SAFE COMMUNITIES | 3 | Reduce premature deaths from exposure to particulate emissions: <ul style="list-style-type: none"> • Reduce premature deaths from exposure to fine particulates (PM2.5) by 10% • Reduce coarse particulate emissions (PM10) by 30% • Achieve greater reductions in highly impacted areas <i>Source: Adapted from federal and state air quality standards by BAAQMD</i> |
| | 4 | Reduce by 50% the number of injuries and fatalities from all collisions (including bike and pedestrian) <i>Source: Adapted from California State Highway Strategic Safety Plan</i> |
| | 5 | Increase the average daily time walking or biking per person for transportation by 70% (for an average of 15 minutes per person per day) <i>Source: Adapted from U.S. Surgeon General's guidelines</i> |
| OPEN SPACE AND AGRICULTURAL PRESERVATION | 6 | Direct all non-agricultural development within the urban footprint (existing urban development and urban growth boundaries) <i>Source: Adapted from SB 375</i> |

| | | |
|---|-----------|--|
| EQUITABLE ACCESS | 7 | Decrease by 10 percentage points (to 56 percent, from 66 percent) the share of low-income and lower-middle income residents' household income consumed by transportation and housing <i>Source: Adapted from Center for Housing Policy</i> |
| ECONOMIC VITALITY | 8 | Increase gross regional product (GRP) by 110%, an average annual growth rate of approximately 2% (in current dollars) <i>Source: Bay Area Business Community</i> |
| TRANSPORTATION SYSTEM EFFECTIVENESS | 9 | <ul style="list-style-type: none"> • Increase non-auto mode share by 10% (to 25% of trips) • Decrease automobile vehicle miles traveled per capita by 10% <i>Source: Adapted from Caltrans Smart Mobility 2010</i> |
| | 10 | Maintain the transportation system in a state of good repair: <ul style="list-style-type: none"> • Increase local road pavement condition index (PCI) to 75 or better • Decrease distressed lane-miles of state highways to less than 10% of total lane-miles • Reduce share of transit assets past their useful life to 0% (Note baseline year is 2012) <i>Source: Regional and state plans</i> |

Unless noted, the Performance Target increases or reductions are for 2040 compared to a year 2005 baseline.

Regional Transit Expansion Program

The Regional Transit Expansion Program – adopted by the Commission as Resolution 3434 –calls for a nearly \$18 billion investment in new rail and bus projects that will improve mobility and enhance connectivity for residents throughout the Bay Area. Further Plan Bay Area identified Next Generation transit priorities to include the BART extensions from Berryessa to San Jose, Santa Clara, Transbay Transit Center/Caltrain Downtown Extension: Phase 2; as well as several bus rapid transit projects. and Downtown. MTC has adopted a Transportation and Land Use Platform that calls for supportive land use plans and policies to support transit extensions in Res. 3434. Further, MTC has adopted a Transit Oriented Development Policy, as part of Res. 3434, that establishes specific housing thresholds for these extensions, requires station area plans and establishes corridor working groups. These regional policies and specific projects within the county should be recognized in the CMP (attached as Appendix C).

2) Consistency of the system definition with adjoining counties

The CMP statutes require that the CMA designate a system of highways and roadways which shall be subject to the CMP requirements. Consistency requires the regional continuity of the CMP designated system for facilities that cross county borders.

3) Consistency with pertinent Air Quality Plans

Transportation Control Measures (TCMs) are identified in the federal and state air quality plans to achieve and maintain the respective standards for ozone and carbon monoxide.

The statutes require that the Capital Improvement Program (CIP) of the CMP conform to transportation related vehicle emission air quality mitigation measures. CMPs should promote the region's adopted transportation control measures (TCMs) for the Federal and State Clean Air Plans. In addition, CMPs are encouraged to consider the benefits of greenhouse gas (GHG) reductions in developing the CIP, although GHG emission reductions are not currently required in either Federal or State Clean Air Plans.

A reference to the lists of federal and state TCMs is provided in Attachment B. The lists may be updated from time to time to reflect changes in the federal and state air quality plans..

In particular, TCMs that require local implementation should be identified in the CMP, specifically in the CIP.

CMPs are also required to contain provisions pertaining to parking cash-out.

(1) The city or county in which a commercial development will implement a parking cash-out program that is included in a congestion management program pursuant to subdivision (b), or in a deficiency plan pursuant to Section 65089.4, shall grant to that development an appropriate reduction in the parking requirements otherwise in effect for new commercial development. (2) At the request of an existing commercial development that has implemented a parking cashout program, the city of county shall grant an appropriate reduction in the parking requirements otherwise applicable based on the demonstrated reduced need for parking, and the space no longer needed for parking purposes may be used for other appropriate purposes. (Section 65089 (d))

It should also be noted that starting on January 1, 2010, cities, counties and air districts have the option of enforcing the State Parking Cash-Out statutes (Section 43845 of the Health and Safety Code), as per SB 728 (Lowenthal). This provides local jurisdictions with another tool to craft their own approaches to support multi-modal transportation systems, address congestion and green house gasses.

4) Consistency with the MTC Travel Demand Modeling Databases and Methodologies

MTC's statutory requirements regarding consistent databases are as follows:

The agency, (i.e., the CMA) in consultation with the regional agency, cities, and the county, shall develop a uniform data base on traffic impacts for use in a countywide transportation computer model . . . The computer models shall be consistent with the modeling methodology adopted by the regional planning agency. The data bases used in the models shall be consistent with the data bases used by the regional planning agency. Where the regional agency has jurisdiction over two or more counties, the data bases used by the agency shall be consistent with the data bases used by the regional agency. (Section 65089 (c))

MTC desires the development and implementation of consistent travel demand models, with shared input databases, to provide a common foundation for transportation policy and investment analysis.

The Regional Model Working Group of the Bay Area Partnership serves as a forum for sharing data and expertise, and providing peer review for issues involving the models developed by or for the CMAs, MTC, and other parties. The MTC Checklist for Modeling will be used to guide the consistency assessment of CMA models with the MTC model.

The Checklist is included in Attachment B, and addresses:

- Demographic/econometric forecasts
- Pricing assumptions
- Network assumptions
- Travel demand methodologies; and,
- Traffic assignment methodologies

5) Level of Service Methodology

CMP statutory requirements regarding level of service are as follows

“Level of service (LOS) shall be measured by Circular 212, by the most recent version of the Highway Capacity Manual, or by a uniform methodology adopted by the agency that is consistent with the Highway Capacity Manual.” (Section 65089 (b))

The most recently adopted version of the Highway Capacity Manual is HCM2010, which significantly improves how engineers and planners assess the traffic and environmental effects of highway projects over previous versions by:

- Providing an integrated multimodal approach to the analysis and evaluation of urban streets from the points of view of automobile drivers, transit passengers, bicyclists, and pedestrians;
- Addressing the proper application of micro-simulation analysis and the evaluation of those results; and
- Examining active traffic management in relation to both demand and capacity.

Note that the State of California Office of Planning and Research (OPR) is in the process of developing an alternative to the LOS approach as it relates to the California Environmental Quality Act (CEQA), in response to SB 734 (Steinberg, 2013); this new approach will be of great interest for land use/transportation planning purposes.

6) RTP Financial Requirements and Projections

Under the federal transportation authorization (MAP-21), the actions, programs and projects in the RTP must be financially deliverable within reasonable estimates of public and private resources. While CMPs are not required by legislation to be financially constrained, recognition of financial constraints, including the costs for maintaining, rehabilitating, and operating the existing multi-modal system and the status of specific

major projects, will strengthen the consistency and linkage between the regional planning process and the CMP. The CMA may submit project proposals for consideration by MTC in developing future financially constrained RTPs.

D. Consistency and Compatibility of the Programs within the Region

The CMP statutes require that, in the case of a multi-county regional transportation agency, that agency shall evaluate the consistency and compatibility of the congestion management programs within the region. Further, it is the Legislature's stated intention that the regional agency (i.e., MTC in the San Francisco Bay Area) resolve inconsistencies and mediate disputes between congestion management programs within a region.

To the extent useful and necessary, MTC will identify differences in methodologies and approaches between the CMPs on such issues as performance measures and land use impacts.

E. Incorporation of the CMP Projects into the RTIP

State transportation statutes require that the MTC, in partnership with the State and local agencies, develop the Regional Transportation Improvement Program (RTIP) on a biennial cycle. The RTIP is the regional proposal for State and federal funding, adopted by MTC and provided to the California Transportation Commission (CTC) for the development of the State Transportation Improvement Program (STIP). In 1997, SB 45 (Statutes 1997, Chapter 622) significantly revised State transportation funding policies, delegating project selection and delivery responsibilities for a major portion of funding to regions and counties. Subsequent changes to state law (AB 2928 – Statutes 2000, Chapter 91) made the RTIP a five-year proposal of specific projects, developed for specific fund sources and programs. The RTIP is required to be consistent with the RTP that is currently in effect. The RTP is revised periodically.

The CMP statutes establish a direct linkage between CMPs that have been found to be consistent with the RTP, and the RTIP. MTC will review the projects in the Capital Improvement Program (CIP) of the CMP for consistency with the RTP. MTC's consistency findings for projects in the CMPs will be limited to those projects that are included in the RTP, and do not extend to other projects that may be included in the CMP. Some projects may be found consistent with a program category in the RTP. MTC, upon finding that the CMP is consistent with the RTP, shall incorporate the program into the RTIP, subject to specific programming and funding requirements. If MTC finds the program inconsistent, it may exclude any project in the program from inclusion in the RTIP. Since the RTIP must be consistent with the RTP, projects that are not consistent with the RTP will not be included in the RTIP. MTC may include certain projects or programs in the RTIP which are not in a CIP, but which are in the RTP. In addition, SB 45 requires projects included in the Interregional Transportation Improvement Program (ITIP) to be consistent with the RTP.

MTC will establish funding bid targets for specific funds, based upon the fund estimate as adopted by the California Transportation Commission (CTC). Project proposals can

only be included in the RTIP within these funding bid targets. MTC will also provide information on other relevant RTIP processes and requirements, including coordination between city, county, and transit districts for project applications, schedule, evaluations and recommendations of project submittals, as appropriate for the RTIP.

As per CTC's Guidelines, MTC will evaluate the projects in the RTIP based on specific performance indicators and measures as established in the RTP, and provide this evaluation to the CTC along with the RTIP. CMAs are encouraged to consider the performance measures in Plan Bay Area when developing specific project proposals for the RTIP; more details will be provided in the RTIP Policies and Procedures document, adopted by MTC for the development of the RTIP.

III. CMP PREPARATION AND SUBMITTAL TO MTC

A. CMP Preparation

If prepared, the CMP shall be developed by the CMA in consultation with, and with the cooperation of, MTC, transportation providers, local governments, Caltrans, and the BAAQMD, and adopted at a noticed public hearing of the CMA. As established in SB 45, the RTIP is scheduled to be adopted by December 15 of each odd numbered year. If circumstances arise that change this schedule, MTC will work with the CMAs and substitute agencies in determining an appropriate schedule and mechanism to provide input to the RTIP.

B. Regional Coordination

In addition to program development and coordination at the county level, and consistency with the RTP, the compatibility of the CMPs with other Bay Area CMPs would be enhanced through identification of cross county issues in an appropriate forum, such as Partnership and other appropriate policy and technical committees. Discussions would be most beneficial if done prior to final CMA actions on the CMP.

C. Submittal to MTC

To provide adequate review time, draft CMPs should be submitted to MTC in accordance to a schedule MTC will develop to allow sufficient time for incorporation into the RTIP for submittal to the California Transportation Commission. Final CMPs must be adopted prior to final MTC consistency findings.

D. MTC Consistency Findings for CMPs

MTC will evaluate consistency of the CMP every two years with the RTP that is in effect when the CMP is submitted; for the 2015 CMP the RTP in effect will be Plan Bay Area. MTC will evaluate the consistency of draft CMPs when received, based upon the areas specified in this guidance, and will provide staff comments of any significant concerns. MTC can only make final consistency findings on CMPs that have been officially adopted.

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W.I.: 30.5.10
Referred By: WPC
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06/13/03-POC 06/10/05-POC
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06/10/11-PC 07/12/13-PC
10/09/15-PC

Attachment B
Resolution No. 3000
Page 1 of 18

Attachment B to MTC Resolution No. 3000 consists of:

| | |
|------------|---|
| Appendix A | Federal and State Transportation Control Measures |
| Appendix B | Checklist for Modeling Consistency for CMPs |
| Appendix C | MTC's Regional Transit Expansion Program of Projects (MTC Resolution No. 3434, revised 09/24/08) |
| Appendix D | MTC's Resolution No. 3434 Transit Oriented Development (TOD) Policy, revised 10/24/07 |

Appendix A: Federal and State Transportation Control Measures (TCMs)

Federal TCMs:

For a list and description of current Federal TCMs, see the “Federal Ozone Attainment Plan for the 1-Hour National Ozone Standard” adopted Oct. 24, 2001, and “2004 Revision to the California State Implementation Plan for Carbon Monoxide, Updated Maintenance Plan for Ten Federal Planning Areas,” approved January 30, 2006.

The current Federal TCMs have been fully implemented. Refer to the "Final Transportation Air Quality Conformity Analysis for the Plan and the Proposed Final 2015 Transportation Improvement Program" at http://files.mtc.ca.gov/pdf/final_pba_and_2015_tip_air_quality_conformity_analysis.pdf (page 19) for the specific implementation steps in the advancement of these Federal TCMs.

State TCMs:

For a list and description of current State TCMs, see “Bay Area 2010 Ozone Strategy,” or subsequent revisions as adopted by the Bay Area Air Quality Management.

CMAQ Evaluation and Assessment Report:

MTC participated in a federal evaluation and assessment of the direct and indirect impacts of a representative sample of Congestion Mitigation and Air Quality (CMAQ) – funded projects on air quality and congestion levels. The study estimated the impact of these projects on emissions of transportation related pollutants, including carbon monoxide (CO), ozone precursors – oxides of nitrogen (NO_x), volatile organic compounds (VOCs), particulate matter (PM₁₀ and PM_{2.5}), and carbon dioxide (CO₂) for information purposes, as well as on traffic congestion and mobility. There is also additional analysis of the selected set of CMAQ-funded projects to estimate of the cost effectiveness at reducing emissions of each pollutant. This report may be of interest to CMAs; it is available on line

at: <http://www.fhwa.dot.gov/environment/cmaqpgs/safetealu1808/index.htm>
or from the MTC/ABAG Library.

Appendix B: MTC Checklist for Modeling Consistency for CMPs

Overall approach

MTC's goal is to establish regionally consistent model "sets" for application by MTC and the CMAs. In the winter of 2010/2011, MTC replaced the modeling tool – named *BAYCAST-90* – that had been in place, with relatively minor modifications, for the past two decades with a more sophisticated, so-called "activity-based" model – named *Travel Model One*. This change required a broad re-thinking of these guidelines as they now require a framework in which trip-based and activity-based models can be aligned. The approach remains the same: a checklist is used to adjudge consistency across model components.

Checklist

This checklist guides the CMAs through their model development and consistency review process by providing an inventory of specific products to be developed and submitted to MTC, and by describing standard practices and assumptions.

Because of the complexity of the topic, the checklist may need additional detailed information to explain differences in methodologies or data. Significant differences will be resolved between MTC and the CMAs, taking advantage of the Regional Model Working Group. Standard formats for model comparisons will be developed by MTC for use in future guidelines.

Incremental updates

The CMA forecasts must be updated every two years to be consistent with MTC's forecasts. Alternative approaches to fully re-running the entire model are available, including incremental approaches through the application of factors to demographic inputs and/or trip tables. Similarly, the horizon year must be the same as the TIP horizon year. However, interpolation and extrapolation approaches are acceptable, with appropriate attention to network changes. These alternatives to re-running the entire model should be discussed with MTC before the CMP is adopted by the CMA.

Defining the MTC model sets

The MTC model sets referred to below are defined as those in use on December 31st of the year preceding the CMP update.

Key Assumptions

Please report the following information.

A. General approach:

Discuss the general approach to travel demand modeling by the CMA and the CMA model's relationship to either *BAYCAST-90* or *Travel Model One*.

PRODUCT 1: Description of the above.

B. Demographic/economic/land use forecasts:

Both base and forecast year demographic/economic/land use ("land use") inputs must be consistent – though not identical – to the census tract-level data provided by ABAG. Specifically, if CMAs wish to reallocate land use within their own county (or counties),

they must consult with the affected city (or cities) as well as with ABAG and MTC. Further, the resulting deviation in the subject county (or counties) should be no greater than plus or minus one percent from the county-level totals provided by ABAG for the following variables: population, households, jobs, and employed residents. Outside the subject county (or counties), the land use variables in the travel analysis zones used by the county must match either ABAG's estimates exactly when aggregated/disaggregated to census tracts or the county-in-question's estimates per the revision process noted above (e.g. Santa Clara county could use the revised estimates San Mateo developed through consultation with local cities, ABAG, and MTC). Forecast year demand estimates should use the *Plan Bay Area* land use data. CMAs may also analyze additional, alternative land use scenarios that will not be subject to consistency review.

PRODUCTS: 2) A statement establishing that the differences between key ABAG land use variables and those of the CMA do not differ by more than one percent at the county level for the subject county. A statement establishing that no differences exist at the census-tract-level outside the county between the ABAG forecast or the ABAG/CMA revised forecast.

3) A table comparing the ABAG land use estimates with the CMA land use estimates by county for population, households, jobs, and employed residents for both the base year and the horizon year.

4) If land use estimates within the CMA's county are modified from ABAG's projections, agendas, discussion summaries, and action items from each meeting held with cities, MTC, and/or ABAG at which the redistribution was discussed, as well as before/after census-tract-level data summaries and maps.

C. Pricing Assumptions:

Use MTC's automobile operating costs, transit fares, and bridge tolls or provide an explanation for the reason such values are not used.

PRODUCT 5: Table comparing the assumed automobile operating cost, key transit fares, and bridge tolls to MTC's values for the horizon year.

D. Network Assumptions:

Use MTC's regional highway and transit network assumptions for the other Bay Area counties. CMAs should include more detailed network definition relevant to their own county in addition to the regional highway and transit networks. For the CMP horizon year, to be compared with the TIP interim year, regionally significant network changes in the base case scenario shall be limited to the current Transportation Improvement Program (TIP) for projects subject to inclusion in the TIP.

PRODUCT 6: Statement establishing satisfaction of the above.

E. Automobile ownership:

Use *Travel Model One* automobile ownership models or forecasts, or submit alternative models to MTC for review and comment.

PRODUCT 7: County-level table comparing estimates of households by automobile ownership level (zero, one, two or more automobiles) to MTC's estimates for the horizon year.

F. Tour/trip generation:

Use *Travel Model One* tour generation models or forecasts, or submit alternative models to MTC for review and comment.

PRODUCT 8: Region-level tables comparing estimates of trip and/or tour frequency by purpose to MTC's estimates for the horizon year.

G. Activity/trip location:

Use *Travel Model One* activity location models or forecasts, or submit alternative models to MTC for review and comment.

PRODUCTS: 9) Region-level tables comparing estimates of average trip distance by tour/trip purpose to MTC's estimates for the horizon year.

10) County-to-county comparison of journey-to-work or home-based work flow estimates to MTC's estimates for the horizon year.

H. Travel mode choice:

Use *Travel Model One* models or forecasts, or submit alternative models to MTC for review and comment.

PRODUCT 11: Region-level tables comparing travel mode share estimates by tour/trip purpose to MTC's estimates for the horizon year.

I. Traffic Assignment

Use *Travel Model One* models, or submit alternative models to MTC for review and comment.

PRODUCTS: 12) Region-level, time-period-specific comparison of vehicle miles traveled and vehicle hours traveled estimates by facility type to MTC's estimates for the horizon year.

13) Region-level, time-period-specific comparison of estimated average speed on freeways and all other facilities, separately, to MTC's estimates for the horizon year.

Alternatively, CMAs may elect to utilize MTC zone-to-zone vehicle trip tables, adding network and zonal details within the county as appropriate, and then re-run the assignment. In this case, only Products 12 and 13 are applicable.

**Appendix C: MTC's Regional Transit Expansion Program of Projects
(MTC Resolution 3434)**

Note that Resolution No. 3434, Revised, is reproduced below with the TOD Policy attached as Appendix D to Resolution No. 3000; other associated appendices are not attached here – the other appendices are available upon request from the MTC library.

Date: December 19, 2001
W.I.: 12110
Referred by: POC
Revised: 01/30/02-C 07/27/05-C
04/26/06-C 10/24/07-C
09/24/08-C

ABSTRACT

Resolution No. 3434, Revised

This resolution sets forth MTC's Regional Transit Expansion Program of Projects.

This resolution was amended on January 30, 2002 to include the San Francisco Geary Corridor Major Investment Study to Attachment B, as requested by the Planning and Operations Committee on December 14, 2001.

This resolution was amended on July 27, 2005 to include a Transit-Oriented Development (TOD) Policy to condition transit expansion projects funded under Resolution 3434 on supportive land use policies, as detailed in Attachment D-2.

This resolution was amended on April 26, 2006 to reflect changes in project cost, funding, and scope since the 2001 adoption.

This resolution was amended on October 24, 2007 to reflect changes in the Transit-Oriented Development (TOD) Policy in Attachment D-2.

This resolution was amended on September 24, 2008 to reflect changes associated with the 2008 Strategic Plan effort (Attachments B, C and D).

Further discussion of these actions are contained in the MTC Executive Director's Memorandum dated December 14, 2001, July 8, 2005, April 14, 2006, October 12, 2007 and September 10, 2008.

Date: December 19, 2001
W.I.: 12110
Referred by: POC

RE: Regional Transit Expansion Program of Projects

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 3434, Revised

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code Section 66500 et seq.; and

WHEREAS, MTC adopted Resolution No. 1876 in 1988 which set forth a new rail transit starts and extension program for the region; and

WHEREAS, significant progress has been made in implementing Resolution No. 1876, with new light rail service in operation in San Francisco and Silicon Valley, new BART service extended to Bay Point and Dublin/Pleasanton in the East Bay, and the BART extension to San Francisco International Airport scheduled to open in 2002; and

WHEREAS, MTC's long range planning process, including the Regional Transportation Plan and its *Transportation Blueprint for the 21st Century*, provides a framework for comprehensively evaluating the next generation of major regional transit expansion projects to meet the challenge of congestion in major corridors throughout the nine-county Bay Area; and

WHEREAS, the Commission adopted Resolution No. 3357 as the basis for assisting in the evaluations of rail and express/rapid bus projects to serve as the companion follow-up program to Resolution No. 1876; and

WHEREAS, local, regional, state and federal discretionary funds will continue to be required to finance an integrated program of new rail transit starts and extensions including those funds which are reasonably expected to be available under current conditions, and new funds which need to be secured in the future through advocacy with state and federal legislatures and the electorate; and

WHEREAS, the Regional Transit Expansion program of projects will enhance the Bay Area's transit network with an additional 140 miles of rail, 600 miles of new express bus routes,

and a 58% increase in service levels in several existing corridors, primarily funded with regional and local sources of funds; and

WHEREAS, MTC recognizes that coordinated regional priorities for transit investment will best position the Bay Area to compete for limited discretionary funding sources now and in the future; now, therefore, be it

RESOLVED, that MTC adopts a Regional Transit Expansion Program of Projects, consistent with the Policy and Criteria established in Resolution No. 3357, as outlined in Attachment A, attached hereto and incorporated herein as though set forth at length; and be it further

RESOLVED, that this program of projects, as set forth in Attachment B is accompanied by a comprehensive funding strategy of local, regional, state and federal funding sources as outlined in Attachment C, attached hereto and incorporated herein as though set forth at length; and, be it further

RESOLVED, that the regional discretionary funding commitments included in this financial strategy are subject to the terms and conditions outlined in Attachment D, attached hereto and incorporated herein as though set forth at length; and, be it further

METROPOLITAN TRANSPORTATION COMMISSION

Sharon J. Brown, Chair

The above resolution was entered into by the Metropolitan Transportation Commission at a regular meeting of the Commission held in Oakland, California, on December 19, 2001.

Appendix D: MTC's Regional Transit Expansion Program of Projects (MTC Resolution 3434) TOD Policy

Res. No. 3434, TOD Policy (Attachment D-2), revised October 24, 2007, is shown below; other associated Res. 3434 appendices are available upon request from the MTC library.

Date: July 27, 2005
W.I.: 12110
Referred by: POC
Revised: 10/24/07-C

Attachment D-2
Resolution No. 3434
Page 9 of 7

**MTC RESOLUTION 3434 TOD POLICY
FOR REGIONAL TRANSIT EXPANSION PROJECTS**

1. Purpose

The San Francisco Bay Area—widely recognized for its beauty and innovation—is projected to grow by almost two million people and one and a half million jobs by 2030. This presents a daunting challenge to the sustainability and the quality of life in the region. Where and how we accommodate this future growth, in particular where people live and work, will help determine how effectively the transportation system can handle this growth.

The more people who live, work and study in close proximity to public transit stations and corridors, the more likely they are to use the transit systems, and more transit riders means fewer vehicles competing for valuable road space. The policy also provides support for a growing market demand for more vibrant, walkable and transit convenient lifestyles by stimulating the construction of at least 42,000 new housing units along the region's major new transit corridors and will help to contribute to a forecasted 59% increase in transit ridership by the year 2030.

This TOD policy addresses multiple goals: improving the cost-effectiveness of regional investments in new transit expansions, easing the Bay Area's chronic housing shortage, creating vibrant new communities, and helping preserve regional open space. The policy ensures that transportation agencies, local jurisdictions, members of the public and the private sector work together to create development patterns that are more supportive of transit.

There are three key elements of the regional TOD policy:

(a) Corridor-level thresholds to quantify appropriate minimum levels of development around transit stations along new corridors;

(b) Local station area plans that address future land use changes, station access needs, circulation improvements, pedestrian-friendly design, and other key features in a transit-oriented development; and

(c) Corridor working groups that bring together CMAs, city and county planning staff, transit agencies, and other key stakeholders to define expectations, timelines, roles and responsibilities for key stages of the transit project development process.

2. TOD Policy Application

The TOD policy only applies to physical transit extensions funded in Resolution 3434 (see Table 1). The policy applies to any physical transit extension project with regional discretionary funds, regardless of level of funding. Resolution 3434 investments that only entail level of service improvements or other enhancements without physically extending the system are not subject to the TOD policy requirements. Single station extensions to international airports are not subject to the TOD policy due to the infeasibility of housing development.

TABLE 1
RESOLUTION 3434 TRANSIT EXTENSION PROJECTS SUBJECT TO CORRIDOR THRESHOLDS

| Project | Sponsor | Type | Threshold met with current development? | Meets TOD Policy (with current + new development as planned)? |
|--|---------------------|-------------------|---|---|
| BART East Contra Costa Rail Extension (eBART) (a) Phase 1 Pittsburg to Antioch (b) Future phases | BART/CCTA | Commuter Rail | No No | Yes No |
| BART – Downtown Fremont to San Jose / Santa Clara (a) Fremont to Berryessa (b) Berryessa to San Jose/Santa Clara | (a) BART (b) VTA | BART extension | No No | Not yet determined; planning is underway Not yet determined |
| AC Transit Berkeley/Oakland/San Leandro Bus Rapid Transit: Phase 1 | AC Transit | Bus Rapid Transit | Yes | Yes |
| Caltrain Downtown Extension/Rebuilt Transbay Terminal | TJPA | Commuter Rail | Yes | Yes |
| MUNI Third Street LRT Project Phase 2 – New Central Subway | MUNI | Light Rail | Yes | Yes |
| Sonoma-Marin Rail (a) Phase 1 downtown San Rafael to downtown Santa Rosa (b) Future phases tbd | SMART | Commuter Rail | No | Not yet determined; planning is underway Not yet being planned |

| Project | Sponsor | Type | Threshold met with current development? | Meets TOD Policy (with current + new development as planned)? |
|---|---|---------------|--|--|
| Dumbarton Rail | SMTA, ACCMA, VTA, ACTIA, Capitol Corridor | Commuter Rail | No | Not yet determined; planning is underway |
| Expanded Ferry Service to Berkeley, Alameda/Oakland/Harbor Bay, Hercules, Richmond, and South San Francisco; and other improvements.* | WTA | Ferry | No | Line specific |

* Ferry terminals where development is feasible shall meet a housing threshold of 2500 units. MTC staff will make the determination of development feasibility on a case by case basis.

3. Definitions and Conditions of Funding

For purposes of this policy “regional discretionary funding” consists of the following sources identified in the Resolution 3434 funding plan:

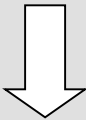

FTA Section 5309- New Starts
FTA Section 5309- Bus and Bus Facilities Discretionary
FTA Section 5309- Rail Modernization
Regional Measure 1- Rail (bridge tolls)
Regional Measure 2 (bridge tolls)
Interregional Transportation Improvement Program
Interregional Transportation Improvement Program-Intercity rail
Federal Ferryboat Discretionary
AB 1171 (bridge tolls)
CARB-Carl Moyer/AB434 (Bay Area Air Quality Management District) ¹

These regional funds may be programmed and allocated for environmental and design related work, in preparation for addressing the requirements of the TOD policy. Regional funds may be programmed and allocated for right-of-way acquisition in advance of meeting all requirements in the policy, if land preservation for TOD or project delivery purposes is essential. No regional funds will be programmed and allocated for construction until the requirements of this policy have been satisfied. See Table 2 for a more detailed overview of the planning process.

4. Corridor-Level Thresholds

Each transit extension project funded in Resolution 3434 must plan for a minimum number of housing units along the corridor. These corridor-level thresholds vary by mode of transit, with more capital-intensive modes requiring higher numbers of housing units (see Table 3). The corridor thresholds have been developed based on potential for increased transit ridership, exemplary existing station sites in the Bay Area, local general plan data, predicted market demand for TOD-oriented housing in each county, and an independent analysis of feasible development potential in each transit corridor.

¹ The Carl Moyer funds and AB 434 funds are controlled directly by the California Air Resources Board and Bay Area Air Management District. Res. 3434 identifies these funds for the Caltrain electrification project, which is not subject to the TOD policy.

| TABLE 2 REGIONAL TOD POLICY IMPLEMENTATION PROCESS FOR TRANSIT EXTENSION PROJECTS | | |
|--|---|--|
| Transit Agency Action | City Action | MTC/CMA/ABAG Action |
| <p>All parties in corridors that do not currently meet thresholds (see Table 1) establish Corridor Working Group to address corridor threshold. Conduct initial corridor performance evaluation, initiate station area planning.</p>  | | |
| Environmental Review/ Preliminary Engineering /Right-of-Way | Conduct Station Area Plans | Coordination of corridor working group, funding of station area plans |
| <p><i>Step 1 Threshold Check: the combination of new Station Area Plans and existing development patterns exceeds corridor housing thresholds .</i></p> | | |
| Final Design | Adopt Station Area Plans. Revise general plan policies and zoning, environmental reviews | Regional and county agencies assist local jurisdictions in implementing station area plans |
| <p><i>Step 2 Threshold Check: (a) local policies adopted for station areas; (b) implementation mechanisms in place per adopted Station Area Plan by the time Final Design is completed.</i></p>  | | |
| Construction | Implementation (financing, MOUs) Solicit development | TLC planning and capital funding, HIP funding |

**TABLE 3: CORRIDOR THRESHOLDS
HOUSING UNITS – AVERAGE PER STATION AREA**

| Project Type Threshold | BART | Light Rail | Bus Rapid Transit | Commuter Rail | Ferry |
|---------------------------|-------|------------|-------------------|---------------|--------|
| Housing Threshold | 3,850 | 3,300 | 2,750 | 2,200 | 2,500* |

Each corridor is evaluated for the Housing Threshold. For example, a four station commuter rail extension (including the existing end-of-the-line station) would be required to meet a corridor-level threshold of 8,800 housing units.

Threshold figures above are an average per station area for all modes except ferries based on both existing land uses and planned development within a half mile of all stations. New below market rate housing is provided a 50% bonus towards meeting housing unit threshold.

** Ferry terminals where development is feasible shall meet a housing threshold of 2500 units. MTC staff will make the determination of development feasibility on a case by case basis.*

Meeting the corridor level thresholds requires that within a half mile of all stations, a combination of existing land uses and planned land uses meets or exceeds the overall corridor threshold for housing (listed in Table 3);

Physical transit extension projects that do not currently meet the corridor thresholds with development that is already built will receive the highest priority for the award of MTC's Station Area Planning Grants.

To be counted toward the threshold, planned land uses must be adopted through general plans, and the appropriate implementation processes must be put in place, such as zoning codes. General plan language alone without supportive implementation policies, such as zoning, is not sufficient for the purposes of this policy. Ideally, planned land uses will be formally adopted through a specific plan (or equivalent), zoning codes and general plan amendments along with an accompanying programmatic Environmental Impact Report (EIR) as part of the overall station area planning process. Minimum densities will be used in the calculations to assess achievement of the thresholds.

An existing end station is included as part of the transit corridor for the purposes of calculating the corridor thresholds; optional stations will not be included in calculating the corridor thresholds.

New below-market housing units will receive a 50 percent bonus toward meeting the corridor threshold (i.e. one planned below-market housing unit counts for 1.5 housing units for the purposes of meeting the corridor threshold. Below market for the purposes of the Resolution 3434 TOD policy is affordable to 60% of area median income for rental units and 100% of area median income for owner-occupied units);

The local jurisdictions in each corridor will determine job and housing placement, type, density, and design.

The Corridor Working Groups are encouraged to plan for a level of housing that will significantly exceed the housing unit thresholds stated here during the planning process. This will ensure that the Housing Unit Threshold is exceeded corridor-wide and that the ridership potential from TOD is maximized.

5. Station Area Plans

Each proposed physical transit extension project seeking funding through Resolution 3434 must demonstrate that the thresholds for the corridor are met through existing development and adopted station area plans that commit local jurisdictions to a level of housing that meets the threshold. This requirement may be met by existing station area plans accompanied by appropriate zoning and implementation mechanisms. If new station area plans are needed to meet the corridor threshold, MTC will assist in funding the plans. The Station Area Plans shall be conducted by local governments in coordination with transit agencies, Association of Bay Area Governments (ABAG), MTC and the Congestion Management Agencies (CMAs).

Station Area Plans are opportunities to define vibrant mixed use, accessible transit villages and quality transit-oriented development – places where people will want to live, work, shop and spend time. These plans should incorporate mixed-use developments, including new housing, neighborhood serving retail, employment, schools, day care centers, parks and other amenities to serve the local community.

At a minimum, Station Area Plans will define both the land use plan for the area as well as the policies—zoning, design standards, parking policies, etc.—for implementation. The plans shall at a minimum include the following elements:

- Current and proposed land use by type of use and density within the ½ mile radius, with a clear identification of the number of existing and planned housing units and jobs;
- Station access and circulation plans for motorized, non-motorized and transit access. The station area plan should clearly identify any barriers for pedestrian, bicycle and wheelchair access to the station from surrounding neighborhoods (e.g., freeways, railroad tracks, arterials with inadequate pedestrian crossings), and should propose

strategies that will remove these barriers and maximize the number of residents and employees that can access the station by these means. The station area and transit village public spaces shall be made accessible to persons with disabilities.

- Estimates of transit riders walking from the half mile station area to the transit station to use transit;
- Transit village design policies and standards, including mixed use developments and pedestrian-scaled block size, to promote the livability and walkability of the station area;
- TOD-oriented parking demand and parking requirements for station area land uses, including consideration of pricing and provisions for shared parking;
- Implementation plan for the station area plan, including local policies required for development per the plan, market demand for the proposed development, potential phasing of development and demand analysis for proposed development.
- The Station Area Plans shall be conducted according to the guidelines established in MTC's Station Area Planning Manual.

6. Corridor Working Groups

The goal of the Corridor Working Groups is to create a more coordinated approach to planning for transit-oriented development along Resolution 3434 transit corridors. Each of the transit extensions subject to the corridor threshold process, as identified in Table 1, will need a Corridor Working Group, unless the current level of development already meets the corridor threshold. Many of the corridors already have a transit project working group that may be adjusted to take on this role. The Corridor Working Group shall be coordinated by the relevant CMAs, and will include the sponsoring transit agency, the local jurisdictions in the corridor, and representatives from ABAG, MTC, and other parties as appropriate.

The Corridor Working Group will assess whether the planned level of development satisfies the corridor threshold as defined for the mode, and assist in addressing any deficit in meeting the threshold by working to identify opportunities and strategies at the local level. This will include the key task of distributing the required housing units to each of the affected station sites within the defined corridor. The Corridor Working Group will continue with corridor evaluation, station area planning, and any necessary refinements to station locations until the corridor threshold is met and supporting Station Area Plans are adopted by the local jurisdictions.

MTC will confirm that each corridor meets the housing threshold prior to the release of regional discretionary funds for construction of the transit project.

7. Review of the TOD Policy

MTC staff will conduct a review of the TOD policy and its application to each of the affected Resolution 3434 corridors, and present findings to the Commission, within 12 months of the adoption of the TOD policy.



Metropolitan Transportation Commission

101 Eighth Street,
Joseph P. Bort MetroCenter
Oakland, CA

Legislation Details (With Text)

File #: 15-0869 **Version:** 1 **Name:**
Type: Report **Status:** Informational
File created: 9/11/2015 **In control:** Joint MTC Planning Committee with the ABAG Administrative Committee
On agenda: 10/9/2015 **Final action:**
Title: Plan Bay Area Draft Regional Forecast (Jobs, Housing & Population)
Draft Regional Forecast of jobs, population and housing for Plan Bay Area 2040

Sponsors:

Indexes:

Code sections:

Attachments: [Plan Bay Area Draft Regional Forecast -Jobs, Housing & Population-.pdf](#)
[5a_ABAG Preliminary Regional Forecast 100915Ranim-revised.pdf](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|

Subject:

Plan Bay Area Draft Regional Forecast (Jobs, Housing & Population)

Draft Regional Forecast of jobs, population and housing for Plan Bay Area 2040

Presenter:

Cynthia Kroll, ABAG

Recommended Action:

Information

Attachments



Date: October 6, 2015

To: ABAG Administrative Committee, MTC Planning Committee

From: Cynthia Kroll, Chief Economist, ABAG

Subj: Preliminary Regional Forecast Numbers , ABAG Administrative Committee Agenda Item 5A, October 9, 2015

This memo describes ABAG's preliminary proposal for the updated regional forecast numbers for Plan Bay Area 2040. The memo first presents the context and methods. Next we present the preliminary updated projections (referred to here as ABAG 2017p) and compare these to the previous Plan Bay Area 2013 projections. Appendix A describes the broader range of projections considered and explains the choice of the ABAG 2017p set of projections.

Context

ABAG's Projections are being updated as part of the minor update to Plan Bay Area. The update recognizes changing information on economic conditions and population growth in the region over the past five years and also applies new tools.

How Does the 2010-2015 Surge in Growth Change the Outlook?

There are two possible interpretations of the last 5 years:

- 1) The region grows through cycles of innovation. During periods when innovation is surging, employment and compensation also surge, as it has in the past 5 years. This surge slows when either a) other broader factors in the economy lead to a slowdown in investment (as with the financial crisis) or b) when the industry reaches the state of more standardized production or operations (in the case of services), at which time a substantial share of growth occurs outside the region. Under this interpretation, the growth surge is temporary and is expected to slow.
- 2) Analysts like Moretti have described differential growth across regions based on the region's capacity for knowledge-based activities. Regions with strong education and knowledge resources continue to grow, while those with a less educated population and greater concentration of employment in sectors outside the knowledge base stagnate or decline. Because the Bay Area is a knowledge based region, we should expect it to continue to be part of this faster growing segment of the national landscape.

The recommended set of projections assumes a combination of the two, but leans more heavily on explanation (1). The region has a competitive advantage in knowledge based industries, but the surge over the past 5 years is part of an innovation wave, and will not continue at this pace on a steady basis going forward. In fact, in the selected projection, regional employment grows slightly more slowly than the US as a whole for some periods following 2015.

What Is the “Right” Projection?

The “right” projection is shaped by the goals of *Plan Bay Area 2040*. We are seeking a “realistic” set of numbers, meaning a projection that could reasonably occur given feasible relaxation of our most constraining limitations. At the same time, *Plan Bay Area* is aspirational and intentional, prescribing policies to help overcome barriers and allow housing, household, population and job growth.

The Forecasting Process

ABAG used a suite of tools and in-house analytic models to develop a range of projections for employment, population and household growth. Selection of a preliminary projection from this range relied on feedback from the Technical Advisory Committee (Appendix C) and consultation within senior and executive staff within the two regional agencies primarily responsible for *Plan Bay Area 2040*. Stephen Levy of the Center for Continuing Study of the California Economy (CCSCE) provided valuable input in shaping our process, including extensive review of the REMI model, which with his assistance became a tool for exploring a range of projections.¹ For the preliminary proposed projection, ABAG then estimated the change in commute level and a regional housing control total.

Employment

ABAG adjusted the REMI version 1.7.2 model, customized for the Bay Area, to analyze a range of employment levels for the Bay Area between 2010 and 2040. ABAG staff modified the national and regional controls and created simulations to explore implications of alternative levels of employment growth. ABAG also used simple trend extrapolation techniques to provide an envelope of potential employment levels within which to evaluate alternatives generated using REMI.

Population

ABAG contracted with John Pitkin of Analysis and Forecasting, Inc., and Dowell Myers, of the University of Southern California, to adapt their population projection model to the Bay Area. ABAG conducted sensitivity tests on migration assumptions, using the Pitkin-Myers (P-M) model, and compared detailed results by age and ethnic distribution with REMI and California Department of Finance output. Because of the consistency of population characteristics between the P-M and REMI results, the ABAG preliminary proposed population projection is drawn from REMI so that the growth in population is then internally consistent with growth in employment. ABAG will continue to refer to P-M results for detailed understanding of changes in demographic factors.

Households

ABAG applied recent historic headship rates² by age and ethnicity to estimate households from the population projections. Recognizing the impacts of housing costs and cultural diversity on changing headship rates, ABAG produced an alternative household projection, used in ABAG 2017p, based on adjusted lower headship rates for seniors and young adults.

Housing Units and In-Commute

¹ Despite our close work together on ABAG’s models, ABAG’s choice of preliminary proposed projection differs from the current CCSCE employment update completed for the region and City of San Jose, and the set of tools used by ABAG differ from the CCSCE projections process.

² A headship rate is the proportion of people in a specific age, gender and ethnic group who will head a household.

Consistent with the legal settlement with the Building Industry Association, ABAG's housing unit projection includes housing for all projected households plus the number of units that would be needed to house the increased number of workers estimated to commute into the region. The in-commute change is estimated in two different ways using REMI output for employment, "residence adjusted employment," and the labor force in 2010 and as projected in 2040.³ After adjusting for workers per household, an in-commuter household number is added to the base for estimating the regional housing control total. The regional housing control total is the sum of the households estimated for the projected population plus households equivalent to the maximum estimated in-commute number, plus a 5 percent vacancy factor.

Preliminary Proposed Employment, Population, Household and Housing Projections

Table 1 shows ABAG's proposed revised projections for the Plan Bay Area 2040 update. Population projections for 2040 are 1.5 percent higher than the *Projections 2013* levels. Employment projections are 2.1 percent and household projections are 2.4 percent higher than *Projections 2013*. Employment projections reflect adjusted baseline estimates from 2010 and strengthening competitiveness demonstrated between 2010 and 2015, but also the understanding that the region has witnessed fluctuating employment levels over time. Although employment growth is very strong now, it can equally level off or dip in the future. Household projections reflect the higher population estimate, the results of a revised estimation approach compared to *Projections 2013* as well as simulations of changing household formation in response to housing prices.

| Table 1: ABAG Projections 2017p for Plan Bay Area Update | | | | | |
|---|-----------------------------|------------------------------|-------------------------------|-------------------------------|---|
| Projection Element | 2010 Base (millions) | 2040 Level (millions) | 2040 Change (millions) | 2010-40 Percent Change | Reasoning |
| Employment | 3.411 | 4.601 | 1.190 | 34.9% | Region maintains a long term advantage relative to the US. The 2010 to 2015 growth is not an indicator of stable long term trends but of a boom period that will slow. The region grows faster than the US for the full 2010-2040 period, but will grow more slowly than the US for some period following 2015. |
| Population | 7.151 | 9.443 | 2.292 | 32.1% | A certain base population growth will occur whatever the economic trends. Migration levels will reflect projected employment growth. Population follows employment growth to grow slightly faster than in <i>Projections 2013</i> . |
| Households | 2.608 | 3.387 | 0.778 | 29.8% | Household growth follows population growth, but income and housing price factors can increase household size. Retired population demographic and behavioral changes may also affect household formation. |
| Households related to in-commute change | 0.097 | * | 0.025 | * | Calculated from REMI data on total regional employment, residence adjusted employment, and labor force projections. See Appendix B for a description of the estimation method. |
| Housing Units | 2.784 | 3.592 | 0.808 | 29.0% | Estimated from households plus the in-commute household equivalent, with a 5% vacancy increment added to account for rental and homeowner |

³ The in-commute calculation is described in Appendix B and in more detail in a forthcoming white paper.

| Table 1: ABAG Projections 2017p for Plan Bay Area Update | | | | | |
|---|-----------------------------|------------------------------|-------------------------------|-------------------------------|------------------------------|
| Projection Element | 2010 Base (millions) | 2040 Level (millions) | 2040 Change (millions) | 2010-40 Percent Change | Reasoning |
| | | | | | turnover and seasonal homes. |

Housing unit projections are 4.2 percent higher than in *Plan Bay Area 2013* for two reasons. First, household projections are higher, based on higher population and a more detailed understanding of demographic change. For example, while an increasing share of immigrant households might be expected to lead to an overall increase in household sizes, the ageing of the population over time pushes forcefully in the other direction. Second, the net increase in in-commuting is added to the household base. The increment of change in housing is also higher because *Plan Bay Area 2013* used a one-time vacancy discount due to the recession which is not used here.

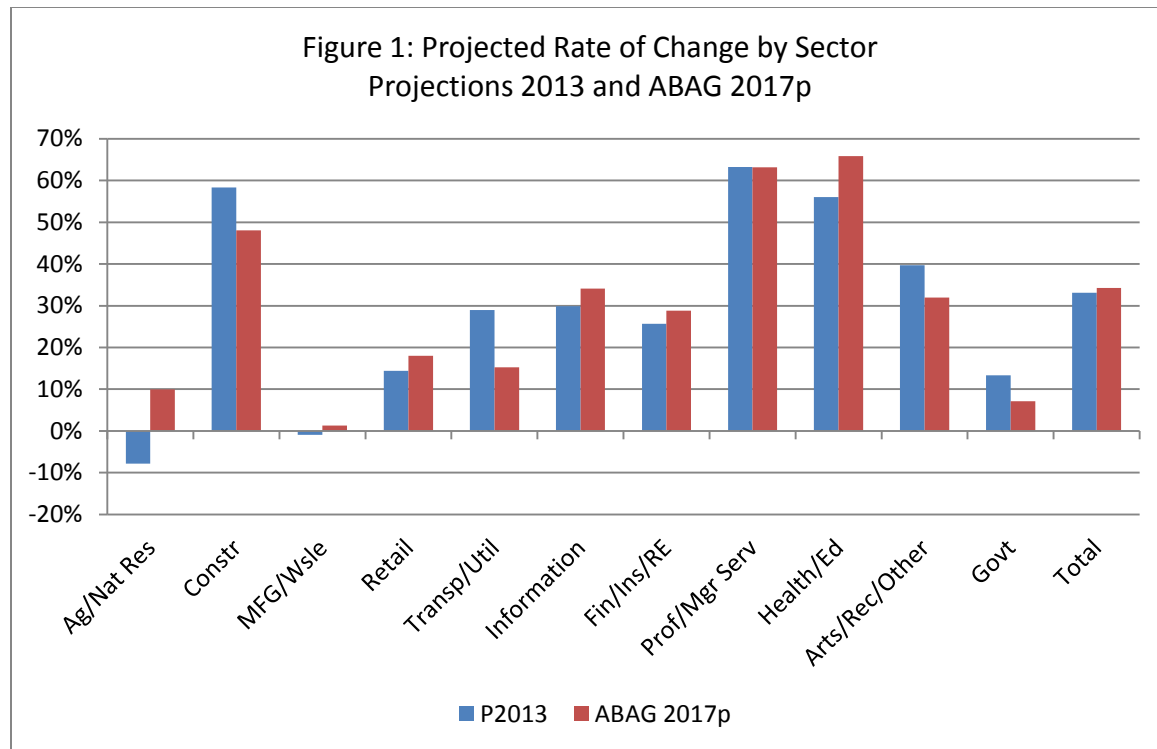
ABAG 2017p reflects an economy that continues to grow, but where the volatility of its key growth sectors and the maturing of the population lead to a fluctuation of competitive advantage. Overall, the region has a larger share of the US economy in 2040 than it does in 2010. However, looking forward from 2015, after the boom of the past five years (when recovery from a recession mixed with new industry expansion), the region's employment growth drops to a rate slower than nationwide employment growth for the 2015 to 2020 period, at which point the region once again may grow slightly faster than the nation. Population and housing still experience some of the constraints that have affected regional growth over the past two decades, but the projected rate of household and population growth is more consistent with a region that is developing land use policy to house all of its residents compared to slower growth of the past decade and a half. As such, the projections do assume a changing policy landscape relative to 10 years ago.

Additional Details on the Proposed Preliminary Projections

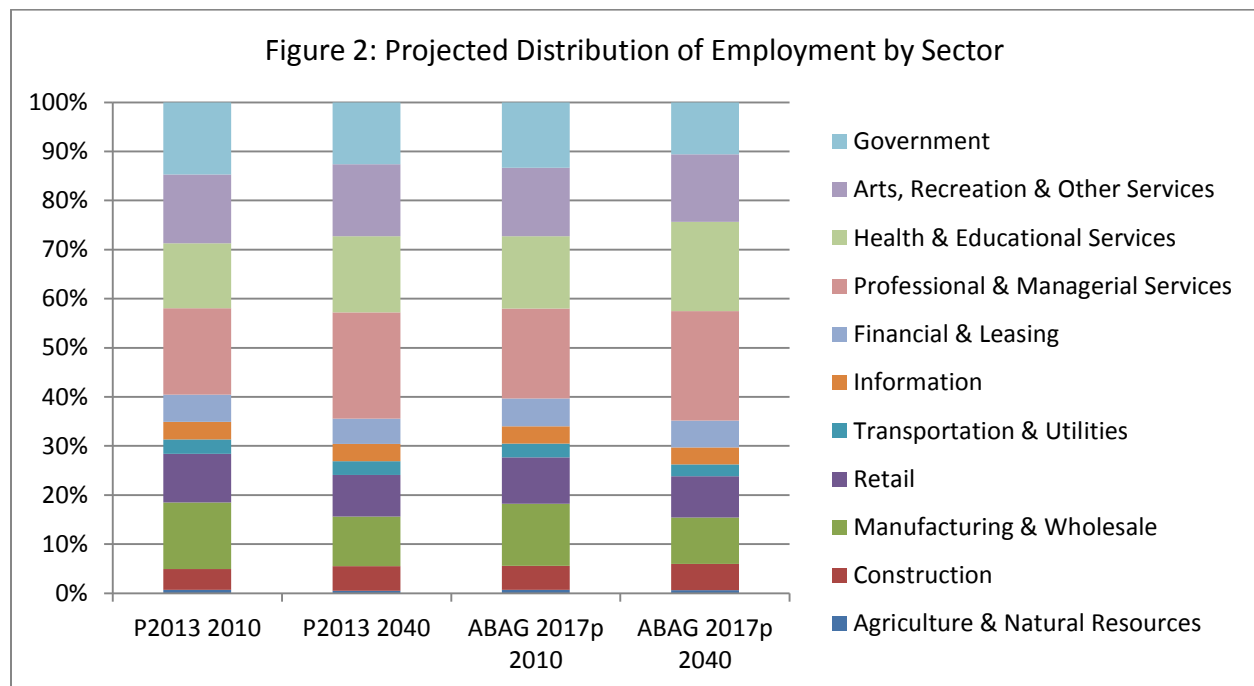
Employment

Figures 1 and 2 show sectoral detail for the ABAG 2017p projection, compared to *Projections 2013*. Between 2011, when *Projections 2013* was analyzed, and 2014 and 2015, when much of the analysis for the current projection took place, employment definitions changed slightly. Both *Projections 2013* and the current projection are based on employment by place of work as measured by the Bureau of Labor Statistics and the Employment Development Department, combined with Self-Employment estimates as measured by the Employment Development Department and the US Census Bureau. Between the two periods, EDD and BLS updated their definitions of some sectors and added some types of employees (specifically household workers) to their estimates. The 2010 base is therefore slightly different between the two series.

While both projections are based on BLS US forecasts, ABAG 2017p uses a more recent forecast than *Projections 2013*, and includes some additional adjustments (see Appendix A). Taking these differences into account, there are sectoral differences in the way the region grows. ABAG 2017p predicts higher rates of growth (more than 2 percentage points difference) for agriculture, manufacturing, retail, information, finance and leasing, and health and education services, and lower growth rates for construction, transportation and utilities, arts and recreation and government (Figure 1). As a result, ABAG 2017p has higher shares of jobs in health and education and a smaller share of jobs in government compared to the earlier *Projections 2013*. (See Figure 2).



Source: ABAG *Projections 2013* and ABAG analysis using modified REMI 1.7.2 .



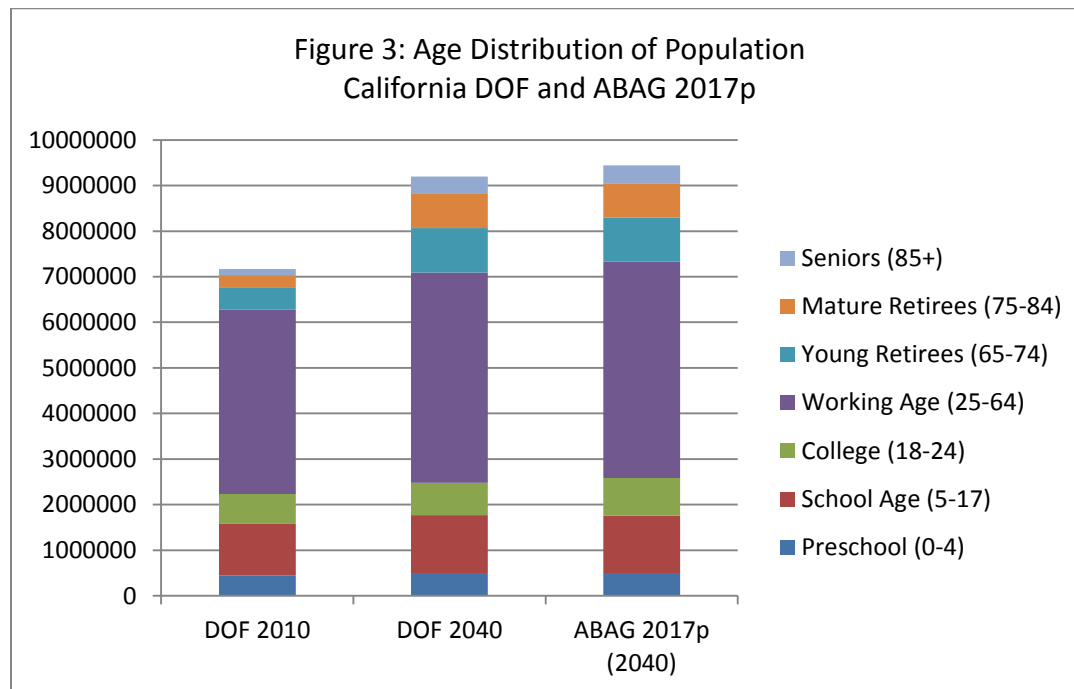
Source: ABAG *Projections 2013* and ABAG analysis using modified REMI 1.7.2 .

Population

The projected population level is higher in ABAG 2017p compared to the most recent California Department of Finance (DOF) projection (shown also in Appendix A). This type of differential is to be

expected because of the timing and assumptions of the two projections. ABAG has projected a slightly higher employment number than the number ABAG made available to DOF at the time of the DOF analysis. In addition, DOF assumes a greater degree of land use constraints to the region's addition of population and households.

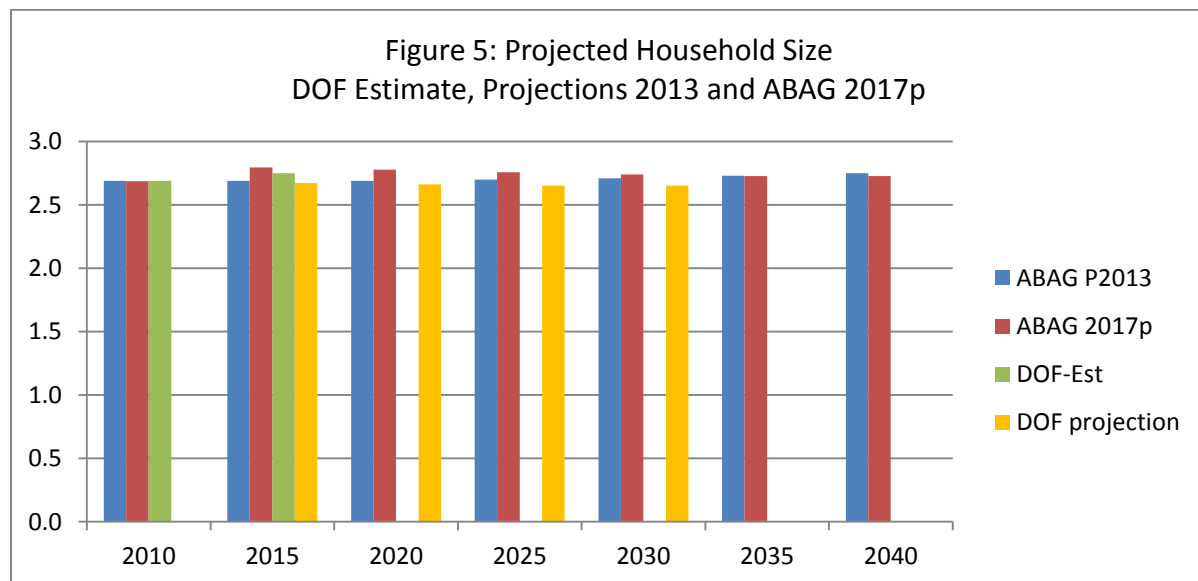
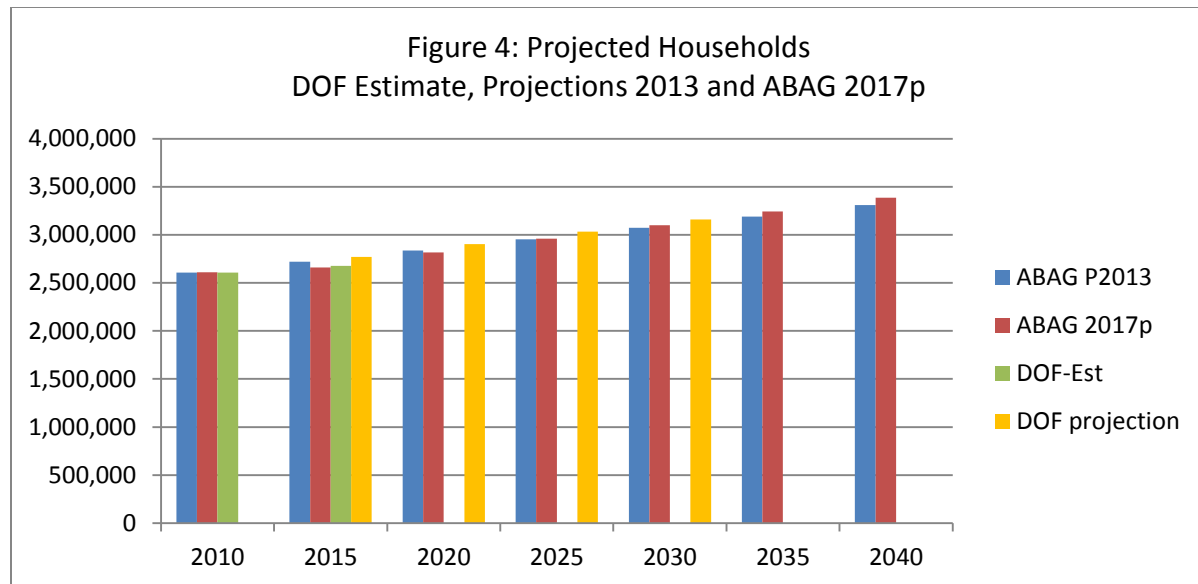
The demographic distribution from the two projections highlights this point, as shown in Figure 3. The number of seniors and children is quite similar in the two projections. The numbers of college aged and working aged adults is higher in ABAG 2017p, consistent with a higher employment level.



Households

ABAG 2017p household growth tracked actual household growth in the region through 2015 (see Figure 4). Overall, the region is projected to grow by almost 780,000 households, an additional 80,000 households in ABAG 2017p compared to *Projections 2013*.

Household size increases significantly in the first part of the forecast period, as housing construction lags population growth. In later years, household size drops back but remains above levels in 2010, consistent with the expectation embedded in the forecast that there are some long-term adjustments in household formation in response to housing costs and availability. ABAG's *Projections 2013* household size figures vary more regularly, and by 2040 were slightly higher than ABAG 2017p projected household size. The highly disaggregated household formation projection approach used in ABAG 2017p captures economic and demographic changes over time that first lead to rising household size (similar to what was actually estimated by DOF for 20150 and then to declining household size as the share of households headed by seniors increases.



Housing Units

When additional in-commute households are taken into account, the growth in total housing unit demand between 2010 and 2040 is estimated at 808,000, almost 150,000 more housing units than the 660,000 additional units estimated in *Plan Bay Area 2013*. The 150,000 additional units comes from the larger number of households associated with the population projection, as well as the housing increment added to satisfy the legal settlement related to the in-commute. We estimate the growth in units as the difference between housing demand in 2040 and supply in 2010.

This larger number of units should be seen in the context of population and household demographics, which influence the types of units needed. The types of housing units to be added may differ from those added in the past, because of the population and household age groups that are growing. With much of the increase in households coming from populations 65 and older or from college-aged young adults,

the traditional suburban single-family home would not be the only way to meet the needs of a significant portion of the expanding population. The uptick in recent years of multi-family development in areas close to transit and services is consistent with an increasing diversity of housing needs and preferences. Housing policy will need to consider not only numbers of units but also types of units as well as services that could be needed to make efficient use of new and existing housing stock. Furthermore, changing use patterns of units (for example, sharing of space by over-housed seniors with other family members or tenants) or changing levels of movement into “group quarters” (for example some types of co-housing) could moderate the number of new units required.

Appendix A Alternative Regional Projections

ABAG 2017p is one of many futures possible for the Bay Area. The levels projected in ABAG 2017p lie well within the range of different employment, population, household and housing increases that could occur over the next 25 years. This appendix discusses the range of possible futures analyzed and the process of selecting ABAG 2017p from these alternatives.

Range of Regional Projections

Table 1 shows a range of possible futures identified in our analysis. The different projections come from a variety of sources. Population projections come from the Pitkin-Myers analysis, the California Department of Finance, *Plan Bay Area 2013*, and the ABAG analyses using REMI. Employment alternatives come from *Plan Bay Area 2013*, ABAG's analyses using the REMI tool, and ABAG's simple trend analysis.

| Table A-1: Range of Projections of Bay Area Future Population, Employment and Households | | | | | | | | | |
|--|-----------------------------|-------------------------|-------------------------|------------------------------|-------------------------|-------------------------|-----------------------------|-------------------------|-------------------------|
| | Population | | | Employment | | | Households* | | |
| | 2040 (2010 7,150,000) | Change from 2010^ | Change from 2015^ | 2040 (2010, 3,411,000) | Change from 2010^ | Change from 2015^ | 2040 (2010 2,608,000) | Change from 2010^ | Change from 2015^ |
| BASE | | 7,151,000 | 7,511,000 | | 3,411,000 | 4,011,000 | | 2,608,000 | 2,676,000 |
| P-M/ Trend Low ⁴ ,# | 8,996,000 | 25.8% (0.8%) | 19.8% (0.7%) | 3,843,000 | 12.7% (0.4%) | -4.2% (-0.2%) | 3,254,000 | 24.8% (0.7%) | 21.6% (0.8%) |
| DOF | 9,196,000 | 28.6% (0.8%) | 22.4% (0.8%) | | | | | | |
| PBA 2013** | 9,299,000 | 30.0% (0.9%) | 23.8% (0.9%) | 4,505,000 | 33.1% (1.0%) | 12.3% (0.5%) | 3,308,000 | 26.8% (0.8%) | 23.6% (0.9%) |
| ABAG 2017p (REMI based, lower) | 9,443,000 | 32.1% (0.9%) | 25.7% (0.9%) | 4,601,000 | 34.9% (1.0%) | 14.7% (0.6%) | 3,387,000 | 29.9% (0.9%) | 26.6% (0.9%) |
| REMI M | 9,559,000 | 33.7% (1.0%) | 27.3% (1.0%) | 4,659,000 | 36.6% (1.0%) | 16.2% (0.6%) | 3,434,000 | 31.7% (0.9%) | 28.3% (1.0%) |
| REMI H | 9,994,000 | 39.8% (1.1%) | 33.1% (1.1%) | 4,945,000 | 45.0% (1.2%) | 23.3% (0.8%) | 3,632,960 | 39.3% (1.1%) | 35.8% (1.2%) |
| Source: ABAG analysis using REMI, Pitkin-Myers Bay Area model, ABAG <i>Projections 2013</i> , California Department of Finance. # The employment trends in this row are NOT produced by the Pitkin-Myers modeling approach but we show them here as consistent with this level of population growth. * Lower headship rate is used to calculate households for ABAG 2017p and REMI M, historic headship rate for P-M and REMI H. PBA 2013 is the level published in <i>Projections 2013</i> . ^ First percentage in each cell is for the full period, percentage in parentheses is the annual rate. ** PBA 2013 employment definition is slightly different from other runs; change is calculated from the PBA 2013 base for 2010, but uses the same 2015 base as the other estimates. | | | | | | | | | |

⁴ For the purpose of discussion, in this chart we pair the low Pitkin-Myers population projection with the lowest trend projection generated by the ABAG simple extrapolation approach. The P-M/Trend Low projection assumes a net outward trend in domestic migration at a level equivalent to that which occurred between 2000 and 2010. In contrast the REMI H projection assumes more than a decade of net positive in-migration to the region at a rate greater than the region has seen since the 1970s.

At the low end, a “no growth” economy would lead to population growth spurred by natural increase but tempered by continuing domestic out-migration (a net shift of people from the Bay Area to other parts of the region), still adding about 1.8 million people and over 700,000 households to the region. At the high end, the region would see strengthening advantage of the Bay Area economy relative to the US, continuing in-migration of skilled workers, and successful expansion of housing stock to the extent that prices show no further relative increases (compared to 2013). This would lead to a 45 percent increase in the number of jobs, relative to 2010 (about a 20 percent increase from 2015). To support this employment growth, population could grow to almost 10 million, with 1 million new households.

The three middle level numbers (*Projections 2013*, ABAG 2017p (originally a REMI version), or REMI M) all offer a realistic perspective on likely migration and building activity. Considerations in choosing among these three alternatives include:

- ABAG historic population and household projections have been on target or slightly high. Employment projections have been lower than the highest (temporary) peaks but otherwise well above trend. *Projections 2013* was consistent with long term trends in all three components. ABAG 2017P is consistent the original employment projection provided by CCSCE in 2012 before adjusted downward because of housing constraints. REMI M is higher for all three components compared to ABAG 2017P and *Projections 2013*.
- Consistency with long term trends (as in *Projections 2013*) also means accepting “business as usual” for housing production and growth in in-commuting. This makes it more difficult to meet the requirements of SB 375. Projecting housing production consistent with demand growth due to population change would strengthen the region’s ability to meet the goals of SB 375. ABAG 2017P and REMI M do this compared to *Projections 2013*.
- The long-term employment projections do not take into account cyclical events, but the greatest uncertainty is in the employment level. We are confident the recent surge in employment growth will moderate but are much less certain as to the degree of moderation. In proposing ABAG 2017P we take an incremental approach to the forecast, as explained in the next bullet point.
- Plan Bay Area 2040 is a minor update. The ABAG 2017P projections raise employment, population, and household projections modestly relative to the *Projections 2013* level. The higher housing projection reflects the region’s aspiration to provide units for all of the population. This higher housing level will point to the need to address land use policy to expand the region’s housing production. Should the next four years show continued strong growth, and should housing respond in a way that meets growing needs, then the outlook for stronger long-term employment growth within the region (rather than relocation of expanding activities forced by constraints) would improve and would be addressed in the next forecast.

Further Considerations in Selecting an Alternative

There is no single “right” projection. There is uncertainty going forward on all aspects of the projections. Some key uncertainties include:

- Economic uncertainties
 - Where is the Bay Area in the economic cycle? This influences where the trend can be expected to go.
 - Is the region’s economy on a long-term path of strengthening relative to the nation, or will it continue to have innovative surges followed by flat periods or employment downturns as the new innovative source transforms to a mature sector. This affects the overall rate of growth.

- When the next downturn comes, will the Bay Area weather it well, or will it lead the nation downward, as it has done in the past 3 cycles? This will affect our expectations for average growth rates.
- How will employment shift among our key high wage and low wage sectors?
- Demographic uncertainties
 - Will growing job opportunities continue to draw new residents to the region? To what degree will this flow counterbalance the outflows of those who cannot afford the region's high living costs?
 - How will tempering of job growth affect future migration in and out of the region?
 - Will the millennials (also the echo boomers) still be in the region in 25 years, or will they move to other geographic areas as they form families?
 - Will seniors stay in their under-occupied single family homes, move to smaller units or group settings, double up with children or grandchildren, or leave the region?
 - How will labor force skills change over time—will new in-migrants and immigrants continue to be highly educated, and will this counterbalance any challenges in educating the region's home-grown diverse labor force?
- Household and housing uncertainties
 - Will changes in land use policy, development fees, and financing availability help expand future housing production?
 - Will family and non-family groupings form larger households to make living in the region more “affordable” under existing constraints?
 - Will cultural trends toward assimilation continue, diluting the tendency of immigrant households to have multigenerational households, or will even native-born third-generation and higher households begin to adopt multigenerational living situations for cultural or cost reasons?

Assumptions in Alternative Projections

The range of projections shown in Tables A-1 and A-2 are a small sample of the many different results generated from our projections process. Table A-2 outlines the different assumptions underlying each set of projections, including:

- The driving forces at the national level
- The level of residential and nonresidential investment
- The rate of growth of housing prices
- The level of regional competitiveness
- The role of demographic change and household formation assumptions

The preliminary proposed employment projection (ABAG 2017p) is a projection generated using the REMI modeling tool after some major adjustments. Adjustments include: (1) National employment growth occurs by sector as projected by the Bureau of Labor Statistics, with a moderation in the pace of growth following 2022 consistent with slower growth in the US labor force. (2) Further adjustments at the national level to Health and Education and Information sectors to reflect more realistic trends relative to other sectors (Health and Education was escalating too rapidly, Information dropping too broadly). (3) Adjustments at the regional level to constrained residential and nonresidential investment from expanding exponentially (adjusting for a model flaw). (4) Increasing production costs in some sectors as the region competes to retain and attract skilled labor in its fastest growing industries. Adjustments (1) through (3) are shared across a number of alternative projections produced by ABAG

(only some of which are shown here). In some of our alternative projection simulations we also adjusted relative housing prices to a level more reflective of current conditions. This adjustment is not included in the ABAG 2017p projection.

| Table A-2: Underlying Assumptions of Different Projections | | | | | | |
|---|--|---|--|---|--|---|
| | Migration | US Growth | Construction Investment | Sector Adjustments | Households and Housing | Labor Force Characteristics |
| P-M Low/ Low trend employment projection# | Rate equivalent to 2000-2010, domestic net negative | Low trend based only on regional growth, no US assumptions. | NA | Paired with low trend based on <i>region's</i> trough to trough historic rate of growth | Historic household formation rates by demographic group | NA |
| DOF | Projections 2013 equivalent | NA | Land use controls remain tight | NA | From DOF | NA |
| Projections 2013 | Not estimated | BLS 2008-2018 series, updated by CCSCE | NA | Shift share adjusted manually | NA | Total matches employment demand; demographic details from DOF. |
| ABAG 2017p (REMI based) | Net domestic economic migration positive through 2020, then negative to 2037; negative net retirement migration, increased | BLS 2012-2022 projection, rates dropped after 2022. | Residential and non-residential investment capped to peak historic level | Modified Health and Education, Information trends at US level. | Adjusted household formation rates (see text) | Production costs rise in key South and West Bay sectors. Labor force participation increases in younger age groups. |
| REMI M | Net domestic economic migration positive through 2020, then negative; negative net retirement migration | BLS 2012-2022 projection, rates dropped after 2022. | Residential and non-residential investment capped to peak historic level | Modified Health and Education at the US level | Adjusted household formation rates; higher relative housing price. | NA |
| REMI H | Net domestic economic migration positive except small negative 2029-2033 | BLS 2012-2022 projection, rates dropped after 2022. | NA | NA | NA | NA |
| NA: Not addressed or not adjusted in forecast # The low employment trend was NOT produced by the Pitkin-Myers modeling approach but we discuss this employment trend as consistent with this low population growth level. | | | | | | |

Evaluating the Alternatives

In selecting among the alternatives, ABAG staff consulted the technical advisory committee, ABAG senior management, MTC senior staff and management, and Stephen Levy of the Center for Continuing Study of the California Economy.

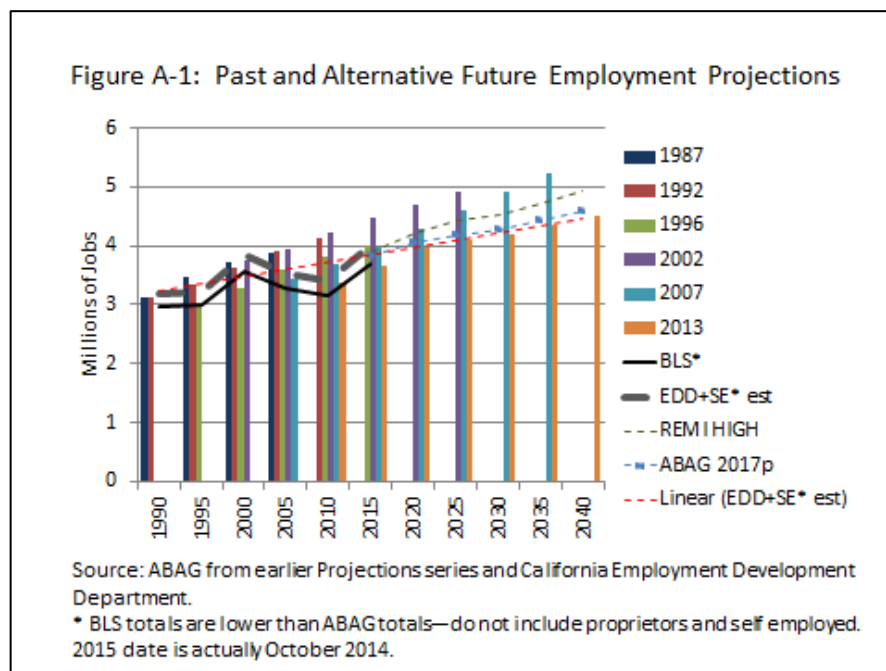
Technical Advisory Committee and Consultant Role and Response

Of ABAG's Regional Forecast Technical Advisory Committee's twelve members, ten provided feedback. Eight of the ten argued that the lower projections were most likely (P-M, DOF, Projections 2013 or an earlier REMI version similar to ABAG 2017p for population; Projections 2013, the REMI version close to ABAG 2017p or REMI M for employment; household estimates ranging from the original Projections 2013 to a REMI version lower than ABAG 2017p). Underlying arguments for this view were that housing would continue to be a constraint to population and labor force growth, while some felt infrastructure constraints, especially roads and transit, would add further limits on employment and household growth. The other two technical advisory committee members felt the high end was a better selection for planning purposes, arguing that the current surge in jobs could continue, although one of these two reviewers recognized that changes in land use policy would be needed to avoid a continuing pattern of displacement from such growth. Stephen Levy of CCSCE, who played a very helpful larger consulting role at the early stages of assessing and applying REMI, also argues for the higher employment level, saying this could be achieved with a population level closer to the mid-range (perhaps 9.6 million), due to higher labor force participation rates and lower birth rates.

Projection Alternatives in Context

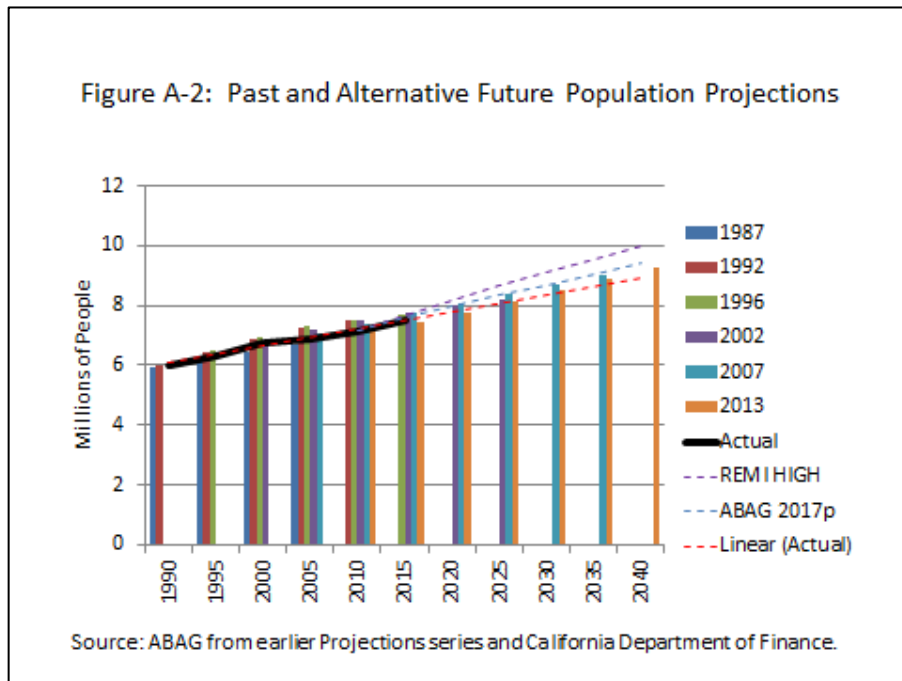
We can compare the range of projections described above with those that have been done in the past.

Employment: Figure A-1 shows the history of selected ABAG employment projections, including *Projections 2013*, as well as ABAG 2017P and REMI H projections, and a straight continuation of the 1990 to 2010 trend.⁵ *Projections 2013* is at the historic long-term trend, ABAG 2017P is only slightly above the line, while REMI H is about 9 percent above ABAG 2017P, but still trending below the highest employment forecasts from *Projections 2002* and *Projections 2007*.

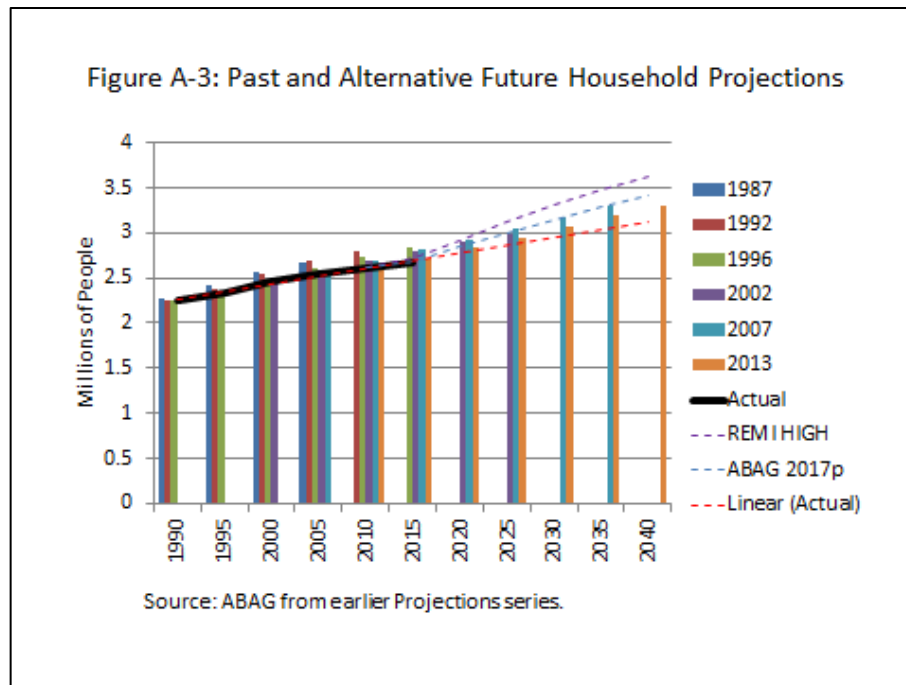


⁵ This differs from our highest trend extrapolation, which assumes a continuation of 1990 to 2010 growth rates applied to every sector in every county. In contrast, the trend line shown here is based on an extrapolation of the overall statewide employment level.

Population: Comparing population projections, *Projections 2013* closely tracks historic trends, ending slightly above the trend level in 2040. ABAG 2017P gives a total about 1.5 percent above the *Projections 2013* level, while REMI H is above *Projections 2013* by 7.5 percent and more than ten percent above the trend level in 2040. REMI H quickly jumps above all historic projection levels, while ABAG 2017P tracks the *Projections 2007* levels.



Households: Figure 3 shows earlier household projections, as well as ABAG 2017P and REMI H projections and the trend line. *Projections 2013* was about 5 percent above the extrapolated trend line. ABAG 2017P is 2.4 percent above the *Projections 2013* level, while REMI H is 10 percent above the *Projections 2013* level.



Using ABAG 2017p provides a modest change from employment and population projections that were the basis for *Projections 2013* while identifying potential housing demand at a higher level than was described in *Plan Bay Area 2013*. ABAG 2017p is well within the range of possible employment, population and household growth estimated by the variety of methods applied during the forecasting process.

Interpreting and Using Projections

For those who are concerned that a higher or lower set of numbers would be appropriate, there are a couple of key points to consider. First, in employment projections, because of the cyclicity of employment, there is no clear target to aim for, much less to hit. Certainly it is likely that employment at some point may be substantially higher than projected in ABAG 2017p sometime between 2015 and 2040. At the same time, it is quite conceivable that at some point in that period, employment will be lower than it is in 2015. The alternative applied here allows for continuing employment and population growth, without assuming a major long-term transformation in how the region grows relative to the state and nation.

Second, from a slower growth perspective, housing constraints could well keep population and household growth closer to the DOF projection or below. However, to meet the requirement that *Plan Bay Area 2040* address the needs of all of the population, the projection must consider the possibility that at least some of these constraints are overcome over the next 25 years. The projections are reestimated every four years and will take into account both changes in the strength of the economy and in the region's ability over time to create a more flexible approach to housing the population.

More detailed technical documentation of the projections process is currently in preparation and will be available for review.

Appendix B

In-Commute Estimation Method

ABAG used REMI output in two different ways to estimate the in-commute.

REMI output:

- Employment by Place of Work: Bureau of Economic Analysis (BEA) employment measure
- Residence Adjusted Employment: BEA defined jobs held by residents in the region
- Labor Force: Adults working or unemployed but looking for work

Method 1:

- (1) In-commute = [Employment by Place of Work] – [Residence adjusted employment].
- (2) Change in in-commute = [In-commute 2040] – [In-commute 2010].
- (3) Employment count adjustment—Raw employment numbers in REMI are projected using the Bureau of Economic Analysis employment numbers, which overcount employment in sectors with extensive part-time and seasonal work. ABAG translates these jobs into Bureau of Labor Statistics and Self Employment estimates (equivalent to annual average across months) using a ratio technique applied at the sector level. This adjustment is made before estimating Households from In-Commuters.
- (4) Households = (In-Commuters)/1.3

Method 2:

- (1) Employed Labor Force=Labor Force * [1-unemployment rate]. Unemployment rate is actual in 2010 (10.3%) and assumed to be 5.5% in 2040.
- (2) Employment count adjustment—as described in Method 1, REMI BEA employment by place of work is adjusted to a Bureau of Labor Statistics plus Self Employment equivalent using ratios applied at the sector level.
- (3) In-commute = [Employment by Place of Work adjusted to BLS/SE definition]-[Employed Labor Force]
- (4) Households = (In-Commuters)/1.3

Method 1 produces a low estimate of commuting but a moderate estimate of change in commuting. Method 2 produces a commuting estimate in 2010 close to actual measured levels by the US Bureau of the Census, but a much lower number by 2040. For the ABAG 2017p estimate, the results on in-commute change ranged from less than zero to 25,400. We apply the higher level of change to our commute household estimates to ensure meeting the legal settlement requirements.

Appendix C
Technical Advisory Committee and Consultants

ABAG Regional Forecast Technical Advisory Committee, Plan Bay Area 2040

Irena Asmundson, Chief Economist, California Department of Finance

Clint Daniels, Principal Analyst, SANDAG

Ted Egan, Chief Economist, Controller's Office of Economic Analysis, City of San Francisco

Robert Eyster, Professor of Economics and Director, Center for Regional Economic Analysis, Sonoma State University

Gordon Garry, Director of Research and Analysis, Sacramento Area Council of Governments

Tracy Grose, Bay Area Council Economic Institute

Subhro Guhathakurta, Professor, Georgia Tech University, Department of City and Regional Planning

Hans Johnson, Senior Fellow, Public Policy Institute of California

Jed Kolko, Chief Economist, Trulia

Walter Schwarm, Demographic Research Unit, California Department of Finance

Michael Teitz, UC Berkeley and PPIC, Retired

Daniel Van Dyke, Rosen Consulting Group

Ex-Officio Members

David Ory, Metropolitan Transportation Commission

Michael Reilly, Metropolitan Transportation Commission

Sean Randolph, Bay Area Council Economic Institute

Consultants

Stephen Levy, Center for Continuing Study of the California Economy

Dowell Myers, University of Southern California

John Pitkin, Analysis and Forecasting, Inc.

ABAG Staff

Cynthia Kroll, Chief Economist

Aksel Olsen, Regional Planner/Analyst

Hing Wong, Senior Regional Planner

Shijia Bobby Lu, Regional Planner

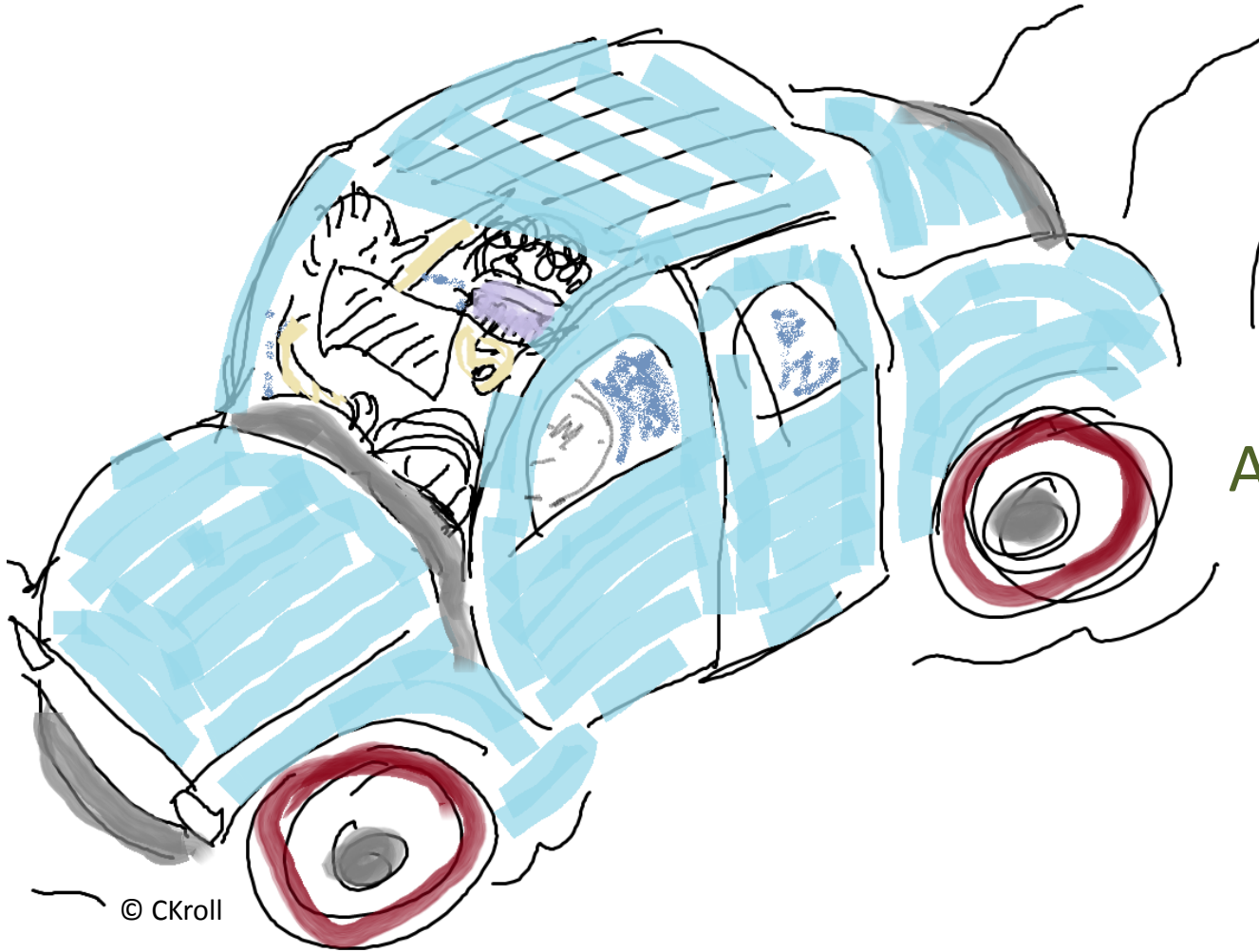
Introducing the Preliminary Regional Forecast for Plan Bay Area 2040

Cynthia Kroll, Chief Economist

Association of Bay Area Governments

Metro Center, Oakland, October 9, 2015





A forecast is like
driving
blindfolded,
while directed
by someone
looking in the
rear view mirror.

What is in the rear view mirror?

- Strong economic expansion
- Increased in-migration
- Longer history of
 - Booms followed by declines
 - Decade and a half of net outmigration

Goals in Doing the Forecast

- Realistic long term outlook, taking into account
 - Regional advantages and challenges
 - Policy considerations
- Integrated links between all elements of the forecast
 - Economic (employment, income, output)
 - Demographic (population, age and ethnic profile)
 - Housing market (households, housing units, commute patterns)

The Forecasting Approach

- Analytic tools
 - Pitkin-Myers demographic forecasting software
 - REMI economic forecasting software
- In-house analysis
 - Calibration of analytic tools
 - Alternative employment trend analysis
 - Household headship rate analysis
 - Income distribution analysis
- Technical Advisory Committee (interim meetings and review of results)
- Consultants and technical support
 - Stephen Levy, CCSCI
 - John Pitkin, AFI and Dowell Myers, USC
 - Chris Brown and other REMI technical staff

Elements of the Preliminary Forecast

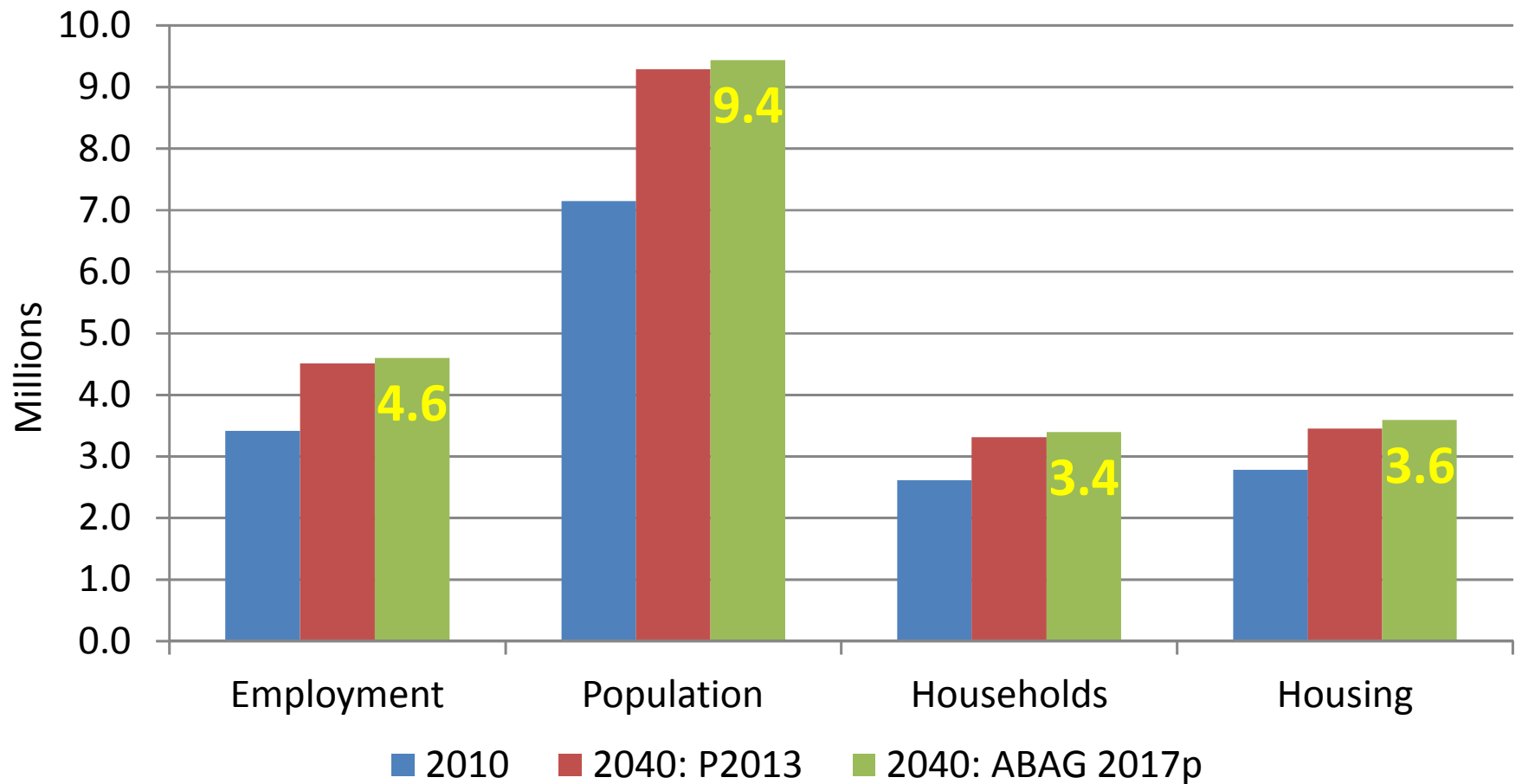
- Employment (ABAG from REMI, trend analysis)
- Population (Pitkin-Myers, ABAG from REMI)
- Households (ABAG headship rates)
- In-Commute (ABAG from REMI)
- Housing Units (ABAG based on vacancy assumptions)

REGIONAL; geographic distribution to come...

Key Assumptions

- Employment
 - US grows as projected by US Bureau of Labor Statistics, slowing after 2022 due to demographic factors
 - Rising costs due to competition for high skilled labor
- Population
 - Birth rates slow due to demographic change
 - Mortality rates slowing for seniors
 - Increase in rate of outmigration by seniors
- Households
 - Average household size depends on aging in place and delayed household formation by young adults
 - Housing policy begins to relieve some but not all of the region's constraints

Snapshot of the New Projections in Context

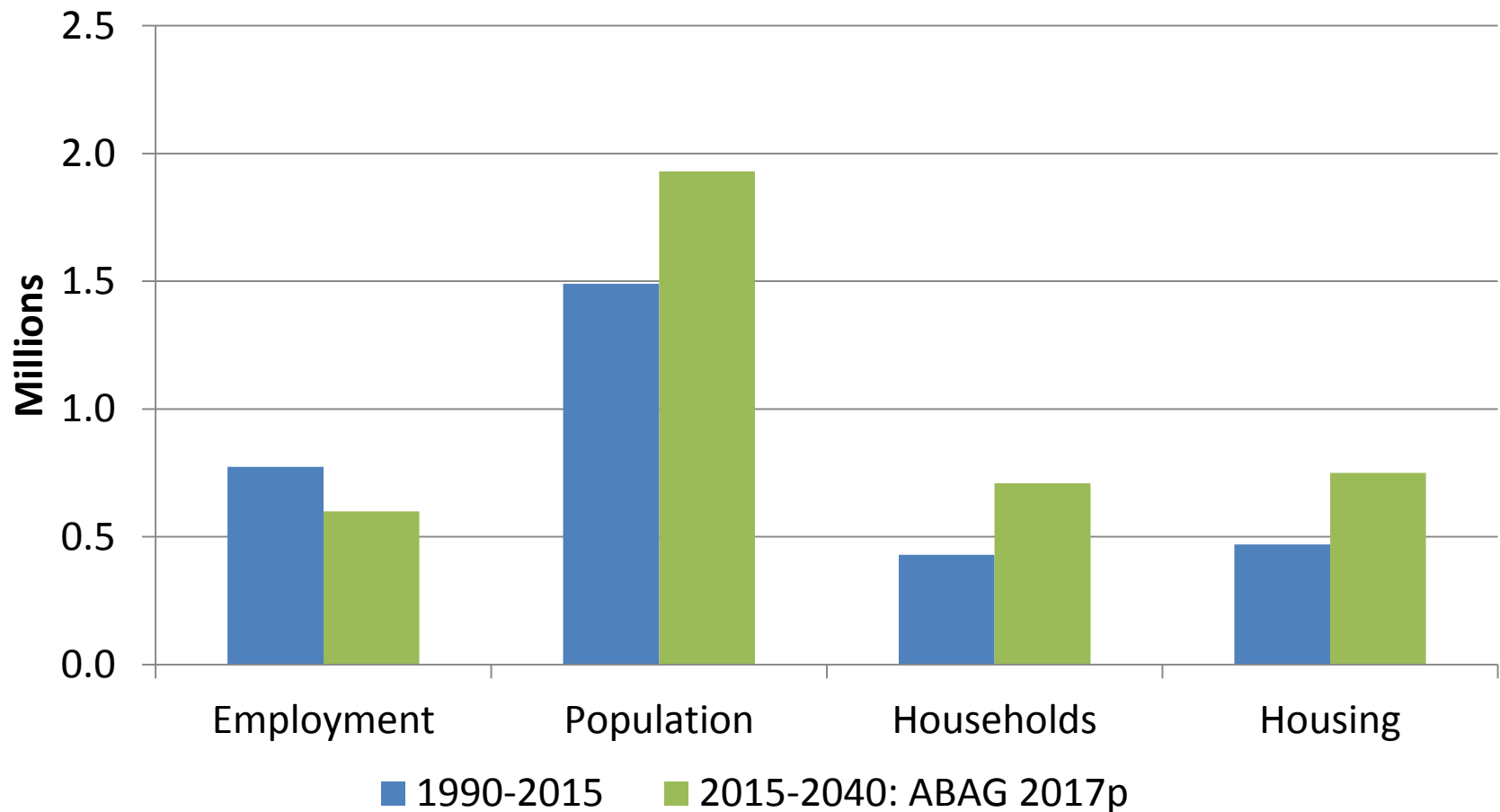


Source: ABAG from California Department of Finance, California Employment Development Department, US Bureau of the Census, Plan Bay Area 2013, and in-house analysis.

Q: Why do Economists provide estimates of future growth to the nearest tenth of a percent?

A: To prove they have a sense of humor.

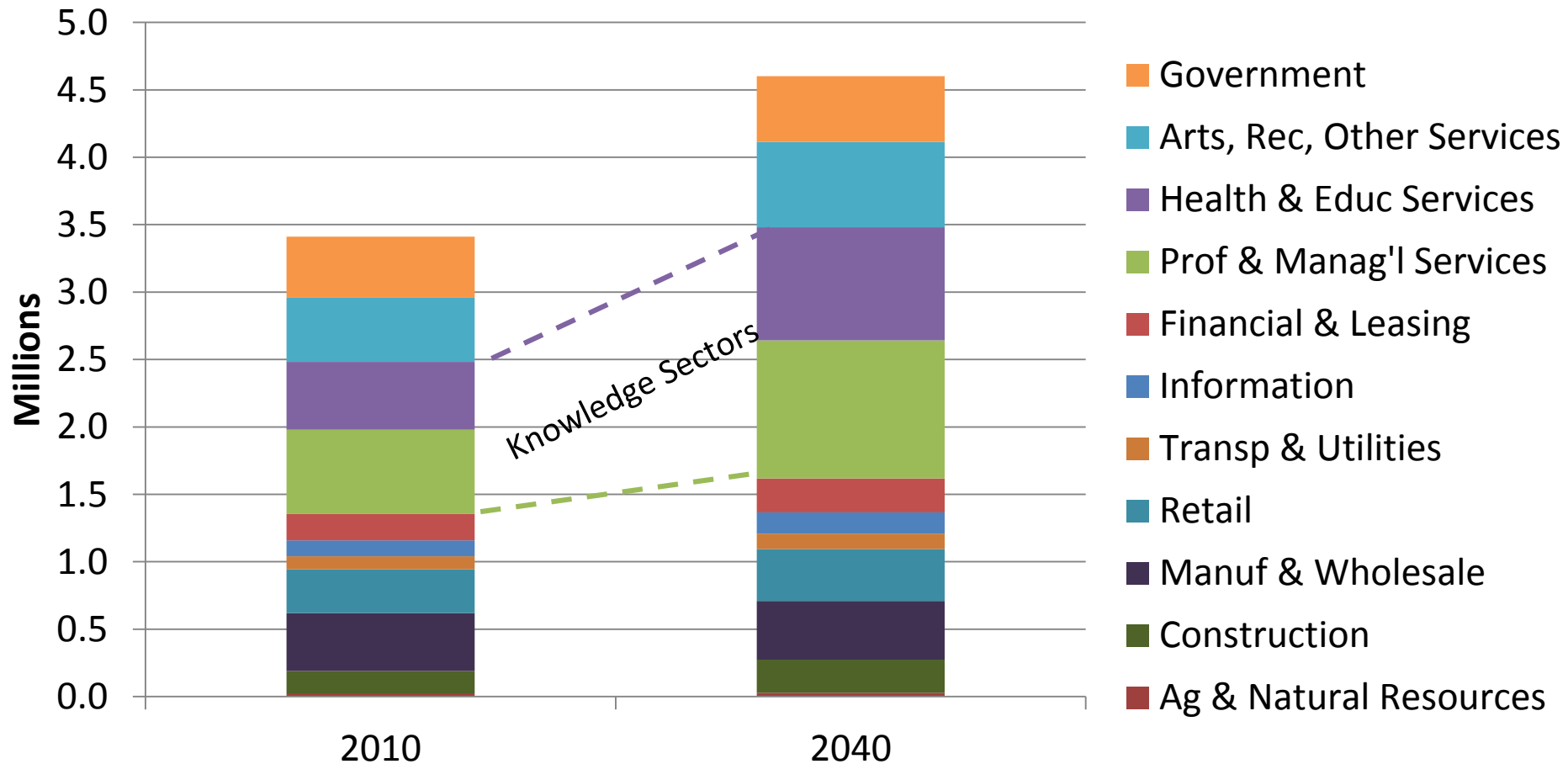
New Projections: Comparative Increment of Change, 1990 to 2015 and 2015-2040



Source: ABAG from California Department of Finance, California Employment Development Department, US Bureau of the Census, Plan Bay Area 2013, and in-house analysis.

Shifts in Employment Sectors

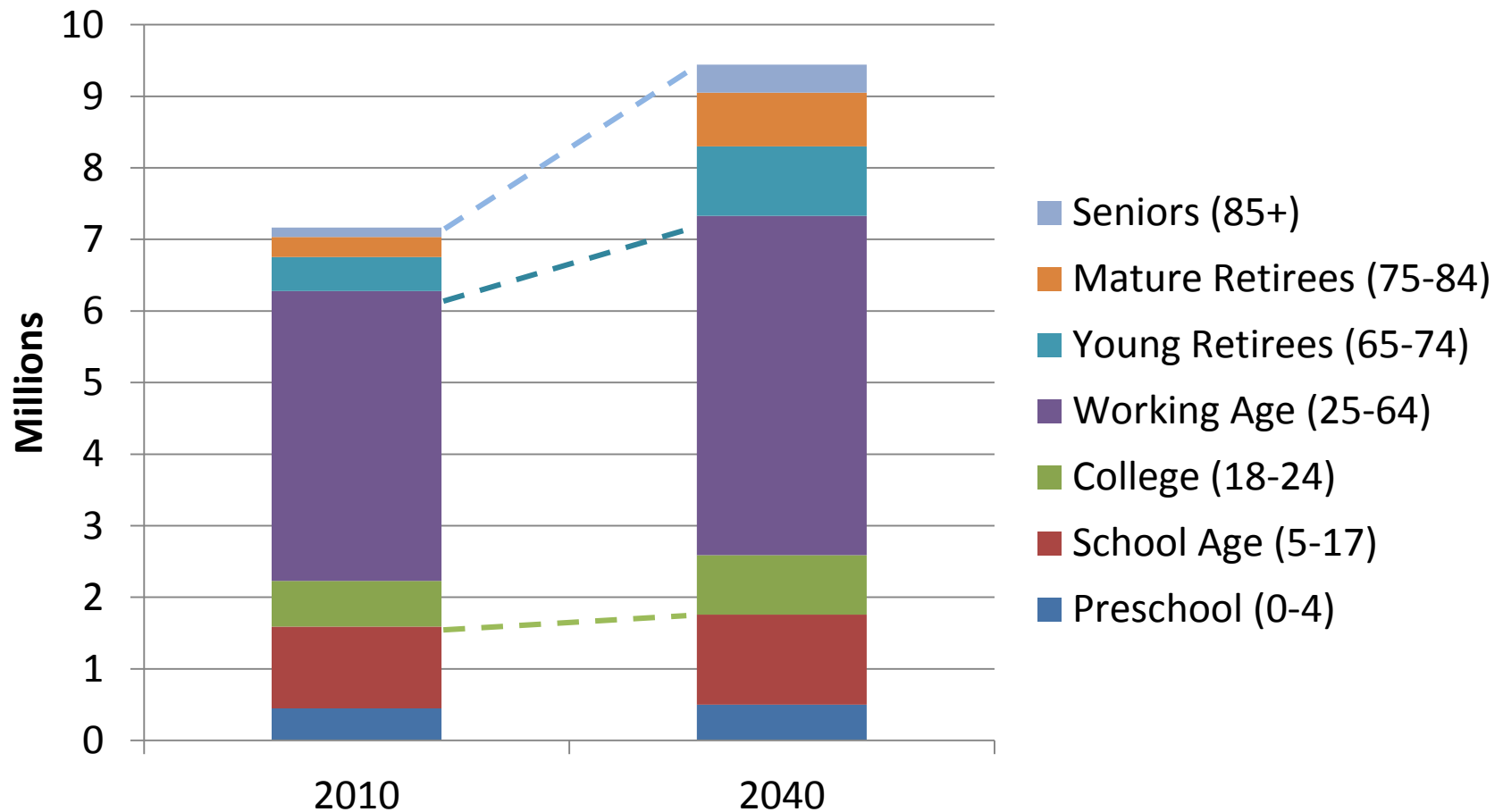
ABAG 2017p



Source: ABAG from California Employment Development Department, US Bureau of the Census, Plan Bay Area 2013, and in-house analysis.

Age Distribution of Bay Area Population

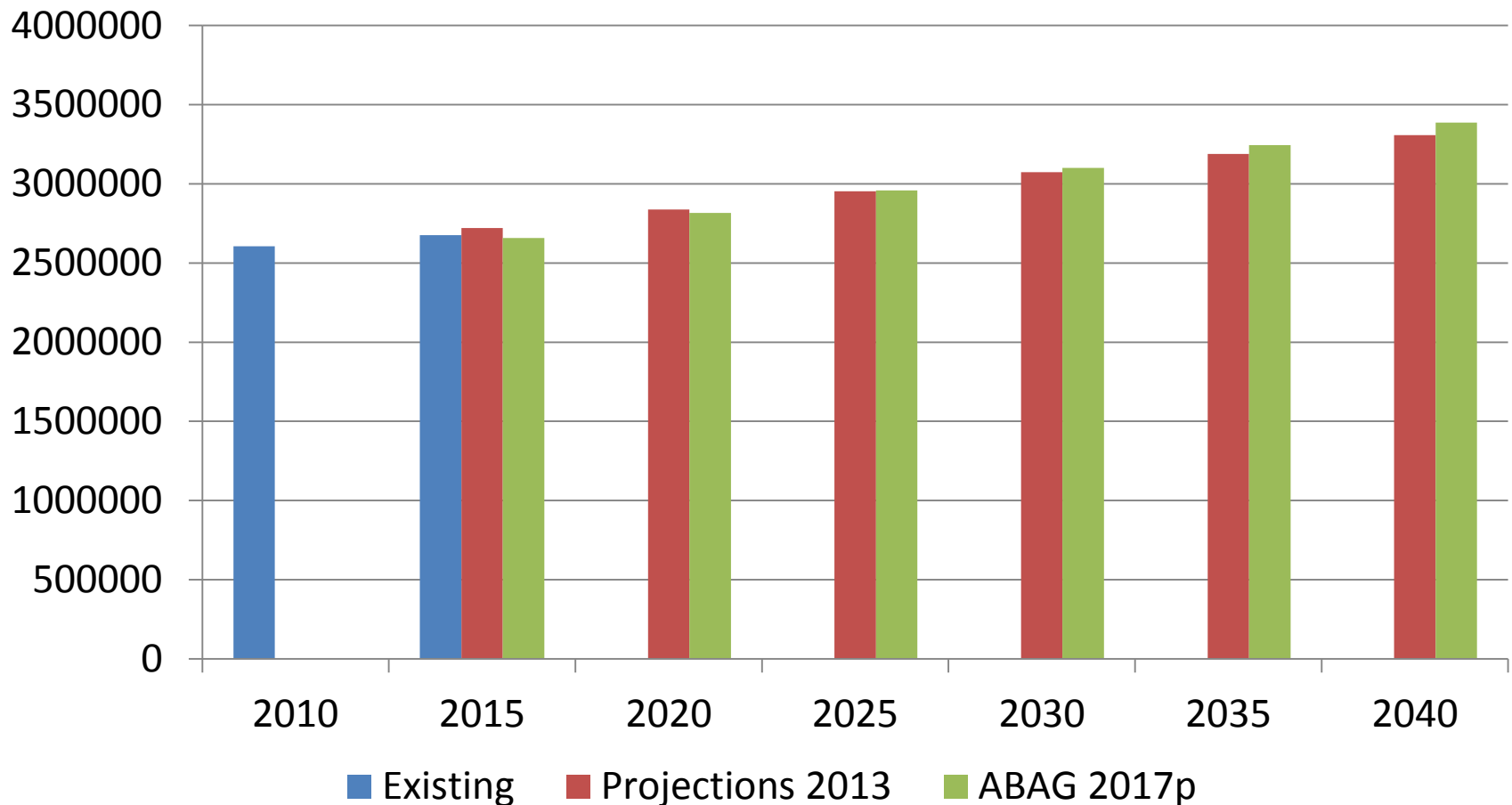
ABAG 2017p



Source: ABAG from California Department of Finance, US Bureau of the Census, and in-house analysis.

Projected Trend in Households

ABAG 2017p



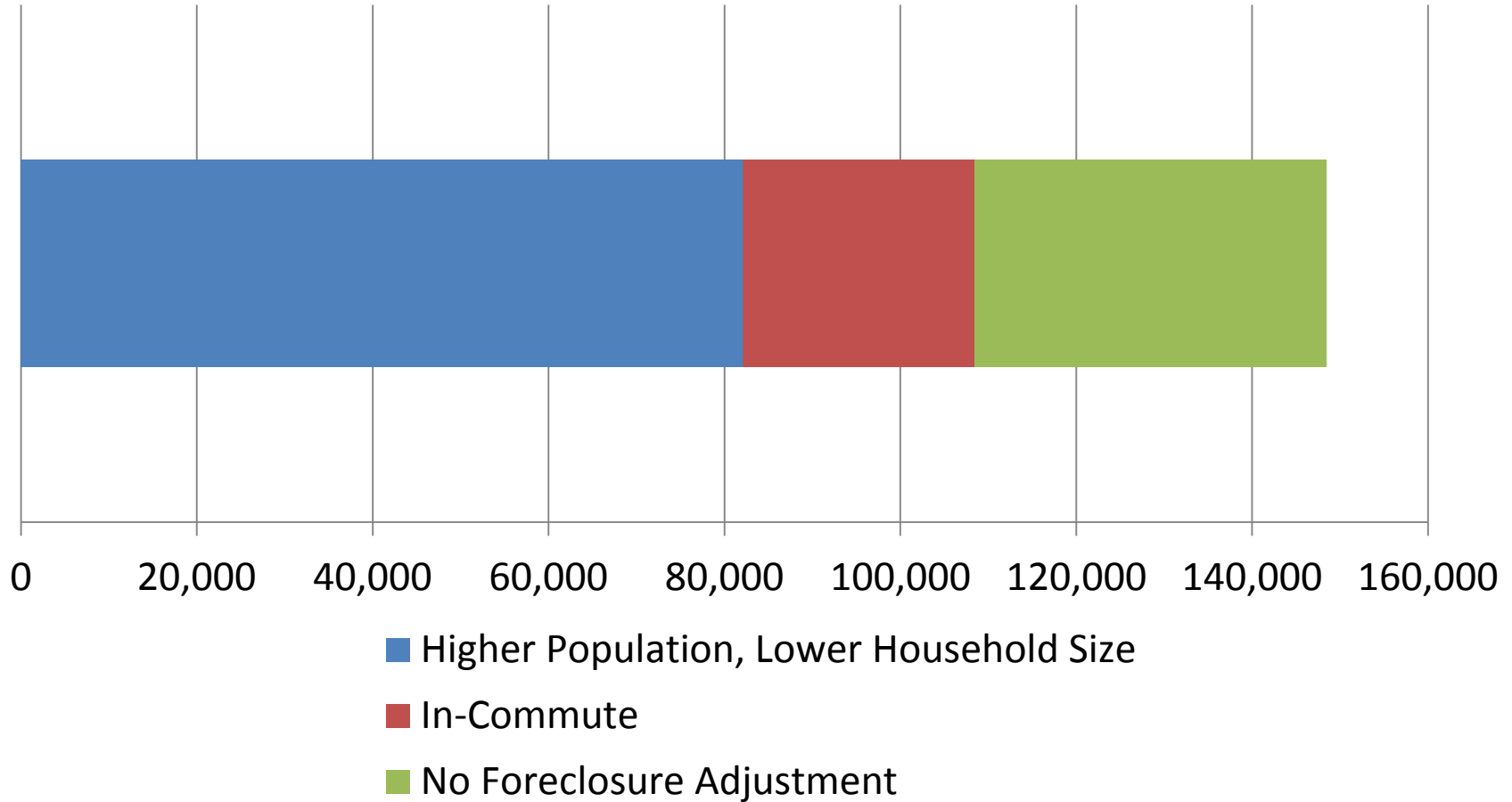
Source: ABAG from California Department of Finance, *Projections 2013*, and in-house analysis.

In-Commute Change and Regional Housing Control Total

| Element | Modeling Output | In-Commute Analysis | Totals |
|--------------------------------|-----------------|---------------------|-----------|
| In-Commute Change 2010-2040 | | 33,000 | |
| Households | 3,387,000 | 25,000 | 3,412,000 |
| Regional Housing Control Total | | | 3,592,000 |
| Increase in Housing Units | | | 808,000 |

Source: ABAG analysis.

What Accounts for the Larger Housing Unit Difference?

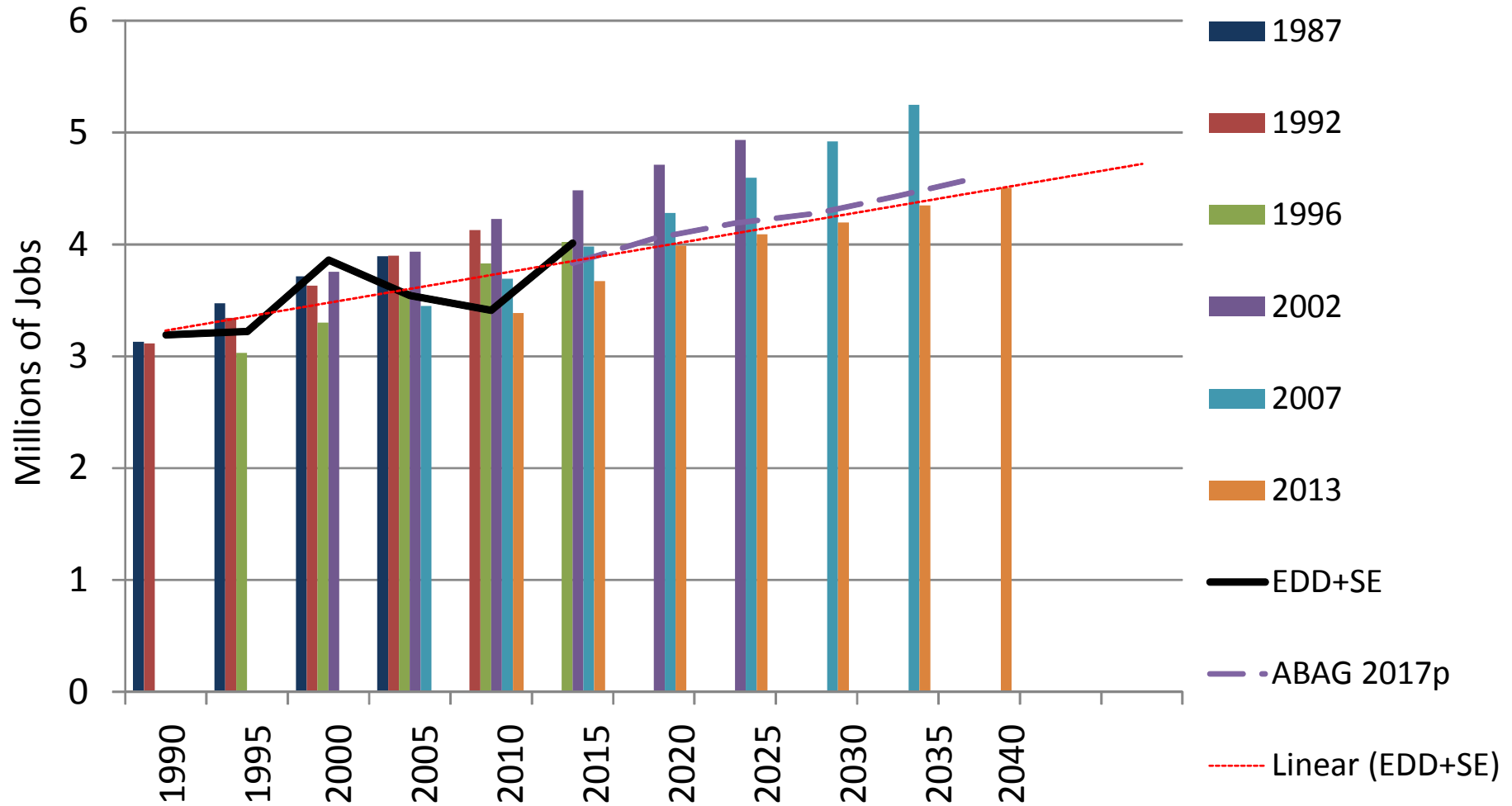


Source: ABAG analysis.

Projections in Historic Context

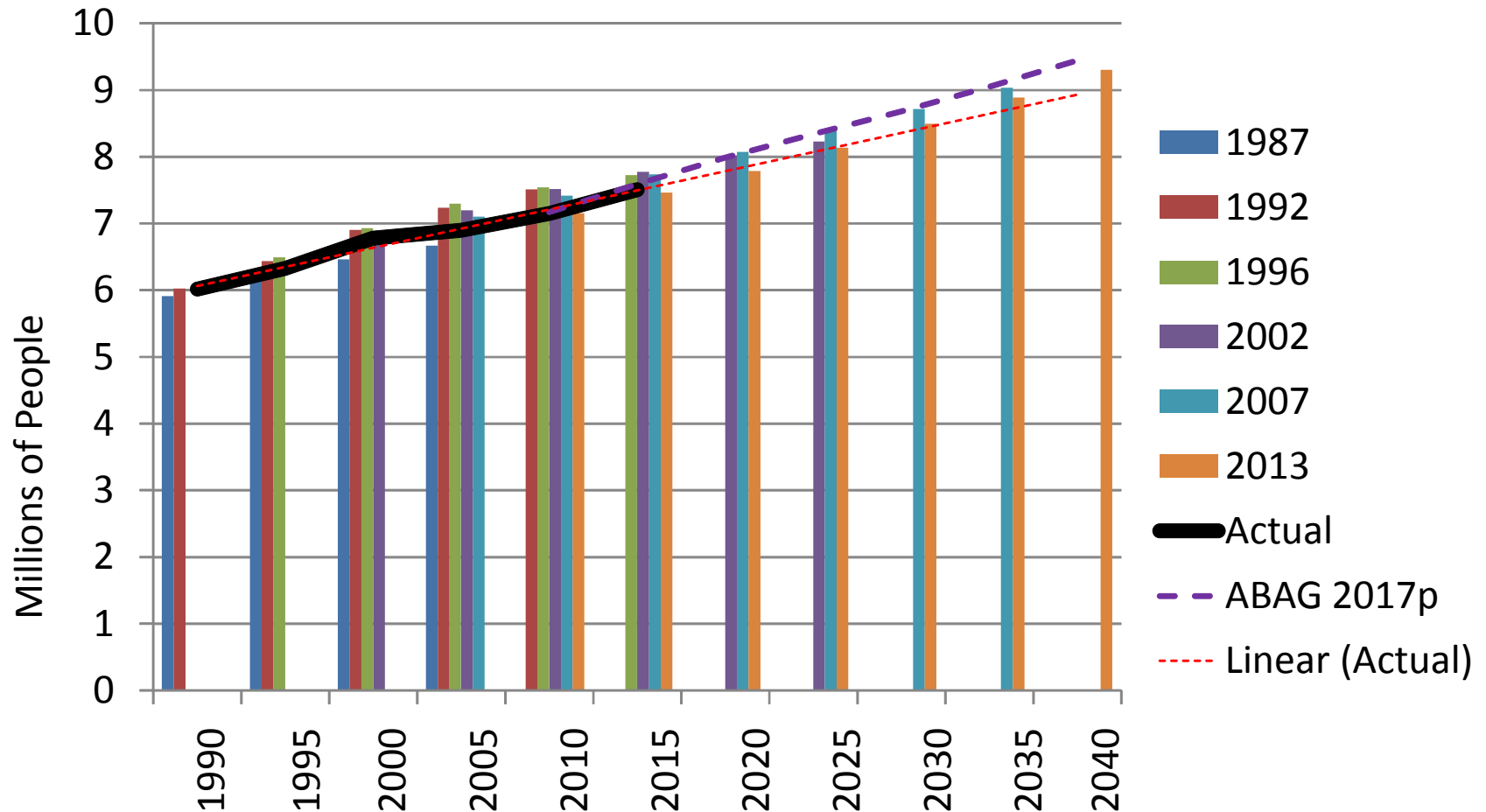
An economist is an expert who will know tomorrow why the things she predicted yesterday didn't happen today.

Past and Future Employment Projections



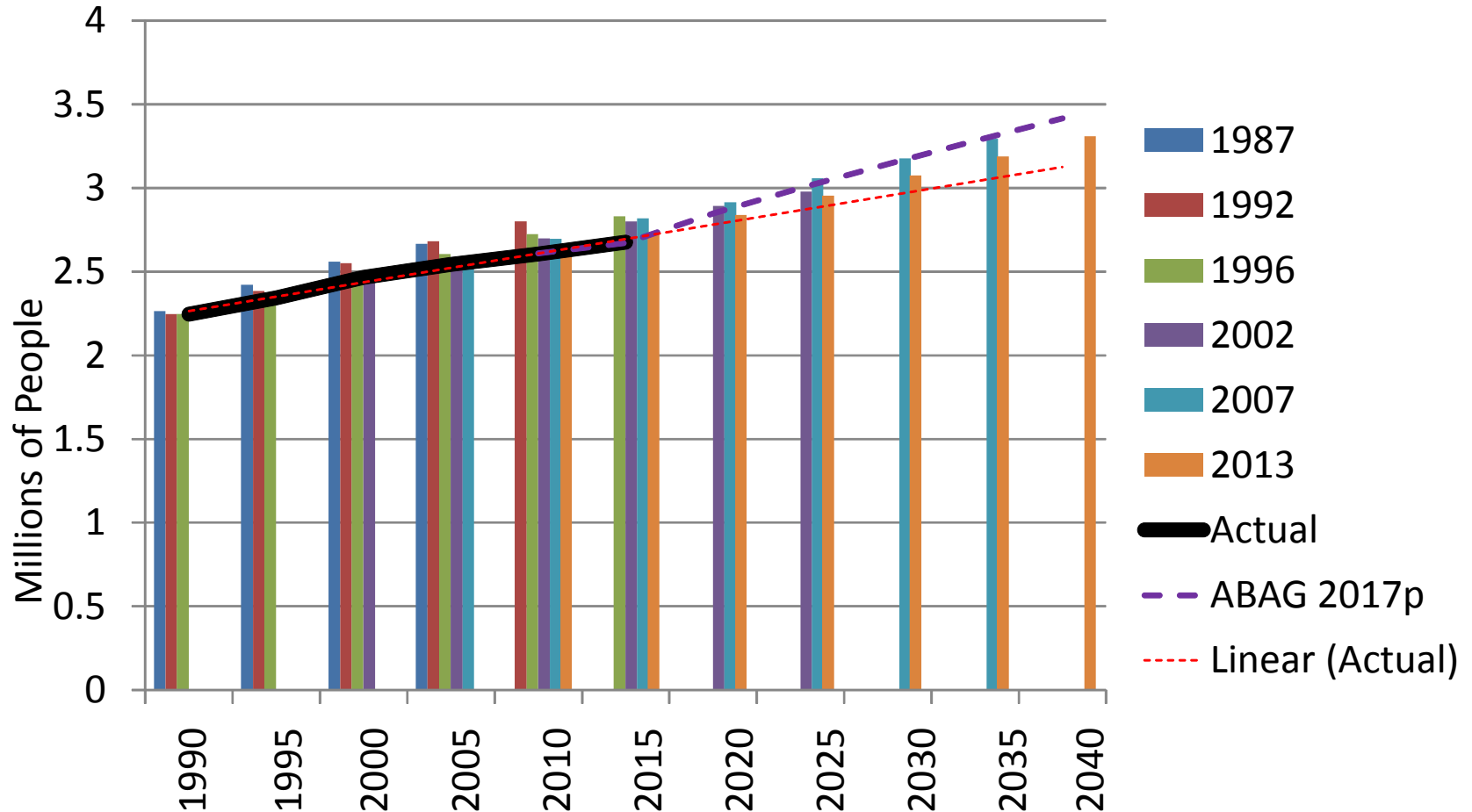
Source: ABAG from earlier Projections series and California Employment Development Department.

Past Future Population Projections



Source: ABAG from earlier Projections series and California Department of Finance.

Past Future Household Projections



Source: ABAG from earlier Projections series.

Some Final Points

- Population growth exceeds employment growth trends because of demographics
- Household growth exceeds population growth trends because of current deficits
- ABAG 2017p uses best practices to combine likely trends with policies built on aspirations for a more sustainable development
- A good projection needs frequent revision
- The exact numbers are less important than the policy discussion that will be built around those numbers.



Metropolitan Transportation Commission

101 Eighth Street,
Joseph P. Bort MetroCenter
Oakland, CA

Legislation Details (With Text)

| | | | | | |
|----------------------|--|----------------------|---|---|--|
| File #: | 15-0776 | Version: | 1 | Name: | |
| Type: | Report | Status: | | Informational | |
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| Title: | Priority Development Area (PDA) Assessment Update | | | | |
| | Overview of the update to the 2013 PDA Readiness Assessment, an in-depth representative analysis of the ability of the PDAs to accommodate new residential development in Plan Bay Area. | | | | |

Sponsors:

Indexes:

Code sections:

Attachments: [Priority Development Area \(PDA\) Assessment Update.pdf](#)

| Date | Ver. | Action By | Action | Result |
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Subject:

Priority Development Area (PDA) Assessment Update

Overview of the update to the 2013 PDA Readiness Assessment, an in-depth representative analysis of the ability of the PDAs to accommodate new residential development in Plan Bay Area.

Presenter:

Therese Trivedi MTC and Cynthia Kroll, ABAG

Recommended Action:

Information

Attachments



TO: Joint MTC Planning Committee with the ABAG
Administrative Committee

DATE: October 2, 2015

FR: MTC Executive Director and ABAG Executive Director

RE: Priority Development Area (PDA) Assessment Update

Background

In 2012, MTC and ABAG oversaw an assessment of the readiness of PDAs to accommodate housing projected in 2040, the horizon year of Plan Bay Area. The PDA Assessment evaluated a sample of twenty PDAs representing a variety of place types and market conditions, and focused on housing capacity, the existing planning and entitlement process, the level of community support for development (as demonstrated by elected official approval of PDA-supportive land uses as well as history of neighborhood opposition), market attractiveness, infrastructure capacity, unfunded needs and financing capability. The Assessment found that the baseline readiness of the PDA sample to take on residential growth was 62% of the 2040 forecast. With the implementation of a range of proposed policy and financial interventions, the Assessment estimated that an increase in the development capacity of the PDA sample to 80% or more was feasible.

The settlement agreement in the lawsuit *Building Industry Association Bay Area v. Association of Bay Area Governments, et al.* (Alameda County Superior Court Case No. RG13692098) requires an update of the PDA Assessment earlier in advance of the update to Plan Bay Area. Additional PDA Feasibility Analysis will be conducted in relation to the settlement agreement in the lawsuit *Communities for a Better Environment v. Metropolitan Transportation Commission*. MTC engaged Environment & Planning Services (EPS) to update the assessment. An update to the analysis offers an opportunity to assess market conditions that have significantly changed in many PDAs since the initial PDA Assessment was completed.

Scope of Work

The PDA Assessment update was prepared in a manner comparable to the work completed in 2013. The scope of that analysis similarly evaluated the local planning and entitlement process, community support for development, market investment attractiveness, infrastructure capacity and financing. The 2015 Assessment includes an expanded sample of 65 PDAs; the initial 20 evaluated in 2013, as well as an additional 45 PDAs representing a range of place types and market conditions. The number of units allocated to the sample PDAs represents half of all of the housing units projected in Plan Bay Area and two-thirds of all Plan Bay Area units allocated to PDAs.

A technical advisory group, in which both MTC and ABAG staff participated, was established with the following perspectives represented: residential developers, local jurisdictions, congestion management agencies and the Building Industry Association. The committee met three times, first to review the framework for the analysis and the expanded sample, next to review initial baseline results, and again to review amended results that, with various policies and investments applied, could advance PDA development. Staff in local jurisdictions provided data and input into the analysis of their PDAs, and had the opportunity to review their PDA findings.

Findings

The PDA Assessment reached the following conclusions.

- Given current local land use policies and development opportunity sites, there is capacity for about 70% of the Plan Bay Area 2013 allocation of residential units in the sample of PDAs (baseline readiness).
- With the implementation of a range of policy and investment interventions, the PDA Assessment estimates an increase in the development capacity of the PDA sample to 87% or more (amended readiness).
- Top PDA development constraints are similar to those found in the 2013 analysis and include infrastructure needs, limited local government financing and parcel assembly capacity (e.g. loss of redevelopment agencies and funding), market demand limitations, and in some cases, local zoning constraints.
- Also similar to the 2013 analysis, a range of policy actions could be implemented at the local, regional and state levels to address these development constraints and improve PDA development readiness, such as:
 - Refining local land use policies and zoning to improve the flexibility, predictability and efficiency of land use regulations;
 - Targeting available planning and capital funding to reflect development readiness; and
 - Expanding financing, particularly for infrastructure, and parcel assembly tools at the local level to provide jurisdictions with funding options or addresses parcel assembly challenges.

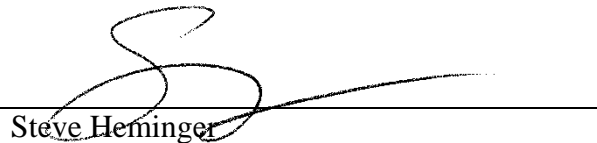
Development of non-PDA areas will also continue, as Plan Bay Area anticipated 20% of future housing growth will occur beyond PDA boundaries. In most instances non-PDA areas face constraints similar to PDAs. Ultimately, market forces and local land use decisions will influence the precise location, development prototypes, and cost of future housing.

Next Steps

Agency and EPS staff will present the attached slides at your meeting, providing additional detail about the project.

The PDA Assessment final report will be completed by the end of October. Staff will review the report findings as one of the inputs into the development of Plan Bay Area 2040 scenarios. In addition, recommended PDA Assessment policy actions will be considered for inclusion in Plan Bay Area 2040 and related advocacy efforts.


Ezra Rapport


Steve Heminger



Priority Development Area (PDA) Assessment - 2015 Update

Joint MTC Planning with the
ABAG Administration Committee
October 9, 2015

Therese Trivedi, MTC
Cynthia Kroll, ABAG
Darin Smith, EPS



Study Purpose

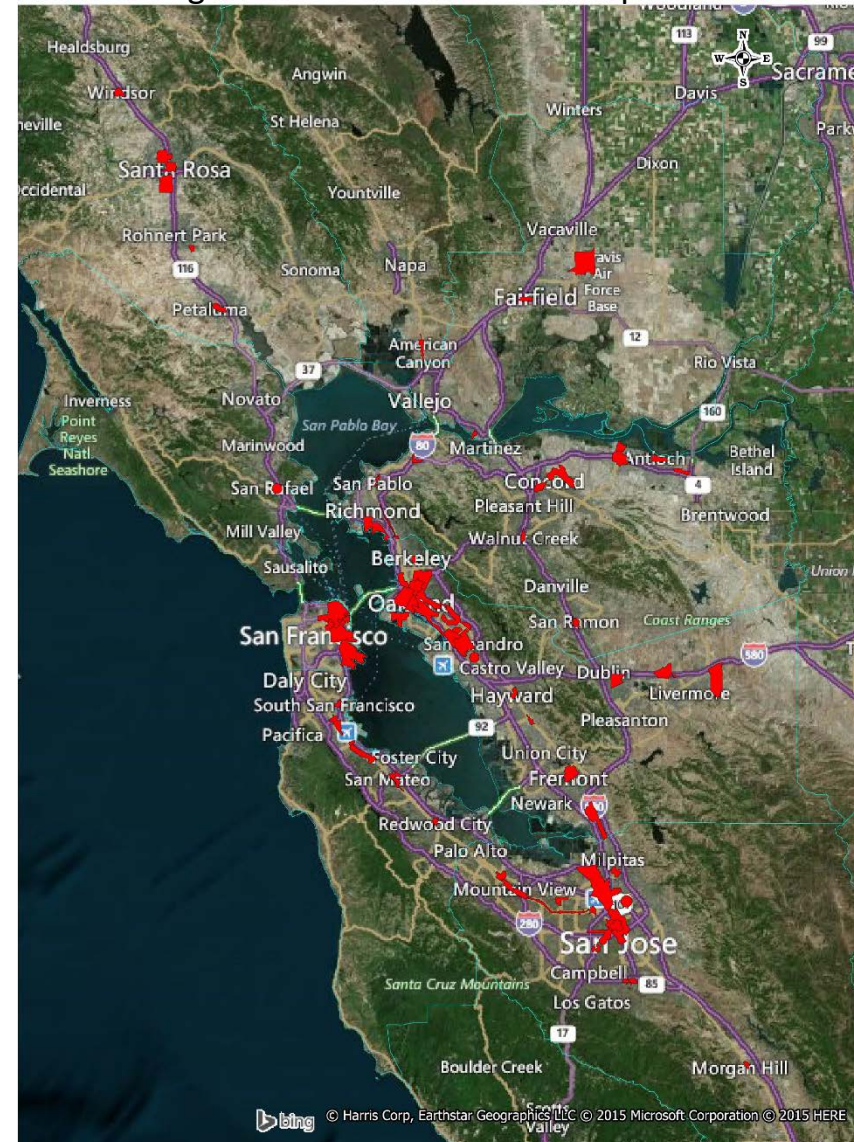
2013 Assessment

- Estimate PDAs “readiness” to accommodate residential units projected in *Plan Bay Area*
- Determine policy and investment initiatives to improve feasibility
- Results: PDAs can achieve **62%** of *Plan Bay Area* growth forecast, **80%** with policy actions

2015 Update

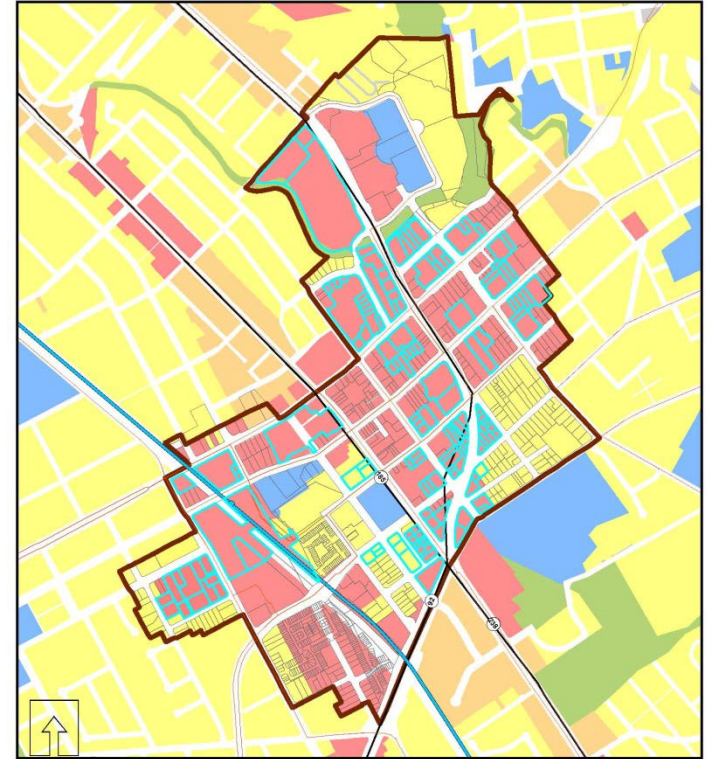
- Update outlined in Settlement Agreement
(Building Industry Association Bay Area v. Association of Bay Area Governments, et al.)
- Significant market changes since 2013
- Technical Advisory Group
- More robust sample than in 2013
 - 2/3 of housing projected in PDAs
 - 1/2 of overall housing in Plan Bay Area

Figure 1: 65 PDAs in 2015 Sample



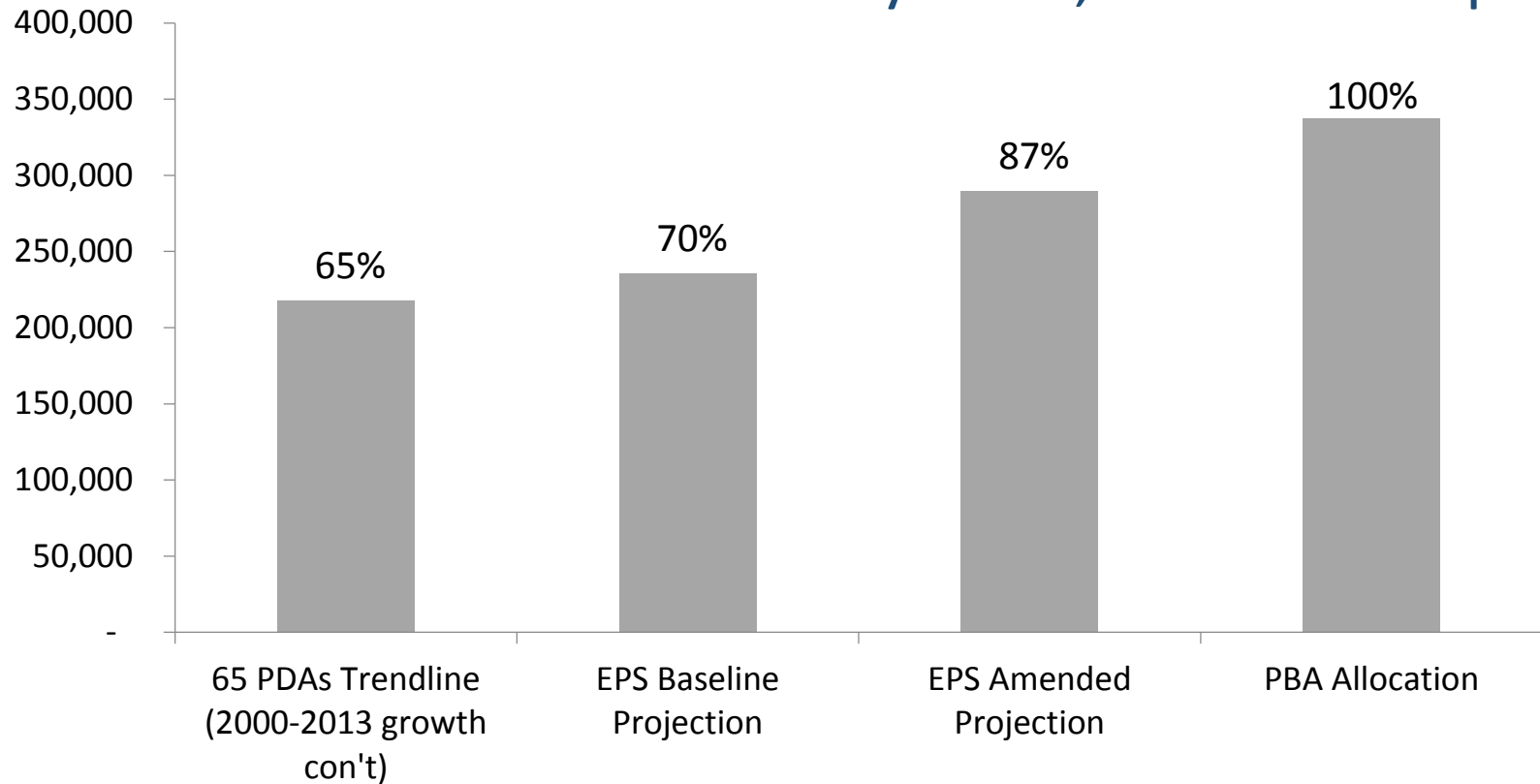
2015 Update - Framework for Analysis

- Readiness Criteria - same as 2013 Assessment
 - Housing capacity estimate
 - Existing planning & entitlement process
 - Level of community support
 - Market attractiveness
 - Infrastructure capacity, needs
- Evaluate baseline readiness
- Determine amended readiness assuming certain policy actions or investments



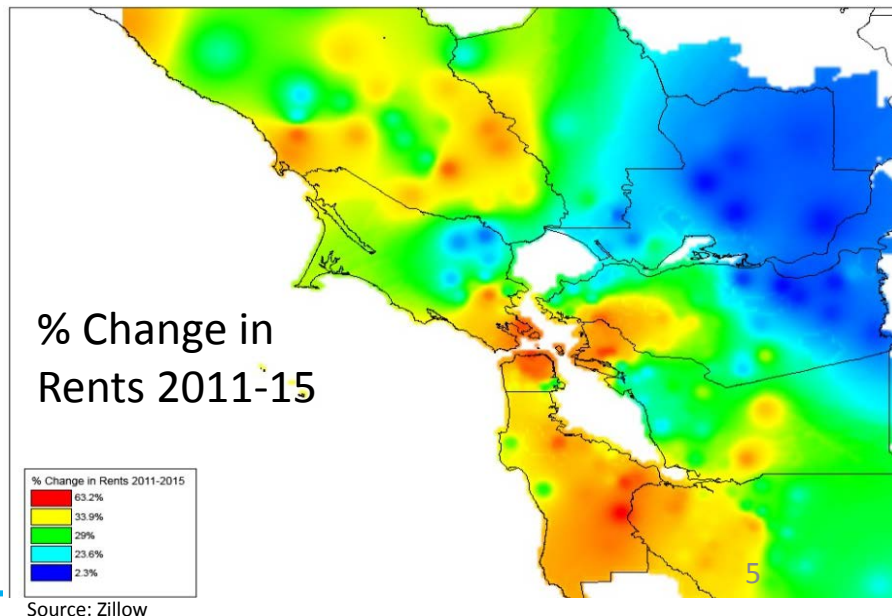
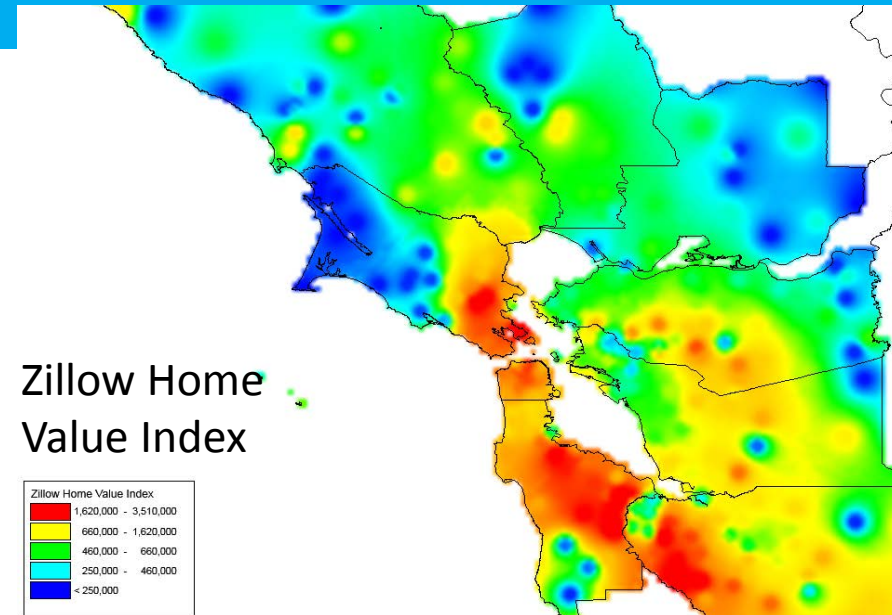
Finding #1: ~70% “Ready” in Baseline, ~87% “Ready” in Amended Conditions

Chart 2: Net New Units by 2040, 65 PDA Sample



Finding #2: PDA Readiness and Challenges Vary by Location

- Strong markets face community and political scrutiny
- Community and political support often stronger in weaker multifamily markets

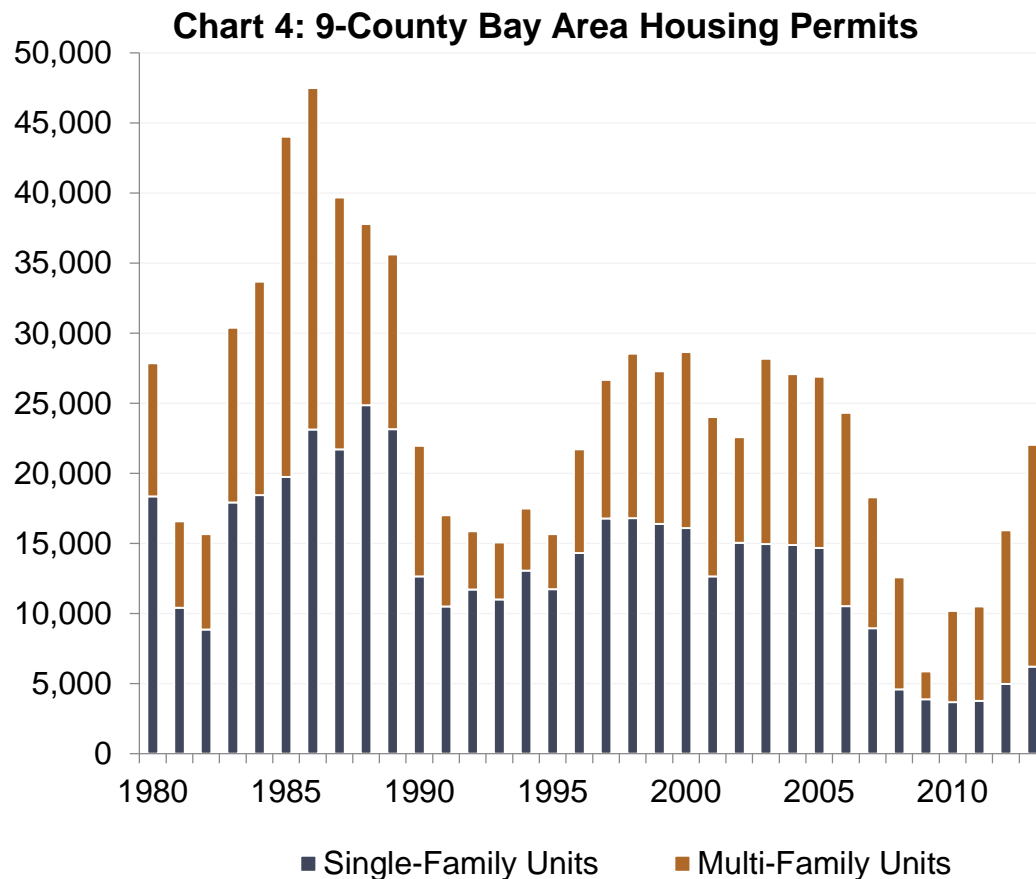


Changes Since 2013 Assessment

- Constraint

improvements:

- More Specific Plans/EIRs in place
- Housing permits have increased
- Prices have increased
- Density bonuses more viable
- New funding mechanisms (i.e. cap and trade)



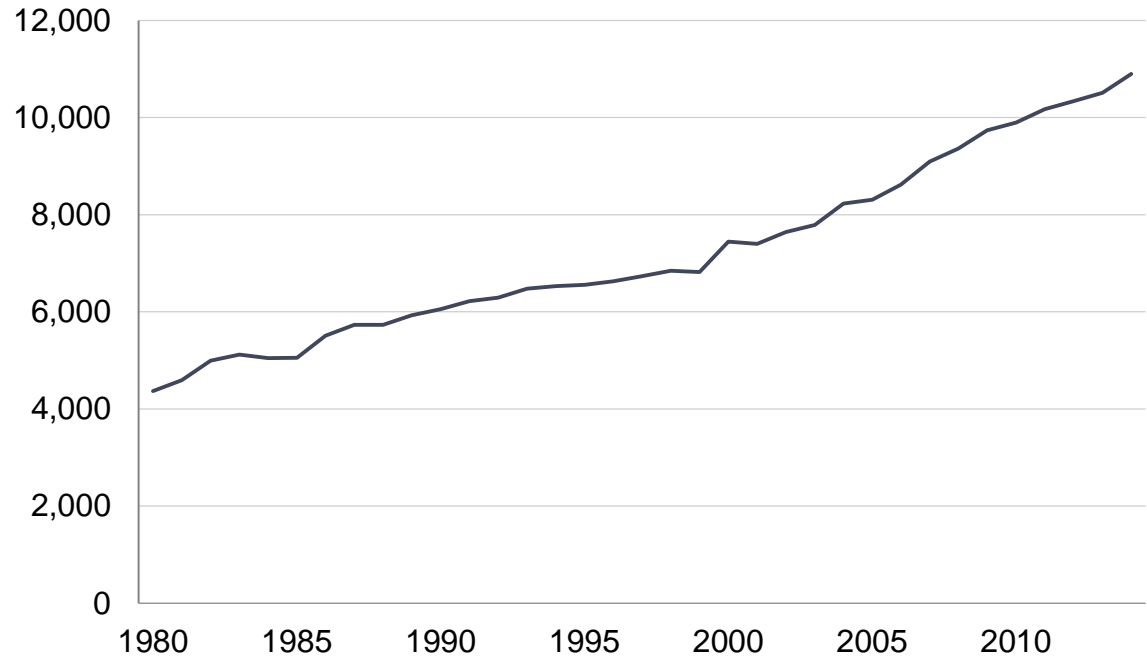
Source: Vital Signs, MTC

Changes Since 2013 Assessment

- Intensified constraints:

- Construction costs are up
- Fee and exaction increases in many communities
- Reductions in federal funding for affordable housing
- Concerns about displacement

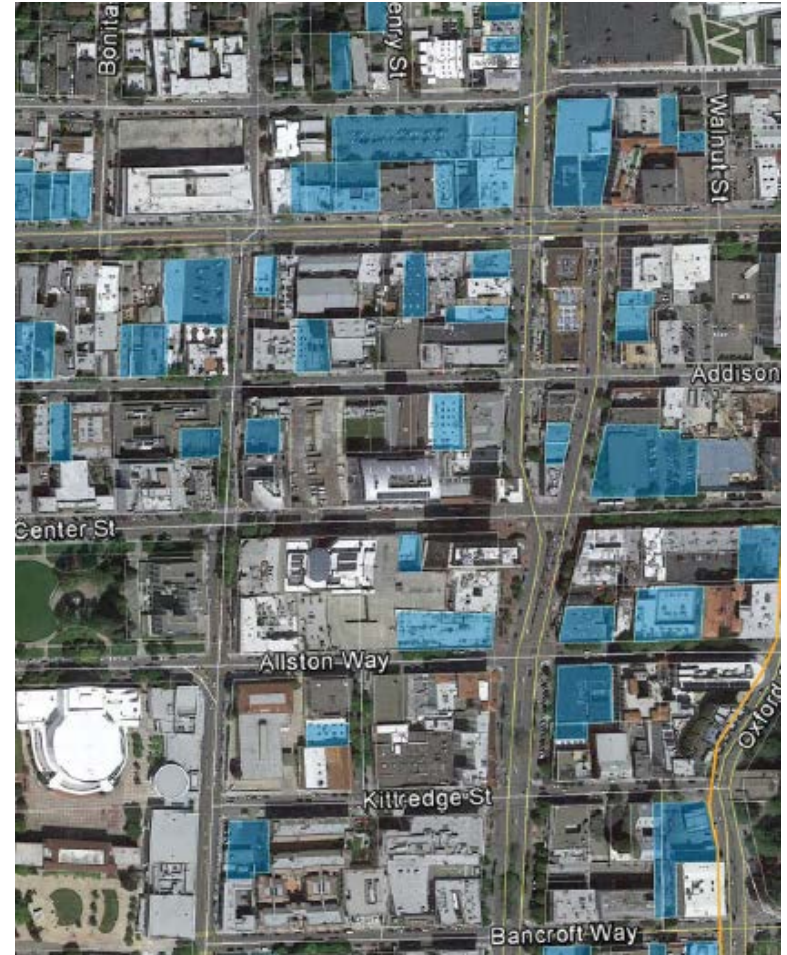
Chart 5: Construction Cost Index



Source: Engineering News-Record

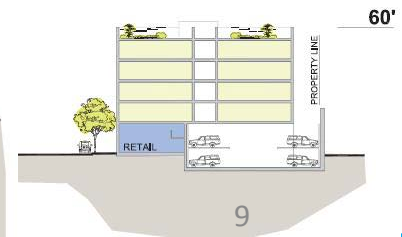
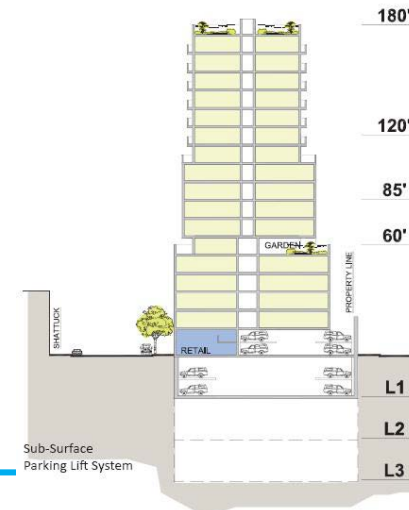
Persistent Conditions

- Site configuration/ small parcels
- Existing uses
- Neighborhood adjacencies
- Some unproven markets for more dense development
- Infrastructure needs



Interventions to Improve Readiness

- Included in Amended Results
 - Infrastructure financing/funding mechanisms
 - Parcel assembly tools
 - Selected upzoning or other capacity increases
 - Completing plans and EIRs to streamline processes
 - Removing policy-based constraints



Review and Next Steps

- Results shared with project Technical Advisory Group, local jurisdictions in sample, Regional Advisory Working Group
- Final report in October
- Results to inform Plan Bay Area 2040
 - Scenario development
 - Investments and policy advocacy in Plan





Metropolitan Transportation Commission

101 Eighth Street,
Joseph P. Bort MetroCenter
Oakland, CA

Legislation Details (With Text)

File #: 15-0868 **Version:** 1 **Name:**
Type: Report **Status:** Informational
File created: 9/11/2015 **In control:** Joint MTC Planning Committee with the ABAG Administrative Committee
On agenda: 10/9/2015 **Final action:**
Title: Plan Bay Area 2040 Draft Revenue Forecast

Draft revenue forecast of transportation fund sources for Plan Bay Area 2040.

Sponsors:

Indexes:

Code sections:

Attachments: [Plan Bay Area 2040 Draft Revenue Forecast.pdf](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|

Subject:

Plan Bay Area 2040 Draft Revenue Forecast

Draft revenue forecast of transportation fund sources for Plan Bay Area 2040.

Presenter:

William Bacon

Recommended Action:

Information

Attachments



TO: Joint MTC Planning Committee with the ABAG
Administrative Committee

DATE: October 2, 2015

FR: MTC Executive Director

RE: Plan Bay Area 2040 Draft Revenue Forecast

Background

In June 2015 MTC staff shared with stakeholders proposed financial projections assumptions and methodology for Plan Bay Area 2040 (Plan) as well as a first look at a possible revenue scenario for the Plan. Since the spring MTC staff have worked to develop a draft revenue forecast for the Plan based upon the assumptions methodology. The draft revenue forecast, which is summarized in Table 1 below, draws upon data from MTC, transit operators, local jurisdictions, congestion management agencies, and other stakeholders. The funds in the Plan are divided into six categories: federal, state, regional, local, anticipated/unspecified, and other. Each section of this memo details key issues impacting revenue from its relevant category. Table 1 also provides a comparison of total revenues between the previous Regional Transportation Plan/Sustainable Communities Strategy, Plan Bay Area, which was adopted in 2013 and the draft Plan Bay Area 2040 forecast. Total revenue in year-of-expenditure (YOES) dollars for the 24 year Plan period of FY 2016-17 to FY 2039-40 is currently projected to be \$287 billion.

Schedule

The draft revenue forecast will not be finalized until shortly before the Plan is adopted in 2017. It will be updated to reflect additional local revenues submitted through the call for projects, local value capture proposals submitted by congestion management agencies (CMAs), and possible new revenue sources approved before 2017 (including new county or transit operator ballot measures).

Table 1. Draft Plan Bay Area 2040 Revenue Estimate (in Billions \$)

| Revenue Category | Plan Bay Area Revenue FY 12-13 to FY 39-40 (YOES) | Plan Bay Area 2040 Revenue FY 16-17 to FY 39-40 (YOES) | Difference (%) |
|-------------------------------|--|---|---------------------------|
| Federal Funds Total | \$33.5 | \$24.9 | -26% |
| State Funds Total* | \$45.6 | \$54.9 | 20% |
| Regional Funds Total | \$36.9 | \$37.2 | 1% |
| Local Funds Total | \$148.3 | \$153.8 | 4% |
| Anticipated/Unspecified Total | \$14.0 | \$14.0 | 0% |
| Other** | \$13.7 | \$2.5 | -82% |
| TOTAL | \$291.8 | \$287.3 | -2% |

**Plan Bay Area 2040 includes anticipated funding for the Bay Area segment of the California High Speed Rail (HSR) project which was not included in Plan Bay Area. It also assumes a “Fuel Augmentation Measure” placeholder in light of current negotiations in the State Legislature.*

***Note that the significant difference is due to the assignment of regional gas tax, Cap and Trade, and county managed express lane revenues to other categories in Plan Bay Area 2040 as compared to Plan Bay Area. “Other” now includes only San Francisco cordon congestion pricing.*

Attachment 1 contains projections for each revenue source included in the plan. The below sections of the memo discuss some of the key issues underlying the Plan Bay Area 2040 Draft Revenue Forecast.

General Assumptions

The Plan revenue forecast is based on the following time frame and inflation assumptions:

- Time Frame – The Plan covers a time period from FY 2016-17 through FY 2039-40 (24 years). All revenue projections are prepared in escalated year of expenditure dollars (YOES\$).
- Inflation Rate – The Plan assumes a 2.2% inflation rate, the same inflation rate as the 2013 Plan. This rate is consistent with ten year inflation forecasts for the Bay Area from the California Department of Finance, the U.S. Federal Reserve, and the federal Office of Management and Budget (OMB).

Federal Funds

Federal fund sources included in the revenue forecast are assumed to increase at a 2% annual growth rate for the period from FY 2016-17 to FY 2021-22 and at a 3% annual growth rate for the remainder of the Plan. These growth rates are applied to a base year of the actual federal funds received in the region in FY 2013-14.

- New Starts, Small Starts, and Core Capacity

The draft revenue forecast includes a total \$5.3 billion for Federal Transit Administration (FTA) Section 5309 Fixed-Guideway Capital Investment Grants, usually referred to as the New Starts and Small Starts programs. The revenue forecast for the New/Small Starts program is based upon an analysis of the amount of funding the Bay Area has received from the programs over the last ten years which amounts to an average of nearly 8% of the overall national program. This represents a significant increase to the Bay Area share of the national program over the 5% share that was assumed in Plan Bay Area.

The \$5.3 billion includes \$670 million in committed New Starts funding for remaining needs on the Central Subway and BART to Berryessa projects and \$50 million in committed Small Starts funding for remaining needs on the Van Ness BRT and SMART to Larkspur projects. This \$720 million in committed New/Small Starts funding is separate from the \$660 million New/Small Starts Reserve established in Plan Bay Area. The draft revenue forecast does not propose any policy for use of uncommitted New/Small Starts funds. Development of New/Small Starts and Core Capacity priorities will take place in a separate discussion prior to adoption of the Plan in 2017.

With the approval of MAP-21 in 2012 the FTA added an additional project type eligible for funding through the New Starts and Small Starts programs. MAP-21 included language authorizing the FTA to award New Starts and Small Starts funds to “Core Capacity” projects “which expand capacity by at least 10% in existing fixed-guideway transit corridors that are already at or above capacity, or are expected to be at or above capacity within five years.” Over the Plan period MTC expects the Bay Area will perform well with Core Capacity-type projects given the age of fixed-guide way in our transit systems.

State Funds

The majority of state funds for transportation are based on various motor vehicle fuel taxes. Assumptions underlying the prices and level of consumption for motor vehicle fuel used in the financial projections strive to be consistent with those assumptions used by MTC’s travel model. Fuel price and consumption assumptions are based on figures and growth rates developed jointly by MTC, the Southern California Association of Governments (SCAG), the San Diego Association of Governments (SANDAG), and the Sacramento Area Council of Governments (SACOG), California’s four largest metropolitan planning organizations (MPOs). These joint assumptions will be used by each of the four MPOs in the development of their updated regional plans.

Table 2. MPO Agreement Fuel Assumptions

| Year | Price Assumptions (2015\$) | Bay Area Daily Consumption Assumptions (1,000 gallons) | Change in Consumption |
|-------------|---------------------------------------|---|------------------------------|
| 2015 | \$3.83 | 7,054 | N/A |
| 2035 | \$5.29 | 4,079 | -42% |

Table 2 shows the fuel assumptions from the MPO agreement for 2015 and 2035 (the final year of the MPO agreement). For the period from 2035 to 2040 a linear growth rate was used to project price and consumption for the remaining years of the Plan period. The significant projected decrease in motor vehicle fuel consumption is due to a variety of factors including higher federal Corporate Average Fuel Economy (CAFE) standards, increased market share of alternative fuel vehicles, and turnover/replacement of the existing auto fleet with more fuel efficient vehicles. It is important to note that consumption forecasts for diesel fuel are expected to increase slightly over the course of the Plan, not decrease, therefore revenues generated from diesel fuel taxes (e.g., State Transit Assistance) are not expected to be significantly affected.

- **State Transportation Improvement Program (STIP)**

The STIP consists of two main parts, the Regional Transportation Improvement Program (RTIP) and the Interregional Transportation Improvement Program (ITIP). The RTIP is the 75% regional share of the capital improvement program that includes projects on and off the state highway system. The ITIP is the 25% interregional share that focuses on projects in the state that cross metropolitan boundaries or are generally more regional in scope. The STIP draft revenue forecast totals \$3.8 billion over the Plan period, with \$3.1 billion in RTIP funds and \$0.7 billion in ITIP funds.

The forecast is a significant decrease in anticipated RTIP revenues from Plan Bay Area which totaled \$6.0 billion. This decrease is due to several factors including the projected 42% decrease in motor vehicle fuel consumption in California over the Plan period which significantly reduces

overall state fuel tax revenues. Additionally the California Transportation Commission's (CTC) 2016 STIP Fund Estimate shows only \$46 million available statewide in the period that includes the first three years of the Plan. The 2016 STIP Fund Estimate is used for the initial three years of the Plan with the forecast for the remaining 21 years consistent with the above fuel consumption assumptions. Further, the STIP is negatively affected by the diversion of truck weight fees to the state General Fund to pay bond debt.

- Cap and Trade

The draft revenue forecast currently includes projections for the various state Cap and Trade programs consistent with \$2.5 billion in annual statewide generations, which the Cap and Trade auctions are currently generating. Table 3 below provides details on the assumed Bay Area shares for the various Cap and Trade programs. This forecast for existing statutory Cap and Trade programs is consistent with the draft Cap and Trade Framework update which will be presented at the October MTC Programming and Allocations Committee. The share assumptions detailed in Table 3 are based upon either state statute (for the Low Carbon Transit Operations Program) or upon MTC's analysis of the results of the first year of state awards for the other programs. The revenue forecast also includes \$1.5 billion in revenue from the 40% of Cap and Trade revenues which have not been programmed by the state Legislature. This forecast is based on the assumption that 1/3 of the 40% un-programmed Cap and Trade funds will benefit transportation projects and that of those funds the Bay Area will receive its population share of 19%. The \$1.5 billion assumes half or \$760 million of this amount will be dedicated to goods movement projects in the region.

Table 3. Cap and Trade Bay Area Shares (in Billions \$)

| Cap and Trade Program | Revenue | Bay Area % Share of Total |
|---|----------------|--|
| Affordable Housing & Sustainable Communities Program (transportation projects) | \$0.5 | 9% (30% of the 30% of total AHSC funds benefiting transportation projects) |
| Cap & Trade High Speed Rail | \$1.3 | 19% |
| Low Carbon Transit Operations Program Population-Based | \$0.3 | 19% |
| Low Carbon Transit Operations Program Revenue-Based | \$0.8 | 54% |
| Transit and Intercity Rail Capital Program | \$1.8 | 30% |
| 40% Un-programmed Cap and Trade Funds <ul style="list-style-type: none"> ▪ Goods Movement - \$760 million total over Plan period | \$1.5 | 6.3% (19% of 33% of total un-programmed funds benefiting transportation projects) |
| TOTAL | \$6.2 | N/A |

- **High Speed Rail**

The Plan will include the California High Speed Rail (HSR) project, the first time this major statewide initiative has been included in the regional transportation plan. The revenue forecast includes \$9 billion in funds for the HSR project and supporting connectivity projects in the Bay Area. These funds are assumed based upon the Bay Area's track-mile share of the total HSR project, consistent with the 2014 HSR Business Plan. Fund sources include Cap and Trade funds for HSR, Proposition 1A funds, and future state funding from other sources.

- **New State Revenue Sources**

In June 2015 when sharing the proposed financial assumptions for the Plan, MTC had proposed including a placeholder state revenue source due to discussions about increased transportation funding between the Legislature and Governor Brown. This placeholder measure was expected to generate over \$7.5 billion in revenue for the State Highway Operations and Protection Program (SHOPP) and for local streets and roads over the Plan period. Although negotiations during the special legislative session which adjourned for the time being in September did not yield a successful funding measure, the special session will continue when the Legislature reconvenes in 2016 and staff is hopeful that the Legislature will approve a measure in the short term. To reflect this modest but not cockeyed optimism, staff has retained a placeholder amount. The placeholder amount has been reduced to approximately \$6.4 billion in order to reflect that the measure may be less robust or timely than some of the legislative proposals from earlier in the year in terms of revenue generation.

Regional Revenues

The majority of the regional revenue for the Plan is attributed to bridge tolls and the AB 1107 sales tax in the three BART district counties.

- **\$2 Bridge Toll Increase** – The 2013 Plan included a \$1 increase in bridge tolls starting in FY 2017-18. The draft Plan revenue forecast is assuming a \$2 increase in FY 2019-20.
- **10¢ Regional Gas Tax** – As with the 2013 Plan, the Plan revenue forecast includes a 10¢ regional gas tax beginning in FY 2017-18.

Local Revenues

The major local fund sources in the Plan include transit fare revenues, street and road local revenue, and sales tax based revenues.

- **Sales Taxes**

The revenue forecast includes revenues generated by county transportation sales taxes, transit district sales taxes, and the Transportation Development Act's (TDA) Local Transportation Fund ¼ cent sales tax which is collected in each Bay Area county. The forecast also includes revenues expected from the reauthorization of county and transit district sales taxes which are currently set to expire during the Plan period. Forecasts for county transportation sales taxes and transit district sales taxes are developed directly by the sales tax administering agencies. Estimates for county sales tax and transit district measures were submitted by each county sales tax agency. These estimates are used in the revenue forecast to maintain consistency with sales tax expenditure and strategic plans. To maintain consistency, TDA growth rates also assume the same growth rates as

those provided by the sales tax authorities in their respective counties. Table 4 below details the projected sales tax growth rates for county and transit district measures and TDA.

Table 4. Projected Sales Tax Growth Rates

| County | Average Sales Tax Growth Rate |
|--------------------|--------------------------------------|
| Alameda | 1.23% |
| Contra Costa | 3.83% |
| Marin | 2.00% |
| Napa | 0.36% |
| San Francisco | 3.57% |
| San Mateo/SamTrans | 1.00% |
| Santa Clara/VTa | 2.80% |
| Solano* | 1.94% |
| Sonoma | 4.00% |
| SMART | 2.85% |
| AB 1107** | 2.56% |

**Sales tax forecast for Solano County is based on a ten year retrospective analysis of actual TDA receipts.*

***AB 1107 forecast is the weighted average of projected growth rates for Alameda, Contra Costa, and San Francisco counties.*

▪ Value Capture

Following the Plan Bay Area 2040 call for projects and after county project budgets/targets are reduced to conform with forecasted revenue, MTC will allow project sponsors to propose revenue generated through value capture strategies such as Enhanced Infrastructure Financing Districts (EIFD), assessment districts, community facilities districts (Mello-Roos), and public-private partnerships for inclusion in the Plan's revenue forecast. Proposals would be evaluated based on feasibility of implementation and likelihood of estimated revenue generation. Proposals would also require endorsement by the project sponsor's CMA or transit board. The goal of this process is to encourage project sponsors without a fully funded project to explore innovative methods to complete their project's funding plan. A workshop will be held for project sponsors and Congestion Management Agency staff in December 2015, to provide more information on value capture concepts and tools for evaluating value capture opportunities.

Anticipated/Unspecified

Anticipated/unspecified represents funding that is likely to become available from federal or state sources over the course of the Plan period, but is unspecified in terms of source or expenditure requirements. Reasonably anticipated revenues differ from new, specific revenue that would be generated under local or regional control such as sales tax reauthorizations or regional bridge toll increases. An example of this revenue would be the American Recovery and Reinvestment Act (ARRA) transportation funding that was distributed by the federal government in FY 2009 in response to the national recession as well as Proposition 1B funding approved statewide by voters in 2006. The revenue forecast includes \$14 billion in anticipated/unspecified revenues. This estimate is

based upon a historical analysis of revenue sources that materialized over a fifteen year period from FY 2001-02 through FY 2015-16.

Other

This category includes committed revenues associated with the proposed congestion pricing projects in downtown San Francisco and on Treasure Island which were included in the 2013. Revenues from these two sources may be modified based on the results of the Plan Bay Area 2040 call for projects.

Next Steps

This draft revenue forecast will inform the next phases of the Plan development process including the eventual development of a preferred, fiscally constrained scenario. The financial projections, however, will not be finalized until shortly before the adoption of the Plan in 2017, in order to allow for updates to revenue estimates based on legislative or economic changes.



Steve Heminger

SH: bb

Attachments

Attachment A – Plan Bay Area 2040 Draft Revenue Forecast by Source

J:\COMMITTEE\Planning Committee\2015\10_PLNG_Oct 2015\5c_PBA2040_Draft_RevenueForecast_Memo.docx

Attachment A
PLAN BAY AREA 2040 DRAFT REVENUE FORECAST BY SOURCE
In Billions of Year of Expenditure \$

| Revenue Source | Plan Bay Area 2040 Total Revenue | Plan Bay Area 2040 Total Committed Revenue | Plan Bay Area 2040 Total Discretionary Revenue |
|---|-------------------------------------|---|---|
| FEDERAL | | | |
| FHWA Construction of Ferry Boats & Ferry Terminal Facilities Formula Program | \$ 0.04 | \$ 0.04 | \$ - |
| FHWA/FTA Section 5303 Metropolitan Planning | \$ 0.03 | \$ 0.03 | \$ - |
| FHWA Congestion Mitigation & Air Quality (CMAQ) Improvement Program | \$ 2.35 | \$ - | \$ 2.35 |
| FHWA Highway Safety Improvement Program (HSIP) | \$ 0.31 | \$ 0.31 | \$ - |
| FHWA Surface Transportation Program (STP) | \$ 2.94 | \$ - | \$ 2.94 |
| FTA Passenger Ferry Grant Program | \$ 0.10 | \$ 0.10 | \$ - |
| FTA Sections 5307 & 5340 Urbanized Area Formula (Capital) | \$ 7.25 | \$ - | \$ 7.25 |
| FTA Section 5309 Fixed-Guideway Capital Investment Grants - New Starts and Core Capacity | \$ 4.67 | \$ 0.67 | \$ 4.00 |
| FTA Section 5309 Fixed-Guideway Capital Investment Grants - Small Starts | \$ 0.65 | \$ 0.05 | \$ 0.60 |
| FTA Section 5310 Enhanced Mobility of Seniors & Individuals with Disabilities | \$ 0.16 | \$ - | \$ 0.16 |
| FTA Section 5311 Non-Urbanized Area Formula | \$ 0.06 | \$ - | \$ 0.06 |
| FTA Section 5337 State of Good Repair Formula | \$ 5.91 | \$ - | \$ 5.91 |
| FTA Section 5339 Bus & Bus Facilities Program | \$ 0.44 | \$ - | \$ 0.44 |
| Federal Total | \$ 24.91 | \$ 1.20 | \$ 23.70 |
| STATE | | | |
| Active Transportation Program (ATP) - State Program | \$ 0.28 | \$ - | \$ 0.28 |
| Affordable Housing & Sustainable Communities Program | \$ 0.54 | \$ 0.54 | \$ - |
| High Speed Rail | \$ 9.26 | \$ 8.40 | \$ 0.86 |
| Cap & Trade 40% Uncommitted Funds | \$ 0.76 | \$ - | \$ 0.76 |
| Cap & Trade Goods Movement (from 40% Uncommitted Funds) | \$ 0.76 | \$ 0.76 | \$ - |
| Fuel Tax Augmentation Measure | \$ 6.38 | \$ 6.38 | \$ - |
| Gas Tax Subvention | \$ 9.52 | \$ 9.52 | \$ - |
| Low Carbon Transit Operations Program Population-Based | \$ 0.29 | \$ - | \$ 0.29 |
| Low Carbon Transit Operations Program Revenue-Based | \$ 0.80 | \$ 0.80 | \$ - |
| Proposition 1B | \$ 0.01 | \$ 0.01 | \$ - |
| State Highway Operations & Protection Program (SHOPP) | \$ 13.75 | \$ 13.75 | \$ - |
| State Transit Assistance (STA) Population-Based | \$ 1.79 | \$ - | \$ 1.79 |
| State Transit Assistance (STA) Revenue-Based | \$ 5.12 | \$ 5.12 | \$ - |
| Transit and Intercity Rail Capital Program | \$ 1.80 | \$ 1.20 | \$ 0.60 |
| State Transportation Improvement Program (STIP): Regional Transportation Improvement Program (RTIP) County Shares | \$ 3.11 | \$ 0.14 | \$ 2.97 |
| STIP: Interregional Road/Intercity Rail (ITIP) | \$ 0.73 | \$ 0.12 | \$ 0.61 |
| State Total | \$ 54.91 | \$ 46.75 | \$ 8.16 |

| | | | |
|--|------------------|------------------|-----------------|
| REGIONAL | | | |
| 2% Toll Revenues | \$ 0.09 | \$ - | \$ 0.09 |
| 5% State General Funds | \$ 0.09 | \$ - | \$ 0.09 |
| Active Transportation Program (ATP) - Regional Program | \$ 0.31 | \$ - | \$ 0.31 |
| AB 1107 ½-cent Sales Tax in three BART counties (25% MTC Administered Share) | \$ 2.61 | \$ - | \$ 2.61 |
| AB 1107 ½-cent Sales Tax in three BART Counties (75% BART Share) | \$ 7.82 | \$ 7.82 | \$ - |
| AB 1171 | \$ 0.25 | \$ - | \$ 0.25 |
| AB 434 (Transportation Fund for Clean Air – Regional) – 60% of funding | \$ 0.37 | \$ 0.37 | \$ - |
| AB 664 | \$ 0.38 | \$ - | \$ 0.38 |
| BATA Base Toll Revenues | \$ 3.59 | \$ 3.59 | \$ - |
| Bridge Toll Increase - \$2.00 | \$ 5.60 | \$ - | \$ 5.60 |
| Regional Express Lane Network Revenues | \$ 5.40 | \$ 5.40 | \$ - |
| Regional Gas Tax Increase - 10¢ | \$ 3.97 | \$ - | \$ 3.97 |
| Regional Measure 2 (RM2) | \$ 3.10 | \$ 3.10 | \$ - |
| RM1 Rail Extension Reserve | \$ 0.29 | \$ - | \$ 0.29 |
| Service Authority for Freeway and Expressways (SAFE) | \$ 0.15 | \$ 0.15 | \$ - |
| Seismic Retrofit | \$ 3.18 | \$ 3.18 | \$ - |
| Regional Total | \$ 37.19 | \$ 23.60 | \$ 13.58 |
| LOCAL | | | |
| AB 434 (Transportation Fund for Clean Air – County Program Manager) – 40% of funding | \$ 0.25 | \$ 0.25 | \$ - |
| County Sales Tax Measures | \$ 31.62 | \$ 31.62 | \$ - |
| County Sales Tax Measures - Reauthorizations | \$ 5.85 | \$ 5.85 | \$ - |
| County Vehicle Registration Fees | \$ 1.02 | \$ 1.02 | \$ - |
| County Vehicle Registration Fees - Reauthorization | \$ 0.03 | \$ - | \$ 0.03 |
| Express Lane Revenue (county managed) | \$ 3.00 | \$ 3.00 | \$ - |
| Golden Gate Bridge Toll | \$ 3.43 | \$ 3.43 | \$ - |
| Land Sales & Other Developer Revenues | \$ 1.00 | \$ 1.00 | \$ - |
| Local Funding for Streets and Roads | \$ 14.76 | \$ 14.76 | \$ - |
| Property Tax/Parcel Taxes | \$ 5.27 | \$ 5.27 | \$ - |
| San Francisco Municipal Transportation Agency (SFMTA) General Fund | \$ 10.50 | \$ 10.50 | \$ - |
| SMART Sales Tax in Marin and Sonoma Counties | \$ 0.54 | \$ 0.54 | \$ - |
| SMART Sales Tax in Marin and Sonoma Counties - Reauthorization | \$ 0.64 | \$ - | \$ 0.64 |
| Transit Fare Revenues | \$ 37.10 | \$ 37.10 | \$ - |
| Transit Non-Fare Revenues | \$ 23.50 | \$ 23.50 | \$ - |
| Transportation Development Act (TDA) | \$ 12.38 | \$ - | \$ 12.38 |
| Other Local | \$ 2.90 | \$ 2.90 | \$ - |
| Local Total | \$ 153.79 | \$ 140.74 | \$ 13.05 |
| ANTICIPATED/UNSPECIFIED | | | |
| Anticipated/Unspecified | \$ 14.00 | \$ - | \$ 14.00 |
| Anticipated/Unspecified Total | \$ 14.00 | \$ - | \$ 14.00 |
| OTHER | | | |
| San Francisco Treasure Island/Cordon Pricing | \$ 2.50 | \$ 2.50 | \$ - |
| Other Total | \$ 2.50 | \$ 2.50 | \$ - |
| GRAND TOTAL | \$ 287.29 | \$ 214.80 | \$ 72.49 |
| <i>Plan Bay Area (2013) Total Revenue</i> | <i>\$ 291.82</i> | <i>\$ 213.62</i> | <i>\$ 78.20</i> |



Plan Bay Area 2040

Plan Bay Area 2040 Draft Revenue Forecast

Photo Credit: Richard Masoner

Joint MTC Planning Committee with the ABAG Administrative Committee
October 9, 2015

Draft Revenue Forecast

- Draft forecast covers period from FY 2016-17 to FY 2039-40 (24 years)
- Assumes 2.2% annual inflation rate
- Draft forecast will be final in spring 2017, just before Plan adoption

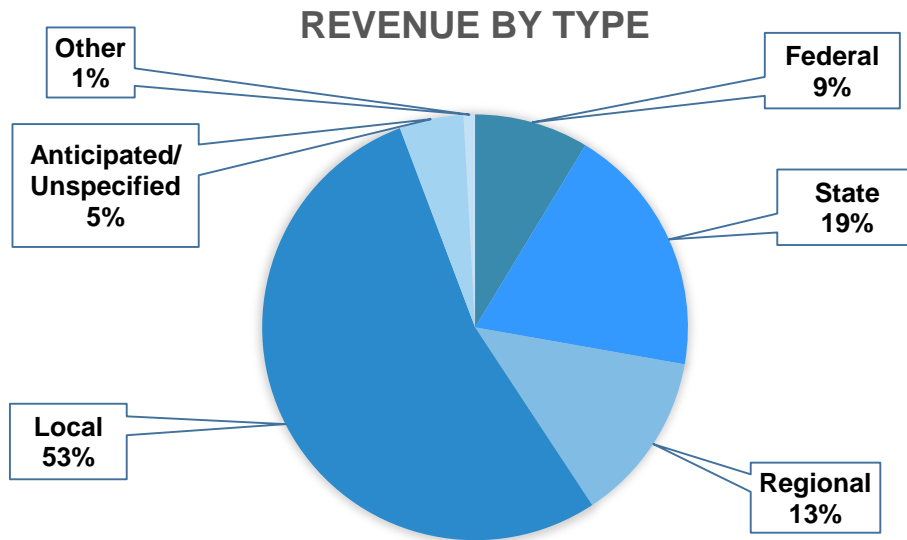
Draft Plan Bay Area 2040 Revenue Estimate (in Billions of Year of Expenditure \$)

| Revenue Category | Plan Bay Area Revenue FY 12-13 to FY 39-40 (YOE\$) | Plan Bay Area 2040 Revenue FY 16-17 to FY 39-40 (YOE\$) | Difference (%) |
|-------------------------|--|---|----------------|
| Federal Funds | \$33.5 | \$24.9 | -26% |
| State Funds* | \$45.6 | \$54.9 | 20% |
| Regional Funds | \$36.9 | \$37.2 | 1% |
| Local Funds | \$148.3 | \$153.8 | 4% |
| Anticipated/Unspecified | \$14.0 | \$14.0 | 0% |
| Other** | \$13.7 | \$2.5 | -82% |
| TOTAL | \$291.8 | \$287.3 | -2% |

**Plan Bay Area 2040 includes anticipated funding for the Bay Area segment of the California High Speed Rail (HSR) project which was not included in Plan Bay Area. It also includes a "Fuel Augmentation Measure" in light of current negotiations in the State Legislature*

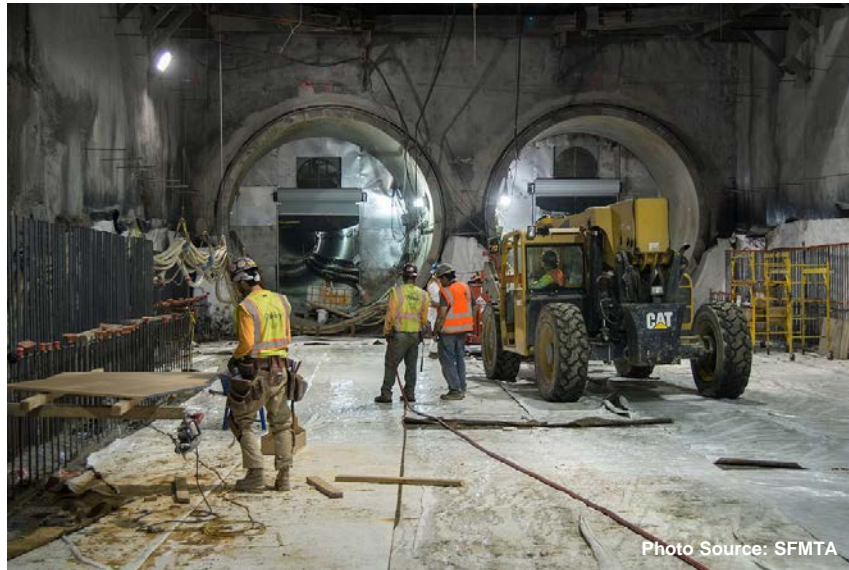
***Note that the significant difference is due to the assignment of regional gas tax, Cap and Trade, and county managed express lane revenues to other categories in Plan Bay Area 2040 as compared to Plan Bay Area. "Other" now includes only San Francisco cordon congestion pricing.*

Local/Regional Funds are Critical



- Local and regional fund sources constitute 66% of all transportation funding in the Plan period
- Federal funds expected to decrease, down from 11% in Plan Bay Area
- Cap and Trade funding provides boost to state funding
- State funds reflect projected decrease in motor vehicle fuel consumption and diversion of truck weight fees
- Anticipated funds based on retrospective analysis

Federal Funding



- Federal funds expected are significantly lower than in Plan Bay Area, \$25 billion vs. \$33 billion
- Decrease in STP and CMAQ funds compared to Plan Bay Area
- Key to major transit investment projects through New/Small Starts/Core Capacity. Forecast assumes Bay Area receives 7.6% of national program compared to 5% in Plan Bay Area based on trends analysis

State Funding



- Majority of revenue tied to motor vehicle fuel taxes
- Gasoline consumption expected to decrease 42% over Plan period
- Forecast assumes state action to partially offset reductions in revenue – \$6.4 billion included, middle-of-the-road estimate of various state funding proposals
- Cap and Trade program generates \$4.95 billion in new funds for region

“Big 4” California MPO Gasoline Price and Consumption Assumptions

| Year | Price Assumptions (2015\$) per gallon | Bay Area Consumption Assumptions (1,000 gallons) | Change in Consumption |
|-------------|--|--|--------------------------|
| 2015 | \$3.83 | 7,054 | N/A |
| 2035 | \$5.29 | 4,079 | -42% |

Regional Funding



- Most revenue tied to toll revenues from the state-owned bridges and regional express lanes
- Forecast includes a \$2 bridge toll increase in 2020, last non-multi-axle increase was in 2010 – \$1 increase was included in Plan Bay Area
- Forecast also includes a 10¢ regional gas tax starting in 2018 – included in Plan Bay Area

Local Funding



Photo Source: Marc Buehler

- Majority (55%) of Plan revenues
- Much of these funds go to operations and maintenance (O&M)
- Includes transit fare revenues, sales taxes, local streets and roads revenues, transit tax measures
- Sales tax growth rates developed by counties
- New to this Plan: local value capture revenues
- “Other” funds include pricing projects in San Francisco/Treasure Island

Next Steps



- Review draft revenue forecast with stakeholders
- Update estimate after Plan Bay Area 2040 Call for Projects and Operating/Capital Needs Assessments work is complete in early 2016
- Update after November 2016 election
- Finalize revenue forecast in 2017 before Plan Bay Area 2040 adoption