



TO: Joint MTC Planning Committee with the  
ABAG Administrative Committee

DATE: July 7, 2017

FR: Steve Heminger, MTC Executive Director

RE: MTC Resolution No. 4300 and ABAG Resolution No. 10-17 - Final Plan Bay Area 2040

### **Background**

On March 31, 2017, MTC and ABAG released for public review the Draft Plan Bay Area 2040 (Draft Plan), along with the Draft Environmental Impact Report (Draft EIR). The public comment period closed on June 1, 2017. This milestone was the most recent step in a multi-year process that began in 2015, marking the beginning of the final phase of Plan Bay Area 2040 – final revisions and adoption of the Final Plan Bay Area 2040 (Plan). Staff presented comments received at public workshops and at EIR hearings, as well as through letters and other forums, at your June committee meeting.

Staff is requesting that the MTC Planning Committee send **MTC Resolution 4300 (Attachment A)** to the Commission to consider approval of the Plan. The ABAG Administrative Committee will concurrently request **ABAG Resolution No. 10-17 (Attachment A)** to the ABAG Executive Board to consider for approval for approval of the Plan. The Commission is scheduled to consider approval of the Air Quality Conformity Determination and the amended 2017 Transportation Improvement Program (TIP). In addition, both boards will consider approval of the Plan and the Final EIR simultaneously on the evening of July 26, 2017.

### **Key Themes – Comments and Responses**

While all comments are posted on the MTC website for your review and consideration, staff would like to highlight six key themes reflected in the comments received as well as revisions between the Draft Plan and Final Plan. The Action Plan, as the most recently developed component of the Draft Plan, received the greatest share of the overall feedback.

A redlined version of the Plan can be found in **Attachment A** of the joint resolution, highlighting changes between the Draft Plan and Final Plan. A full list of summary comment responses and associated revisions can be found in **Attachment B**, and feedback from the MTC Policy Advisory Council can be found in **Attachment C**. As noted in the June 2017 committee memo on public outreach for the Draft Plan, all comment letters have been posted to the following URL:  
<http://www.planbayarea.org/get-involved/your-comments/draft-plan-bay-area-2040-spring-2017>.

### **Equity and Economic Concerns**

Comments: A significant number of stakeholders and members of the public commented on how the Plan needs to identify short-term solutions to deal with the regional affordability crisis. Outreach to community-based organizations identified a need to further define how the region will help increase job opportunities in economically-challenged communities.

Actions Taken: Revisions to the Action Plan were made to incorporate feedback from stakeholders and to underscore a comprehensive produce/preserve/protect strategy to tackle the housing crisis. The economic development component of the Action Plan was expanded to highlight the need for a diverse range of middle-wage jobs and to place a greater emphasis on economic revitalization. Given significant comments received on this topic, additional discussion and response can be found in **Attachment D**.

### ***Environment & Resilience***

Comments: Environmental stakeholders commented that the Plan does not go far enough to reduce GHG and VMT. Open space advocates requested revisions to various maps highlighting resource lands across the nine-county region. Additional policy ideas were provided for consideration in the resiliency component of the Action Plan.

Actions Taken: Revisions and improvements were made to Resource Lands maps; more information was added to the Strategies chapter to highlight the region's commitment to climate solutions and to various EIR mitigations. The resilience element of the Action Plan was expanded to emphasize a broader range of climate change impacts and to incorporate additional partner agencies.

### ***Growth Constraints***

Comments: Comments submitted to MTC/ABAG expressed concern that communities have capacity limitations that will make it difficult to grow in the coming years, ranging from water to local streets.

Actions Taken: A discussion of the benefits and challenges related to growth was added to Chapter 4 (Strategies and Performance) of the Plan Document. The Land Use Modeling supplemental report was enhanced with additional technical details on the development of the preferred land use pattern in 2016.

### ***Planning Coordination***

Comments: Public-sector agencies requested that MTC and ABAG further define how the Plan relates to other major planning efforts and that we provide additional guidance to support local implementation of the Plan.

Actions Taken: Additional content was added to the Draft Plan to highlight its relationship to BAAQMD's Clean Air Plan and the state's California Transportation Plan 2040. Improvements were made to various maps needed for local implementation when determining Plan consistency based on requests from stakeholders, as well as a commitment to develop web-based maps in the near future.

### ***General Opposition***

Comments: A number of comments expressed opposition to the Plan process as well as skepticism about the value of planning, smart growth, and regional coordination.

Actions Taken: No specific changes were made in response to these comments.

### ***Land Use & Transportation Investment Requests***

Comments: A handful of local jurisdictions, as well as residents concerned about growth in their communities, requested that land use forecasts be further revised beyond changes made in fall 2016.

Actions Taken: No changes have been made to the land use pattern or transportation investment strategy in the Draft Plan since it was approved as the Final Preferred Scenario in November 2016. However, alternatives to the Draft Plan have been evaluated in parallel through the EIR process.

### **Action**

Staff requests that the committees act to refer the Final Plan Bay Area 2040 to the Commission and ABAG Board for joint approval later this month.



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Steve Heminger

### **Attachments:**

- Attachment A: MTC Resolution No. 4300 and ABAG Resolution No. 10-17
- Attachment B: Summary of Responses and Revisions from Public Comment Letters
- Attachment C: Plan Bay Area 2040 Action Plan: Policy Advisory Council Suggestions
- Attachment D: MTC/ABAG Initiatives to Address Affordability and Displacement

SH:DV

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Date: July 26, 2017  
W.I.: 1121  
Referred by: MTC Planning

ABSTRACT

MTC Resolution No. 4300

This resolution adopts Plan Bay Area 2040, which includes both the Regional Transportation Plan and Sustainable Communities Strategy for the San Francisco Bay Area.

Further discussion of this subject is contained in the Executive Director's memorandum to the MTC Planning Committee and ABAG Administrative Committee dated July 7, 2017.

Date: July 26, 2017  
W.I.: 1121  
Referred by: Planning

Re: Adoption of Plan Bay Area 2040

METROPOLITAN TRANSPORTATION COMMISSION  
RESOLUTION NO. 4300

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

WHEREAS, MTC is the federally designated Metropolitan Planning Organization (MPO), pursuant to Section 134(d) of Title 23 of the United States Code (USC) for the nine-county San Francisco Bay Area region (the region); and

WHEREAS, Part 450 of Title 23 of the Code of Federal Regulations (CFR), require MTC as the MPO to prepare and update a long-range Regional Transportation Plan (RTP) every four years; and

WHEREAS, California Government Code § 65080 *et seq.* requires MTC to prepare and update a long-range RTP, including a Sustainable Communities Strategy (SCS) prepared in conjunction with the Association of Bay Area Governments (ABAG), every four years; and

WHEREAS, the RTP is subject to review and revision, pursuant to California Government Code §§ 66513 and 65080; and

WHEREAS, on July 18, 2013, MTC adopted Plan Bay Area and 2013 Federal Transportation Improvement Program (TIP) Amendment and found them to be in conformance with the State Implementation Plan (SIP) as required by the Federal Clean Air Act (42 U.S.C. § 7401 *et seq.*); and the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA) *Metropolitan Planning Rule*, 23 CFR 450; and the San Francisco Bay Area Transportation Air Quality Conformity Protocol (MTC Resolution 3757), which establish the Air Quality Conformity Procedures for MTC's TIP and RTP; and

WHEREAS, beginning in spring 2015 MTC commenced a comprehensive and coordinated transportation planning process to develop its 2017 RTP/SCS with a 2040 horizon year known as Plan Bay Area 2040 (Plan), in conformance with all applicable federal and state requirements including Senate Bill 375;

WHEREAS, as required by California Government Code § 65080 *et seq.* (Senate Bill 375), the Plan incorporates the SCS prepared jointly by MTC and ABAG for the San Francisco Bay Area; and

WHEREAS, the Plan, including both the RTP and the SCS, which is attached hereto as Attachment A, and incorporated herein as though set forth in length, contains an integrated set of strategies and fiscally-constrained investments to maintain, manage, and improve the transportation system in the San Francisco Bay Area through the year 2040 and calls for development of an integrated intermodal transportation system that facilitates the efficient, economic movement of people and goods; and

WHEREAS, on September 24, 2014 the original Plan Bay Area, as adopted in July 2013, and the 2015 Transportation Improvement Program were found to be in conformance with the State Implementation Plan (MTC Resolution No. 4176); and

WHEREAS, MTC conducted an air quality analysis of the Plan using the latest planning assumptions, emissions model, and consultation provisions, including a quantitative regional emissions analysis that meets emissions budget requirements of the U. S. Environmental Protection Agency transportation conformity rule, and the Plan contributes to all required emissions reductions; and

WHEREAS, adoption of, and the conformity determination for, the proposed 2017 TIP has been determined simultaneously with the Plan for consistency purposes (MTC Resolution No. 4298); and

WHEREAS, ABAG developed the Regional Growth Forecast for Jobs, Population and Housing planning purposes through 2040 (Forecast) by working with local jurisdictions, and the Forecast projects growth based on existing land use plans and policies, and demographic and economic trends; and

WHEREAS, pursuant to California Government Code § 65080(b)(2)(G), in preparing the SCS MTC and ABAG considered spheres of influence adopted by the Local Agency Formation Commissions within the San Francisco Bay Area; and

WHEREAS, pursuant to California Government Code § 65080(b)(2)(E), federal public participation requirements, and MTC's Public Participation Plan (MTC Resolution No. 4174), the Plan, including both the RTP and the SCS, was developed through a strategic, proactive, comprehensive public outreach and involvement program, which included: an adopted public participation plan; routine distribution of information to local/regional media; advertising in local and regional newspapers; distribution of public information materials, such as brochures and newsletters; a dedicated website; meetings with representatives from each county's board of supervisors and city councilmembers; noticed public hearings to receive testimony on the Plan and the Programmatic Environmental Impact Report (EIR); subregional workshops to facilitate public comment on the Plan; and interagency coordination and involvement; and

WHEREAS, pursuant to California Government Code § 65080(b)(2)(B), the Plan's SCS (i) identifies the general location of uses, residential densities, and building intensities within the region; (ii) identifies areas within the region sufficient to house all the population of the region, including all economic segments of the population, over the course of the planning period of the RTP taking into account net migration into the region, population growth, household formation and employment growth; (iii) identifies areas within the region sufficient to house an eight-year projection of the regional housing need for the region pursuant to California Government Code § 65584; (iv) identifies a transportation network to service the transportation needs of the region; (v) gathers and considers the best practically available scientific information regarding resource areas and farmland in the region as defined in subdivisions (a) and (b) of California Government Code § 65080.01; (vi) considers the state housing goals specified in California Government Code

§§ 65580 and 65581; and (viii) allows the RTP to comply with Section 176 of the Federal Clean Air Act (42 U.S.C. § 7506); and

WHEREAS, pursuant to California Government Code § 65080(b)(2)(B), in preparing the Plan's SCS, ABAG was responsible for identifying the general location of uses, residential densities, and building intensities within the region; identifying areas within the region sufficient to house all the population of the region, including all economic segments of the population, over the course of the planning period of the RTP taking into account net migration into the region, population growth, household formation and employment growth; identifying areas within the region sufficient to house an eight-year projection of the regional housing need for the region pursuant to California Government Code § 65584; gathering and considering the best practically available scientific information regarding resource areas and farmland in the region as defined in subdivisions (a) and (b) of California Government Code § 65080.01; and considering the state housing goals specified in California Government Code §§ 65580 and 65581; and

WHEREAS, pursuant to California Government Code § 65080(b)(2)(B), in preparing the Plan's SCS, MTC was responsible for identifying a transportation network to service the transportation needs of the region; and allowing the RTP to comply with Section 176 of the Federal Clean Air Act (42 U.S.C. Sec. 7506); and

WHEREAS, pursuant to California Government Code § 65080(b)(2)(B), in preparing the Plan's SCS, MTC and ABAG were jointly responsible for setting forth a forecasted development pattern for the region, which, when integrated with the transportation network, and other transportation measures and policies, will reduce the greenhouse gas emissions from automobiles and light trucks to achieve the greenhouse gas emission reduction targets adopted by the California Air Resources Board (CARB) for the San Francisco Bay Area; and

WHEREAS, CARB set the per capita greenhouse gas emission reduction targets for automobiles and light trucks for the San Francisco Bay Area at 7 percent by 2020 and 15 percent by 2035 from a 2005 base year; and

WHEREAS, as demonstrated in the Program EIR certified for the Plan, the SCS sets forth a forecasted development pattern for the region, which, when integrated with the transportation network, and other transportation measures and policies, will reduce the greenhouse gas emissions from automobiles and light trucks to achieve the regional greenhouse gas emission targets set by CARB for the region; and

WHEREAS, prior to taking action on the Plan, MTC has heard, been presented with, reviewed, and considered all of the information and data in the administrative record, including the Final Program EIR, and all oral and written evidence presented to it during all meetings and hearings; and

WHEREAS, MTC and ABAG intend to assist implementing agencies in determining whether a proposed project qualifies for development incentives associated with the Plan by developing advisory guidelines for evaluating consistency; and

WHEREAS, adoption of the Plan is accompanied by adoption of the 2017 TIP (MTC Resolution No. 4298) and certification that the Final Environmental Impact Report for the Plan complies with the California Environmental Quality Act (CEQA) (MTC Resolution No. 4299); now, therefore, be it

RESOLVED, that MTC certifies that the foregoing recitals are true and correct and incorporated by this reference; and be it further

RESOLVED, that MTC finds that the Plan, including both the RTP and the SCS, meets the requirements of Senate Bill 375 (Steinberg, 2008) as codified in California Government Code § 65080, subdivision (b); and be it further

RESOLVED, that MTC finds that the Plan complies with the requirements of all other applicable laws; and be it further

RESOLVED, that MTC does hereby adopt the Plan as included as Attachment A, as well as all associated supplemental reports, subject to additional minor or non-substantive technical corrections and editorial changes (Final Plan); and be it further



RESOLVED, that MTC directs its staff to publish the Final Plan.

METROPOLITAN TRANSPORTATION COMMISSION

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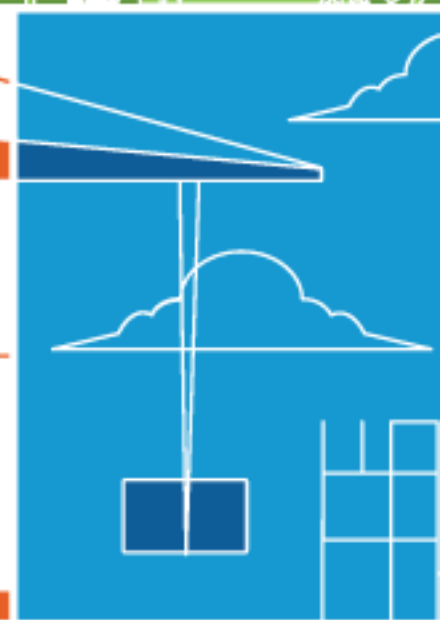
Jake Mackenzie, Chair

This resolution was entered into by the  
Metropolitan Transportation Commission at a  
special meeting of the Commission held in  
San Francisco, California on July 26, 2017.

Date: July 26, 2017  
W.I.: 1121  
Referred by: Planning

Attachment A  
Resolution No. 4300

## **Revised Plan Bay Area 2040**

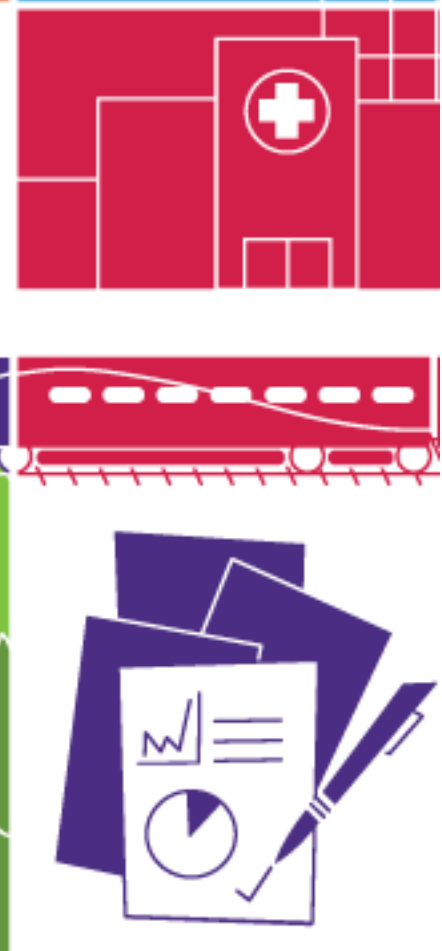


# Plan Bay Area 2040

DRAFT PLAN  
with Edits  
June 2017

 METROPOLITAN  
TRANSPORTATION  
COMMISSION

 Association  
of Bay Area  
Governments



# The Bay Area Today

The San Francisco Bay Area since the 1800s has drawn people from around the world seeking fortune, education, innovation, natural beauty and a near-perfect climate — and sometimes all of the above. Through cycles of boom and bust, the Bay Area has grown to be the fourth largest metropolitan region in the United States today, with over 7.6 million people residing in the nine-county, 7,000 square-mile area. In recent years, the Bay Area economy has experienced record employment levels during a technology boom rivaling the “dot-com” era of the late 1990s.

The latest boom has extended not only to the South Bay and Peninsula — the traditional hubs of Silicon Valley — but also to neighborhoods in San Francisco and cities in the East Bay, most notably Oakland. In addition to bringing vitality and wealth, the rapidly growing and changing economy has also created significant challenges: adequate and affordable housing for people of all income levels, the displacement of long-time residents and a transportation system stretched past its limits.

Today a very successful economy has contributed to housing, transportation and environmental challenges that pose a risk to the region’s dynamism and diversity. Plan Bay Area 2040 addresses these challenges with a focus on urgent regional needs. As an update to the region’s long-range transportation plan and sustainable communities strategy, Plan Bay Area 2040 projects household and employment growth in the Bay Area over the next 24 years, provides a roadmap for accommodating expected growth, and connects it all to a transportation investment strategy that strives to move the Bay Area toward key regional goals for the environment, economy and social equity.

## FIGURE 1.1 A snapshot of the Bay Area’s “Vital Signs.”

*Staff note: Figure available on Plan Bay Area 2040 website and in plan document. [Figure 1.1 will be updated with 2016 data where available.](#)*

Caption: For 25 years the Bay Area has seen steady population growth coupled with “boom-and-bust” jobs cycles. Population and employment are now at their highest levels ever. Over this time home prices and list rents have fluctuated significantly and are now at or near record levels. Freeway congestion delay per commuter and weekday rail ridership are also currently at record levels.

Source: Vital Signs; U.S. Census Bureau, 1990–2016; California Employment Development Department, 1990–2015; Zillow, 1997–2015; U.S. Census Bureau/American Community Survey, 1990–2015; realAnswers, 1994–2015; Metropolitan Transportation Commission, 1998–2015; Federal Transit Administration, 1991–2014

For more information and the latest data, go to [vitalsigns.mtc.ca.gov](http://vitalsigns.mtc.ca.gov)

## The Regional Housing Crisis

No matter what, the future will bring major challenges. Overburdened infrastructure, climate change, disruptive technological innovation and the changing regional and national economy are just some of the many issues that will call for coordinated and concerted regional action. One challenge above all, however, requires immediate attention: housing.

The Bay Area's housing affordability and neighborhood stability crisis has been decades in the making.

Although the housing crisis has many components, the foundation of the crisis is simple: there simply isn't enough housing, whether market-rate or affordable, given the growing number of residents and jobs.

Instead of increasing housing supply to accommodate household and employment growth, for example, many local governments slowed permitting over time. At the same time, the state and federal government have pulled back support for affordable housing. Given a limited supply of both market-rate and affordable housing, combined with strong demand driven by exceptional regional economic performance, rents and home prices have risen rapidly. Today the Bay Area may have the most severe housing crisis of any of the nation's large metro areas and, at this time, there are limited policy tools to help address the problem at a regional level

### Supply, Demand, and the Impacts of Income Inequality

The Bay Area's rate of housing construction first started to lag in the mid-1970s. Each subsequent decade has seen lower levels of overall housing construction, as seen in Figure 1.2. Since 1990, other metropolitan regions with strong economies and growing populations, such as Washington D.C., Seattle and Denver, have permitted housing units at significantly higher rates than the Bay Area. Housing permitting in the Bay Area has been much more akin to slower growing, older metropolitan regions such as Philadelphia and New York.

#### **FIGURE 1.2 The historical trend for annual permitted housing units in the Bay Area.**

*Staff note: Figure available on Plan Bay Area 2040 website and in plan document.*

Caption: This graph shows the historical trend of permitted units for both single-family and multi-family units in the Bay Area, stretching back several decades. As can be seen, annual growth in permitted units stagnated even during the employment booms of the 1990s and 2010s.

Source: Vital Signs; Construction Industry Research Board, 1967–2010; California Homebuilding Foundation/Construction Industry Research Board, 2011–2015

There has been a particular mismatch between employment growth relative to growth in housing supply. Overall, the Bay Area added nearly two jobs for every housing unit built since 1990. The deficit in housing production has been particularly severe in terms housing affordable to lower and middle-wage workers, especially in many of the jobs-rich, high-income communities along the Peninsula and in Silicon Valley. The booming regional economy combined with increased household formation among the millennial generation has further contributed to an ever-more acute housing crunch.

The housing crisis has also been exacerbated by a widening income gap between high- and low-income households. As seen in Table 1.1, the total number of households in the nine- county Bay Area increased by 20 percent from 1990 to 2015. The vast majority of this growth, however, was concentrated among households earning \$150,000 or more annually, with the remaining growth among households earning less than \$35,000 a year. Over a period spanning 25 years, there was a net decrease in the number of households earning between \$35,000 and \$149,999 in the Bay Area, as these households declined from 64 percent to 52 percent of total households in the region.

**TABLE 1.1 A comparison of the number of households by income level in the Bay Area over a 25-year period from 1990 to 2015.**

*Staff note: Table available on Plan Bay Area 2040 website and in plan document.*

Caption: From 1990 to 2015, households earning more than \$150,000 a year have greatly increased their share of the total number of households in the region, and comprised a vast majority of the regional growth in households over the same period. As a share of total households, those earning between \$35,000 and \$149,999 have declined significantly, and in absolute numbers have either stagnated or decreased.

Source: U.S. Census Bureau, 1990; U.S. Census Bureau/American Community Survey, 2015 (Social Explorer).

These dynamics have had significant implications for the Bay Area housing market. With the increased number of higher income households and most income growth going to the top 20 percent, demand for housing has remained very strong at the upper end of the market. Conversely it has become more difficult for low- and middle-wage households to compete for market-rate housing as a larger pool of high-wage workers bid up a limited housing supply. This has further intensified competition for limited affordable housing opportunities.

#### Policy Contributors to the Housing Crisis

What led to such a mismatch between housing supply and demand? Why does the Bay Area today lack so much needed housing, especially housing affordable to lower-and middle-income households? The causes of this situation are complex and there are many competing interpretations of the available evidence, including a range of economic and demographic factors that extend beyond the Bay Area itself.

Generally, however, the policy contributors — things that local, regional, and state government have the power to address or alleviate — fall into a few interrelated categories: regulatory barriers and tax policy challenges that act to restrict the production of all types of housing, especially infill development, and insufficient support for affordable housing.

#### Regulatory Barriers and Tax Policy Challenges

Although the availability of developable land in the Bay Area is limited due to topography and protected conservation lands, state and local regulations often prevent instead of promote higher-density, mixed-use development in urban infill areas. Lengthy review processes in many communities stall transit-oriented projects long enough to make them infeasible, leading to the loss of grant funding and private investment that would otherwise flow into cities along with desperately needed new housing. The California Environmental Quality Act (CEQA) often acts as another obstacle to both affordable and market-rate housing. Although CEQA has been essential to improving air quality and protecting natural habitats, the law is sometimes used as a litigation tool for blocking projects that are otherwise designed to advance California's environmental policy objectives such as reducing greenhouse gas (GHG) emissions.

In addition, the current approach to taxation creates incentives to attract development that maximizes sales tax revenues and minimizes costs for public services (such as schools, police and social services),

rather than encouraging more balanced approaches to land use. This trend — the so-called “fiscalization of land use” — has discouraged housing development and small business growth in many communities. The tax revolt measures of 40 years ago, such as Proposition 13 and other restrictions on new funding sources, caused many jurisdictions to view housing as a fiscal loser because property tax rates were capped below the cost of delivering services compared to retail or commercial development. Commercial property owners also often lack the motivation to develop vacant parcels since the cost of holding these properties is relatively low and a potential windfall from rising land values over time is relatively high.

Finally, as part of the 2011 Budget Act, the California Legislature approved the dissolution of the state’s 400+ redevelopment agencies. California is now one of a small number of U.S. states that lack tax increment financing to support urban infill development.

#### Reduced Support and Insufficient Progress in Building Affordable Housing

In addition to the regulatory and tax policy challenges cited above, recent years also have seen major reductions in funding for affordable housing programs at both the state and federal levels. There has also been insufficient progress in the production of “naturally occurring” affordable housing — unsubsidized rental units that are affordable to low- and moderate-income households. This has severely affected the region’s low- and moderate-income households by further reducing the supply of new and existing affordable housing, whether government-subsidized or market-rate, especially given median wage deflation from 2000–2013.

Since 2000, for example, there have been cuts of over 50 percent to federal affordable housing programs, and most remaining federal funds go to rehabilitation rather than increasing supply. At the state level, the aforementioned dissolution of redevelopment agencies eliminated a large source of funding for affordable housing, including a loss of more than \$200 million for the Bay Area in 2011 alone, according to Enterprise Community Partners and the Non-Profit Housing Association of Northern California.

The production of housing affordable to low- and moderate-income households has lagged behind production of housing affordable to higher-income households, with the most significant shortfall occurring in the moderate or “middle income” category — housing that is typically produced by the market without subsidy in most metro regions. From 1999 to 2014, the Bay Area issued permits for only about 35 percent of the units required to meet the needs of vulnerable populations such as low-income families, seniors and the homeless. This left over 100,000 needed affordable housing units unbuilt.

At the same time, much of the older housing stock that typically forms the backbone of “naturally occurring” affordable housing is located in higher density, transit rich areas that have experienced gentrification pressures and the loss of affordable units, further exacerbating the challenges of decades-long sluggish affordable housing production. Moving forward, the annual funding needed to build an adequate supply of low- and moderate-income housing through cost-restricted units rather than through market mechanisms is estimated at \$1.4 billion annually, according to the Association of Bay Area Governments (ABAG).

## Impacts on the Region’s Present and Future

The housing crisis raises major concerns about negative impacts to the region. Affordability, a primary concern of Bay Area residents, continues to be a major challenge. This in turn poses risks to the Bay Area’s socioeconomic diversity, transportation system, environmental goals and robust economy.

### Housing Affordability

Housing affordability has significantly worsened over time. Home prices are at record levels in some counties and near record levels in the rest. Rent payments have nearly doubled in real dollars since the 1970s. While median wages are near the top nationally, the Bay Area has by far the highest median home sale prices of any major metro region in the country, as shown in Figure 1.3. The region is now also home to three of the five most expensive rental markets in the nation, according to Zillow.

#### **FIGURE 1.3 Median home sale prices by metro area from 1997 to 2016.**

*Staff note: Figure available on Plan Bay Area 2040 website and in plan document.*

Caption: Over the last 20 years the Bay Area has seen one of the “spikiest” real estate markets in the country, with bigger booms and busts than other large metros. In particular, prices have risen much faster in the Bay Area coming out of the recent Great Recession.

Source: Vital Signs; Zillow, 1997–2016.

The prospects and benefits of home ownership are simply out of reach for many Bay Area households. Amid the affluence and new wealth generated in the post-recession era, approximately 24 percent of the Bay Area’s population lives below 200 percent of the federal poverty level, and the vast majority of households with annual incomes below \$50,000 experience an excessive housing cost burden, as shown in Figure 1.4.

#### **FIGURE 1.4 Share of income spent on housing by Bay Area households in 2015, segmented by income level.**

*Staff note: Figure available on Plan Bay Area 2040 website and in plan document.*

Caption: A significant majority of households earning less than \$35,000 in the Bay Area spent more than 50 percent of their household income on housing in 2015.

Source: Vital Signs; U.S. Census Bureau/American Community Survey, 2015

### Displacement and Quality of Life Concerns

While the cost of housing has increased significantly for both owner and renter households, renters are at a higher risk for displacement during periods of growth and expansion. Currently there are ~~over a half million~~ hundreds of thousands of lower-income households at risk of displacement in the Bay Area, with the majority of them living in San Francisco, Santa Clara and Alameda counties.

The lack of adequate tenant protections — or availability of subsidized or “naturally affordable” market-rate units in neighborhoods with quality transit service and other amenities — has accelerated the displacement of lower-income residents and even many businesses from the region’s core urban areas.

~~Currently, low and moderate income renters face displacement risk in the majority of Bay Area cities, and more than half of low income households live in neighborhoods at risk of or already experiencing~~



~~displacement and gentrification pressures, according to researchers at the Center for Community Innovation at UC Berkeley.~~ As shown in Map 1.1, displacement is no longer just a San Francisco problem, but a region-wide challenge.

**MAP 1.1 Displacement and gentrification trends in the Bay Area.**

*Staff note: Map available on Plan Bay Area 2040 website and in plan document.*

Caption: Scholars at UC Berkeley looked at regional housing, income and other demographic data to analyze and predict where gentrification and displacement are occurring, or likely to occur in the future. Among the researchers' key findings is that not only are many low income neighborhoods experiencing displacement, higher income neighborhoods are also rapidly losing their existing low income populations. In addition, "[n]eighborhoods with rail stations, historic housing stock, and rising housing prices are especially at risk of losing low-income households."

Source: Urban Displacement Project /University of California, Berkeley, 2016.

Given insufficient support for affordable housing, many individuals who perform important but lower-paying jobs face either substandard or overcrowded ~~and unhealthy~~ housing; costly, long-distance work commutes; or sometimes even homelessness — the most severe expression of the region's housing shortage. Rising prices in the region's core have driven many ~~low-and-moderate~~lower-income households to outlying jurisdictions farther away from jobs, transit and amenities, even as low and middle wage job growth has been concentrated in San Francisco, the West Bay and South Bay. This further contributes to more development pressures on open space and agricultural land, more pollution from passenger vehicles, adverse health impacts, higher transportation costs and greater levels of highway and transit congestion.

**SIDEBAR: Beyond the Bay Area**

While roughly 97 percent of the Bay Area workforce lives in the nine-county region, ongoing regional affordability challenges mean thousands more households are moving east to the San Joaquin Valley and Sacramento metro area every year. Although home prices are lower, these areas lack the same proximity to higher-paying jobs as some Bay Area communities. While many have relocated by choice, others have been displaced by gentrification and rising rents.

Goods movement hubs have also increasingly chosen to locate just east of the region's boundaries, taking advantage of lower land prices and lower prevailing wages. At the same time, firms want to remain in close proximity to the Bay Area, both to deliver goods to the region's residents and businesses and to maintain access to existing seaports, airports and industrial facilities.

These two trends — combined with limited transportation capacity — have resulted in growing congestion, especially at the Interstate 580 Altamont Pass gateway in eastern Alameda County and the Interstate 80 gateway in Solano County. In both cases, neighboring counties are taking on housing and commercial development unable to occur in the highly regulated, high-cost Bay Area development market. Senate Bill 375 (Steinberg, 2008) was enacted to encourage regions like the Bay Area to find solutions to this challenge, which has disproportionately affected lower-~~and middle~~-income residents and burdened them with hours-long commutes on crowded

roads, buses or trains. In contrast to the original Plan Bay Area, Plan Bay Area 2040 plans for enough housing to accommodate not only the initial forecast of households but also the additional increment of projected in-commuters. At the same time, MTC is working collaboratively with the Sacramento and San Joaquin regions to improve transportation connectivity and boost the competitiveness of the “megaregional” economy.

## Transportation

The impacts of the booming economy and wider housing crisis, and resulting disconnect between where people live and where people work, has contributed to record levels of freeway congestion and historic crowding on transit systems like Bay Area Rapid Transit (BART), Caltrain and San Francisco’s Municipal Railway (SF Muni). For example:

- Overall commute time is at the highest level on record, as are time spent and miles traveled in highway congestion. As of 2015 the Bay Area’s most notorious traffic bottlenecks included US-101 in San Francisco and I-80 in Alameda and Contra Costa Counties.
- Average weekday BART ridership is at the highest level on record. Two out of three BART trips now begin or end at the four downtown San Francisco stations, with Montgomery and Embarcadero stations approaching 90 to 100 percent station capacity during peak periods. Peak direction, rush-hour trains regularly exceed BART’s standard maximum of 107 passengers per car.
- Caltrain’s daily ridership more than doubled in the last 10 years, from approximately 30,000 in 2006 to a record 62,400 in 2016. The 10 highest-demand trains operated by Caltrain now have ridership exceeding 100 percent of seated capacity.
- SF Muni continues to be the region’s most heavily-used transit system; ridership has grown by six percent in the last decade. Morning peak-hour ridership in the Market Street tunnel has grown by one-third in the last five years and several Muni Metro lines are at capacity during peak travel times.

These congestion and capacity challenges are already imposing costs on the Bay Area in terms of environmental impacts and lost time, and are likely to increase in the future without meaningful action to improve the jobs-housing balance in the region.

## Productivity and Economic Output

Over the medium- and long-term, the Bay Area’s housing crisis and its attendant transportation challenges could act as a significant drag on the region’s future economic growth and dynamism. Companies will have to contend with an artificially limited employment base, potential workers will be denied access to the benefits of a highly productive regional economy, and the maxed-out transportation network could limit the growth of regional job centers.

There is a significant body of research showing that housing supply constraints lead to significant productivity, income and welfare losses. Researchers at UC Berkeley and the University of Chicago estimated the United States loses out on trillions of dollars in potential economic output because of regulatory housing supply constraints in just two regions: the New York metro area and San Francisco Bay Area.

Researchers at Harvard have posited that the increasing prevalence of land use restrictions led to increased income inequality over the last 30 years compared to the period from 1940 to 1980, when the ability to move from low-productive to high-productive regions led to income convergence and decreased inequality.

Our « Legacy of Leadership » in the Environment, Transportation and the Economy  
The challenges of the housing crisis are undeniably daunting. However, the Bay Area has risen to the occasion many times to address seemingly intractable policy issues. Whether the environment, transportation or economy, the Bay Area has a history of coming together to address shared challenges.

#### Environmental Achievements

Local and regional action in the 20th century protected the Bay Area from unchecked sprawl, degrading air quality and a shrinking bay. Starting in the 1960s amidst a regional outcry over pollution and the filling of the Bay, the San Francisco Bay Conservation and Development Commission was created to discourage bay fill and restore wetlands. Since 1969, the surface area of San Francisco Bay has grown by nearly 19,000 acres. Similarly, the Bay Area Air Quality Management District (Air District) was tasked with improving the region's air quality. Between 1999 and 2015, for example, regional annual average particulate matter concentrations declined by 39 percent. These air quality improvements are estimated to have added a full year to residents' lifespans, according to the Air District.

#### **MAP 1.2 Historical Development Pattern and ~~Resource~~ Agricultural Lands**

*Staff note: Map available on Plan Bay Area 2040 website and in plan document. Map 1.2 will adjust labels for Orinda and Lafayette to better reflect their east-west alignment. The map title change will also be reflected in the legend.*

Source: California Department of Conservation, 2014; others.

A strong local movement to protect greenfield development also emerged during the latter half of the 20th century to protect farm lands and open space. Local governments adopted urban growth boundaries and helped lead a “focused growth” strategy with support from environmental groups and regional agencies to limit sprawl, expand recreational opportunities and preserve scenic and natural resources. Despite strong economic growth and population increases since the end of the Great Recession, the Bay Area has experienced less greenfield development than in decades past, a result that can be attributed to smart local policies.

#### “Self-Help” in Transportation

Faced with declining support from the federal and state government, the Bay Area adopted a “self-help” approach toward funding transportation. Starting with a pioneering effort led by Santa Clara County in 1984, eight of the nine Bay Area counties have enacted local transportation sales taxes.

Bay Area voters also approved Regional Measure 1 in 1998 and Regional Measure 2 in 2004, which together raised tolls on the Bay Area's seven state-owned toll bridges — and billions of dollars for important transportation projects in the bridge corridors and their approaches, as seen in Map 1.3. Altogether, voter-approved “self-help” measures generated some \$2.5 billion for Bay Area transportation in 2016 alone, as shown in Figure 1.5. Although the region has many transportation

needs and challenges, these needs can be alleviated through sufficient and continued resource investment.

**FIGURE 1.5 “Self-Help” funding for transportation in the Bay Area.**

*Staff note: Figure available on Plan Bay Area 2040 website and in plan document.*

Caption: Bay Area voters have approved a variety of measures beyond transit operator revenues and the typical local, state, and federal sources to help fund transportation needs.

Source: Metropolitan Transportation Commission, 2016

**MAP 1.3 Key Projects Delivered By Voter-Approved Regional Measures**

*Staff note: Map available on Plan Bay Area 2040 website and in plan document.*

Source: Metropolitan Transportation Commission, 2016.

### (Re)Inventing the Economy

Faced with a rapidly changing and evolving world, the Bay Area has reinvented its economy several times in the last half century. An economy dependent on defense spending and financial headquarters in the 1980s was transformed first by an explosion in high-tech manufacturing and later by software and computer-related design and services as semiconductor and computer manufacturing shifted offshore. More recently, new innovations from social media to biotechnology have been incubated in the region. The Bay Area today is widely recognized as the global center for technological innovation, with countless metropolitan regions across the world trying to replicate the Bay Area’s success.

Although the reinvention of the Bay Area economy was aided by a number of fortunate events, it was also facilitated by the deliberate effort of people and institutions. As demonstrated by a research team at UCLA, dense networks of business, government, academia, and civil society saw the emergence of the new economy and actively worked to ensure its health and success in the region.

### A Call to Action

What all these examples show is that the Bay Area can solve serious problems when citizens and key institutions — including business, government, academia, and the non-profit sector — come together to work toward common goals.

Thus far, the Bay Area’s residents and communities have not made the same commitment to solve the housing crisis. Yet there is no more time to wait. Failure to establish regional consensus and take concerted action will put the region’s historic economic, environmental and transportation accomplishments at risk. Unlike many other policy areas, housing policy is something local governments have significant control over.

The Bay Area must therefore pursue a multi-pronged strategy that emphasizes the construction of new homes for residents of all incomes, the protection of the region’s most vulnerable households, and the need to advocate for more financial resources to pursue local and regional solutions. This strategy —

and the avenues through which it may be executed — is further discussed in the final section of this document, “Action Plan”.

If the Bay Area rises to this challenge, future residents will be able to look back and say that the region built on its past successes to achieve broadly shared goals: abundant and affordable housing close to jobs and transit; clean air; clean water; a protected shoreline; and healthier, wealthier and more resilient communities in a great 21st century metropolitan region.

# What is Plan Bay Area 2040?

**Plan Bay Area 2040 is a state-mandated, integrated long-range transportation and land use plan. As required by Senate Bill 375, all metropolitan regions in California must complete a Sustainable Communities Strategy (SCS) as part of a Regional Transportation Plan. In the Bay Area, the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG) are jointly responsible for developing and adopting a SCS that integrates transportation, land use and housing to meet greenhouse gas reduction targets set by the California Air Resources Board (CARB).**

The region adopted its previous plan — Plan Bay Area — in July 2013. As the Bay Area’s first regional transportation plan to include a Sustainable Communities Strategy, the original Plan Bay Area charted a course for reducing per-capita greenhouse gas emissions through the promotion of more compact, mixed-use residential and commercial neighborhoods near transit.

## **SIDEBAR: MTC and ABAG**

The Metropolitan Transportation Commission (MTC) is the transportation planning, financing and coordinating agency for the nine-county San Francisco Bay Area. MTC is the federally designated Metropolitan Planning Organization and the state designated Regional Transportation Planning Agency for the region. MTC is responsible for preparing and updating a long-range regional transportation plan every four years that identifies the strategies and investments needed to maintain, manage and improve the region’s transportation network.

The Association of Bay Area Governments (ABAG) serves as the Council of Governments for the region. As required by state law, ABAG updates the Regional Housing Need Allocation (RHNA) every eight years, allocates specific housing targets to individual cities and counties, and develops the regional forecast of jobs, population and housing. MTC and ABAG ~~are currently in the process of merging~~recently consolidated their staffs to more effectively and efficiently develop an integrated long-range transportation and land use plan.

Plan Bay Area supported Priority Development Areas (PDAs) selected and approved by city and county governments with planning grants, technical assistance, and prioritization for regional and state transportation and affordable housing funds.

Plan Bay Area 2040 is a limited and focused update that builds upon the growth pattern and strategies developed in the original Plan Bay Area but with updated planning assumptions that incorporate key economic, demographic and financial trends from the last four years.

## What Does Plan Bay Area 2040 Do?

Plan Bay Area 2040 provides a roadmap for accommodating projected household and employment growth in the nine-county Bay Area by 2040 as well as a transportation investment strategy for the region. Plan Bay Area 2040 details how the Bay Area can make progress toward the region’s long-range transportation and land use goals.

Plan Bay Area 2040:

- Describes where and how the region can accommodate 820,000 new projected households and 1.3 million new jobs between now and 2040;
- Details a regional transportation investment strategy given \$303 billion in expected revenues from federal, state, regional and local sources over the next 24 years;
- Complies with Senate Bill 375, the state’s sustainable communities strategy law, which integrates land use and transportation planning and mandates both a reduction in greenhouse gas emissions from passenger vehicles and the provision of adequate housing for the region’s 24- year projected population growth.

Plan Bay Area 2040 encompasses the entire Bay Area, including the nine counties and the 101 cities and towns that make up the region. The plan is constrained by the amount of expected transportation revenues and expected household and employment growth.

Plan Bay Area 2040 neither funds specific transportation projects nor changes local land use policies. Importantly, individual jurisdictions retain all local land use authority. But Plan Bay Area 2040 does set a roadmap for future transportation investments and identify what it would take to accommodate expected growth.

**SIDEBAR: Connecting the Dots: Plan Bay Area 2040 and the California Transportation Plan 2040**

Plan Bay Area 2040 establishes a vision for the Bay Area that closely aligns with the broad goals of the state of California. The plan’s goals to promote economic vitality, ensure social equity, and protect the environment directly link to the policy framework established in “California Transportation Plan 2040” by the California Department of Transportation. Central to both plans are greenhouse gas, or carbon dioxide (CO<sub>2</sub>), emissions reduction targets designed to tackle climate change in the years to come. Similarly, both plans prioritize fixing an aging transportation system, focusing future growth, and directing increased funding towards non-auto mode of travel. It may seem challenging to achieve a consensus in a state of over 39 million people and a region of nearly 8 million people; bBoth multiyear planning efforts, however, reflect a relatively consistent vision for moving forward for the region’s 8 million people and the states 39 million people. The key to implementation will be working together across local, regional, state and federal levels to achieve these shared goals.

**SIDEBAR: Connecting the Dots: Plan Bay Area 2040 and the Air District’s 2017 Clean Air Plan**

The Bay Area Air Quality Management District (Air District) is the region’s air pollution control agency. In April 2017, the Air District adopted the 2017 Clean Air Plan, which provides a regional strategy to protect public health and the climate. The Clean Air Plan describes how the region will continue progress toward attaining all state and federal air quality standards and eliminating health risk disparities from exposure to air pollution. The Clean Air Plan further defines a vision and regional climate protection strategy for transitioning to a post-carbon economy and achieving ambitious greenhouse gas reduction targets for 2030 and 2050. While Plan Bay Area

2040 has a requirement to reduce per-capita CO<sub>2</sub> emissions from passenger vehicles by 2035, the Air District’s plan addresses a much wider range of pollutants from a much larger number of sources. To that end, Plan Bay Area 2040 is “one piece of the puzzle.” Additional policies and investments beyond Plan Bay Area 2040 are needed to meet the Air District’s more ambitious targets.

## Engaging the Public

Developing a multi-billion dollar plan for the region is no simple task. It is a multi-year process involving four regional agencies, nine counties, 101 towns and cities, elected officials, transit operators, planners, community-based organizations, business organizations, non-profits and the general public.

Despite this complexity, public participation is critical to an open process in which all interested residents have the opportunity to provide input and share their vision for what the Bay Area will look like decades from now. Highlights from Plan Bay Area 2040’s public participation process ~~through 2016~~ included ~~nearly 120 over 190~~ public meetings ~~plus of which 18-27 were~~ open houses (~~two-three~~ in each of the nine Bay Area counties); partnerships with five community organizations working in low-income communities and communities of color; public hearings on the draft plan and its environmental impact report; a robust online presence; numerous meetings with local elected officials, planning directors, and transportation officials; ~~a-two~~ summits with Native American tribal leaders; a housing forum; and a telephone poll of some 2,040 Bay Area residents.

~~Additional public engagement opportunities beginning in spring 2017 will inform adoption of Plan Bay Area 2040 in September 2017.~~

*For more information on Plan Bay Area 2040’s outreach and engagement process, please see the [Public Outreach and Public Participation Report](#) and the [Native American Tribal Consultation Report](#).*

## Setting Goals and Targets to Address Challenges

After receiving feedback from stakeholders and the public, MTC and the ABAG Executive Board established seven goals and 13 performance targets to measure Plan Bay Area 2040’s effectiveness in addressing the major challenges facing the region.

Senate Bill 375 mandates two of these targets. First, Plan Bay Area 2040 must address climate change by reducing per-capita CO<sub>2</sub> emissions from cars and light-duty trucks. Second, Plan Bay Area 2040 must include sufficient housing for all of the region’s projected population growth, regardless of income.

### **TABLE 2.1 Final adopted goals and performance targets for Plan Bay Area 2040.**

*Staff note: Table available on Plan Bay Area 2040 website and in plan document.*

Caption: Plan Bay Area 2040 includes seven goals and 13 performance targets covering three broad areas: the environment, equity and the economy. The aggressive and somewhat aspirational targets enable the plan to be evaluated by its performance in areas identified as key regional concerns, including equitable access, economic vitality, and transportation system effectiveness.



The performance targets were the result of a robust public process and reflect MTC and ABAG's commitment to go beyond Plan Bay Area 2040's legal requirements.

Source: Metropolitan Transportation Commission - Resolution No. 4204, Revised, 2015

MTC and the ABAG Executive Board voluntarily adopted 11 additional targets as shown in Table 2.1. Key goals for Plan Bay Area 2040 included tackling the Bay Area's inequities through improved affordability and lessened displacement risk, ensuring a robust economy and protecting the environment for future generations. These targets are aggressive and some are quite aspirational. Yet they reflect MTC and ABAG's commitment to take a more holistic view of the possibilities of integrated regional planning by going beyond the plan's legal requirements.

*For more information on the development of Plan Bay Area 2040's performance targets, please see the [Performance Assessment Report](#).*

The next section, "Forecasting the Future," will review the primary inputs to Plan Bay Area 2040.

# Forecasting the Future

**What will the Bay Area look like in 2040? This chapter provides an overview of the primary “inputs” to Plan Bay Area 2040: 24-year regional household, employment and transportation revenue forecasts. These forecasts form the basis of the proposed land use pattern and transportation investment strategy described in the next section, “Strategies and Performance.”**

## Employment and Household Projections

ABAG and MTC forecast that between 2010 and 2040 the Bay Area will see increases in the number of jobs, population and households. Key features of the regional forecast include:

- Growth of 1.3 million jobs between 2010 and 2040, with nearly half of those jobs — over 600,000 — already added between 2010 and 2015.
- An increase of over 2 million people between 2010 and 2040. Almost one-fourth of this projected growth occurred between 2010 and 2015.
- An increase of approximately 820,000 households. Only 13 percent of this growth occurred between 2010 and 2015, as household formation was held back in part by financial conditions coming out of the Great Recession. The pace of future household growth is expected to increase as the population ages and more working-aged adults enter the region.

These 2040 projections, as shown in Table 3.1, represent a moderate increase over 2040 estimates from the original Plan Bay Area and incorporate the region’s strong growth since 2010.

**TABLE 3.1 Bay Area population, employment, and household projections.**

*Staff note: Table available on Plan Bay Area 2040 website and in plan document.*

Source: Association of Bay Area Governments, 2016

*For more information on Plan Bay Area 2040’s employment and household projections, please see the [Regional Forecast of Jobs, Population and Housing](#).*

## Employment

With an additional 1.3 million jobs in the Bay Area, increasing numbers of residents are expected to work in professional and service-sector jobs as well as in health and education. Construction jobs, which were still depressed in 2010, will also expand.

Despite increases in output and demand in all sectors, employment is projected to decline in a few sectors due to higher productivity or relocation to lower-cost sites outside the region. Jobs in manufacturing and resource extraction industries, for example, have been declining for decades and are expected to continue decreasing.

Table 3.2 illustrates select employment sectors that are expected to either grow or decline by 2040.

**TABLE 3.2 Job growth trends in select Bay Area employment sectors by 2040.**

*Staff note: Table available on Plan Bay Area 2040 website and in plan document.*

Caption: The Bay Area is projected to see strong employment growth in sectors such as construction, health and education, and professional and managerial services. Manufacturing and resource extraction industries are expected to continue declining, as they have for decades.

Source: Association of Bay Area Governments, 2016

Employment growth in the region is expected to slightly outpace the nation, with the Bay Area's share of total U.S. employment continuing to expand.

## Households

With an additional 2 million people, the Bay Area's residents in 2040 will be older and more diverse, as shown in Figures 3.1 and 3.2. The number of school- aged children (5 to 17 years old) will decline in relative terms, while the number of people 65 and over will account for more than half of all population growth in the region.

### **FIGURE 3.1 Bay Area population by age, 2010 and 2040.**

*Staff note: Figure available on Plan Bay Area 2040 website and in plan document. Figure 3.1 will be modified so that the identifying years underneath the pie charts say, "2010 Share" and "2040 Share".*

Source: Association of Bay Area Governments, 2016

### **FIGURE 3.2 Bay Area population by race/ethnicity, 2010 and 2040.**

*Staff note: Figure available on Plan Bay Area 2040 website and in plan document. Figure 3.2 will be modified so that an asterisk (\*) is added next to "Other", with a corresponding footnote indicating that "\* Asian/Other refers to Asian, Pacific Islander, and other multiracial/multiethnic categories."*

Source: Association of Bay Area Governments, 2016

This segment of the population will grow to approximately 22 percent of the population by 2040, an increase from roughly 12 percent in 2010. By 2040, there will be no clear majority or plurality in terms of race/ethnicity in the Bay Area. As population groups, Whites, Hispanics and Asians/Other will each account for approximately one-third of the region's population.

Projections of household growth assume that household size will be constrained by costs and affected by a greater share of multigenerational households, plus more two-person senior households as the gap between male and female longevity narrows. In addition, barring action by policymakers, "in-commuting" by individuals – those who commute into the region from surrounding areas but might otherwise live closer to their jobs if they were able to find housing to suit their needs – could increase by as many as 53,000. In the following section, Plan Bay Area 2040 presents a development pattern to build enough housing within the region to accommodate the household growth associated with all demographic change and employment growth, including in- commuter households.

## Transportation Projections

Concurrently with jobs and household projections, Plan Bay Area 2040 estimates how much it will cost to operate and maintain the existing transportation system over the next 24 years, as well as the amount of revenues reasonably expected over that time period. What are the costs to provide existing transit service every year through 2040? What are the costs of maintaining the existing transportation infrastructure through 2040? How much money is available to pay for these two components? Answering these questions, as well as identifying the locations of future housing and job centers, is important for determining where to spend the Bay Area's transportation resources.

### Estimating Costs to Operate and Maintain Existing System

MTC worked with local jurisdictions, transit operators, and the California Department of Transportation (Caltrans) to develop cost estimates for operating and maintaining the Bay Area's transit system, local street and road network, the state highway system, and local and regional bridges.

The costs to operate and maintain the highway system also includes a growing need to maintain the hardware required for traffic management projects like ramp meters and dynamic signs. As shown in Table 3.3, to reach a state of good repair – meaning that roads are maintained at their optimum levels, transit assets are replaced at the end of their useful lives and existing service levels for public transit are maintained – the Bay Area will need to spend an estimated total of \$254 billion over the next 24 years.

**TABLE 3.3 Costs to operate and maintain the existing transportation system.**

*Staff note: Table available on Plan Bay Area 2040 website and in plan document. Table 3.3 will be modified so that the four asterisk (\*\*\*\*) next to where it says "Total" are removed, as there is no corresponding reference underneath the table.*

Source: Metropolitan Transportation Commission, 2016

*For more information on Plan Bay Area 2040's needs assessment for transit and roads, please see the [Needs Assessment Reports](#).*

### Requests for Modernization and Expansion Projects

MTC also worked with partner agencies to determine funding needs for projects that would expand capacity and increase system efficiency beyond operating and maintaining the existing system.

In the Call for Projects for Plan Bay Area 2040, transit agencies requested almost \$200 billion for transportation projects. Combined with the funding required to provide existing transit service and improve asset conditions, identified transportation needs and project requests for the region between now and 2040 totaled nearly half a trillion dollars.

### Gauging Our Financial Resources

Like other metropolitan regions, the Bay Area receives transportation funding from a vast array of federal, state, regional, and local sources. As shown in Figure 3.3, the total 24-year forecast of expected transportation revenue for Plan Bay Area 2040 is \$303 billion, estimated in year of expenditure (YOE) dollars.

**FIGURE 3.3 Forecasted transportation revenues for Plan Bay Area 2040.**

*Staff note: Table available on Plan Bay Area 2040 website and in plan document.*

Source: Metropolitan Transportation Commission, 2016.

What differentiates the Bay Area from many other regions is the significant share of local and regional funding — approximately two-thirds of forecasted revenues are from regional and local sources such as transit fares, dedicated sales tax programs, and bridge tolls.

Making up the remainder of revenue sources are state and federal revenues (mainly derived from fuel taxes) and anticipated revenues (unspecified revenues from various sources that can reasonably be expected to become available within the plan horizon).

*For more information on Plan Bay Area 2040’s financial assumptions, please see the [Financial Assumptions Report](#).*

#### Committed Revenues and Expenditures

Only a modest share of the \$303 billion in transportation funding is flexible. The vast majority of funding is committed to specific purposes or projects because of the revenue source or voter-approved expenditure plans.

Projects could also have prior funding commitments due to an on-going project timeline. In determining funding assumptions for Plan Bay Area 2040, the Bay Area must first take stock of these existing and on-going commitments.

As shown in Table 3.4, half of the region’s existing commitments relate to operating and maintaining transit, with the majority of this funding comprised of locally generated transit fares and county sales taxes.

#### **TABLE 3.4 Committed revenues by function for Plan Bay Area 2040.**

*Staff note: Table available on Plan Bay Area 2040 website and in plan document.*

Source: Metropolitan Transportation Commission, 2016

The remaining committed funds are directed to operate and maintain roads or are committed to specific projects (such as those under construction today). The remaining revenues are considered “discretionary,” meaning they can be flexibly applied to various transportation purposes within the constraints of the funding source.

Discretionary funds are important not only because of their flexibility, but also because they reflect future revenues the region can leverage to influence policy and implementation. These future discretionary revenues total \$74 billion, approximately 24 percent of the total projected Plan Bay Area 2040 revenues, as shown in Table 3.5.

#### **TABLE 3.5 Discretionary funding sources for Plan Bay Area 2040.**

*Staff note: Table available on Plan Bay Area 2040 website and in plan document.*

Source: Metropolitan Transportation Commission, 2016

The next section, “Strategies and Performance,” will explain the forecasted development pattern of household and employment growth, and how transportation funding resources will be invested to support it.

# Strategies and Performance

Given the state of the Bay Area today and the 24-year forecast of jobs, households and transportation revenues, how will the region get from where it is now to where it needs to be in the future? ABAG and MTC developed a variety of land use and transportation scenarios that distributed the total amount of expected growth across the region.

These scenarios were evaluated against adopted performance targets to measure how well they addressed regional goals including climate protection, transportation system effectiveness, economic vitality and equitable access. Based upon performance and feedback, MTC and ABAG developed and adopted a Final Preferred Scenario. This scenario provided both a regional pattern of household and employment growth by the year 2040 and a corresponding transportation investment strategy.

## Focused Growth

Plan Bay Area 2040 largely reflects the foundation and regional growth pattern established in the original Plan Bay Area. Plan Bay Area 2040's core strategy is "focused growth" in existing communities along the existing transportation network. This strategy allows the best "bang for the buck" in achieving key regional economic, environmental and equity goals: it builds upon existing community characteristics, efficiently leverages existing infrastructure and mitigates impacts on areas with less development. Key to implementing the focused growth strategy are Priority Development Areas (PDAs) and Priority Conservation Areas (PCAs) identified, recommended and approved by local governments.

- **Priority Development Areas (PDAs) -**

Plan Bay Area 2040 focuses growth and development in nearly 200 PDAs. These existing neighborhoods are served by public transit and have been identified as appropriate for additional, compact development.

- **Priority Conservation Areas (PCAs) -**

Plan Bay Area 2040 helps preserves over 100 regionally significant open spaces which have a broad consensus for long-term protection but which face nearer-term development pressures.

PCAs and PDAs complement one another: by promoting compact development in established communities with high-quality transportation access, there is less development pressure on the region's vast and varied open spaces and agricultural lands.

## Motivating Smarter Land Use Decisions

Given existing real estate market conditions, land use controls, and infrastructure needs, many PDAs may not be able to accommodate forecasted growth and may require additional policy interventions to increase their development potential. As a result, MTC and ABAG modeled a range of policy and investment strategies in Plan Bay Area 2040 to increase development potential in PDAs and influence the overall regional growth pattern, as shown in Table 4.1. These policies can help motivate land use and support the success of a focused growth strategy in the locally identified PDAs that already house much of the Bay Area's existing development.

<b>TABLE 4.1 Key land use assumptions.</b>
--

*Staff note: Table available on Plan Bay Area 2040 website and in plan document. [Bullet point #4](#) will be modified to say: "Assume all for-profit housing developments in cities with PDAs make 10 percent of units deed-restricted in perpetuity."*

Source: Metropolitan Transportation Commission, 2016

These measures are not prescriptive, and there are many potential public policy options that could help the Bay Area attain its adopted targets. These strategies [presented here](#) are simply illustrations of what it would take to accommodate [expected](#) future growth within existing communities, while striving toward the region's 2040 economic, environmental and equity goals. [Growth can, of course, bring challenges such as limited water resources, funding for schools, and traffic congestion, in addition to bringing benefits.](#) Working with jurisdictions [to appropriately balance different interests as appropriate to while](#) implementing these or other similar policies will be key to achieving the land use goals of Plan Bay Area 2040.

*For more information about Plan Bay Area 2040's land use model and assumptions, see the [Land Use Modeling Report](#).*

## Local Control

It is important to emphasize that the region's cities and counties retain local land use authority and that local jurisdictions will continue to determine where future development occurs. Plan Bay Area 2040 is supported through implementation efforts such as neighborhood-level planning grants for PDAs and local technical assistance. The plan does not mandate any changes to local zoning rules, general plans or processes for reviewing projects; nor is the plan an enforceable direct or indirect cap on development locations or targets in the region. As is the case across California, the Bay Area's cities, towns and counties maintain control of all decisions to adopt plans and to permit or deny development projects.

Plan Bay Area 2040 also does not establish new state-mandated [Regional Housing Needs Allocation](#) (RHNA) numbers for any jurisdiction. RHNA operates on an eight-year cycle, with the next iteration not due until the next update to the plan in 2021.

Because RHNA numbers are not at stake this cycle, MTC and ABAG have characterized this update to the Bay Area's long-range plan as limited and focused.

## Overview of Household and Employment Growth Pattern

Overall, the regional pattern of households and employment in 2040 is not significantly different from the pattern observed in 2010. Plan Bay Area 2040 concentrates both household and employment growth in the "Big 3 Cities" of San Jose, San Francisco and Oakland, as well as the east and west Bayside corridors along the region's core transit network.

The Bay Area's 101 cities and towns are classified into three key "subregions" in order to conceptualize the regional growth pattern presented in Plan

Bay Area 2040:

- **Big 3 Cities** – the Bay Area's three largest cities: San Jose, San Francisco and Oakland



- **Bayside** – generally describes cities directly adjacent to the San Francisco Bay, including Hayward, San Mateo, San Rafael and Richmond
- **Inland, Coastal and Delta** – generally describes cities just outside of Bayside, such as Walnut Creek, Dublin, Santa Rosa, Antioch, Brentwood and Fairfield

**MAP 4.1 Bay Area subregions.**

*Staff note: Map available on Plan Bay Area 2040 website and in plan document.*

Source: Metropolitan Transportation Commission, 2016

By 2040, the Big 3 Cities and Bayside subregions will contain 72 percent of the Bay Area’s total households and 77 percent of the region’s total jobs, which is a slightly higher concentration of households and jobs compared to 2010. As shown in Tables 4.2 and 4.3, Big 3 Cities will see about 46 percent of the region’s household growth and about 44 percent of the region’s job growth, while Bayside communities will see about 33 percent of the region’s household growth and 40 percent of projected employment growth.

**TABLE 4.2 Household growth by Bay Area subregion.**

*Staff note: Table available on Plan Bay Area 2040 website and in plan document.*

Source: Metropolitan Transportation Commission, 2016.

**TABLE 4.3 Employment growth by Bay Area subregion.**

*Staff note: Table available on Plan Bay Area 2040 website and in plan document.*

Source: Metropolitan Transportation Commission, 2016

Inland, Coastal and Delta areas will see comparatively less growth. The concentration of housing and jobs in PDAs also will remain significant, with 77 percent of the Bay Area’s household growth and 55 percent of its job growth occurring in PDAs.

In terms of employment, Plan Bay Area 2040 anticipates a modest shift from the growth pattern adopted in the original Plan Bay Area and incorporates the substantial employment growth experienced since 2010 in Bayside communities and in the cities of San Jose, San Francisco and Oakland. These areas contain the majority of the Bay Area’s commercial space, both now and in the future.

As shown in Maps 4.2 and 4.3, 83 percent of all household and employment growth will be in four of the Bay Area’s nine counties: Santa Clara, Alameda, San Francisco and Contra Costa. On both an absolute and percentage basis, the five remaining counties will see modest growth over the next 24 years.

**MAP 4.2 Household growth by county.**

*Staff note: Map available on Plan Bay Area 2040 website and in plan document.*

Source: Metropolitan Transportation Commission, 2016

**MAP 4.3 Employment growth by county.**

*Staff note: Map available on Plan Bay Area 2040 website and in plan document.*

Source: Metropolitan Transportation Commission, 2016

Emphasizing higher levels of growth in PDAs and building upon what already exists means that many neighborhoods, particularly established single-family home neighborhoods, will see minimal change in the coming decades. Approximately 70 percent of projected household growth will be concentrated in just 15 Bay Area cities, as will 74 percent of employment growth. Besides the Big 3 Cities, other cities such as Richmond, Emeryville, Concord and Mountain View, will also serve as key locations for the Bay Area’s future households and jobs.

*For a complete list of household and employment numbers by jurisdiction, please see the [Land Use Modeling Report](#).*

The concentrated household and employment pattern presented here further underscores the need for a Bay Area transportation system that is efficient, well-maintained and modern. Otherwise, a focused growth strategy cannot succeed.

## Key Transportation Strategies, Investments and Projects

Plan Bay Area 2040 develops a blueprint for short- term and long-term transportation investments to support the plan’s focused growth strategy. Investment priorities for the next 24 years reflect a primary commitment to “Fix It First,” a key emphasis area in the original Plan Bay Area as well.

As shown in Table 4.4, approximately 90 percent of Plan Bay Area 2040’s investments focus on operating, maintaining and modernizing the existing transportation system. Plan Bay Area 2040 also directs almost two-thirds of future funding to investments in public transit, mostly to ensure that transit operators can sustain existing service levels through 2040.

**TABLE 4.4 Plan Bay Area 2040 funding distribution.**

*Staff note: Table available on Plan Bay Area 2040 website and in plan document. This table will be modified to reflect updated funding figures, with funds moved from the cost contingency category to the modernization category. Under Investment Strategy, “Modernization”, “Transit Modernization and Efficiency” under “Regional Discretionary Funding” will be modified from “9” to “10” billions of dollars.*

Source: Metropolitan Transportation Commission, 2016.

**FIGURE 4.1 Plan Bay Area 2040 funding distribution.**

*Staff note: Table available on Plan Bay Area 2040 website and in plan document.*

Source: Metropolitan Transportation Commission, 2016

- **Operate and Maintain:** This strategy includes projects that replace transit assets, pave local streets and state highways, and operate the transit system.

- **Modernize:** This strategy includes projects that improve the existing system without significantly increasing the geographical extent of the infrastructure. Electrifying Caltrain and portions of the express lane network are two major investments in this category.
- **Expand:** This strategy includes projects that extend fixed-guideway rail service or add lanes to roadways. Extending Caltrain to downtown San Francisco and BART into Silicon Valley, as well as implementing express lanes on US-101 in San Mateo and Santa Clara counties, are major investments in this category.
- **Debt Service and Cost Contingency:** This includes on-going debt service and financing costs as well as a cost contingency for expansion projects.

The allocation of committed funds supports growth in the Bay Area’s established communities, directing approximately 72 percent of these funds to operate and maintain existing infrastructure, as shown in Figure 4.1. Table 4.5 lists the 10 highest-cost Plan Bay Area 2040 modernization and expansion investments.

**TABLE 4.5 Top 10 Plan Bay Area 2040 investments.**

*Staff note: Table available on Plan Bay Area 2040 website and in plan document. This table will be modified to reflect updated funding figures, with funds moved from the cost contingency category to the modernization category. The “Investment (\$ billions)” figure for “BART Transbay Core Capacity Project + BART Metro Program” will be updated from “4.2” to “4.6” billions of dollars.*

Source: Metropolitan Transportation Commission, 2016.

The allocation of committed funds supports growth in the Bay Area’s established communities, directing approximately 72 percent of these funds to operate and maintain existing infrastructure, as shown in Figure 4.1. Table 4.5 lists the 10 highest-cost Plan Bay Area 2040 modernization and expansion investments.

*For more information about Plan Bay Area 2040’s transportation investment strategy, see the [Investment Strategy Report](#).*

**SIDEBAR: Environmental Impacts and Mitigation Measures in Plan Bay Area 2040**

The Environmental Impact Report (EIR) for Plan Bay Area 2040 discloses potential environmental impacts and recommended mitigation measures of implementing the plan. The EIR includes a Mitigation, Monitoring, and Reporting Program that identifies who will be responsible for implementing identified mitigation measures and the required timing for implementation.

The EIR addresses impacts associated with projected growth and impacts associated with the projected land use and assumed transportation projects. Where a significant or potentially significant impact may occur, mitigation measures are provided.

Significant unavoidable impacts are those that cannot be mitigated to a less-than-significant level. To the extent that an individual project adopts and implements all feasible mitigation

measures described for each significant impact, many of the impacts listed would be reduced to a less than-significant level. However, MTC/ABAG cannot require local implementing agencies to adopt most of the mitigation measures, and it is ultimately the responsibility of a lead agency for each project to determine and adopt mitigation.

Therefore, several impacts have been identified as significant and unavoidable for purposes of the program level review. Projects taking advantage of CEQA streamlining provisions of SB 375 must apply the mitigation measures described in the EIR as necessary and feasible to address site-specific conditions. For more information on environmental impacts and mitigation measures in Plan Bay Area 2040, review the Environmental Impact Report.

## Strategy 1. Operate and Maintain

Plan Bay Area 2040 directs the vast majority of funding to maintain the assets and infrastructure of the existing transportation system. Plan Bay Area 2040 fully funds transit operating needs for existing transit services while also funding the majority of remaining high-priority transit capital needs (mostly replacing vehicles and fixed guideway infrastructure such as rail tracks and power systems). When evaluated for cost-effectiveness and support for the Plan's performance targets, maintaining transit capital assets was one of the Bay Area's highest performing investments, exhibiting high cost-effectiveness relative to most other transit expansion and highway projects. For this reason, this Plan directs almost 30 percent of discretionary funding to paying down the region's transit maintenance backlog. Despite this investment, a remaining need of almost \$15 billion remains as shown in Table 4.6, most of which is needed to replace non-vehicle assets for BART and Muni.

### **TABLE 4.6 Plan Bay Area 2040 transit operating and maintenance strategy.**

*Staff note: Table available on Plan Bay Area 2040 website and in plan document.*

Source: Association of Bay Area Governments, 2016

The next largest regional discretionary investment is for operations and maintenance of the Bay Area's local streets and roads. Between committed sources and future sources such as a potential regional gas tax, Plan Bay Area 2040 directs over \$35 billion for local streets and roads, which prioritizes operations expenses and costs to improve pavement condition. This still leaves a gap of almost \$8 billion to maintain existing pavement as well as non-pavement assets like signals, storm drains and sidewalks. Consequently, the regional pavement condition index, a measure of the quality of pavement on a scale from 0 (failed) to 100 (brand-new), decreases from 66 in 2015 to 62 in 2040.

Funding for maintenance on state highways and bridges is included in Plan Bay Area 2040 mostly as committed funding since MTC does not influence where this money is spent. Plan Bay Area 2040 assumes a two-dollar toll increase on all state-owned bridges, with \$1 added in 2019 and another \$1 added in 2024. Some of this future discretionary funding would be used for additional maintenance to the Bay Area's bridges. Included in cost projections for operating and maintaining the Bay Area's existing transportation system is a reserve for future cost increases, financing costs, and debt service.

## Strategy 2. Modernize

The Bay Area's transportation infrastructure, mostly built in the 20th century, will require significant upgrading to handle the travel volumes and travel needs of the 21st century. Modernization is critical to

expand capacity on crowded BART lines, improve speeds on heavily used bus lines, add safe bicycle facilities on busy roads, install new technologies to smooth traffic flow, and redesign interchanges to handle greater traffic volumes.

Plan Bay Area 2040 invests 16 percent of total revenue and 26 percent of discretionary revenue in this category, which includes cost-effective projects like freeway operation strategies and San Francisco's two congestion pricing projects, as well as a number of bus rapid transit (BRT) lines. The plan also directs funding for pilot projects related to the evolving technology landscape for transportation, which could increase efficiency and safety across the region's freeways and arterials. These pilot projects include testing vehicle-to-vehicle and vehicle-to-infrastructure technology.

#### Transit Modernization and Efficiency

In addition to investments in transit capital maintenance, Plan Bay Area 2040 will replace transit infrastructure through "modernization" projects that replace existing assets with infrastructure that supports either additional or more reliable service. Two examples of this type of project are Caltrain Electrification and BART Transbay Core Capacity projects. These projects replace vehicles and control systems with infrastructure that increases capacity and enables more frequent and reliable operations.

This category also includes strategic investments in transit efficiency throughout the Bay Area. These efficiency projects yield significant benefits due to planned housing growth in PDAs along light rail corridors in Santa Clara County as well as the growth of job centers in Sonoma County.

Project examples include bus rapid transit along El Camino Real and increased service for Santa Rosa CityBus. Additional bus rapid transit projects include Geary BRT and San Pablo BRT, which would serve increasingly densifying corridors in San Francisco and along the I-80 corridor in the East Bay, respectively.

#### Roadway Performance

The Bay Area consistently ranks as one of the most congested metropolitan areas in the nation. With today's mature system of roadways and increased demands on available financial resources, it is no longer possible – if it ever was – for the region to build its way out of congestion. Instead, Plan Bay Area 2040 invests in ways to operate existing highways and arterials more efficiently.

Plan Bay Area 2040 invests \$17 billion over the next 24 years to support projects and programs that will boost system efficiency through technology and bottleneck relief. One such program is Bay Area Forward, which would implement a suite of strategies that improve the speed, reliability, and person throughput of roadways and transit service and prepare the Bay Area for technological advancements in transportation.

Critical to these strategies will be the modernization of infrastructure used to monitor travel conditions and facilitate responses to freeway incidents. In addition, efforts like San Francisco's cordon pricing program – with projects such as the Treasure Island and downtown San Francisco cordons – ~~and as well~~ as the Regional Express Lane Network will leverage revenues generated from pricing to improve the existing system's efficiency while providing alternatives to driving.

#### Key Transit and Road Improvements

The following maps show priority transit and road projects from the Plan Bay Area 2040 investment strategy. These projects reflect a mix of committed and discretionary investments, with local, state and

federal investments all in support. The maps show key regional transit projects, local transit projects, highway and arterial projects, and pricing projects.

For more information on these and other Plan Bay Area 2040-funded projects and programs, please see the [Online Project Database](#).

#### **MAP 4.4 Regional Transit System Improvements.**

*Staff note: Map available on Plan Bay Area 2040 website and in plan document. Map 4.4 will adjust labels for Orinda and Lafayette to better reflect their east-west alignment. Map 4.4 will also be adjusted to include major improvements that are not able to be mapped (top 3 high-cost projects/programs). In addition, airport icons will be added for SFO, OAK, SJC, and STS and "major airports" will be added to the legend. A military icon will be added for Travis Air Force Base and "major military base" will be added to the legend. Privately-funded/privately-operated ferry routes will be removed from this map for consistency purposes. Footnote text stating "Note that projects expected to be complete before July 2017 (Plan adoption date) are shown as part of the existing network." will be removed as it is no longer applicable.*

Source: Metropolitan Transportation Commission, 2016.

#### **MAP 4.5 Local Transit System Improvements.**

*Staff note: Table available on Plan Bay Area 2040 website and in plan document. Map 4.5 will adjust labels for Orinda and Lafayette to better reflect their east-west alignment. Map 4.5 will also be adjusted to include major improvements that are not able to be mapped (top 3 high-cost projects/programs). In addition, airport icons will be added for SFO, OAK, SJC, and STS and "major airports" will be added to the legend. A military icon will be added for Travis Air Force Base and "major military base" will be added to the legend. A footnote will be added to Map 4.5 indicating that the map is zoomed in as no existing or proposed light rail and bus rapid transit lines are included in the fiscally-constrained plan for the North Bay. Footnote text stating "Note that projects expected to be complete before July 2017 (Plan adoption date) are shown as part of the existing network." will be removed as it is no longer applicable.*

Source: Metropolitan Transportation Commission, 2016.

#### **MAP 4.6 Highway System Improvements.**

*Staff note: Table available on Plan Bay Area 2040 website and in plan document. Map 4.6 will adjust labels for Orinda and Lafayette to better reflect their east-west alignment. The text for Project #9 will be modified to read "Integrated Corridor Management (I-680 to SR-84)" and not "SR-4". Map 4.6 will also be adjusted to include major improvements that are not able to be mapped (top 3 high-cost projects/programs). In addition, airport icons will be added for SFO, OAK, SJC, and STS and "major airports" will be added to the legend. A military icon will be added for Travis Air Force Base and "major military base" will be added to the legend. Footnote text*

stating “Note that projects expected to be complete before July 2017 (Plan adoption date) are shown as part of the existing network.” will be removed as it is no longer applicable.

Source: Metropolitan Transportation Commission, 2016.

#### **MAP 4.7 Road Pricing Improvements.**

*Staff note: Table available on Plan Bay Area 2040 website and in plan document. Map 4.7 will adjust labels for Orinda and Lafayette to better reflect their east-west alignment. In addition, airport icons will be added for SFO, OAK, SJC, and STS and “major airports” will be added to the legend. A military icon will be added for Travis Air Force Base and “major military base” will be added to the legend. Footnote text stating “Note that projects expected to be complete before July 2017 (Plan adoption date) are shown as existing.” will be removed as it is no longer applicable.*

Source: Metropolitan Transportation Commission, 2016.

#### **SIDEBAR: Express Lanes**

The Bay Area is becoming more familiar with [Express Lanes](#) as they become more widespread along Interstates 580 and 680, as well as State Route 237. Express lanes are carpool lanes that give solo drivers the choice to pay a toll for a more reliable trip.

Carpools and buses can still use the lanes free of charge. Express lanes are a high- tech way to take advantage of available capacity in under-used carpool lanes and to improve traffic management and reliability on well-utilized carpool lanes.

With toll revenue, express lanes can offer enhanced enforcement to catch cheaters, access control to manage merging and weaving, and more cameras and sensors to quickly identify and respond to incidents. Plan Bay Area 2040 continues funding for completing the highest priority Express Lane segments. Most involve conversion of existing carpool lanes, while a smaller share would widen freeways to create new express lanes and to close gaps in the Bay Area’s existing carpool lane network.

Express Lane toll revenue would first fund the operations and maintenance of the lanes. Plan Bay Area 2040 invests \$450 million of discretionary revenue to complete the financing package for implementing the new Express Lanes.

#### **SIDEBAR: Goods Movement**

Plan Bay Area 2040 is the Bay Area’s first regional plan with dedicated discretionary revenue allocated toward goods movement to implement the recommendations of the [Regional Goods](#)



[Movement Plan](#). This investment strategy includes significant funding for increasing efficiency at the Port of Oakland by reducing rail-truck conflicts and improving bottlenecks at interchanges along the truck freight network.

Additionally, the investment strategy carves out \$350 million for a clean fuel and impact-reduction program, which was a major element of the Regional Goods Movement Plan.

Key strategies include:

- **Modernizing Infrastructure:** projects to improve operations and increase rail access at the Port of Oakland, including 7th Street Grade Separation, Outer Harbor Intermodal Terminal, and Oakland Army Base transportation components; highway projects and interchange improvements along freight corridors such as I-880, I-80, US-101, I-580, I-680, and State Route 4.
- **Clean Fuels and Impact Reduction:** future program for implementing the recommendations of the [Freight Emission Reduction Action Plan](#) and developing programs for impact reduction in neighborhoods with high levels of freight activity.
- **Smart Deliveries and Operations:** future program for deploying communications infrastructure to increase active traffic management along freight corridors and to/from the Port of Oakland.

**TABLE 4.7 Plan Bay Area 2040 goods movement investments.**

*Staff note: Table available on Plan Bay Area 2040 website and in plan document.*

Source: Metropolitan Transportation Commission, 2016.

Supporting Focused Growth and Reducing Greenhouse Gas Emissions

In addition to significant transit and roadway performance investments to encourage focused growth, Plan Bay Area 2040 directs funding to neighborhood active transportation and complete streets projects, climate initiatives, lifeline transportation and access initiatives, safety programs and PDA planning.

These programs directly support major Plan Bay Area 2040 goals by assisting Priority Development Areas, emphasizing connections to high-quality transit, and reducing greenhouse gas emissions. As in the original Plan Bay Area, this plan makes a significant contribution to increasing the convenience and safety of walking and bicycling. Plan Bay Area 2040 continues to provide flexibility for congestion management agencies to fund eligible projects under the [One Bay Area Grant \(OBAG\) program](#), including transportation infrastructure that supports infill development such as bicycle and pedestrian improvements, local street repair, and planning activities, while also providing specific funding opportunities for [Safe Routes to Schools](#) projects and Priority Conservation Areas.

**FIGURE 4.2 Distribution formula for OBAG 2 County Program.**

*Staff note: Figure available on Plan Bay Area 2040 website and in plan document. Some of the numbers in the distribution formula are incorrect and will be modified. "RHNA Affordable" was listed as 18% but should be 12%; "Production Affordable" was listed as 8% but should be 18%.*



Source: Metropolitan Transportation Commission, 2016.

Caption: The five-year, \$916 million One Bay Area Grant (OBAG 2) Program is the second cycle of funding integrating the Bay Area's federal transportation program with California's climate laws and the regional Sustainable Communities Strategy. OBAG 2 will fund projects from 2017-18 through 2021-22 and will support local transportation, housing, land use, and environmental goals. OBAG 2 is divided into a County Program and a Regional Program. County Program funds are distributed based on factors such as population, past housing production and future housing commitments.

**FIGURE 4.3 Project selection results for the OBAG 1 program.**

*Staff note: Figure available on Plan Bay Area 2040 website and in plan document.*

Source: Metropolitan Transportation Commission, 2016.

Caption: The inaugural One Bay Area Grant Program (OBAG 1) was adopted by MTC in 2012 to guide \$818 million in federal funds over the five year period from 2012-13 through 2016-17. The chart provides a breakdown of all the funding programmed during the grant cycle. As can be seen, OBAG funds supported a variety of regional needs such as transit (including Clipper), highways and roadways, Safe Routes to School and bicycle and pedestrian planning, as well as planning activities, climate initiatives and conservation.

Finally, the transportation investments and land use development pattern in Plan Bay Area 2040 will not be sufficient on their own to reach the Bay Area's statutory 2035 ~~CO<sub>2</sub> GHG~~ emissions reduction targets. Over half the plan's required reductions will be achieved through strategies that are part of MTC's [Climate Initiatives Program](#). The program's primary objectives are to invest in strategies that reduce transportation-related emissions and vehicle miles traveled and encourage the use of cleaner fuels through incentives, education, policies and programs. The Climate Initiatives Program focuses on three primary strategies:

1. Transportation Demand Management Strategies, including bicycle and pedestrian networks, transit, targeted transportation alternatives, trip caps, and commuter benefits ordinances
2. Car Sharing and Vanpool Incentives, including private sector-ride matching applications that target utilization of Express Lane corridors, free bridge tolls, first/last mile solutions to transit, and other strategies.
3. Alternative Fuel and Vehicle Strategies, including plug-in electric vehicle infrastructure and charging stations, incentives for plug-in vehicles – especially for lower- and middle-income households, promotion of emission reduction technology, and marketing and education efforts.

se include transportation demand management programs, alternative fuel/ vehicle strategies and car sharing. Additionally, Plan Bay Area 2040 includes regional carpool incentives such as ride-matching applications along Express Lane corridors and county-sponsored climate programs that also will promote demand management strategies and emission reduction technology. These strategies incorporate emerging trends and technological advances to efficiently reduce CO<sub>2</sub> emissions and provide more equitable and affordable travel options for all Bay Area residents. Plan Bay Area 2040 directs \$526

million to the regional Climate Initiatives Program, \$56 million for incentivizing higher levels of carpooling and \$212 million for county-sponsored initiatives.

For more information on how travel demand is modeled in Plan Bay Area 2040, please see the *Summary of Predicted Traveler Responses Report*.

#### **SIDEBAR: Transportation Equity Roadmap**

Plan Bay Area 2040 includes a nearly \$70 billion “Equity Roadmap” that makes major investments toward bus operations (\$62 billion); increases in bus service and other improvements (\$5 billion); county access initiatives (\$1 billion); and lifeline, mobility management, and means-based fare programs (\$900 million). The investment strategy funds existing bus operations as well as significant increases in bus service through 2040 at a higher annual rate than the original Plan Bay Area. Several of the region’s transit operators, including AC Transit, VTA and others, have increased service since the previous plan was adopted.

Plan Bay Area 2040 directs \$800 million to the [Lifeline Transportation Program](#), which will fund priority projects identified by residents in MTC’s Communities of Concern. The Lifeline Program implements locally crafted Community-Based Transportation Plans, which MTC also funds, and can include community shuttles, transit services, streetscape improvements and bus stop amenities. Additionally, the investment strategy directs \$90 million for a future mobility management program. Through partnerships with transportation service providers, mobility management enables communities to monitor transportation needs and to link individuals to appropriate, cost-efficient travel options. This strategy is especially key to the region’s ability to address growth in the Bay Area’s population of seniors and persons with disabilities.

County programs will contribute \$300 million to similar initiatives such as an affordable-fare program in San Francisco, a low-income school bus program in Contra Costa County, and expanded late-night transportation operations for workers traveling from San Francisco. Counties will invest another \$700 million in expanding paratransit services that directly benefit persons with disabilities, many of whom are also seniors.

~~Additionally, Plan Bay Area 2040 includes regional carpool incentives such as ride-matching applications along Express Lane corridors and county-sponsored climate programs that also will promote demand-management strategies and emission reduction technology. Plan Bay Area 2040 directs \$526 million to the regional Climate Initiatives Program, \$56 million for incentivizing higher levels of carpooling and \$212 million for county-sponsored initiatives.~~

~~For more information on how travel demand is modeled in Plan Bay Area 2040, please see the *Summary of Predicted Traveler Responses Report*.~~

### Strategy 3. Expand

The remaining 10 percent of funding is directed toward a set of transit extensions and roadway expansions. The BART extension to San Jose and Santa Clara, as well as the Caltrain Downtown San Francisco Extension, for example, will provide new rail links to the hearts of the Bay Area’s two largest

cities. These projects are top regional priorities for [Federal New Starts](#) funding over the next five years. This category also includes VTA’s planned light rail extensions for the Capitol Expressway and Vasona lines, SMART extensions to Larkspur and Windsor, and a \$640 million reserve for future New Starts priorities.

The largest transit expansion project in this category is the Bay Area segment of California High-Speed Rail, with a price tag of over \$8 billion for the Bay Area alone.

Also in this category are select roadway expansions along highways and arterials throughout the region, the largest being new Express Lanes along U.S. 101 from San Francisco to Morgan Hill in the South Bay. This project is expected to reduce congestion and to increase commuters’ choices along several of the most congested freeway segments in the Bay Area.

A sum of all investments that would significantly increase transit capacity in core locations is in Table 4.8.

**TABLE 4.8 Plan Bay Area 2040 core capacity projects.**

*Staff note: Table available on Plan Bay Area 2040 website and in plan document. This table will be modified to reflect updated funding figures, with funds moved from the cost contingency category to the modernization category. The “Investment (\$ billions)” figure for “Transbay Corridor” location will be updated from “5.5” to “5.9” billions of dollars.*

Source: Metropolitan Transportation Commission, 2016

#### **Sidebar: Core Capacity Transit**

Plan Bay Area 2040 invests almost \$24 billion – 10 percent of its funding and 15 percent of discretionary funding – to increasing transit capacity throughout the region’s core, connecting jobs and people between San Francisco and Silicon Valley via transit expansion and modernization projects. Several of these projects are key to the implementation of MTC’s [Core Capacity Transit Study](#), a collaboration of MTC and five of the region’s major transit operators. The Study identifies short-, mid- and long-term strategies to relieve the transit capacity and reliability challenges facing travel to and from the San Francisco core.

Major projects include:

- Extending BART to Silicon Valley
- Extending Caltrain to downtown San Francisco
- Increasing frequencies and capacity on BART
- Electrifying and modernizing Caltrain
- Extending light rail service in Santa Clara County
- Increasing bus and rail frequencies throughout San Francisco

- Further design work on a new transbay transit tube

## Plan Performance

As previously described, the land use and transportation pattern described above is required by law to achieve two things by 2040: a reduction in per-capita CO<sub>2</sub> emissions from passenger vehicles and adequate housing for the Bay Area’s expected population growth. Plan Bay Area 2040 successfully achieves both of these targets. How does Plan Bay Area 2040 do at meeting the rest of the voluntary, aggressive and aspirational performance targets adopted by MTC and ABAG?

As seen in Table 4.9, of the 13 total adopted performance measures, Plan Bay Area 2040 achieves five targets, including the two mandatory targets. Plan Bay Area 2040 is moving in the right direction on another four, but is unfortunately moving in the wrong direction on four performance targets.

<p><b>TABLE 4.9 Results of Plan Bay Area 2040 target assessment.</b></p> <p><i>Staff note: Table available on Plan Bay Area 2040 website and in plan document.</i></p> <p><u>Source:</u> Metropolitan Transportation Commission, 2016</p>
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For more information about Plan Bay Area 2040’s performance, please see the [Performance Assessment Report](#).

## Environment

On the environment front, Plan Bay Area 2040 is particularly successful at protecting the climate and preserving open space and agricultural lands. Plan Bay Area 2040’s per-capita CO<sub>2</sub> emissions reductions meet and exceed the Senate Bill 375 target for year 2035 thanks in part to robust funding of the [Climate Initiatives Program](#). Similarly, Plan Bay Area 2040 protects thousands of acres of land from development and fully achieves its ambitious open space and agricultural preservation target.

However, Plan Bay Area 2040’s “Fix It First” emphasis means that only 10 percent of the plan’s investments are directed toward expanding capacity-constrained freeways and transit lines. This resulted in limited performance improvements for travel mode shift and public health.

## Economy

On the economy front, Plan Bay Area 2040 maintains middle-wage jobs, improves goods movement and reduces congestion. Unfortunately, financial constraints lead to challenges in attaining all of Plan Bay Area 2040’s transportation targets, including maintenance and modernization of the region’s aging transportation infrastructure and improving access to jobs.

Without additional funding, the Bay Area will be unable to achieve an ideal state of good repair by year 2040, particularly for pavement conditions on streets, roads and highways.

## Equity

Finally, regional affordability and equity challenges, including displacement risks, are expected to worsen by 2040 despite the inclusion of a range of aggressive assumptions about affordable housing subsidy strategies. Without new funding sources to construct significant numbers of affordable housing units, Plan Bay Area 2040 is only slightly growing the existing share of affordable housing in PDAs or transit-rich, high-opportunity communities, rather than doubling it per the adopted target.

While Plan Bay Area 2040 performs better than any other transportation and land use scenario previously evaluated for displacement risk – notably reducing the number of at-risk households by 89,000 compared to the “No Project” conditions described below – it still results in elevated risk levels compared to year 2010. Increases in displacement risk are forecast to be significantly greater outside Communities of Concern in Plan Bay Area 2040.

#### **Sidebar: Equity Analysis for Plan Bay Area 2040**

MTC and ABAG conducted a detailed analysis at multiple stages of the plan development process to ensure that policies and projects included in Plan Bay Area 2040 benefit disadvantaged populations, including low-income and minority populations, at the same level, or better, than non-disadvantaged populations.

The equity analysis includes both the federally-required disparate impact and non-discriminatory (Title VI) and environmental justice analyses, as well as an overall performance analysis based on equity measures adopted by MTC in January 2016 (Resolution 4217).

In addition, MTC’s commitment to environmental justice is embodied in two Environmental Justice Principles adopted by the Commission in 2007. The adopted principles affirm MTC’s ongoing commitments to:

- Create an open and transparent public participation process that empowers low-income communities and communities of color to participate in decision-making that affects them; and
- Collect accurate and current data essential to defining and understanding the presence and extent of inequities, if any, in transportation funding based on race and income.

In spring 2015, MTC and ABAG formed the Regional Equity Working Group (REWG) to advise staff on the equity analysis’s development, including identifying equity measures, defining communities of concern and developing the methodology for assessment. The REWG brought together stakeholders from around the Bay Area representing low-income and minority communities; seniors and persons with disabilities; staff representing local jurisdictions, transit agencies and county congestion management agencies (CMAs); public health departments; and community-based organizations and advocacy groups. All REWG meetings were open to the public.

*For more information, please see the Plan Bay Area 2040 [Draft Equity Analysis Report](#).*

Plan Bay Area 2040’s performance on housing and transportation affordability is particularly disconcerting as shown in Table 4.10. For lower-income households, housing and transportation costs as a share of income go from 54 percent of household income in 2005 to 67 percent of household income in 2040. This performance is far off-trajectory compared to Plan Bay Area 2040’s stated goals.

#### **TABLE 4.10 Ranking of ~~Draft~~ Plan Bay Area 2040 performance against targets.**

*Staff note: Table available on Plan Bay Area 2040 website and in plan document.*

Source: Metropolitan Transportation Commission, 2016.

All this said, Plan Bay Area 2040's performance along key measures remains significantly better than a potential future with "No Project"; that is, a future without Plan Bay Area 2040's recommended land use and transportation strategies. In particular, under a "No Project" alternative the Bay Area would see higher levels of per-capita ~~CO<sub>2</sub>~~ emissions, more loss of open space and agricultural lands, greater levels of displacement, more delay in the freight network, even higher housing and transportation costs, and much higher levels of transportation operating and maintenance costs due to deteriorating transportation asset conditions.

It is important to emphasize once again that these targets were aggressive, and it is therefore not surprising that Plan Bay Area 2040 falls short on meeting some of the adopted performance targets. As seen in the preceding section, the Bay Area has significantly more resources and tools available to address its transportation needs compared to its housing needs.

To truly address affordability and equity challenges, an engaged public and government at all levels will need to act. In particular, the Bay Area will need more aggressive policies and significantly more funding to deal with the housing crisis, as described in the next section, "Action Plan."

# Action Plan

The Bay Area's housing and transportation crisis reflects the cumulative impacts of the region's robust job market and acute failure to keep pace with housing need, especially near growing job centers. Plan Bay Area 2040 projects these problems will intensify if the region does not take significant corrective steps. As a path forward, MTC and ABAG developed an "Action Plan" to focus on performance targets where the plan is moving in the wrong direction, as well as emerging issues that require proactive regional policy solutions.

MTC and ABAG propose a multi-pronged strategy to address housing affordability, the region's widening income disparities and economic hardships faced by low and middle-income workers, and finally the Bay Area's vulnerabilities to natural disasters such as earthquakes and floods. These three issue areas – Housing, Economic Development, and Resilience – form the core of the Action Plan.

## **Sidebar: ~~Connection to Targets~~ Action Plan Objectives**

The recommendations in this Action Plan are intended to address multiple Plan Bay Area 2040 performance target areas.

- **Housing:** ~~Share~~ Lower the share of income spent on housing and transportation costs, lessen displacement risk, and increase the availability of affordable housing affordable to low- and moderate-income households
- **Economic development:** ~~Access~~ Improve transportation access to jobs, increase middle wage job creation, and ~~pavement maintenance~~ maintain the region's infrastructure
- **Resilience:** Enhance Climate ~~climate~~ protection and adaptation efforts, strengthen open space protections, ~~and create~~ healthy and safe communities, and protect communities against natural hazards

Similar to past regional achievements in the environment, transportation, and economy, successfully addressing these needs during the implementation of Plan Bay Area 2040 will require a shared commitment among regional policymakers, local governments and civic organizations, as well as robust public engagement and participation. MTC and ABAG will provide biannual reports on Action Plan progress and implementation to meetings of the Joint MTC Planning Committee and ABAG Administrative Committee during the early part of the regional planning process for the next Plan Bay Area.

## Housing Production, Preservation, and Protection

As described earlier in "The Bay Area Today", the region faces many housing challenges, from skyrocketing costs to overcrowded housing to long commutes. Regional agencies, however, currently lack the tools, resources, and authority to directly address the identified issues of production, affordability and displacement. identified earlier in "The Bay Area Today." In response, the Action Plan recommends pursuing more ambitious funding, legislative, and policy solutions at the state, regional, and local levels as well as strengthening and expanding existing regional housing initiatives ~~and pursuing more ambitious policy solutions at the state, regional, and local levels~~. Regional agencies ~~are committed to partnering~~ will partner with state and local governments, business leaders, and non-governmental organizations to identify and implement game-changing housing solutions that will facilitate improved housing performance by: 1.) Producing more housing, particularly housing affordable to very low-, low-



and moderate-income households; 2.) Preserving existing housing that is affordable to very low-, low- and moderate-income households; and 3.) Lessening displacement risks faced by existing residents. Many of the solutions will require changes in state law and development of new funding formulas that do not currently exist.

**Sidebar: What actions have the regional agencies already implemented for housing?**

To date, regional agencies have largely focused housing actions on funding planning grants, conducting the Regional Housing Needs Allocation (RHNA), allocating transportation funds to reward cities that plan for and produce housing, using existing fund sources for limited direct investments in affordable housing, providing best practices and technical assistance, and advocating for statewide legislative proposals to reduce barriers to housing production.

More specifically, MTC and ABAG have:

- Produced Regional Housing Needs Allocations (RHNA) and monitored RHNA performance by income-level.
- Invested in the Transit Oriented Affordable Housing (TOAH) revolving loan fund.
- Linked approximately \$600 million in One Bay Area Grant (OBAG) funds to the adoption of an approved housing element and conditioned nearly \$20 billion in transit expansion priorities on minimum zoning densities via MTC's TOD policy.
- Awarded 51 PDA Planning grants to-date, which have led to increased zoning-planning capacity for 70,000 housing units, 110,000 jobs and 26 million square feet of commercial development. PDA Plans remove barriers to infill development by creating a predictable permitting process aligned with community objectives.
- Adopted a new OBAG framework in 2016 to increase incentives and direct investments for affordable housing.
- Convened regional committees for housing including the Housing Forum, Housing Subcommittee of the Regional Planning Committee, and the upcoming-CASA initiative.
- Supported CEQA modernization and created an online guide to CEQA streamlining provisions.

Two upcoming-new endeavors will improve the region's ability to address its chronic housing affordability challenges. The recent integration of MTC and ABAG staff will lead to more effective long-range planning and increase the region's housing policy capacities. The newly created CASA initiative will be bringing together diverse interests to develop a bold new strategy for housing production and preservation and production. Together These these work-efforts will expand data gathering and technical assistance and likely evaluate and recommend a range of legislative, regulatory, financial, and market-related funding and policy measures measures needed to help provide for the region's housing needs at all income levels.

**Sidebar: CASA – The Committee to House the Bay Area**

MTC and ABAG are helping to coordinating-coordinate the CASA, the Committee to House the Bay Area. This initiative is bringing together a multi-sector set of partners to identify and agree upon significant regional solutions that address the region's chronic housing challenges and advance equity and economic health in the nine-county Bay Area. Through stakeholder engagement,



*research, and interviews, CASA will develop a comprehensive regional approach to the housing crisis, focusing on increasing housing supply, improving housing affordability, and strengthening preservation and anti-displacement measures. Objectives include a suite of legislative, financial, policy, and regulatory recommendations, with partners agreeing on a path forward and working together on implementation. A final report is scheduled for release by the end of 2018. ~~a multi-sector blue-ribbon committee that will bring together diverse interests to identify game-changing solutions to the region's chronic housing affordability challenges. Core to this strategy will include an effort to replicate the region's success in generating local revenues for transportation by pursuing a regional "self-help" strategy for funding housing investments. A multi-county fee or bond measure, for example, could be among the suite of recommendations put forward by CASA.~~*

**Table 5.1 Plan Bay Area 2040 "Action Plan" recommendations for housing.**

This action plan makes the following recommendations for Housing:

Housing Actions	Partners and Timeframe
<b>Advance regional "self-help" funding and financing solutions for housing:</b> Develop a plan for generating regional revenues for the production and preservation of housing affordable to low- and moderate-income households (which could include measures such as a parcel tax, commercial linkage fee, or other dedicated funding). Evaluate the creation of innovative financing tools, such as a regional infill Infrastructure Bank, a land bank, or a Regional Housing Trust Fund, to support new housing or infrastructure improvements.	MTC/ABAG, CASA committee, local jurisdictions 1-2 years (evaluate) 2-4 years (execute)
<b>Advance <del>state funding legislative</del> and <del>legislative funding</del> solutions for housing:</b> Support state legislative or funding opportunities that advance the objectives of this Action Plan, including securing a permanent source of affordable housing funding, increasing community stabilization and lessening displacement risk, reducing costs and barriers to housing development, incentivizing developers to create work-force and low-income housing, incentivizing the creation of accessory dwelling units, as well as other measures that will contribute to increased supply of both market-rate and affordable housing. Implement the recommendations of CASA, in coordination with ABAG's Regional Planning Committee.	State legislature, MTC/ABAG, CASA committee, local jurisdictions  2 YEARS
<b>Continue recent housing successes:</b> Implement the housing initiatives adopted in the One Bay Area Grant (OBAG) program, including the Naturally Occurring Affordable Housing (NOAH) preservation fund, JumpStart program, and funding for transportation conditioned on RHNA performance (80k by 2020 initiative).	MTC/ABAG, CMAs 4 YEARS
<b>ContinueBuild on recent housing policy successes:</b> Implement the housing and community stabilization initiatives adopted in the second cycle of the One Bay Area Grant (OBAG) program from 2017-18 to 2021-22, such as the Preservation Pilot (previously known as NOAH), 80k by 2020 initiative, Transit-Oriented Affordable Housing (TOAH) fund, and JumpStart program to encourage equitable and sustainable development. Evaluate the performance of these strategies and applicability of	MTC/ABAG, CMAs, CASA 4 YEARS

expanding these types of loan and direct investment programs for future funding programs.	
<b><del>Spur housing production at all income levels and invest directly in affordable housing</del></b> <b>Evaluate expanded policies connecting transportation funding to housing production and performance:</b> Analyze the <del>applicability</del> feasibility of incentivizing housing production <del>Seek and seek to include housing provisions or conditions where appropriate in with pertinent existing and upcoming new transportation funding sources (including planning grants), with particular emphasis on housing affordable to very low-, low- and moderate-income households as well as anti-displacement and community stabilization. analyze applicability for additional regional funding sources to incentivize housing production and affordability. Develop a strategy for the use of public land proximate to major transit assets to facilitate the development of housing affordable to low- and moderate-income households through conditions and provisions on funding sources. Report to the Commission on all discretionary funding sources where such housing provisions and conditions may be added. Continue to monitor and evaluate PDA performance.</del>	MTC/ABAG, <u>CASA</u> , the Partnership, regional leaders, <u>local jurisdictions</u> , transit operators <u>2-4 YEARS</u> <u>1-2 years (evaluate)</u> <u>2-4 years (execute)</u>
<b><del>Use housing performance to prioritize funding for long-range transportation projects:</del></b> Continue to evolve RTP/SCS Project Performance methods to seek stronger alignment between prioritizing transportation projects and housing performance.	MTC/ABAG, CMAs 4 YEARS
<b><del>Provide technical assistance and best practices to local jurisdictions related to the transformation of “opportunity areas”:</del></b> Assist local agencies as they envision upgrades to low-intensity office parks and retail centers to create mixed-use, mixed-income neighborhoods with significant housing.	MTC/ABAG, local jurisdictions, CASA <u>1-4 years (on-going)</u>
<b><del>Strengthen technical assistance and policy leadership for housing and community stabilization</del></b> <b>policy leadership on housing:</b> Expand and transform regional agency technical assistance for local jurisdictions <u>that is</u> tailored to both Bay Area-wide challenges and challenges unique to specific parts of the region, <u>including best practices to support new housing (e.g., heights that support more units and allow projects to “pencil out” without compromising neighborhood character)</u> . Focus areas for technical assistance could include guidance on implementing state legislation for <u>transit-oriented development and the production of housing production affordable to low- and moderate-income households</u> , guidance on housing preservation and <u>locally appropriate</u> community stabilization <u>and anti-displacement</u> policies, <u>supporting healthy infill development</u> , and coordination of neighboring jurisdictions along transit corridors and in sub-regions to identify shared solutions to housing challenges. <u>Explore new and expanded community stabilization and anti-displacement policies to support low-income renters, including incentives for landlords to keep existing rents affordable.</u>	MTC/ABAG, local jurisdictions, <u>BAAQMD</u> , <u>CMAs</u> , <u>CASA</u> <u>2-4 YEARS</u> <u>1-4 years (on-going)</u>
<b><del>Close data gaps and improve information accessibility for housing:</del></b> Continue to collect, analyze, and disseminate <u>information data</u> about housing opportunity sites <u>and vacant lands</u> , zoning, development trends	MTC/ABAG 1-4 YEARS <u>(on-going)</u>

and policy implementation by local governments to inform local, regional, and state policy development and evaluation, including PDA performance; ~~create~~ Create accessible database of major development and publicly owned sites. Create an online Policy Directory with examples of ordinances being implemented at the local level to address community stabilization. Continue to evolve RTP/SCS Project Performance methods to seek stronger alignment between prioritizing transportation projects and housing performance.

Source: Metropolitan Transportation Commission and Association of Bay Area Governments, 2017.

## Economic Development

Creating a more affordable region also requires a Bay Area economy with greater economic opportunity and mobility for all the region’s residents and jurisdictions. The coming years could bring many threats to low- and middle-wage jobs through technological advancement or continued economic globalization. ~~The~~ The Action Plan therefore recommends expanding regional economic development capacity through establishing an Economic Development District while also focusing on increasing pathways to middle-wage jobs, preserving infrastructure and increasing affordable transportation access to job centers.

Regional agencies – in partnership with business, workforce agencies and local jurisdictions – are working to establish a regional Economic Development District and accompanying Economic Development Strategy. This work will advance regional solutions related to business expansion and retention, workforce training, housing and workspace, and infrastructure improvements. This work will also enable the region to compete for public and private funding that can help leverage local assets in places poised for growth, particularly in communities of concern and other economically distressed areas.

Long-term economic growth also requires infrastructure investment. While the region has made substantial transportation investments, it still has unmet capital maintenance needs exceeding \$50 billion and some of the worst transit crowding and traffic congestion in the nation. Relieving transit crowding and increasing transit access will require broad regional coordination and planning as well as significant state-funding to address shortfalls related to transportation maintenance and infrastructure. The region should also continue advocating for increases in funding for critical expansion projects, as well as maintenance of existing infrastructure.

**Table 5.2 Plan Bay Area 2040 “Action Plan” recommendations for economic development.**

This Action Plan makes the following recommendations for Economic Development:

Economic Development Actions	Partners and Timeframe
<b>Coordinate regional economic solutions <u>for growing and retaining businesses, particularly for middle-wage sectors and increase funding for economic development</u></b> ; <u>Identify areas of economic development that could benefit from a regional approach including connecting businesses with growth opportunities within the Bay Area; prioritizing transportation investments that directly grow local businesses; identifying solutions for workforce housing needs; and creating a forum for discussing skill gaps</u>	MTC/ABAG, <u>local jurisdictions</u> , <del>economic</del> organizations, <del>EDA</del> , megaregional partners 1-2 years

<p><u>between existing community college programs and the needs of trade sectors. Continue work on developing the region's Economic Development District and implement the action plan of the Comprehensive Economic Development Strategy.</u></p>	
<p><b><u>Access infrastructure and workforce training funding for economic development:</u></b> Establishing an Economic Development District will enable the region to compete for federal economic and workforce development funding from the United States Economic Development Administration (EDA). Potential funding uses could include, for example, incentivizing job growth in jobs-poor cities and assistance with downtown revitalization. Additional relevant grant opportunities include: seed funding for commercializing clean energy technology and public works funding to upgrade roadway, sewer, and water infrastructure. This funding could be used to support a clean-technology sector that would support dual objectives of reducing emissions from transportation and other sources as well as up-skilling the Bay Area manufacturing labor force.</p>	<p>MTC/ABAG, industry partners, economic organizations, EDA, megaregional partners 1-4 years</p>
<p><b><u>Strengthen middle-wage job career paths for goods movement:</u></b> Facilitate entry to middle-wage jobs in industries such as transit, clean/green energy and technologies, natural and resilient infrastructure, construction, and goods movement through enhanced coordination and training. Implement the recommendations of the Megaregional Goods Movement Cluster Study, which will focus on emerging industries and middle-wage jobs.</p>	<p>MTC/ABAG, freight businesses, industry partners, megaregional partners 1-4 years</p>
<p><b><u>Increase transportation access to growing and potential job centers:</u></b> Broaden core capacity transit study partnership to cover a larger geography to plan for major transportation capital investments; move forward on planning efforts for a second Transbay Tube and on construction efforts for the California High Speed Rail system; continue to evaluate a means-based fare or other methods for reducing or eliminating transportation costs for lower-wage workers and students; evaluate expanded support for local transit systems that address first-mile, last-mile problems; and evaluate transportation improvements that could facilitate downtown revitalization in areas needing economic development.</p>	<p>MTC/ABAG, transit agencies, the Partnership, megaregional partners, local jurisdictions, transit operators 2-4 years</p>
<p><b><u>Preserve existing infrastructure:</u></b> Advocate for new revenues for transportation and continue focusing on "Fix It First" investments in keeping with long-standing MTC policy.</p>	<p>MTC/ABAG, state legislature 1 year</p>
<p><b><u>Preserve and enhance existing industrial landsSupport regional growth by balancing housing, transit-oriented jobs, and industrial uses:</u></b> Establish criteria for Priority Production Enterprise Areas to encourage local jurisdictions to plan for space needed for manufacturing, distribution and repair while assessing ways of meeting other critical needs such as housing and assess areas that could be converted to housing or mixed use development; evaluate potential incentives that could be used to support companies that locate offices in transit-rich as opposed to auto-centric areas; and evaluate the use of last-mile transportation solutions to connect communities with warehouses and</p>	<p>MTC/ABAG, local jurisdictions 2-4 years</p>

<u>industrial jobs that cannot be located in downtowns due to land requirements.</u>	
<u>Close data gaps and improve information accessibility: Continue to collect, analyze and disseminate data about economic development opportunity sites and vacant lands, zoning, jobs and industry trends and policy implementation by local governments to inform local, regional, and state policy development and evaluation, including PDA performance. Evaluate potential refinements and improvements to regional agencies' economic modeling capacity.</u>	<u>MTC/ABAG</u> <u>1-4 YEARS (on-going)</u>

Source: Metropolitan Transportation Commission and Association of Bay Area Governments, 2017.

## Resilience

In response to emerging and increasingly pressing threats to the Bay Area's communities, ecosystem and economy, the Action Plan recommends continuing and expanding existing resilience efforts and developing creative funding solutions to implementing resilience projects. Resilience efforts help the region protect assets and people from natural disasters like earthquakes, floods, landslides, and fires as well as prepare for climate change hazards like sea level rise, extreme storms, and droughts. Resilience underpins the achievement of many other goals in the plan such as housing, infrastructure, and economic development that may be significantly compromised by the impacts of disasters or climate change.

Regional agencies have initiated several programs advancing resilience against sea level rise, flooding, and extreme events including earthquakes. In 2010, the Bay Conservation and Development **District Commission** (BCDC) kicked off the Adapting to Rising Tides program, which evaluated vulnerability and risk along the shoreline of several communities and continues to be a platform for sharing best practices. More recently, the Bay Area Regional Collaborative (BARC), along with BCDC, have been awarded planning and design grants for assessing transportation vulnerability and developing design solutions for climate-related challenges.

### ***Sidebar: Recent Funding Successes for Resilience***

*Two recent grant awards will significantly advance the regional dialogue on climate vulnerability and develop workable solutions:*

- Caltrans and the Bay Area Toll Authority allocated \$1.2 million to continue to conduct a regional vulnerability assessment for transportation infrastructure, Priority Development Areas (PDA), Priority Conservation Areas (PCA) and disadvantaged and vulnerable communities. In addition to a regional vulnerability assessment, the project goals include developing a regional framework for identifying solutions and strategies to address vulnerability on an ongoing basis.*
- The Rockefeller Foundation awarded a \$4.6 million grant to create the Bay Area: Resilient by Design Challenge. Bay Area leaders will work with international design teams to develop innovative and implementable design solutions for climate-related challenges in 10 sites across the Bay Area region. This project will last through 2018.*

Regional agencies have also collaborated with the Environmental Protection Agency, FEMA, and the California Earthquake Authority on recommendations for resilient housing, both for earthquakes and flooding. This collaboration established the Resilient Housing Policy Initiative that helps jurisdictions access analysis and policy tools for the seismic retrofit of existing housing. The region should expand these efforts through outreach and technical assistance, as well as develop financial solutions to resilient housing and green infrastructure, especially for communities with high social vulnerability and exposure to natural hazards.

Many stakeholders and subject matter experts such as NGOs, universities, local jurisdictions, special districts, and asset owners like utilities, parks districts, airports, and private property owners are critical to the success of the Resilience Action Plan.

**Table 5.3 Plan Bay Area 2040 “Action Plan” recommendations for resilience.**

This Action Plan makes the following recommendations for Resilience.

<b>Develop a regional governance strategy for climate adaptation projects:</b> Develop an institutional strategy for managing, coordinating, and implementing regional and local projects related to <u>sea-level rise</u> <u>climate change adaptation</u> .	BARC, MTC/ABAG, BCDC, Caltrans, local jurisdictions 2-4 years
<b>Provide stronger policy leadership on resilient housing and infrastructure:</b> Expand guidance on resilient housing policies for earthquake, flooding, and fire, working in coordination with state and federal agencies and focusing on communities with high social vulnerability and exposure to natural hazards. Strengthen infrastructure lifelines to ensure that utilities can provide services under a variety of conditions and future scenarios.	MTC/ABAG, local jurisdictions 1-4 years
<b>Create new funding sources for adaptation and resilience:</b> Pursue new funding opportunities, including innovative financing, for <u>resilience planning and implementation, including</u> retrofits of buildings, retrofits of existing infrastructure, and infrastructure solutions to protect against flooding, earthquakes, and exposure to environmental health risks.	MTC/ABAG, BARC, BCDC 1-4 years
<b>Establish and provide a resilience technical services team:</b> Broadly share <u>data</u> , best practices and grant opportunities for climate adaptation and natural hazard mitigation. Continue to assess <u>built environment and social</u> vulnerabilities and identify workable solutions through public and private avenues. <u>Integrate-Investigate how to incorporate</u> resilience into Priority Development Area (PDA) planning and <u>Complete Streets requirements</u> .	BARC, MTC/ABAG, BCDC 1-2 years
<b>Expand the region’s network of natural infrastructure:</b> Coordinate regional programs to preserve and expand natural features that reduce flood risk, strengthen biodiversity, enhance air quality, <u>and</u> improve access to urban and rural public space, <u>mitigate urban heat island effects, and enhance health</u> . Leverage existing initiatives—including Priority Conservation Areas (PCAs), the Resilient by Design Challenge, <u>the Bay Trail and other regional trails</u> , San Francisco Estuary	MTC/ABAG*, BCDC, <u>Coastal Conservancy</u> , jurisdictions, utilities <u>* includes Bay Trail and San Francisco Estuary Partnership</u> 1-4 years

Partnership, and Bay Restoration Authority—and partner with special districts and cities.	
<b>Establish the Regional Advance Mitigation Program (RAMP):</b> Advance mitigation for infrastructure projects to strengthen regional biological conservation priorities. Work to secure off-site compensatory mitigation lands for multiple infrastructure projects in-advance of environmental reviews to improve both project delivery and conservation outcomes.	MTC/ABAG, Caltrans, RAMP coalition** 1-4 years <u>** includes Coastal Conservancy</u>
<u>Source:</u> Metropolitan Transportation Commission, Association of Bay Area Governments, Bay Area Regional Collaborative, 2017.	



# Proposed Changes to Plan Bay Area 2040 Supplemental Reports

The following changes are proposed to the Plan Bay Area 2040 Supplemental Reports:

Equity Analysis Report	A typo on page 6-4 will be corrected – for footnote #4, 1 percent and 7 percent statistics are reversed.
Forecast Report	A discussion of trends affecting the employment forecast will be added, including automation.
Investment Strategy Report	Add clarification that County Transportation Plans are a basis for Plan Bay Area 2040 but that projects must go through the performance analysis.
Investment Strategy Report	One-two paragraphs on military base transport needs and projects will be added as well as an expanded discussion of airports.
Investment Strategy Report	A paragraph on federal Congestion Management Program compliance will be added.
Investment Strategy Report	Tables will be updated to reflect updated funding figures, with funds moved from the cost contingency category to the modernization category.
Investment Strategy Report	A paragraph on Express Lanes will be rephrased and other major highway expansion projects will be added to the relevant tables.
Investment Strategy Report	Specific Express Lanes segments will be listed out under the Horizon list.
Investment Strategy Report	A mention of major specific trails, including Delta Trail, will be added.
Land Use Modeling Report	A short paragraph will be added discussing how the land use pattern addresses airport land use compatibility within the influence area (2 mile radius of airport) and how existing zones/general plans likely account for much of that compatibility.
Land Use Modeling Report	Specifics on subsidies and inclusionary zoning will be added based on currently-public materials (e.g. GitHub).
Land Use Modeling Report	The report will be expanded with more information on baseline calibration and model development, among other details.
Project List	Projects will be updated to reflect updated funding figures, with funds moved from the cost contingency category to the modernization category.
Public Engagement Report	A paragraph on ports, airports, and goods movement engagement will be added, in addition to a reference to the Freight Emissions Reduction Action Plan.



RTP Checklist	The final Caltrans Regional Transportation Plan checklist will be added as a supplemental report to the microsite.
Scenario Planning Report	Additional information on the public process to craft scenarios will be added to provide more clarity on this topic.
Statutorily-Required Plan Maps	A legal disclaimer will be added to all Statutorily-Required Maps similar to what is in the primary plan document ("Map is for general information...").
Statutorily-Required Plan Maps	Labels for Orinda and Lafayette will be adjusted to better reflect their west-east alignment.
Statutorily-Required Plan Maps	All existing Resource Lands maps will be retitled as "Resource Lands: Agriculture".
Statutorily-Required Plan Maps	A new 9-county map will be added titled "Resource Lands: Water and Wildlife". Data from Figure 2.12-3 in the Environmental Impact Report will be used for Watersheds and blue crosshatching will be used to indicate zones. Watersheds do not need be labeled. Data from the California Department of Fish and Wildlife for "Wildlife-Rich Areas" using BioRankSW value of 5 will be used to identify such zones.
Statutorily-Required Plan Maps	Legends for supplemental report maps will be fixed to add missing population numbers.
Statutorily-Required Plan Maps	A URL will be added to the CEQA streamlining map; an ArcGIS Online map will be created for this purpose.
Statutorily-Required Plan Maps	A URL will be added for the density/intensity maps; ArcGIS Online maps will be created for this purpose.
Statutorily-Required Plan Maps	Source information will be added to maps as needed.
Statutorily-Required Plan Maps	Density/intensity will be removed and SB 743 Transit Priority Areas will be added to the Transit Priority Areas map.

[Staff Reference: version 5 \(7/7/2017\)](#)

**ASSOCIATION OF BAY AREA GOVERNMENTS  
EXECUTIVE BOARD**

**RESOLUTION NO. 10-17**

**RE: ADOPTION OF THE SUSTAINABLE COMMUNITIES STRATEGY IN PLAN  
BAY AREA 2040**

**WHEREAS**, the Association of Bay Area Governments (ABAG), a joint exercise of powers entity created pursuant to California Government Code Sections 6500 *et seq.*, is the Council of Governments and the regional land use planning agency for the San Francisco Bay Area; and

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

**WHEREAS**, MTC is the federally designated Metropolitan Planning Organization (MPO), pursuant to Section 134(d) of Title 23 of the United States Code (USC) for the nine-county San Francisco Bay Area region (the region); and

**WHEREAS**, Part 450 of Title 23 of the Code of Federal Regulations (CFR), require MTC as the MPO to prepare and update a long-range Regional Transportation Plan (RTP) every four years; and

**WHEREAS**, California Government Code § 65080 *et seq.* requires MTC to prepare and update a long-range RTP, including a Sustainable Communities Strategy (SCS) prepared in conjunction with the Association of Bay Area Governments (ABAG), every four years; and

**WHEREAS**, the RTP is subject to review and revision, pursuant to California Government Code §§ 66513 and 65080; and

**WHEREAS**, on July 18, 2013, MTC adopted Plan Bay Area and 2013 Federal Transportation Improvement Program (TIP) Amendment and found them to be in conformance with the State Implementation Plan (SIP) as required by the Federal Clean Air Act (42 U.S.C. § 7401 *et seq.*); and the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA) *Metropolitan Planning Rule*, 23 CFR 450; and the San Francisco Bay Area Transportation Air Quality Conformity Protocol (MTC Resolution 3757), which establish the Air Quality Conformity Procedures for MTC's TIP and RTP; and

**WHEREAS**, beginning in spring 2015 MTC commenced a comprehensive and coordinated transportation planning process to develop its 2017 RTP/SCS with a 2040 horizon year known as Plan Bay Area 2040 (Plan), in conformance with all applicable federal and state requirements including Senate Bill 375;

**ASSOCIATION OF BAY AREA GOVERNMENTS  
RESOLUTION NO. 10-17**

**WHEREAS**, as required by California Government Code § 65080 *et seq.* (Senate Bill 375), the Plan incorporates the SCS prepared jointly by MTC and ABAG for the San Francisco Bay Area; and

**WHEREAS**, the Plan, including both the RTP and the SCS, which is attached hereto as Attachment A, and incorporated herein as though set forth in length, contains an integrated set of strategies and fiscally-constrained investments to maintain, manage, and improve the transportation system in the San Francisco Bay Area through the year 2040 and calls for development of an integrated intermodal transportation system that facilitates the efficient, economic movement of people and goods; and

**WHEREAS**, on September 24, 2014 the original Plan Bay Area, as adopted in July 2013, and the 2015 Transportation Improvement Program were found to be in conformance with the State Implementation Plan (MTC Resolution No. 4176); and

**WHEREAS**, MTC conducted an air quality analysis of the Plan using the latest planning assumptions, emissions model, and consultation provisions, including a quantitative regional emissions analysis that meets emissions budget requirements of the U. S. Environmental Protection Agency transportation conformity rule, and the Plan contributes to all required emissions reductions; and

**WHEREAS**, adoption of, and the conformity determination for, the proposed 2017 TIP has been determined simultaneously with the Plan for consistency purposes (MTC Resolution No. 4298); and

**WHEREAS**, ABAG developed the Regional Growth Forecast for Jobs, Population and Housing planning purposes through 2040 (Forecast) by working with local jurisdictions, and the Forecast projects growth based on existing land use plans and policies, and demographic and economic trends; and

**WHEREAS**, pursuant to California Government Code § 65080(b)(2)(G), in preparing the SCS MTC and ABAG considered spheres of influence adopted by the Local Agency Formation Commissions within the San Francisco Bay Area; and

**WHEREAS**, pursuant to California Government Code § 65080(b)(2)(E), federal public participation requirements, and MTC's Public Participation Plan (MTC Resolution No. 4174), the Plan, including both the RTP and the SCS, was developed through a strategic, proactive, comprehensive public outreach and involvement program, which included: an adopted public participation plan; routine distribution of information to local/regional media; advertising in local and regional newspapers; distribution of public information materials, such as brochures and newsletters; a dedicated website; meetings with representatives from each county's board of supervisors and city councilmembers; noticed public hearings to receive testimony on the Plan and the Programmatic Environmental Impact Report (EIR); subregional workshops to facilitate public comment on the Plan; and interagency coordination and involvement; and

**ASSOCIATION OF BAY AREA GOVERNMENTS  
RESOLUTION NO. 10-17**

**WHEREAS**, pursuant to California Government Code § 65080(b)(2)(B), the Plan's SCS (i) identifies the general location of uses, residential densities, and building intensities within the region; (ii) identifies areas within the region sufficient to house all the population of the region, including all economic segments of the population, over the course of the planning period of the RTP taking into account net migration into the region, population growth, household formation and employment growth; (iii) identifies areas within the region sufficient to house an eight-year projection of the regional housing need for the region pursuant to California Government Code § 65584; (iv) identifies a transportation network to service the transportation needs of the region; (v) gathers and considers the best practically available scientific information regarding resource areas and farmland in the region as defined in subdivisions (a) and (b) of California Government Code § 65080.01; (vi) considers the state housing goals specified in California Government Code §§ 65580 and 65581; and (viii) allows the RTP to comply with Section 176 of the Federal Clean Air Act (42 U.S.C. § 7506); and

**WHEREAS**, pursuant to California Government Code § 65080(b)(2)(B), in preparing the Plan's SCS, ABAG was responsible for identifying the general location of uses, residential densities, and building intensities within the region; identifying areas within the region sufficient to house all the population of the region, including all economic segments of the population, over the course of the planning period of the RTP taking into account net migration into the region, population growth, household formation and employment growth; identifying areas within the region sufficient to house an eight-year projection of the regional housing need for the region pursuant to California Government Code § 65584; gathering and considering the best practically available scientific information regarding resource areas and farmland in the region as defined in subdivisions (a) and (b) of California Government Code § 65080.01; and considering the state housing goals specified in California Government Code §§ 65580 and 65581; and

**WHEREAS**, pursuant to California Government Code § 65080(b)(2)(B), in preparing the Plan's SCS, MTC was responsible for identifying a transportation network to service the transportation needs of the region; and allowing the RTP to comply with Section 176 of the Federal Clean Air Act (42 U.S.C. Sec. 7506); and

**WHEREAS**, pursuant to California Government Code § 65080(b)(2)(B), in preparing the Plan's SCS, MTC and ABAG were jointly responsible for setting forth a forecasted development pattern for the region, which, when integrated with the transportation network, and other transportation measures and policies, will reduce the greenhouse gas emissions from automobiles and light trucks to achieve the greenhouse gas emission reduction targets adopted by the California Air Resources Board (CARB) for the San Francisco Bay Area; and

**WHEREAS**, CARB set the per capita greenhouse gas emission reduction targets for automobiles and light trucks for the San Francisco Bay Area at 7 percent by 2020 and 15 percent by 2035 from a 2005 base year; and

**ASSOCIATION OF BAY AREA GOVERNMENTS  
RESOLUTION NO. 10-17**

**WHEREAS**, as demonstrated in the Program EIR certified for the Plan, the SCS sets forth a forecasted development pattern for the region, which, when integrated with the transportation network, and other transportation measures and policies, will reduce the greenhouse gas emissions from automobiles and light trucks to achieve the regional greenhouse gas emission targets set by CARB for the region; and

**WHEREAS**, prior to taking action on the Plan, ABAG has heard, been presented with, reviewed, and considered all of the information and data in the administrative record, including the Final Program EIR, and all oral and written evidence presented to it during all meetings and hearings; and

**WHEREAS**, MTC and ABAG intend to assist implementing agencies in determining whether a proposed project qualifies for development incentives associated with the Plan by developing advisory guidelines for evaluating consistency; and

**WHEREAS**, adoption of the Plan is accompanied by adoption of the 2017 TIP (MTC Resolution No. 4298) and certification that the Final Environmental Impact Report for the Plan complies with the California Environmental Quality Act (CEQA) (MTC Resolution No. 4299 and ABAG Resolution No. 09-17); now, therefore, be it

**RESOLVED**, that ABAG certifies that the foregoing recitals are true and correct and incorporated by this reference; and be it further

**RESOLVED**, that ABAG finds that the SCS in the Plan, meets the requirements of Senate Bill 375 (Steinberg, 2008) as codified in California Government Code § 65080, subdivision (b); and be it further

**RESOLVED**, that ABAG finds that the SCS in the Plan complies with the requirements of all other applicable laws; and be it further

**RESOLVED**, that ABAG does hereby adopt the SCS in the Plan as included as Attachment A, as well as all associated supplemental reports, subject to additional minor or non-substantive technical corrections and editorial changes (Final Plan); and be it further

**RESOLVED**, that ABAG directs MTC staff to publish the Final Plan.

The foregoing was adopted by the Executive Board this 26<sup>th</sup> day of July, 2017.

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Julie Pierce  
President

**ASSOCIATION OF BAY AREA GOVERNMENTS  
RESOLUTION NO. 10-17**

**Certification of Executive Board Approval**

I, the undersigned, the appointed and qualified Clerk of the Board of the Association of Bay Area Governments (Association), do hereby certify that the foregoing resolution was adopted by the Executive Board of the Association at a duly called meeting held on the 26<sup>th</sup> day of July, 2017.

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Frederick Castro  
Clerk of the Board

**Approved as To Legal Form**

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Adrienne D. Weil  
Legal Counsel

### Summary of Responses and Revisions from Public Comment Letters

Comment ID (Plan)	Commenter Author	Staff Response	Revisions Made
128	Hunter, Steven	Thank you for your comment. With regards to your comment that the Plan adds people to the region, it is not an accurate portrayal of the planning effort. The Draft Plan merely identifies how we can accommodate future growth that is forecasted to occur. With regards to traffic congestion, it should be noted that the Draft Plan actually exceeds the congestion reduction target set by MTC/ABAG.	No action recommended.
129	Phillips, Wayne	Thank you for your comment. Staff concurs with the comment author that increased adoption of scooters and other lightweight vehicles can be beneficial to the region.	No action recommended.
130	Phillips, Wayne	Thank you for your comment. Staff concurs with the comment author that increased adoption of scooters and other lightweight vehicles can be beneficial to the region.	No action recommended.
131	Phillips, Wayne	Thank you for your comment. Staff concurs with the comment author that increased adoption of scooters and other lightweight vehicles can be beneficial to the region.	No action recommended.
132	Warkentin, Vivian	Thank you for your comment. The boards of MTC and ABAG are made up of elected officials who were appointed to represent their cities and counties on the regional level.	No action recommended.
133	Mayben, Bill	Thank you for your comment. In the context of the EIR, MTC and ABAG explored a more decentralized scenario known as Main Streets. What the analysis demonstrated was that a decentralization of jobs does not necessarily yield better environmental outcomes, as the author suggested. For additional comments, refer to the EIR response.	No action recommended.
134	Caffrey, Cathleen	Thank you for your comment. The Draft Plan invests in new and better buses as part of fleet replacement processes over the coming years. The Draft Plan also boosts bus service on a number of operators to improve conditions for riders.	No action recommended.
135	Building Industry Association of the Bay Area	Thank you for your comments.  With regards to home ownership, MTC and ABAG are recommending solutions that benefit both those who rent and those who own. The appropriate forum for discussing additional targets, given that targets were	Add language related to bringing down the cost of housing construction to housing Action Plan.  Add legal disclaimer to all Statutorily-Required Maps

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		<p>approved in 2015 by MTC and ABAG, would be at the start of the next Plan cycle. Similarly, RHNA methodology concerns would best be handled at that time.</p> <p>With regards to multifamily housing, the Plan does not specifically seek to limit single-family housing but rather make it easier to build multi-family housing. Multi-family housing, especially when built in proximity to public transit, has many important benefits that support Plan goals, including the potential to lower GHG emissions and reduce auto mode share.</p> <p>Staff will review your suggestion for additional analysis on subsidies associated with Plan Bay Area 2040. Staff will review your proposal to add language relating to cost of construction and will include the disclaimer on statutorily-required Plan maps.</p> <p>With regards to your comments on the Action Plan, we will make some edits to resolve some of your concerns.</p>	<p>similar to what is in Plan Doc ("Map is for general information...").</p> <p>Replace "zoning" with "planned" on page 72.</p> <p>Refine language with regards to industrial lands in Action Plan.</p>
136	North Bay Leadership Council	<p>Thank you for your comments.</p> <p>With regards to home ownership, MTC and ABAG have traditionally remained neutral on this topic, trying to find solutions that benefit both those who rent and those who own. The appropriate forum for discussing additional targets, given that targets were approved in 2015 by MTC and ABAG, would be at the start of the next Plan cycle. Similarly, RHNA methodology concerns would best be handled at that time.</p> <p>With regards to multifamily housing, the Plan does not specifically seek to limit single-family housing but rather make it easier to build multi-family housing. Multi-family housing, especially when built in proximity to public transit, has many important benefits that support Plan goals, including the potential to lower GHG emissions and reduce auto mode share.</p> <p>Staff will review your suggestion for additional analysis on subsidies associated with Plan Bay Area 2040. Staff will review your proposal to add language relating to cost of construction and will include the</p>	<p>Add language related to bringing down the cost of housing construction to housing Action Plan.</p> <p>Add legal disclaimer to all Statutorily-Required Maps similar to what is in Plan Doc ("Map is for general information...").</p> <p>Replace "zoning" with "planned" on page 72.</p> <p>Refine language with regards to industrial lands in Action Plan.</p>



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		<p>disclaimer on statutorily-required Plan maps.</p> <p>With regards to your comments on the Action Plan, we will make some edits to resolve some of your concerns.</p>	
137	Brennan, Sabrina	Thank you for your comment; please refer to the EIR for a response given that your comment focused primarily on the environmental analysis.	No action recommended.
138	Jacobs, Ethan	Thank you for your comment. Funding to further study a west span bike path on the Bay Bridge is included in the Plan. The project was identified as low-performing through the project performance assessment due to a low benefit-cost ratio, but the decision to not include project construction in the Plan will be considered again as part of the next planning cycle in 2021.	No action recommended.
139	Grimes, Peta	Thank you for your comment. The Plan does assume continued growth in telecommuting over time; however, many jobs will continue to require "face time" with coworkers. Similarly, the expectation of continued service sector job growth where in-person interaction is essential means that telecommuting will remain a small but important component of commuting.	No action recommended.
140	6 Wins for Social Equity Network, NPH, & Greenbelt Alliance	MTC and ABAG staff have met directly with the comment author since this letter was submitted to discuss concerns and proposed revisions.	Make changes to the Action Plan to reflect areas of agreement between 6 Wins and MTC/ABAG based on discussion in recent meetings.
141	Gallo, Gloria	Thank you for your comment. Travel modeling for the Plan does incorporate capacity constraints on arterials and highways, meaning that the impacts discussed in this comment letter are already reflected in forecasts and affect the growth pattern. It should also be noted that Marin's growth forecast remains lower than in past regional planning cycles.	No action recommended.
142	Skinner, Rebecca E.	Thank you for your comment. Staff appreciate your recognition that the Draft Plan is a step in the right direction.	No action recommended.
143	Smith, Ron	Thank you for your comment. The Draft Plan invests in maintenance, safety and security of public transit systems across this region to	No action recommended.

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		mitigate some of the concerns raised by this letter.	
144	Reeder, Ken	Thank you for your comment. MTC and ABAG recognize the challenges associated with growth in any community in the region, including Fairfield. We will review your comment and consider adding language about these pressures to the Final Plan.	Add discussion related to the benefits and challenges posed by growth, including localized traffic, school crowding, water constraints, etc.
145	Bay Area Transportation Working Group	<p>Thank you for your comment. Per-capita GHG reduction is the central goal of Senate Bill 375. Refer to the EIR for a detailed VMT analysis.</p> <p>While the Draft Plan does indeed fund the majority of the proposed Express Lane Network, it also spends billions of dollars on transit projects designed to reduce VMT. Roadway capacity expansion only accounts for 3% of all funding in the Draft Plan.</p>	No action recommended.
146	Marin Info	Thank you for your comment. Transit-oriented development has been shown to reduce vehicle miles traveled and associated GHG. For more information on this topic, refer to the detailed EIR response on focused growth from the original Plan Bay Area (2013).	No action recommended.
147	Hayes, Michael J.	Thank you for your comment. Priority Development Areas must be approved by the majority of a city council or county board of supervisors. Senate Bill 375 requires the region to plan for expected growth, as the region has no policy levers to "stabilize" overall population in the region.	No action recommended.
148	Transportation Solutions Defense and Education Fund (TRANSDEF)	<p>Thank you for your comments; please also refer to comment responses in the EIR.</p> <p>With regards to mode shift, MTC and ABAG would respectfully disagree that the Plan continues a trend of urban sprawl; after all, it achieves the target to grow solely in areas within current urban growth boundaries, rather than agricultural land/greenfields. Auto dependence does go down, albeit not to the same degree envisioned in target set by the Commission and ABAG Board. And while there are road projects in the Plan, the Plan is heavily focused on operations, maintenance, and transit expansion rather than new highways.</p> <p>Refer to the EIR for a response to the GHG</p>	No action recommended.

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		<p>target concerns raised, including Climate Initiatives. More information on the Climate Strategies can be found in the Travel Modeling supplemental report. Also, refer to the EIR for a discussion of why the Smart Growth alternative was rejected.</p> <p>Commentary on the county planning guidelines are outside the scope of this planning process. It should be noted that county plans are a key input to the RTP/SCS, but projects are evaluated further and not all CTP projects are included in the fiscally-constrained Draft Plan. Notably, several major highway expansions were removed through the Plan's project performance assessment.</p> <p>SB 375 is clear that it is focused on GHG per-capita reduction rather than VMT reduction. Moreover, it does not require that every project in a Plan reduce GHG or VMT - just that the overall Plan meet its per-capita GHG targets overall.</p> <p>Staff cannot comment on VTA service levels as those are outside our control, although based on the latest available information, their 2017 service restructure is cost-neutral and focused on redistributing service rather than reducing it.</p>	
149	Contra Costa Transportation Authority	<p>Thank you for your comments.</p> <p>MTC/ABAG recognize and acknowledge your disappointment with regards to the failure of Measure X.</p> <p>MTC/ABAG continue to believe it is feasible for growth to be focused in PDAs - local policies are really the key to making this happen. Staff agrees that the housing production rate in Plan Bay Area 2040 is faster than in years past - in part because the region has underproduced housing in recent decades and needs to catch up with the strong regional demand. The Draft Plan was also tasked with ensuring sufficient housing is built within the region as opposed to Bay Area housing being produced in the San Joaquin Valley (triggering in-commuting). Additional information is available in the EIR master response related to this topic.</p>	No action recommended.

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		<p>MTC/ABAG share CCTA's concern about rising traffic volumes over the Altamont Pass, but we believe land use strategies should be the primary approach to dealing with this trend. The proposed TriLink tollway project was identified as low-performing through the project performance assessment.</p> <p>With regards to innovative technologies, MTC/ABAG staff look forward to continued collaboration on this topic and intend to incorporate this much more deeply in our next plan cycle.</p>	
150	Martin, William L.	Thank you for your comment. MTC and ABAG recognize the importance of green building, including water-neutral development, to achieve sustainability goals for the region. While this is generally outside the scope of the Plan, we will consider how this may be incorporated into our work the coming years.	No action recommended.
151	FTL HUB	Thank you for your comment. The Plan does envision a changing workforce with service sector jobs rising - but jobs in resources and manufacturing (at a greater risk from automation) declining over time. Staff will review to determine if additional clarification can be added to the Draft Plan or its supplemental reports.	Add discussion of trends affecting employment forecast, including automation, to Land Use Modeling Report.
152	Alameda County Transportation Commission	Thank you for your comment. MTC/ABAG will, as you suggest, continue to work closely with local governments on housing issues, with economic development agencies on job creation, and with key partners on sea level rise.	No action recommended.
153	City of Orinda	Thank you for your comment. We will correct the map labels to making the location of Orinda and Lafayette. While the jobs and housing growth forecasts have not changed since the Final Preferred Scenario was adopted in November, MTC/ABAG staff would be willing to meet in-person or by phone to further discuss your continued concerns.	Adjust labels for Orinda and Lafayette to better reflect their west-east alignment on Map 1.2, Maps 4.4-4.7, and supplemental report maps.
154	Cavette, Chris	Thank you for your comment. The transportation investment package for the Draft Plan was approved as final in November 2016, and it included both of these projects.	No action recommended.

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155	Remick, K	Thank you for your comment. MTC/ABAG agree that incentivizing conversion to electric vehicles is an appropriate climate initiative in urban, suburban, and rural contexts.	No action recommended.
156	West Contra Costa Transportation Advisory Committee	Thanks for your comments on additional transportation solutions for Western Contra Costa County. While these projects were not submitted for evaluation or inclusion in the fiscally constrained investment package, MTC and ABAG remain open and interested in reviewing such projects as part of future long-range planning cycles. The transportation investment package for the Draft Plan was approved as final in November 2016.	No action recommended.
157	Fariss, Marcia	Thank you for your comment. The boards of MTC and ABAG are made up of elected officials who were appointed to represent their cities and counties on the regional level.	No action recommended.
158	Fernwood, Mark	Thank you for your comments. The Draft Plan does not directly "assign" housing to a particular city or location; free market mechanisms are assumed to be the primary driver of the region's housing market in the decades to come. Construction of additional deed-restricted affordable housing merely fills a gap for lower-income households that cannot find market-rate housing they can afford.	No action recommended.
159	Brown, Doreen	Thank you for your comment. The Draft Plan specifically highlights the current housing crisis, featuring a map showcasing the risk of displacement on page 13. The Draft Plan ultimately performs much better on displacement risk than No Project, although the region continues to move in the wrong direction. MTC and ABAG hope that efforts like the Action Plan and CASA will help us change course in the coming years.	No action recommended.
160	Jensen, Cheriell	Thank you for your comment. The boards of MTC and ABAG are made up of elected officials who were appointed to represent their cities and counties on the regional level.	No action recommended.
161	Livermore Amador Valley Transit Authority	Thank you for your comments. MTC and ABAG are fully supportive of "Fix It First" and strive to establish a level playing field for all transit operators. The Draft Plan does invest in the Tri-Valley through road and transit projects, and the Tri-Valley will be served by more frequent BART service in the years to come under the Draft Plan.	No action recommended.

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		Furthermore, as your letter notes, the Draft Plan includes funding for further project development on the BART to Livermore/BART to ACE project.	
162	Shroyer, Toni	Thank you for your comment. Staff will forward this comment to the MTC and ABAG boards.	No action recommended.
163	Schwartz, Jeffrey A.	Thank you for your comment. The boards of MTC and ABAG are made up of elected officials who were appointed to represent their cities and counties on the regional level. It should be noted that RHNA was not updated or altered during this cycle of Plan Bay Area.	No action recommended.
164	Hensel, Peter	Thank you for your comment. Staff will forward this comment to the MTC and ABAG boards. Refer to the EIR comment response for additional information.	No action recommended.
166	Lavaroni, Julia	Thank you for your comment. For the record, development of Plan Bay Area 2040 is required under SB 375. Climate Initiatives are insufficient on their own to meet the CARB target. MTC and ABAG acknowledge that affordability and displacement risk are likely to rise under the Draft Plan and developed the Action Plan for this very reason.	No action recommended.
167	Shiner, Daniel	Thank you for your comment. While traffic congestion is indeed getting worse, it should be noted that Marin County is only taking on 1% of all future regional growth.	No action recommended.
168	Schmid, Greg	Thank you for your comment. More information on the growth forecasts can be found in the Regional Forecast supplemental report; more information about water impacts can be found in the EIR and the associated comment response.	No action recommended.
169	DeGeorge, Andrea	Thank you for your comment. We respectfully disagree with your perspective on the Draft Plan.	No action recommended.
170	Drew, Pam	Thank you for your comment. MTC and ABAG agree that infrastructure is also important for the region, connecting jobs and housing. The Draft Plan is intended to shine a spotlight on housing, which MTC and ABAG believe has now reached crisis levels. Demand has well exceeded supply in every county in the region, including Marin. Because MTC and ABAG have no ability to reduce growing demand to live in the Bay	No action recommended.

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		Area, we instead look for ways to channel that growth in a manner that minimizes impacts on the environment and on existing communities.	
171	Bay Area Regional Health Inequities Initiative	<p>Thanks for your comments; comments related to the EIR will be responded to through that process.</p> <p>With regards to Resilience, staff believes it is important to focus on sea level rise and natural disasters. Language has already been included with regards to vulnerable populations. MTC/ABAG intend to add language about green/resilience-focused jobs to the Economic Development section.</p> <p>With regards to Economic Development, MTC/ABAG will review your comments for potential incorporation into the document.</p> <p>With regards to Housing, MTC and ABAG will consider adding language to Chapter 1 highlighting overcrowding and unhealthy housing. Language has already been included on legislative solutions in the Action Plan; MTC/ABAG will consider underscoring displacement risk in the final draft.</p>	<p>Under the economic development Action Plan, add green/resilience-type jobs under the middle-wage category.</p> <p>Under the economic development Action Plan, add an emphasis on further improving economic modeling capabilities.</p> <p>Expand commentary of overcrowded and unhealthy housing in the problem statement on housing in Chapter 1.</p> <p>Under the housing Action Plan, revise language to more directly address displacement risk.</p>
172	Bay Area Rapid Transit	<p>Thank you for your comments. MTC/ABAG recognize the importance of Fix It First and key core capacity investments, as noted in the Draft Plan. The Draft Plan also includes Clipper 2.0 funding. Staff will consider adding language to the Action Plan related to BART's housing comments. Staff will also consider adding references to middle-wage transit jobs to the Action Plan.</p> <p>With regards to interregional commuting, the Draft Plan recognizes the importance of the megaregion but also aligns with the goal of SB 375 – to provide housing inside the region to avoid inducing growth outside the Bay Area. This does not mean that additional investments at regional gateways should never be considered to provide capacity for existing travelers, but it should be done thoughtfully and strategically.</p> <p>With regards to new technologies, staff has identified this as a priority for the next long-range plan, and MTC/ABAG has already kicked off a next-generation mobility study to determine how to tackle it.</p>	<p>Add top 3 high-cost projects/programs each to Maps 4.4-4.7, including BART Core Capacity, in "Not Mapped" box at bottom.</p> <p>Add reference to housing near transit, and housing development on public lands, in Action Plan housing section.</p> <p>Add reference to transit middle-wage jobs in Economic Development Action Plan.</p>

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173	Legal Services of Northern California	<p>Thank you for your comments. We recognize the unique challenges of Solano County, as well as issues like housing and transportation that cross the 9-county region.</p> <p>With regards to housing, MTC/ABAG acknowledge the value of local measures to address challenges like displacement. The Action Plan does include a suite of proposed actions to tackle affordability challenges by MTC and ABAG, but we concur that the actions you suggest would need to be on a local level.</p> <p>With regards to transportation, MTC/ABAG concur with your comments. The Plan does include bus frequency improvements in Solano County to address the concerns raised, as well as the higher-priority projects mentioned.</p>	No action recommended.
174	Ditching Dirty Diesel Collaborative	<p>Thank you for your comments. With regards to item #1, staff believes the current language is broad enough to capture goods movement projects. Staff believes the current list of partners is sufficient.</p> <p>With regards to item #2, air quality is not a primary issue related to resilience. Staff does not believe these comments are relevant.</p> <p>With regards to item #3, the Action Plan is focused on targets moving in the wrong direction. While health &amp; safety are critical, the Plan does move in the right direction, while falling short of the target.</p> <p>With regards to item #4, staff will consider adding a reference to equity &amp; vulnerable communities under resilience.</p> <p>With regards to item #5, staff will consider adding a reference to health benefits.</p> <p>For additional detail, refer to the EIR comment response.</p>	<p>For item #4 under the Resilience Action Plan, acknowledge EJ and a special emphasis on vulnerable populations.</p> <p>For item #5 under the Resilience Action Plan, acknowledge health benefits of natural infrastructure.</p>
175	Kovac, Ferenc	<p>Thank you for your comments. For residents of suburban and rural communities, the Draft Plan does indeed have a number of investments to improve their transportation experience. State of good repair investments will replace buses and repave roads in these locations. Additional transit services - for example, express buses in Solano County -</p>	No action recommended.



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		will improve their mobility to major job centers. With regards to household size, the UrbanSim land use model used to develop forecasts, as well as the associated control totals, already incorporate the household size issue you raised.	
176	City and County of San Francisco; San Francisco Planning Department; San Francisco County Transportation Authority; San Francisco Municipal Transportation Agency	<p>Thank you for your comments on the Draft Plan and the work completed over the course of the last two years.</p> <p>With regards to housing, MTC and ABAG look forward to working with San Francisco through the CASA effort. We believe the CASA effort can serve as a forum to explore what it would take to reach the Plan's ambitious targets, including policy effectiveness analyses. Staff will also consider your recommended definition of "housing performance" as we revise the Draft Plan. Additional information on the commercial development fee concept should be available through the Land Use Modeling supplemental report.</p> <p>With regards to economic development, staff will review and consider your proposed additions related to construction jobs, automation impacts, and industrial lands. With regards to resilience, staff intends to engage the public on this issue in a greater manner in the years to come through efforts like the Resilient by Design challenge. MTC and ABAG recognize the importance of NGOs and universities in this evolving field, as well as the importance of resiliency in achieving other Plan goals.</p>	<p>Add reference to construction jobs as middle-wage jobs.</p> <p>Add reference to automation in text before Action Plan table, discussing how it may threaten low- and middle-wage jobs in the coming years.</p> <p>Add reference to role of NGOs, universities under technical services in Resilience Action Plan.</p> <p>Add reference to how resilience is necessary to achieve other goals (such as housing) in text before the Action Plan table.</p>
177	Greenbelt Alliance	<p>Thank you for your comments. MTC and ABAG appreciate the recommendations for data sources related to resource areas. Staff will work to incorporate additional resource lands in the maps based on the requirements identified in Senate Bill 375. As water and wildlife are specifically called out in the law, staff intends to focus on incorporating these into the Statutorily-Required Maps supplemental report using data from public agencies. Staff will also consider relabeling Map 1.2 to indicate that it focuses on agricultural lands. As carbon sequestration is not identified in SB 375 as a type of resource lands, staff does not propose to incorporate that layer at this time.</p>	<p>For Map 1.2 in Chapter 1, change the title to "Historical Development Pattern and Agricultural Lands". Also change "Resource Lands" to "Agricultural Lands" in the legend.</p> <p>In the Statutorily-Required Maps supplemental report, retitle all existing Resource Lands maps as "Resource Lands: Agriculture".</p> <p>Add new 9-county map</p>

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		MTC and ABAG appreciate your recognition that the Policy Protection maps are sufficient in terms of data layers shown.	<p>titled "Resource Lands: Water and Wildlife". Use data from Figure 2.12-3 in DEIR for Watersheds and use blue crosshatching to indicate zones. Watersheds need not be labeled. For Use data from California Department of Fish and Wildlife for "Wildlife-Rich Areas" using BioRankSW value of 5 to identify such zones.</p> <p>Finally, fix glitch in legends of supplemental report maps where population numbers are missing.</p>
178	Town of Hillsborough	<p>Thank you for your comments. The UrbanSim land use model incorporates many of the constraints that you raise here - zoning, for example. Additional employment may be a result of additional telecommuting, or businesses run from one's home - it does not necessarily require a commercial property in the town.</p> <p>While the jobs and housing growth forecasts have not changed since the Final Preferred Scenario was adopted in November, MTC/ABAG staff would be willing to meet in-person or by phone to further discuss your continued concerns.</p>	No action recommended.
179	Cagnon, Charles	<p>Thank you for your comment. Staff respectively disagrees and notes that many other metrics - ranging from transit ridership to economic output to unemployment - have all improved over the past four years. Ultimately, any long-range plan must be judged based on its performance over the decades, rather than just a narrow window of a few years.</p>	No action recommended.
180	Rames, Linda	<p>Thank you for your comment. Staff disagrees with the assertions related to Chapter 1 - feedback received to date indicates that it is a useful foundation for the more detailed discussion of the housing crisis later in the document. MTC/ABAG agree that local control remains under the Draft Plan; implementation will focus on finding mutually workable solutions on the local</p>	<p>Correct typo on page 77 - "Bay Conservation and Development Commission".</p>

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		level to carry out the Plan's vision. With regards to Marin City, this PDA was specifically approved by the Marin County Board of Supervisors as a location for future growth, given its major bus transit center. With regards to the BCDC reference - we have fixed that typo.	
181	Save Marinwood	Thank you for comments; a brief response to each is provided below. MTC and ABAG are concerned about the risk of displacement impacts, although the analysis shows that under No Project conditions, displacement risk would rise even faster. With regards to automation impacts, we are currently funding a research project to explore this more fully and plan to incorporate in the next Plan cycle. On resiliency, we have included specific action items on the topic of earthquakes. With regards to business cycles, we agree that there will be booms and busts, which is why the job growth forecast is not an extrapolation of the last 5 years but incorporates decades of data. With regards to UrbanSim, we have worked with jurisdictions to resolve data glitches. On sea level rise, we evaluated this through the EIR process and identified mitigations. On quality of life, we believe we have captured many of these issues through specific targets like access to jobs and public health. On infrastructure, local jurisdiction typically pay for costs through impact fees. With regards to representation and outreach, we have interacted with thousands of individuals through the course of the planning cycle; MTC and ABAG reps are local elected officials. With regards to taxation, the Plan does not implement any taxes; it is merely a vision for growth and investment.	No action recommended.
182	Lee, Miguelle	Thank you for your comment. We respectfully disagree with your perspective on the Draft Plan.	No action recommended.
183	Paczonay, Joe	Thank you for your comment. We respectfully disagree with your perspective on the Draft Plan.	No action recommended.
184	Delta Protection Commission	Thanks for your comments on the UGB assumptions in the Draft Plan. The Plan supports future trail development through programmatic categories in the various Bay Area counties, as reflected in the adopted investment strategy.	Add reference to Bay Trails and other regional trails to Resiliency Action Plan.  Add mention to Investment Strategy

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			Report of specific major trails.
185	Dizon, Nora	Thank you for your comment. The Draft Plan does include significant funding for highways and streets as well - not only for state of good repair but also for major projects like the I-80/I-680/SR-12 interchange improvements in Solano County. That being said, transit also has a role to play in Solano. Although rail stations remain limited, local and regional bus service expansion in Solano County is included in the fiscally constrained Plan.	No action recommended.
186	California Department of Transportation, District 4	<p>Thank you for your comments. It should be noted that Senate Bill 1 was not signed into law until after the Draft Plan was published. In part, the additional funds generated under Senate Bill 1 are reflected through existing financial assumptions that already forecasted new revenues. This law is consistent with the Draft Plan's "fix it first" prioritization. A more comprehensive integration of Senate Bill 1 revenues into the regional planning process will take place as part of the next Plan cycle; fully incorporating these revenues in the Draft Plan would be infeasible given the timeline for Plan adoption.</p> <p>Refer to the EIR comment responses for all other EIR-related comments.</p> <p>With regard to Plan comments, staff disagrees that the original PBA approach contributed to the housing crisis. Rather, a failure of housing production at all income levels for many decades got us to this point.</p> <p>Staff will consider adding additional information to the Draft Plan indicating how the Plan relates to CTP 2040.</p> <p>Staff will add clarification related to congestion pricing reference on page 49. Staff will also add primary air carrier airports to maps as well as Travis AFB. Caltrans should consider that major airport access projects have already been completed over the past 15 years, including BART to SFO and OAK. Airport-bound trips are fully captured in the travel demand modeling for performance targets analysis. Nearby interchange projects and express lanes will</p>	<p>Add sidebar to Chapter 2 briefly discussing nexus between PBA 2040 and CTP 2040 (state transportation plan), including goals/policies and how local/regional/state can work together</p> <p>Rephrase sentence on page 49 to specifically identify San Francisco's congestion pricing projects as TI and SF cordon (see names on map).</p> <p>Add airport icons for SFO, OAK, SJC, and STS to Maps 4.4-4.7. Add to legend as "major airports". Add Travis AFB with some sort of military icon to Maps 4.4-4.7, and show in legend as "major military base".</p> <p>Add short paragraph to Land Use Modeling Report discussing how land use pattern addresses airport LU compatibility within the influence area (2 mile radius of airport) and how existing zones/general plans likely account for much of that.</p> <p>Add brief reference to airports in resilience</p>

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		<p>provide smaller-scale benefits to airports as shown on Map 4.6 and 4.7. Finally, the investment strategy includes further studies of SJC transit improvements.</p> <p>As part of the land use modeling for Plan Bay Area 2040, existing zoning data from general plans was incorporated into the UrbanSim model. Such zoning would likely reflect land use policies related to airport compatibility. Staff will consider adding a brief discussion of this to the Land Use Modeling report.</p> <p>Staff will consider adding a brief discussion of military needs and nearby projects to the investment strategy supplemental report.</p> <p>Staff will make the necessary revisions to address checklist issues as well.</p>	<p>writeup - SLR, disaster recovery, etc.</p> <p>Add 1-2 paragraphs on military base transport needs and projects to investment strategy; expand airport discussion in investment strategy report as needed.</p> <p>Add 1 paragraph on port, airports, goods movement engagement in Plan to Public Engagement Report; reference Freight Action Plan.</p> <p>Add 1 paragraph on federal CMP compliance to investment strategy report.</p> <p>Add sidebar on EIR mitigations to Plan Document to comply with checklist requirement.</p>
187	San Francisco Estuary Partnership	Thank you for your comment. Issues related to water and water quality are addressed through the Draft EIR.	Add Estuary Partnership to some of the Resilience Action Plan items as a partner.
188	City of Pleasanton	Thank you for your comments on potential transportation improvements in the Tri-Valley. Many of these projects can fit within programmatic categories for Alameda County already funded by Plan Bay Area 2040. With regards to the proposed BART extension, the Draft Plan includes funding for further planning and design activities associated with that project.	No action recommended.
189	Greenbelt Alliance, et al.	Thank you for your comments. With regards to "expanding natural infrastructure" as proposed in the Action Plan, it should be noted that the Action Plan is designed to focus on areas where the Plan is falling short. Given strong performance on target #4, we do not believe it is appropriate to add all your proposals given that they go outside the realm of resilience. We would also note that the Plan already has billions in funding for trails, bikeways, etc., as noted in the Investment Strategy & Project List.	No action recommended.

Comment ID (Plan)	Commenter Author	Staff Response	Revisions Made
		Refer to the EIR for a response on the topic of mitigation measures. MTC/ABAG will consider edits to the housing Action Plan to provide greater emphasis on infill housing.	
190	Bay Planning Coalition	<p>Thank you for your comment. MTC/ABAG recognize your concerns about CEQA/NIMBY opposition. Staff believes collaboration with local jurisdictions is the best way to address these challenges. MTC/ABAG is unclear what the comment letter means by "electrifying" BART as it is already powered by electricity (unlike Caltrain). With regards to goods movement, most goods movement projects were non-capacity-increasing and thus exempt from benefit-cost assessment during this cycle; this could be re-evaluated in the next planning cycle.</p> <p>Staff will consider adding a sidebar discussing the nexus between the Draft Plan and BAAQMD's broader regional vision. With regards to resilience, we appreciate the support for addressing governance and funding for resilience in the Action Plan.</p>	Add sidebar on connection between Clean Air Plan and Plan Bay Area 2040.
191	City of Brisbane	Thank you for your comments on the land use pattern incorporated in the Draft Plan. The Draft Plan includes specific language underscoring local control of land use. While the jobs and housing growth forecasts have not changed since the Final Preferred Scenario was adopted in November, MTC/ABAG staff would be willing to meet in-person or by phone to further discuss your continued concerns.	No action recommended.
192	Louie, Denise	Thank you for your comments. Staff recommends comment author refer to the Draft EIR, which addresses many of the topic areas raised in her letter.	No action recommended.
193	Public Advocates Inc.	<p>Thank you for your extensive comments.</p> <p>Refer to the EIR for responses on the EIR and Equity Report. Most importantly, MTC/ABAG would like to underscore that the land use pattern does account for displacement - some lower-income residents priced out to edge communities are residing in those places in 2040, which means that the environmental impacts are captured in full. This is the strength of using an economic model like UrbanSim to conduct the analysis.</p>	Add additional specifics to Land Use Modeling Report.

Comment ID (Plan)	Commenter Author	Staff Response	Revisions Made
		<p>With regards to the Land Use Modeling Report, SB 375 requires the region plan for housing for all - i.e., that there can be no outflow of residents out of the region to become new in-commuters. Refer to the Regional Forecast report for additional information. Staff will consider adding additional information to the Land Use Modeling Report about the specifics on subsidies and inclusionary zoning.</p> <p>Staff disagrees with the comment author's assertions about UrbanSim model biases. Given that the housing market is economically-driven, the use of the UrbanSim model is entirely appropriate. Select policies designed to improve housing affordability can be incorporated, contingent upon sufficient data and time for model calibration.</p> <p>With regards to OBAG modeling, it is possible to incorporate geographical preference. But at this time, many of the other funding requirements requested for modeling by 6 Wins cannot be incorporated. We will consider prioritizing these for future development, contingent on necessary quantitative data to determine policy efficacy.</p>	
194	350 Bay Area	<p>Thank you for your comment. Staff will consider adding a sidebar discussing the nexus between the Draft Plan and BAAQMD's broader regional vision. Staff would note that MTC and ABAG are primarily responsible for the SB 375 targets set by CARB. Other statewide GHG targets are discussed in the EIR.</p> <p>With regards to the EEJ Alternative, the respective boards of MTC and ABAG will have the opportunity to fully consider it in July.</p> <p>Your comments on the land use pattern are noted. Policies are more limited in terms of shifting the location of jobs as compared to housing.</p> <p>With regards to transportation, while expanding the system is important, maintaining what we have already built is</p>	Add sidebar on connection between Clean Air Plan and Plan Bay Area 2040.

Comment ID (Plan)	Commenter Author	Staff Response	Revisions Made
		even more important for sustainability. The region cannot focus growth in existing communities without maintaining and modernizing our core assets.	
195	Marin County Department of Public Works	<p>Thank you for your comment on local streets and roads funding. Transit maintenance, operations, and expansion are considered critical to reduce GHG emissions per the requirements of SB 375. Ultimately, there was not enough money in the fiscally-constrained plan to boost local streets &amp; roads funding to the same level as the original Plan.</p> <p>It should be noted that Senate Bill 1 was not signed into law until after the Draft Plan was published. In part, the additional funds generated under Senate Bill 1 are reflected through existing financial assumptions that already forecasted new revenues. This law is consistent with the Draft Plan's "fix it first" prioritization. A more comprehensive integration of Senate Bill 1 revenues into the regional planning process will take place as part of the next Plan cycle; fully incorporating these revenues in the Draft Plan would be infeasible given the timeline for Plan adoption.</p>	No action recommended.
196	Sierra Club	<p>Thank you for your comments. With regards to modal shift, MTC/ABAG acknowledge it is hard to move the needle given that 90% of funding is needed for O&amp;M and modernization - and that funding is limited. This fiscal constraint is a federal planning requirement, however.</p> <p>Refer to the EIR for responses on EIR-related comments, including Climate Initiatives.</p> <p>With regards to your comments on public transit, the Draft Plan fully funds existing operations and expands service on a number of different operators (note that the Needs Assessment focuses on existing operations, while service expansion is detailed in the Project List).</p> <p>Staff will forward along your suggestions with regards to increased local requirements for Complete Streets and OBAG to the MTC/ABAG boards to help move the needle on key targets. MTC Resolution 3765</p>	No action recommended.



Comment ID (Plan)	Commenter Author	Staff Response	Revisions Made
		<p>currently guides agency requirements on Complete Streets.</p> <p>Sea level rise is appropriately addressed in the Action Plan; both sea level rise and water availability are addressed in the EIR context.</p>	
197	Town of Corte Madera	<p>Thanks for your comment. While there are some differences in housing and job forecasts between the city and the regional plan, the estimates for the Draft Plan reflect the regional control totals and policy assumptions included in the Final Preferred Scenario. For these reasons, they may differ somewhat from local plans.</p> <p>While the jobs and housing growth forecasts have not changed since the Final Preferred Scenario was adopted in November, MTC/ABAG staff would be willing to meet in-person or by phone to further discuss your continued concerns.</p> <p>Sea level rise is a major regional challenge - refer to the EIR for a discussion of mitigations, etc.</p>	No action recommended.
198	San Mateo County	<p>Thank you for your comments. For more information, refer to EIR comment responses.</p> <p>With regards to your specific questions, Asian/Other refers to Asian, Pacific Islander, and other multiracial categories. Data was not available to break the pie chart into more detailed slices.</p> <p>MTC and ABAG concur with your comment that greater integration of the Bay Area's fragmented public transit system would be beneficial. In part, the Draft Plan addresses this by investing further in the Clipper 2.0 program to enable even more seamless transfers. Ongoing collaboration between operators is also a critical element to integrating the system; MTC will continue to facilitate this dialogue through the Partnership and other working groups in the coming years.</p> <p>Staff concurs with the comment that ongoing public participation, especially in underserved communities, is critical for the Action Plan. While we recognize the unique character of each site and community in the</p>	<p>Add * to Figure 3.2 next to Other, and add footnote indicating that "* Asian/Other refers to Asian, Pacific Islander, and other multiracial/multiethnic categories."</p> <p>Add reference to public engagement/participation in the context of Action Plan implementation.</p> <p>Add reference to healthy housing/overcrowding reduction to housing Action Plan.</p> <p>Add reference to clean/green jobs in economic development Action Plan.</p> <p>Add reference to broad range of impacts from climate change beyond just SLR in Resilience</p>

Comment ID (Plan)	Commenter Author	Staff Response	Revisions Made
		<p>region, no changes are proposed to the adopted preferred land use pattern at this time in Moss Beach and El Granada.</p> <p>Staff will consider adding new language to the Action Plan related to healthy housing, displacement risk, and clean industries. With regards to resilience, staff believes many of these issues are touched on in the economic development Action Plan. We will consider adding language related to other impacts of climate change such as heat impacts.</p>	Action Plan (heat, floods, AQ, wildfires, etc.)
199	East Bay Regional Park District	<p>Thanks for your comments focusing on the resiliency aspect of Plan Bay Area 2040. Staff will consider adding to existing actions to incorporate your suggestions.</p>	Add language to Resiliency Action Plan noting categories of stakeholders that need to be included, including parks agencies that own lands at risk.
200	Santa Clara Valley Transportation Authority	<p>Thank you for your comments on employment; MTC and ABAG also seek a balanced land use pattern in the coming decades. Staff is considering adding a reference to the role of local jurisdictions in housing implementation. Staff will continue to explore successful strategies for housing like Measure A.</p> <p>On housing, staff does not readily have available General Plan projections for comparison. Staff is considering adding a reference towards housing near transit on page 74.</p> <p>Staff will review the Land Use Modeling Report to determine if any enhancements can be made. The final CEQA streamlining map will be made available on the web with the methodology (which was based upon the advice of OPR experts on this matter). Staff will also consider adding density and intensity maps to the web for consistency determination purposes.</p> <p>Refer to EIR comment responses for the remainder of the letter.</p>	<p>Add reference to role of local jurisdictions in housing Action Plan; add a reference to housing near transit to housing Action Plan</p> <p>Consider expanding Land Use Modeling Report with additional detail on modeling assumptions.</p> <p>Add URL to CEQA streamlining map to Statutorily-Required Plan Maps; create ArcGIS Online map for this purpose.</p> <p>Add URL for density/intensity maps; create ArcGIS Online maps.</p>
201	6 Wins Network	<p>Thank you for your comments. See responses to prior 6 Wins letter as well as EIR responses. The Equity, Environment, and Jobs alternative was appropriately updated given time and resources available during the scoping process. Refer to EIR master</p>	Correct typo on page 6-4 of Equity Report - footnote 4 - 1 percent and 7 percent stats are reversed.

Comment ID (Plan)	Commenter Author	Staff Response	Revisions Made
		<p>response on this topic as well.</p> <p>Staff will correct the typo on displacement risk results in the Equity Report.</p>	
202	City of Livermore	<p>Thanks for your comments on Plan Bay Area 2040 - we appreciate your support for the overall framework and emphasis on housing. We believe the current language is sufficient in terms of identifying that the land use assumptions are not prescriptive but that they are what would be needed to achieve the regional land use vision identified in this Plan. MTC and ABAG do not believe it is unreasonable to assume that inner-ring suburbs, which are not currently producing housing to the same extent as the Tri-Valley, will ultimately accelerate their housing production in the coming decades.</p> <p>With regards to additional transit options, the Draft Plan does include design and planning work for the BART to Livermore project you are referencing. However, the full project - including construction - was not submitted for consideration during the Call for Projects. Staff will review the merits of that project in a future planning cycle.</p>	No action recommended.
203	Bay Area Stormwater Management Agencies Association	<p>Thanks for your comments. MTC/ABAG recognize the importance of sustainable streets that are resilient to flooding, sea level rise, etc. Because the Action Plan is focused on actions MTC and ABAG could lead - and your comment focuses on changing local jurisdictions' decision-making - staff will consider to incorporate your comment under the technical services action item. We will also consider your other proposed revisions in that context, while recognizing that related impacts on water addressed through the EIR process.</p>	<p>Rephrase last sentence of action #4 under Resilience to "Integrate resilience into Priority Development Area (PDA) planning and Complete Streets requirements".</p> <p>Better acknowledge other impacts from climate change other than sea level rise in the Action Plan.</p> <p>Rephrase second sentence of action #5 under Resilience to highlight air quality and urban heat island effects.</p>
204	Vision Zero Network	<p>Thanks for your comments on road safety. It should be noted that MTC will be setting annual targets on road safety starting in 2018 which may address some of the concerns raised. In part, the Draft Plan's limited progress on health and safety is due to limited funding for projects beyond operating</p>	No action recommended.

Comment ID (Plan)	Commenter Author	Staff Response	Revisions Made
		and maintaining the existing system, an inability to fully capture safety projects' benefits, and a highly-mature region with existing built-out infrastructure.	
205	Petritz, David	Thank you for your comment. Staff cannot identify any location in the document where Sonoma, Solano and Napa are identified as exurbs. With regards to growth, the Plan forecasts most growth will occur in the Central and South Bay, with more limited development along corridors like US-101/SMART. PCA determinations are made after cities submit these proposals to MTC/ABAG.	No action recommended.
206	City of Vacaville	Thank you for your comment. Staff will inform the boards of MTC and ABAG of your support for Main Streets EIR alternative. With regards to Maps 4.4 and 4.5, the maps focus on rail, ferry and BRT projects. The Draft Plan does indeed include additional funding for bus service expansion in Solano County to connect Solano residents to the rest of the Bay Area.	Add footnote to Map 4.5 indicating that map is zoomed in as no existing or proposed light rail and bus rapid transit lines are included in the fiscally-constrained plan for the North Bay.
207	California Coastal Commission	Thank you for your comments. Staff recommends the commenter refer to the EIR, which addresses many of the topic areas raised in this letter.	Add California Coastal Commission to several items for the Resiliency Action Plan.
208	Pfeifer, Linda	Thank you for your comment. Additional information on the growth projections is included in the Land Use Modeling supplemental report.	No action recommended.
209	East Bay Transportation & Logistics Partnership	Thank you for your comment. MTC/ABAG appreciate your support for Plan Bay Area 2040.	No action recommended.
210	City of Sunnyvale	<p>Thank you for your comment. While there are some differences in housing and job forecasts between the city and the regional plan, the estimates for the Draft Plan reflect the regional control totals and policy assumptions included in the Final Preferred Scenario. For these reasons, they may differ somewhat from local plans.</p> <p>While the jobs and housing growth forecasts have not changed since the Final Preferred Scenario was adopted in November, MTC/ABAG staff would be willing to meet in-person or by phone to further discuss your continued concerns.</p>	No action recommended.

Comment ID (Plan)	Commenter Author	Staff Response	Revisions Made
211	Pfeiff, Donna	Thanks for your comment. The Draft Plan does include funding for additional Golden Gate express bus service in line with your suggestion - this information can be found in the Project List database on the Plan Document website.	No action recommended.
212	Bourret, Faye	Thank you for your comment. Staff will forward this comment to the MTC and ABAG boards.	No action recommended.
213	Unknown	Thank you for your comment. We respectfully disagree with your perspective on the Draft Plan.	No action recommended.
214	R, Gilberto	Thank you for your comment. MTC and ABAG recognize your concerns about housing, the environment, and transportation. We believe that the Draft Plan addresses many of these issues head on, while identifying solutions in the Action Plan to take short-term action and make further progress.	No action recommended.
215	Transportation Solutions Defense and Education Fund	Thank you for your comments. As most of these comments are related to the EIR, please refer to the EIR response.	Clarify that CTPs are a basis for Plan but projects must go through performance analysis in Investment Strategy Report.  Add info on Climate Initiatives strategies to Chapter 4.  Post final RTP checklist as a supplemental report on Plan website.
216	Wong, Karolyn	Thank you for your comment. Staff recognizes the concerns of the comment author with regards to racial inequities. While it was not possible to forecast where different racial groups will live in the future using existing models, this issue is addressed in the Equity Analysis Report in greater detail.	No action recommended.
217	Alameda, Contra Costa, Marin and San Mateo Local Agency Formation Commissions (LAFCos)	Thank you for your comments. As most of these comments are related to the EIR, please refer to the EIR response.	No action recommended.

Comment ID (Plan)	Commenter Author	Staff Response	Revisions Made
218	Gibson, Kenneth	Thank you for your comment. Additional details on the Plan can be found in the numerous supplemental reports at 2040.planbayarea.org. With regards to water pricing, that topic is generally outside the scope of the regional transportation/land use plan.	No action recommended.
219	Citroen, Leslie	Thank you for your comment. The Draft Plan does attempt to tackle the jobs-housing mismatch; however, existing policy levers are more limited in terms of encouraging job growth in inland locations.	No action recommended.
220	Solomon, Barbara	Thank you for your comment. Staff will forward this comment to the MTC and ABAG boards.	No action recommended.
221	City of Dublin	<p>Thank you for your comment. While there are some differences in housing forecasts for Dublin PDAs, the estimates for the Draft Plan reflect the regional control totals and policy assumptions included in the Final Preferred Scenario. For these reasons, they may differ somewhat from local plans.</p> <p>While the jobs and housing growth forecasts have not changed since the Final Preferred Scenario was adopted in November, MTC/ABAG staff would be willing to meet in-person or by phone to further discuss your continued concerns.</p>	No action recommended.
222	Arbuckle, Nancy	Thank you for your comments. As most of these comments are related to the EIR, please refer to the EIR response.	No action recommended.
223	City of Sausalito	<p>Thanks for your comment. While there are some differences in housing and jobs forecasts for Sausalito, the estimates for the Draft Plan reflect the regional control totals and policy assumptions included in the Final Preferred Scenario. For these reasons, they may differ somewhat from local plans.</p> <p>While the jobs and housing growth forecasts have not changed since the Final Preferred Scenario was adopted in November, MTC/ABAG staff would be willing to meet in-person or by phone to further discuss your continued concerns.</p>	No action recommended.
224	City of San Jose	Thank you for your comments. As noted in prior letters to San Jose, MTC and ABAG refined the land use policy assumptions between the Draft and Final Preferred to better align with San Jose's vision for	No action recommended.

Comment ID (Plan)	Commenter Author	Staff Response	Revisions Made
		<p>housing and jobs. Because the regional plan is based on a different forecast and a suite of policies - and is generated based on an economically-driven model rather than a traditional visioning process - the growth distribution was expected to be similar to but not the same as Envision San Jose 2040.</p> <p>Staff believes the analysis of the Big Cities alternative worked to capture many of San Jose's concerns about the insufficient jobs growth in San Jose.</p> <p>While the jobs and housing growth forecasts have not changed since the Final Preferred Scenario was adopted in November, MTC/ABAG staff would be willing to meet in-person or by phone to further discuss your continued concerns.</p>	
225	Ditching Dirty Diesel Collaborative	Thank you for your comments. As most of these comments are related to the EIR, please refer to the EIR response.	No action recommended.
226	City and County of San Francisco	Thank you for your comments. As most of these comments are related to the EIR, please refer to the EIR response.	No action recommended.
227	Peak, Tina	<p>Thank you for your comment. Under the terms of MTC and ABAG's settlement agreement with the Building Industry Association, all EIR alternatives must have the same control totals. Therefore it is not possible to evaluate a so-called "zero growth alternative" while complying with the settlement agreement.</p> <p>Refer to the EIR for responses on water supply/availability.</p> <p>Nearly all regional plans across the country anticipate more jobs than housing units, because multiple employed residents often share a single housing unit ("two-income households"). Plan Bay Area 2040 does start to address the housing shortage the region faces by increasing the rate of housing production going forward.</p>	No action recommended.
228	Tuolumne River Trust	<p>Thank you for your comment. Refer to the EIR for a response on water issues raised, as well as proposed corrections to data tables.</p> <p>The Draft Plan does make progress towards addressing the jobs/housing imbalance. The office caps policy was primarily included to</p>	No action recommended.

Comment ID (Plan)	Commenter Author	Staff Response	Revisions Made
		incorporate caps already on the books, rather than going beyond that. Additional job growth in San Francisco would align well with the robust housing growth that city is taking on. Your recommendation to study an alternative with drastically different job growth totals would conflict with MTC/ABAG's settlement agreement with the Building Industry Association.	
229	Magdole, John	Thank you for your comments. As most of these comments are related to the EIR, please refer to the EIR response.	No action recommended.
230	Bay Area Water Supply and Conservation Agency	Thank you for your comments. As most of these comments are related to the EIR, please refer to the EIR response.	No action recommended.
231	City of Santa Rosa	<p>Thank you for your comment. While there are some differences in housing and jobs forecasts for Santa Rosa, the estimates for the Draft Plan reflect the regional control totals and policy assumptions included in the Final Preferred Scenario. For these reasons, they may differ somewhat from local plans.</p> <p>While the jobs and housing growth forecasts have not changed since the Final Preferred Scenario was adopted in November, MTC/ABAG staff would be willing to meet in-person or by phone to further discuss your continued concerns.</p>	No action recommended.
232	City of San Rafael	<p>Thank you for your comment. With regards to OBAG 2, that program was finalized by MTC in 2016 and will not be altered as a result of language in the Plan Document. To clarify, all the Plan says is that funds are distributed based on population, past housing production, and future housing commitments. While cities generally do not directly build housing, a city can be more or less supportive of new development going forward to alter its competitiveness for funding.</p> <p>With regards to the water comments, refer to the EIR response.</p>	No action recommended.
233	Marin Audubon Society	Thank you for your comment. The appropriate forum for discussing additional goals or targets, given that goals and targets were approved in 2015 by MTC and ABAG, would be at the start of the next Plan cycle.	No action recommended.



Comment ID (Plan)	Commenter Author	Staff Response	Revisions Made
		<p>Many of the issues raised are dealt with in the EIR context.</p> <p>With regards to SR-37, the Plan includes funding for future studies to improve that corridor. However, construction projects on SR-37 were not submitted during the Call for Projects process.</p> <p>Refer to the EIR for responses to remaining comments.</p>	
234	Caltrain	<p>Thank you for your comment. Caltrain Electrification is showcased on pages 50-51 as a major regional project. The CalMod Phase 2 project within Santa Clara County is recognized in the fiscally-constrained Project List posted on 2040.planbayarea.org/reports.</p> <p>MTC/ABAG will review the Caltrain Electrification project costs and contact your staff with any further questions. Refer to the EIR response regarding crowding.</p>	No action recommended.
235	Brown, Monica	<p>Thank you for your comment. Plan Bay Area 2040 does not include any major capital projects on SR-37; rather, it funds ongoing planning. The toll road proposal would be evaluated in a future planning cycle, assuming that the North Bay counties' CMAs submit it for consideration.</p> <p>With regards to public transit, the Draft Plan invests in additional local and express bus service in Solano County, as well as a new Fairfield/Vacaville Capitol Corridor station for intercounty mobility.</p>	No action recommended.
236	Delta Stewardship Council	Thank you for comments. We look forward to working with your agency on implementation in the years to come.	No action recommended.
237	Eklund, Pat	<p>Thank you for your comment. MTC and ABAG do not plan on adding a water section to the Action Plan. However, this topic has been appropriately addressed through the EIR process. Water planning typically takes place on a local rather than a regional level. However, staff is adding a brief discussion related to the benefits and challenges associated with growth (including water availability). Staff is also adding a reference to the role of the Estuary Partnership in the Action Plan.</p> <p>At this time, MTC/ABAG do not propose</p>	<p>Add discussion related to the benefits and challenges posed by growth, including localized traffic, school crowding, water constraints, etc.</p> <p>Add Estuary Partnership to some of the Resilience Action Plan items as a partner.</p>

Comment ID (Plan)	Commenter Author	Staff Response	Revisions Made
		<p>changing the technical assumptions of the land use aspect of the Draft Plan, as this would affect the adopted forecasted development pattern. As noted in the Draft Plan, these are illustrative policies but demonstrate what sorts of policies might help achieve the land use vision established in the Plan.</p> <p>Staff concurs with comments associated with sea level rise. This issue is at the core of the Resiliency Action Plan, and staff will provide technical assistance to local jurisdictions in the years to come. This issue is also explored further in the EIR.</p> <p>With regards to transportation funding levels, the investment strategy outlined in the Draft Plan matches the Final Preferred Scenario adopted by MTC and ABAG in November 2016.</p> <p>With regards to UrbanSim, staff will continue to review all options available for land use models in the years to come. However, at this time, MTC/ABAG staff believe that UrbanSim is the best available tool to test the effects of policies on the regional growth pattern and to craft Plan Bay Area 2040.</p>	
238	AC Transit	<p>Thanks for your comments. With regards to mode shift, MTC and ABAG recognize the challenges associated with mode shifts in a funding-constrained environment. We have sought to fully fund many O&amp;M categories, but this leaves limited funding for expansion projects. Given that most expansion projects are not traditional highway investments, funding constraints are the primary challenge, not the allocation breakdown between roads and transit.</p> <p>With regards to transbay constraints, MTC/ABAG believe that the growth pattern in the Plan starts to tackle the demand side of the equation. Remember that the land use pattern is not a mere vision - it is an economic forecast based on specific policy actions to shift growth. These actions were selected, in part, to better balance housing and jobs in the East Bay.</p> <p>Given that transit operating accounts for the</p>	No action recommended.

Comment ID (Plan)	Commenter Author	Staff Response	Revisions Made
		majority of all dollars in the Plan, staff believes the current levels included in the Draft Plan are sufficient given funding constraints. Additional information is available in the Transit Needs Assessment; service enhancements are expected on AC Transit, both in terms of frequency boosts and new BRT lines. We would be happy to consider additional AC Transit BRT projects if they are submitted in a future Plan cycle. Only International & San Pablo BRT lines were submitted this cycle, and both were ultimately included in the Plan.	
239	Zone 7 Water Agency	Thank you for your comment. MTC and ABAG believe that water resources are appropriately discussed in the EIR context. Staff is adding language about challenges related to growth to the Plan Document to briefly acknowledge this issue.	Add discussion related to the benefits and challenges posed by growth, including localized traffic, school crowding, water constraints, etc.
240	SV@Home	<p>Thank you for your comment. Staff will review the Housing Action Plan to see if any additional specificity can be added. With regards to implementation, MTC's Vital Signs already tracks jobs-housing fit through housing affordability and jobs by wage level metrics.</p> <p>At this time, MTC/ABAG do not propose changing the technical assumptions of the Draft Plan, as this would affect the ultimate land use distribution. MTC/ABAG believe the 10 percent assumption is already aggressive in many communities with PDAs, while others will go above and beyond. For example, San Francisco recently reduced its share with the goal of increasing the total number of affordable units produced.</p> <p>With regards to transit, the Plan continues to invest in transit service and expansion to serve underserved communities.</p>	No action recommended.
241	Public Advocates et al.	Thank you for the comments included in your petition. As discussed above, staff met directly with 6 Wins to discuss these issues and has developed revisions accordingly.	Make changes to the Action Plan to reflect areas of agreement between 6 Wins and MTC/ABAG based on discussion in recent meetings.
243	Alameda County Water District	Thank you for your comments. As most of these comments are related to the EIR, please refer to the EIR response.	No action recommended.

Comment ID (Plan)	Commenter Author	Staff Response	Revisions Made
244	Diermeyer, Sonia	Thank you for your comments. As most of these comments are related to the EIR, please refer to the EIR response.	No action recommended.
WEB-1	Richard Hall	Thank you for your comment. Please refer to the original Plan Bay Area EIR master response discussing the benefits of smart growth to better understand how higher-density development yields transportation benefits for the region.	No action recommended.
WEB-2	Annemarie Kemeny	Thank you for your comment. The Plan does envision a changing workforce with service sector jobs rising - but jobs in resources and manufacturing (at a greater risk from automation) declining over time. Staff will review to determine if additional clarification can be added to the Draft Plan or its supplemental reports.	Add discussion of trends affecting employment forecast, including automation, to Land Use Modeling Report.
WEB-3	Roderick Llewellyn	The full project list is included in the Reports section of the Plan Bay Area 2040 Document website under Project List.	No action recommended.
WEB-4	Robert S. Allen	Thank you for your comment. Given that the Call for Projects took place in 2015-16, staff recommends sharing this project concept with your CMA for submission in the next long-range planning cycle.	No action recommended.
WEB-5	Aaron Sage	Thank you for your comment - MTC/ABAG are correcting this typo.	Correct photo caption to note that Oakland is the third largest city.
WEB-6	Marian Paroo	Comment field was blank.	No action recommended.
WEB-7	Jessica	The Draft Plan website has a translation feature for Spanish and Chinese - this aligns with MTC's Public Participation Plan requirements.	No action recommended.
WEB-8	Robin Furner	The online comment system allows you to submit a comment to the DEIR.	No action recommended.
WEB-9	Stephen Bingham	Thank you for your comment. MTC and ABAG did explore pricing options as part of the Environment, Equity, and Jobs alternative studied in the EIR context.	No action recommended.
WEB-10	Mary Holman	Thank you for your comment. Staff will forward this comment to the MTC and ABAG boards.	No action recommended.
WEB-11	Alan Scotch	Thank you for your comment. It should be noted that Senate Bill 375 requires that Plan Bay Area 2040 focus on the statutory greenhouse gas reduction target, as well as the statutory housing target to house the region's population.	No action recommended.

<b>Comment ID (Plan)</b>	<b>Commenter Author</b>	<b>Staff Response</b>	<b>Revisions Made</b>
WEB-12	L Edson	Thank you for your comment. Staff will forward this comment to the MTC and ABAG boards.	No action recommended.
WEB-13	Robert Miltner	Thank you for your comment. Staff will forward this comment to the MTC and ABAG boards.	No action recommended.
WEB-14	Susan	Thank you for your comment. The Plan itself does not affect the economic makeup of the region; those trends are occurring outside of the scope of the Plan and the future forecasts merely reflect them.	No action recommended.
WEB-15	Kevin Burke	Thank you for your comment. MTC and ABAG have historically advocated for housing reforms similar to those suggested in your comment, and the agencies are likely to continue doing so in the future.	No action recommended.
WEB-16	Alfred Twu	Thank you for your comment. Priority development areas are nominated by local jurisdictions, meaning that MTC and ABAG do not currently have the authority to designate additional areas per your suggestion.	No action recommended.
WEB-17	Stephen Nestel	Thank you for your comment. Staff will forward this comment to the MTC and ABAG boards.	No action recommended.



## Attachment C - Agenda Item 7c

HANDOUT COMMISSION Agenda Item 3  
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### *Memorandum*

TO: MTC Commission DATE: June 21, 2017  
FR: MTC Policy Advisory Council W.I. 1114  
RE: Plan Bay Area 2040 Action Plan: Policy Advisory Council Suggestions

At its Wednesday, May 10, 2017 meeting, the Policy Advisory Council held small group discussions on the Plan Bay Area 2040 Action Plan subjects. At its June 14, 2017 meeting, the Council subsequently met again to reduce the discussion down to a smaller list of policy suggestions to forward to the Commission for consideration. Below is that list that relates to the three subject topics of the Action Plan: housing, economic development and resilience.

#### **Housing**

- Use publicly-owned lands\* to create housing that is affordable (at higher densities)
- Create land banks and/or trusts to create housing that is affordable (at higher densities)
- Incentivize developers to create workforce and low-income housing
- Develop policies to retain existing housing and avoid displacement, including:
  - Incentivize landlords to keep rents/housing affordable
  - Assist low-income renters
- Incentivize the creation of accessory dwelling units or secondary units on existing housing stock

#### **Economic Development**

- Consider a means-based fare (that includes student-discounted or free fares) with the goal of regional implementation and coordination
- Study the possibility of repurposing existing lands as mixed-use centers, inclusive of housing
- Improve Plan Bay Area modeling to more effectively incorporate jobs and economic development impacts

## **Resilience**

- Create a Regional Resource Center in order to:
  - Consolidate efforts and information
  - Educate the public
  - Provide technical assistance
  - Provide a resource for speakers
  - Provide a resource for data
- Expand the focus of the Action Plan to incorporate social resilience, vulnerability and impact
- Search for an ongoing funding source for resiliency implementation (as opposed to strictly planning funds)
- Create a regional policy to reopen road facilities for access to as many transportation modes as possible soon after a major disaster, rather than leaving roads/systems closed to all modes simply because they are not accessible to some modes.
- Define which agency has statutory authority over which resilience-related issues (does there need to be one regional leadership group for this purpose?)

\*lands owned by transit agencies, government agencies, school districts, etc.

## **MTC/ABAG Initiatives to Address Affordability and Displacement**

### Background

Plan Bay 2040 focuses on the region's chronic housing affordability challenges including the ongoing and vexing problem of displacement. While the Plan improves the region's forecasted performance on these issues in comparison to the "No Project" scenario, conditions are expected to worsen over time. By 2040, the share of lower-income household income required for housing and transportation costs is expected to increase by 13 percentage points and the share of lower-income households at risk of displacement is expected to increase by 5 percentage points.

While these are disappointing results, Plan Bay Area 2040—a long-range regional blueprint for growth and investment—has only limited tools to correct these trends. At its core, the Plan comprises a transportation investment strategy and a forecasted development pattern—the latter of which is statutorily barred from pre-empting local land use authority. Moreover, the regional agencies currently lack the tools, resources, and authority to directly address identified issues of production, affordability, and displacement. Multiple entities at the local, regional, and state levels must take significant corrective steps to address these problems. This shared commitment forms the foundation of the Action Plan, which recommends a series of specific steps, including the advancement of regional self-help funding and financing solutions, state legislative and funding solutions, and evaluation of further opportunities to connect transportation funding to housing production and performance.

The draft Action Plan has undergone significant revisions in response to public comments and in consultation with affordable housing and equity advocacy groups. At the same time, MTC/ABAG staff acknowledge the deep frustration and sense of urgency that the regional agencies should do more to analyze, diagnose, or direct funding to correct these issues. The purpose of this document is to describe the planning, funding, and policy work undertaken by the regional agencies over the last several years on affordability and displacement, and reiterate the agencies' commitment to address these issues moving forward within the constraints of our authority. Specifically, the document:

- Reviews the Plan Bay Area 2040 approach to forecasting and analyzing the risk of displacement;
- Describes past and present ongoing initiatives by MTC/ABAG on affordable housing and displacement;
- Describes past and present ongoing initiatives by MTC on planning and funding transportation solutions for disadvantaged populations; and
- Lays out next steps with an emphasis on the Plan Bay Area 2040 Action Plan and CASA, the Committee to House the Bay Area.

### Plan Bay Area 2040 Approach to Forecasting the Risk of Displacement

Plan Bay Area 2040 describes a range of factors contributing to the lack of affordable housing in the Bay Area, including state and local regulations and tax policy, a lack of funding, and the gentrification pressures affecting the stock of "naturally occurring" affordable housing in higher density, transit-rich areas. These factors, coupled with the lack of adequate tenant protections, has worked to accelerate the displacement of lower-income residents and even many businesses from the region's core urban areas.

In response to this stark reality, Plan Bay Area 2040 worked to include a specific performance target related to displacement risk. While there is currently no precise tool available to predict which and what number of households would be displaced from a given neighborhood, current research allows planners to measure existing and future displacement risk. The methodology used is based on work



by the Regional Early Warning System for Displacement (REWS) study by the Center for Community Innovation at UC Berkeley ([www.urbandisplacement.org](http://www.urbandisplacement.org)). It is important to note that this approach highlights areas where lower-income households are potentially vulnerable to displacement; however, this study does not “predict” which specific neighborhoods will experience displacement, or how many households will be displaced in the future.

With a numeric target for ensuring displacement risk does not increase between the baseline and horizon years, ABAG and MTC are signaling the importance of this issue at the regional level. At the same time, regional agencies and stakeholders recognize that more specific local strategies will be needed beyond the scope of the Plan. The broader trend of risk is a function of job growth and wage disparities without an equal or greater expansion of adequate affordable housing at all income levels. The performance target relies upon a consistent geography as target #6 (affordable housing), emphasizing minimization of displacement risk for low- and moderate-income renters who live in PDAs, TPAs (transit priority areas, per Senate Bill 375), or high-opportunity areas (as defined under target #6). This ensures consistency between the region’s goals for affordable housing and minimization of displacement risk.

Displacement risk was calculated by measuring the decline of low and moderate-income households in PDAs, TPAs, or high-opportunity areas between the target baseline year and 2040. In order to forecast the risk of displacement in 2040 relative to conditions in the baseline year, the analysis compared the following data points [note that “lower-income” is defined as including both low- and moderate-income households; i.e., quartiles 1 and 2 for household income]:

- Number of lower-income households in the target baseline year in each TAZ; and
- Number of lower-income households in each TAZ in 2040 based on UrbanSim output (land use model)

Due to model limitations which make it impossible to identify household tenure by income level, all lower-income households are included in the target calculation. Only zones designated as PDAs, TPAs, or high-opportunity areas that lost lower-income households are included in the target calculation per the adopted language.

The analysis estimated which zones (i.e., TAZs) gained or lost lower-income households; those zones that lost lower-income households over the time period would be flagged as being “at risk of displacement.” The share of lower-income households at risk of displacement would be calculated by dividing the number of lower-income households living in TAZs flagged as PDAs, TPAs, or high-opportunity areas with an increased risk of displacement by the total number of lower-income households living in TAZs flagged as PDAs, TPAs, or high-opportunity areas in 2040.

The relative risk of displacement for each Plan scenario was estimated using this methodology, comparing to trends between year 2000 and year 2010 to establish baseline risk levels. Relative risk is varied between scenarios, since each scenario allocated households across the region based on different growth patterns.

Displacement risk was also considered in the Plan Bay Area 2040 Equity Analysis Report, which performs further analysis on the risk by location (including inside and outside Communities of Concern<sup>1</sup>). The analysis concludes that the proposed Plan decreases the share of affordable housing units in Communities of Concern by less than one percentage point. Despite this relatively neutral result, the proposed Plan performs better than two of the other three EIR alternatives in Communities

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1 Communities of Concern are defined by MTC as census tracts that have a concentration of both minority and low-income residents, or that have a concentration both of low-income residents and any three or more of the following six disadvantage factors: persons with limited English proficiency, zero-vehicle households, seniors aged 75 years and over, persons with one or more disabilities, single-parent families, and renters paying more than 50 percent of their household income on housing

of Concern. The exception is the EEJ scenario, which increases the share of affordable housing by 3 percentage points. The proposed Plan, however, performs better in the remainder of the region, which is the area outside Communities of Concern but still within PDAs, TPAs and high opportunity areas, by increasing the share of affordable units by 3 percentage points. This is better than, or as good as, the other EIR alternatives.

The Equity Analysis Report's study of displacement risk was conducted in close cooperation with the Regional Equity Working (REWG) group, which advises MTC/ABAG staff and is composed of stakeholders from around the region representing low-income and minority communities; seniors and persons with disabilities; staff representing local jurisdictions, transit agencies and county congestion management agencies (CMAs); public health departments; and community-based organizations and advocacy groups. All REWG meetings were open to the public. Moving forward, MTC/ABAG will continue to refine the methodology, data collection and modeling capabilities for the equity analysis. For more information, please refer to the Plan Bay Area 2040 Equity Report at <http://2040.planbayarea.org/reports>.

### MTC/ABAG Initiatives on Affordable Housing and Displacement

Recognizing the increasing link between transportation and land use policy including housing affordability, MTC has used its authority and creativity within the legal framework of individual transportation funding sources to create incentives for the production of housing and focused growth. MTC has played this role since the late 1990s through the Transportation for Livable Communities (TLC) Program, the Housing Incentive Program, the PDA Planning program and most recently through the One Bay Area Grant (OBAG) program.

In its role as the federally-designated metropolitan planning organization (MPO) and state-designated Regional Transportation Planning Agency (RTPA), MTC programs and allocates on the order of \$1.5 billion in transportation dollars annually. Of the amounts it programs and allocates, nearly 100 percent is stipulated by law or regulation to be used for transportation purposes. Transportation funding resources have detailed eligibility requirements and restrictions, and MTC has worked within these requirements to encourage a link between housing and transportation. Since MTC does not have the authority to take transportation dollars and use them for housing purposes, MTC has been judicious when linking transportation funding eligibility to housing policies.

MTC's One Bay Area Grant (OBAG) Program provides the clearest example of this transportation and housing link. OBAG is composed of federal transportation program apportionments from the regional Surface Transportation Block Grant Program (STP) and Congestion Mitigation and Air Quality Improvement (CMAQ) Programs. STP funds, in particular, provide more flexibility than most other federal transportation funding sources. Now known as *OBAG 2*, the second round of OBAG funding is projected to total roughly \$916 million to fund projects from 2017-18 through 2021-22. The OBAG 2 program is divided into a Regional Program, managed by MTC, and County Program, managed by the nine Bay Area Congestion Management Agencies (CMAs).

The OBAG 2 County Program totals \$386 million from FY 2018-2022. It provides funding directly to the nine Bay Area counties by a formula that takes into account both current population and future housing growth, for investment in a variety of transportation projects selected locally, with an emphasis on investments in PDAs. By contrast, most transportation fund sources allocated by formula rely on distribution factors such as road miles and gasoline sales. In the approval of OBAG 2 in July 2016, the MTC Commission also took action on several housing –related items related to the County program, including 1) a requirement that CMAs must adopt a specific scoring methodology for funding allocation to projects within PDAs or Transit Priority Areas (TPAs) that rewards jurisdictions with the most effective housing anti- displacement policies; and 2) a requirement that general law cities and counties must adopt a surplus land resolution by the date the

CMAs submit their OBAG 2 project recommendations to MTC. The resolution must verify that any disposition of surplus land undertaken by the jurisdiction complies with the State Surplus Land Act, as amended by AB 2135 in 2014.

Staff submitted detailed guidance to the CMAs on these issues via a technical memorandum dated October 7, 2016. This is located here:

[http://mtc.ca.gov/sites/default/files/OBAG2\\_Housing\\_Policies\\_Guidance\\_October\\_2016.pdf](http://mtc.ca.gov/sites/default/files/OBAG2_Housing_Policies_Guidance_October_2016.pdf)

In terms of regional programs, the following OBAG 2 programs place a strong emphasis on affordable housing or anti-displacement:

*PDA Planning Program-* Over the last several years, MTC has awarded 51 PDA Planning grants, which have resulted in increased planning capacity for 70,000 housing units, 110,000 jobs and 26 million square feet of commercial development. In OBAG 2, the PDA Planning Program will give priority to cities with high risk of displacement in order to support the development of local policies and programs. A portion of this program will also be dedicated to the Community-based Transportation (CBTP) grant program. These locally-led plans address the mobility needs of low-income households in the region's 35 Communities of Concern. Grant funds will be used to update CBTPs that are in many cases more than 10 years old.

*Housing Production Incentive-* As part of the OBAG 2 framework, MTC will develop a challenge grant program- the "80K by 2020 Challenge"- for the production of affordable housing. The purpose of the program is to reward jurisdictions that produce the most housing units at the very low, low, and moderate income levels. The proposed concept for this program is to set a six year target for production of low and moderate income housing units (2015 through 2020) based on the housing unit needs identified through the Regional Housing Needs Allocation (RHNA) for 2014-22. The target for the proposed challenge grant period is 80,000 low and moderate income units (35,000 very low, 22,000 low and 25,000 moderate units). The units would need to be located in PDAs or in TPAs. Additionally, to be credited towards reaching the production targets, very low and low income units need to be deed restricted; moderate income units do not require deed restriction to be credited in the program. At the end of the production challenge cycle, MTC will distribute grant funds to the jurisdictions that contribute the most toward reaching the regional production target. To keep the grant size large enough to serve as an incentive for housing production, the grant program would be limited to no more than the top ten producers of affordable housing units, or fewer, if the 80,000 unit target is reached by less than ten cities. Staff will provide annual progress reports on production of affordable housing units.

*Naturally-Occurring Affordable Housing (NOAH)-* Consistent with the OBAG 2 framework and PDA Planning Program, this revolving loan fund will be established as a complement to the existing Transit Oriented Affordable Housing (TOAH) loan products for new construction. In 2011, MTC committed \$10 million in seed funding to the TOAH fund, which provides flexible, affordable loans to developers for the purchase of properties near transit for the development of affordable housing, retail space, and other critical services such as child care centers, fresh food outlets and health clinics. By supporting growth along transit corridors in Priority Development Areas, TOAH promotes compact land use patterns, which aligns with the region's Sustainable Community Strategy. MTC committed an additional \$10 million to the fund in 2014. NOAH loans would be used to buy apartment buildings to create long-term affordability where displacement risk is high and to secure long-term affordability in currently subsidized units that are set to expire. NOAH investments will be made in PDAs or Transit Priority Areas.

In a few limited cases, MTC has been able to partner with a sales tax agency to exchange transportation dollars for more flexible funds to help fund pilot programs – TOAH and NOAH – that are direct investments in housing or housing loan programs. The dollars that have been used to fund these \$20 million in investments are not an on-going or reliable funding stream so MTC has not scaled up these programs or relied upon them in the assumptions about future funding programs.

MTC/ABAG also provide other venues for regional coordination and advocate for state legislative change on behalf of the region. A sampling of these activities is as follows:

*Local funding tools and mechanisms* - MTC/ABAG will continue to advocate for finding a replacement for redevelopment funding that was lost in 2011. Redevelopment Agencies (RDAs) had the authority to assemble parcels and pay for infrastructure improvements necessary to promote infill development. RDAs were the largest source of funding and financing for these improvements as well as affordable housing in the state. With the demise of RDAs, the Bay Area lost about \$1 billion in annual tax-increment financing for affordable housing projects, critical infrastructure improvements, and economic development projects in designated areas.

*Federal funding for housing and community development programs* – MTC/ABAG will continue to advocate for stabilizing and potentially growing housing-related programs and funding at the federal level, including the HOME Investment Partnership Program and the Community Development Block Grants, which help local jurisdictions increase the supply of a variety of workforce housing opportunities. In recent decades, though, funding for both programs has fallen drastically.

*Ongoing Collaboration* – MTC/ABAG will continue convene regional committees for housing including the Housing Forum, Housing Subcommittee of the Regional Planning Committee, and the upcoming CASA initiative, which is described in more detail below.

#### MTC's Initiatives on Funding Transportation Solutions for Disadvantaged Populations

Minorities, low-income residents, and other transportation-disadvantaged populations directly benefit from investments in public transportation. In the Bay Area, low-income residents accounted for 25 percent of the region's total population in 2014, but they took 52 percent of the region's transit trips in the same year. Similarly, residents from racial and ethnic minorities represent 59 percent of the region's population, and yet account for 62 percent of all transit trips. Recognizing the key role of the public transportation system in meeting the mobility and access needs of the region's low-income, minority, and other transportation-disadvantaged populations, Plan Bay Area 2040 allocates almost 64 percent of the total plan revenue, or about \$194 billion of \$303 billion over a 24-year period, to the operations, modernization and expansion of public transportation. That two-thirds funding commitment is considerably in excess of public transit's market share of all trips.

MTC's commitment to addressing the mobility and access needs of low-income, minority and other transportation-disadvantaged populations such as seniors and people with disabilities is reflected in the ongoing programs and planning efforts described below.

*Community-Based Transportation Planning Program.* In 2002, MTC created the Community-Based Transportation Planning (CBTP) Program to provide planning grants for low-income communities to identify and prioritize transportation projects, programs and services that would improve their residents' mobility and access. Funding is provided to county congestion management agencies (CMAs) to implement a collaborative planning process involving residents, community- and faith-based organizations, transit operators, local jurisdictions, and

MTC, among other stakeholders. As of December 2016, more than 35 CBTP grants have been completed across the region. The second round of the One Bay Area Grant program (OBAG 2), adopted in 2016, includes \$1.5 million to update these plans, and to develop new community-based plans for Communities of Concern identified in the proposed Plan.

*Lifeline Transportation Program.* In 2005, MTC created the Lifeline Transportation Program (LTP) to fund projects and programs that meet mobility and access needs of low-income populations in the region. Since 2005, MTC has awarded over \$255 million in LTP funds to more than 280 projects, across all nine counties. LTP projects are administered by CMAs and involve determining the eligibility of grant proposals and appointing local review teams to evaluate outcomes. LTP projects must address transportation gaps or barriers identified in CBTP or other local planning efforts in low-income neighborhoods. The type of projects funded through LTP include: fixed-route bus service, transit stop improvements, pedestrian and bicycle access improvements, transportation services for seniors and children, community shuttles, and auto loan programs. Plan Bay Area 2040 directs an additional \$800 million, or \$33 million annually, to continue the LTP.

*Regional Means-Based Transit Fare Study.* In 2015, MTC launched a study to evaluate the feasibility and effectiveness of implementing a transit fare subsidy program based on household income. The Regional Means-Based Transit Fare Study includes three main objectives: make transit more affordable for low-income residents, move toward a more consistent regional standard for fare discounts, and avoid worsening transit operators' service levels or financial performance. MTC formed a technical advisory committee, composed of transit operators, community groups, and other stakeholders, to advise staff on the scope and methodology for the analysis. Key areas of focus for the study include identifying the following: possible fare structures and payment methods, eligible recipients, overall program costs, potential funding sources, impact on transit agencies' fare revenue, relationships to existing discounts, and any anticipated technical challenges. The final report is expected to be completed by mid-2017. Plan Bay Area 2040 directs an additional \$150 million to implementation of the Means-Based Study.

*Bicycle and Pedestrian Investments and Efforts.* MTC's active transportation planning program supports multiple initiatives related to bicycling and walking in the region, including MTC's Complete Streets policies and programs, Bay Area Bike Share program, Bike to Work and Spare the Air Youth programs, and the San Francisco Bay Trail and Water Trail. Investing in the bicycle and pedestrian network, bike share programs, safety improvements and encouragement efforts can benefit transportation-disadvantaged communities that rely on active modes for a higher share of essential trips.

Plan Bay Area 2040 directs \$5.1 billion to bicycle and pedestrian improvements in the region over the plan period. In the nearer-term, when the Bay Area Bike Share expansion program launches in summer 2017, first-year membership will be available for low-income residents for only \$5 and the marketing campaign will include broadened community outreach. After the first year, low-income members will pay only \$5 per month to keep riding.

*Coordinated Public Transit–Human Services Transportation Plan.* MTC's Coordinated Public Transit–Human Services Transportation (Coordinated) Plan seeks to improve transportation coordination in the region to address the transportation needs of low-income populations, seniors and persons with disabilities. Consistent with requirements established by the Fixing America's Surface Transportation (FAST) Act, MTC is currently updating the Coordinated Plan to coincide with the adoption of the proposed Plan. MTC's current Coordinated Plan was adopted in 2013. Federal law requires that projects selected for funding under the Elderly Individuals and Individuals with Disabilities (Section 5310) be derived from a locally developed, coordinated public transit-human services transportation plan. Federal law also requires that the plan be

developed through a process that includes representatives of public, private, and non-profit transportation and human services providers. Plans must identify the transportation needs of low-income populations, seniors and persons with disabilities; provide strategies for meeting these needs; and prioritize transportation services for funding and implementation. This draft Plan is consistent with the 2013 Coordinated Plan.

*Paratransit:* MTC sets aside 10 percent of FTA's Section 5307 program funds for Americans with Disabilities Act (ADA)-compliant paratransit service. The program provides approximately \$20 million annually to eligible paratransit service in urbanized areas. In addition to 5307 funds, the State Transportation Account (STA) provides approximately \$8 million annually for eligible paratransit service.

*Other Transit Programs:* MTC partners with Caltrans to administer the Section 5310 funds to meet the mobility needs of seniors and people with disabilities in the Bay Area. The program provides approximately \$4.5 million annually to eligible projects in the region. Section 5310 funds are distributed to states to provide grants for nonprofit agencies that provide transportation services to seniors and people with disabilities. In the last cycle of funding (fiscal years 2013 and 2014), 56 percent of Section 5310 funding was used for mobility management, 32 percent for purchasing vehicles, and 12 percent for operations. Section 5311 provides funds for transit capital projects and operations in non-urbanized areas. These funds are also eligible for paratransit service. The program provides approximately \$1.5 million annually to eligible projects in rural communities.

*San Francisco Bay Area Goods Movement Plan.* In early 2016, MTC published the San Francisco Bay Area Goods Movement Plan, which is closely integrated with the Alameda County Transportation Commission's countywide planning efforts. The plan identifies five key goals, many of which benefit communities of concern. These include: increasing economic growth and prosperity; reducing environmental and community impacts and improving the quality of life in communities most affected by goods movement; providing safe, reliable, efficient and well-maintained freight movement facilities; promoting innovative technology strategies to improve efficiency; and preserving and strengthening the multi-modal transportation system that supports freight movement.

*Regional Climate Initiatives.* Plan Bay Area 2040 directs \$794 million toward climate initiatives to reduce greenhouse gas emissions and other pollutants. Examples of initiatives include: commuter benefits (a pre-tax commute program), car-sharing, vanpooling, a Clean Vehicle Feebate Program, smart driving strategies, a vehicle buy-back and purchase incentive program, a regional electric vehicle charger network, and the climate initiatives innovative grants. Low-income people of color may be most vulnerable to impacts of climate change. If structured well, efforts to reduce emissions could benefit all residents in the region, including vulnerable populations.

#### Next Steps: Plan Bay Area 2040 Action Plan

Plan Bay Area 2040 paints a stark picture of the region's affordability and displacement problems. While MTC/ABAG have been working on multiple fronts to orient much of their planning and funding efforts toward these issues, the fact remains the Bay Area will need to pursue a multi-pronged strategy to address the ongoing housing affordability crisis, including the production of new homes at all income levels, protection of households at-risk of displacement, and dedication of additional financial resources to pursue effective solutions. To that end, the Plan Bay Area 2040 Action Plan recommends strengthening and expanding existing regional housing initiatives and pursuing more ambitious policy solutions at the state, regional, and local levels.

As noted in the Action Plan, two new endeavors will improve the region's ability to address its chronic housing affordability challenges. First, the recent integration of MTC and ABAG staff will lead to more effective long-range planning and increase the region's housing policy capacities. Second, the newly created CASA initiative is bringing together diverse interests to develop a bold new strategy for housing production, preservation, and protection. Together these efforts will expand data gathering and technical assistance and recommend a range of legislative, funding and policy measures to help provide for the region's housing needs at all income levels.

CASA is bringing together a multi-sector set of partners to identify and agree upon significant regional solutions that address the region's chronic housing challenges and advance equity and economic health in the nine-county Bay Area. Through stakeholder engagement, research, and interviews, CASA will develop a comprehensive regional approach to the housing crisis, focusing on increasing housing supply, improving housing affordability, and strengthening preservation and anti-displacement measures. Objectives include a suite of legislative, financial, policy, and regulatory recommendations, with partners agreeing on a path forward and working together on implementation. A final report is scheduled for release by the end of 2018.

Additionally, the Action Plan proposes a series of other steps with an eye toward housing production, preservation, and anti-displacement, including:

- Advance regional “self-help” funding and financing solutions for housing
- Advance state legislative and funding solutions
- Building on recent housing policy successes
- Evaluate expanded policies connecting transportation funding to housing production and performance
- Provide technical assistance and best practices to local jurisdictions related to the transformation of “opportunity areas”
- Strengthen technical assistance and policy leadership for housing and community stabilization
- Close data gaps and improve information accessibility

Please refer to the Plan Bay Area 2040 document at <http://2040.planbayarea.org/> to view the full Action Plan.