

M E M O R A N D U M

Agenda Item 3

TO: Regional Advisory Working Group

DATE: September 26, 2018

FR: Mark Shorett

RE: Horizon Perspective Paper #3 Preview – Regional Growth Strategies

Summary

At its October meeting, staff will provide the RAWG with a preview of work completed to date on the third *Horizon* Perspective Paper - *Regional Growth Strategies*. The paper considers the successes and shortcomings of the Bay Area's current regional growth framework, which aims to focus new housing and jobs in Priority Development Areas (PDAs) while preserving Priority Conservation Areas (PCAs). Staff is seeking input on preliminary findings and potential framework options.

Perspective Paper Objectives

The *Regional Growth Strategies* Perspective Paper is intended to:

- Identify successes and shortcomings with the current PDA-based growth framework
- Investigate potential new options for a regional growth framework that meets our housing needs, reduces GHG emissions, and supports *Horizon's* Guiding Principles
- Develop planning, policy, and funding strategies for each option
- Spur a larger conversation about updating the region's growth framework next year in preparation for *Plan Bay Area 2050*

Work to Date: Key Findings

Staff analysis of recent regional growth trends and local plans reveals that:

- **The Bay Area is trending toward focused growth in PDAs and open space preservation.** The share of the region's housing growth in PDAs has increased dramatically since the last recession. Development outside of the region's urban footprint has slowed significantly, while the amount of open space permanently protected continues to grow.
- **We are not doing enough to address our housing crisis and reduce auto travel – inside or outside PDAs.** The Bay Area continues to permit only a small fraction of the housing units needed for very low-, low-, and moderate-income households. Meanwhile, the number of miles driven by Bay Area residents remains stubbornly high, threatening our ability to meet GHG reduction targets.
- **The current Regional Growth Framework excludes many locations that could help the region meet its targets.** Like PCAs, PDAs are nominated voluntarily by Bay Area cities. While this approach has helped build consensus around the region's current growth framework, it has resulted in the exclusion of many transit-rich locations that local jurisdictions do not choose to nominate as PDAs. Overall, the set of places currently targeted by the region for focused growth may not be adequate to solve the region's housing crisis and climate challenge.

- **The complexity of current and future challenges calls for a more holistic framework.** While focusing growth in locations with a reduced carbon footprint is essential, it is clear that other goals from the *Horizon* Guiding Principles should be considered as well. Going forward, the region would benefit from continued land use-transit coordination while also including housing and land use strategies to retain the region's diversity, address a full range of environmental hazards, improve access to opportunity, and maximize affordability for all.

Next Steps: Regional Growth Framework Options and Strategies

To advance regional dialogue, staff will introduce three preliminary growth framework options through the Perspective Paper for further discussion:

- 1) **Double Down on PDAs** - the region would pursue strategies to continue the focus on PDAs as primary location for housing growth and to increase the share of employment growth in those locations. Policies and investments would be tailored to the market and socioeconomic conditions of different PDAs to improve the ability of cities to concentrate new housing close to transit.
- 2) **PDAs Plus** - the region would expand its focus to include PDAs as well as transit-rich areas and other opportunity sites, such as aging malls and office parks. Context-driven strategies would focus on housing production and GHG reduction throughout the region while mitigating impacts and boosting access to opportunity.
- 3) **Clean Slate** - the region would continue to support transit-oriented, infill locations, but housing needs would also be met through a focus on middle-density housing in existing neighborhoods and the strategic expansion of the urban footprint.

Policy and funding strategies supporting the options will also be introduced in the paper, as well as "potential focus areas"—types of locations to consider prioritizing regional resources to achieve our full housing needs.

Feedback from MTC/ABAG committees, local staff, CASA participants, and stakeholders will shape the *Growth Strategies* Perspective Paper released in December 2018. The paper's key strategies will be tested across a series of divergent futures ("what if..." planning scenarios). The paper will also inform a dialogue leading to a potential update of the regional growth framework in 2019 that will shape *Plan Bay Area 2050*.

Requested Feedback

Staff request RAWG feedback on the following questions:

- Which aspects of the current PDA-focused framework are most and least effective?
- What opportunities and challenges are associated with each framework option?
- Which strategies could be pursued by cities, ABAG/MTC, and the state to implement each framework option?

Attachments

- Attachment A: *Regional Growth Strategies* Perspective Paper Preview (PowerPoint Presentation)



H O R I Z O N

Regional Growth Strategies

Perspective Paper #3 - Work to Date/Preview
Mark Shorett - Regional Advisory Working Group
October 2, 2018

Horizon is exploring how economic, environmental, technological, and political uncertainties may create new challenges - or exacerbate existing ones - for the Bay Area over the coming decades.

H O R I Z O N

Futures Planning

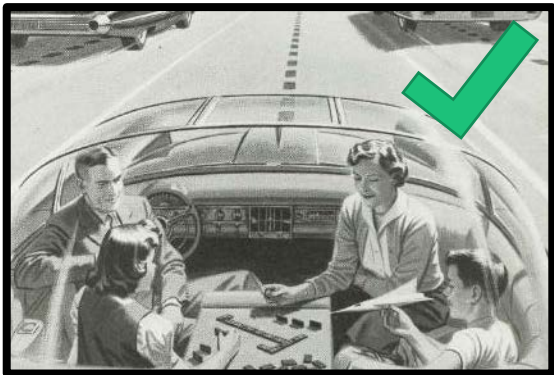
Perspective Papers

Project Performance

For more information, go to:
[bayareametro.gov/horizon](https://www.bayareametro.gov/horizon)

PLAN BAY AREA 2050

Perspective Papers



1) Autonomous Vehicles



2) Toward a Shared Future



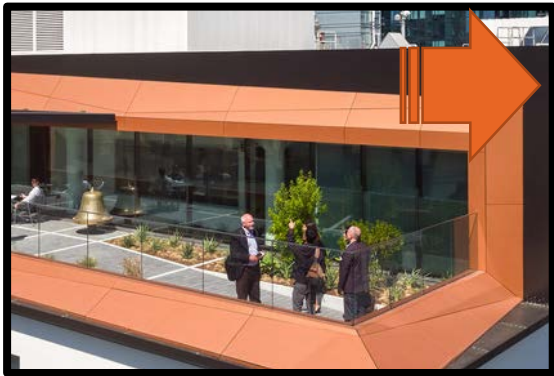
3) Growth Strategies



4) Crossings



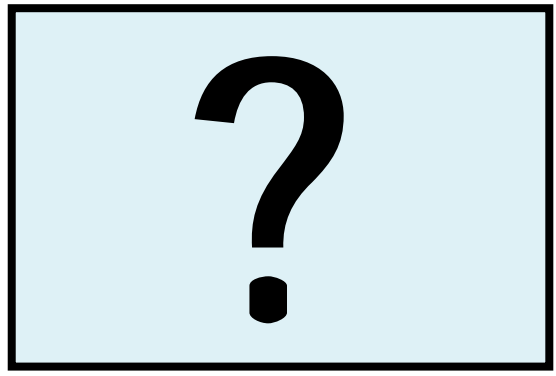
5) Future of Jobs



6) Governance



7) Sea Level Rise



More to Come?

Perspective Paper 3: Regional Growth Strategies

Purpose

To identify successes and shortcomings with the current PDA-centric growth framework

To investigate potential new options for meeting regional housing needs and reducing GHG emissions, while aligning with Horizon Guiding Principles

To develop planning, policy, and funding strategies for each option

To spur a larger conversation about updating the regional growth framework next year in preparation for Plan Bay Area 2050

Perspective Paper 3

Work to Date

Overview of Today's Presentation

1

What is a regional growth framework?

2

How is our current framework doing?

3

What's missing from our current framework?

4

What are some options & strategies going forward?

Paper 3 slated for release in December/January
Seeking input this month from stakeholders



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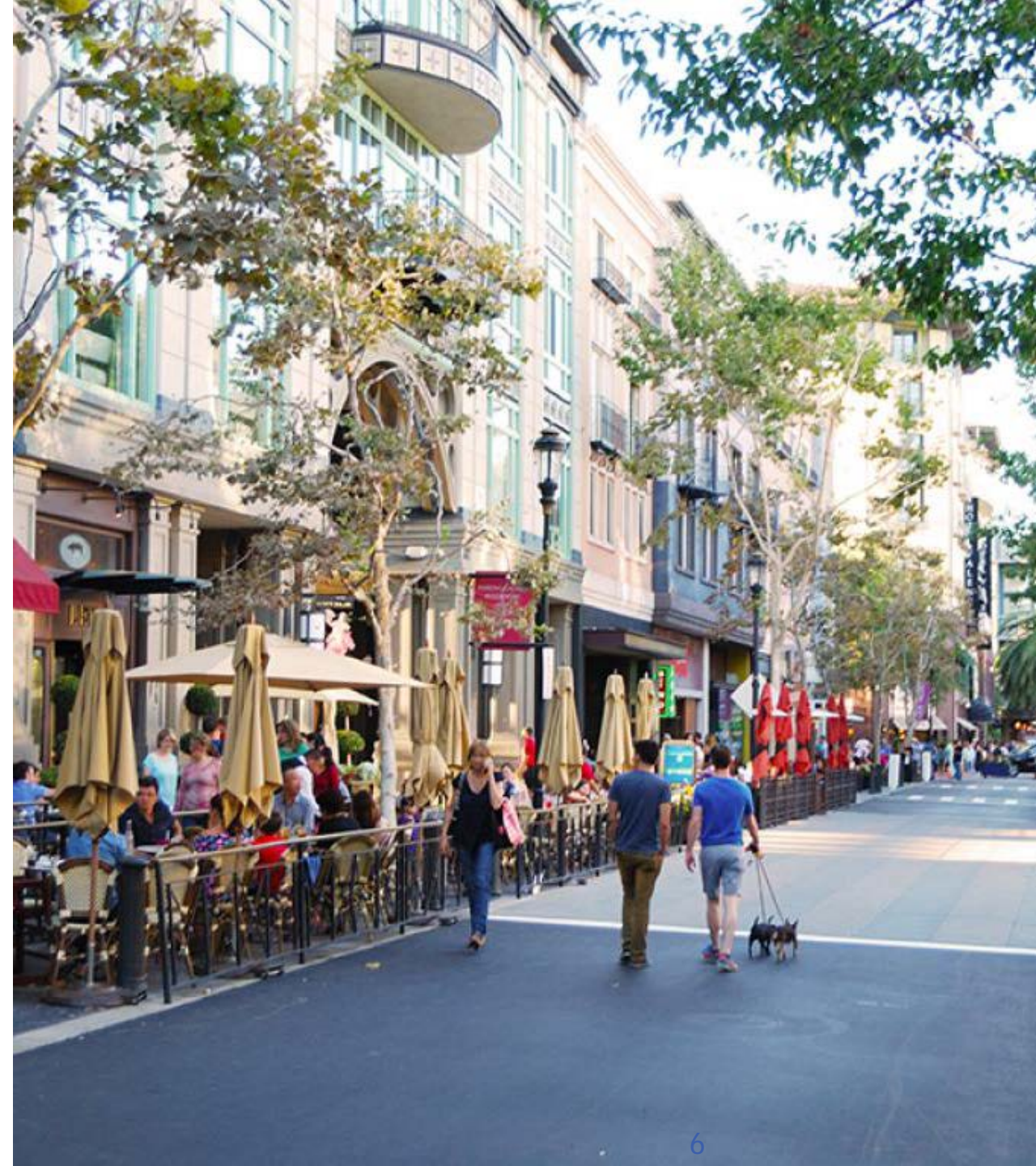
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What's missing from our current framework?

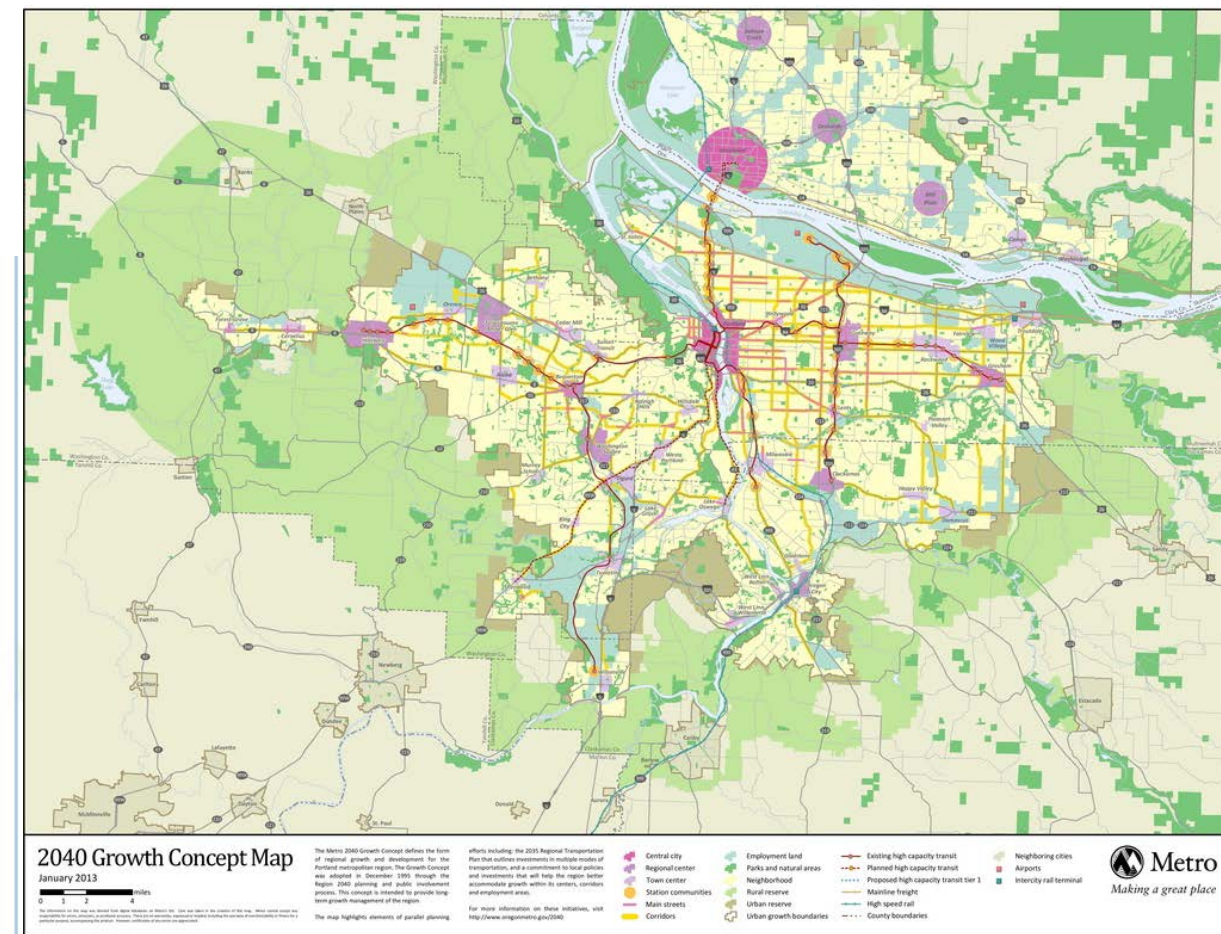
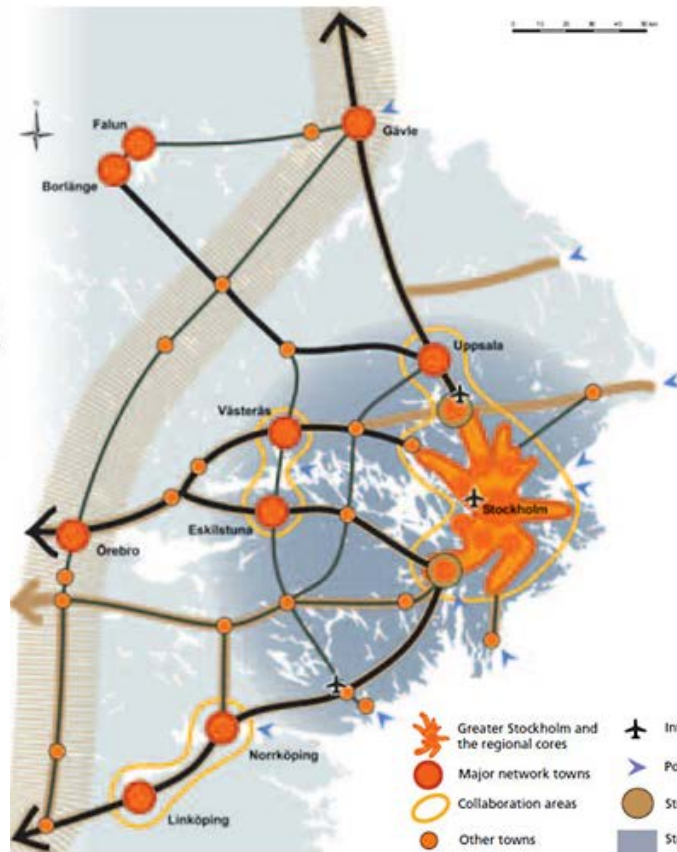
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What are some options & strategies going forward?

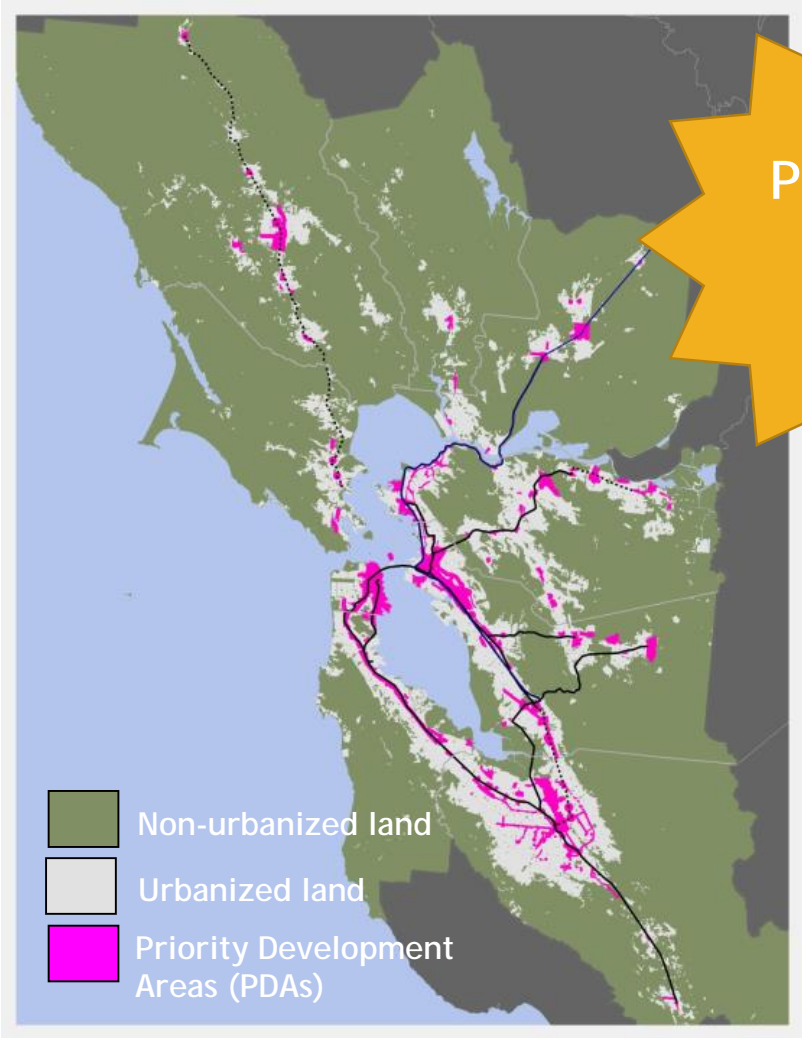
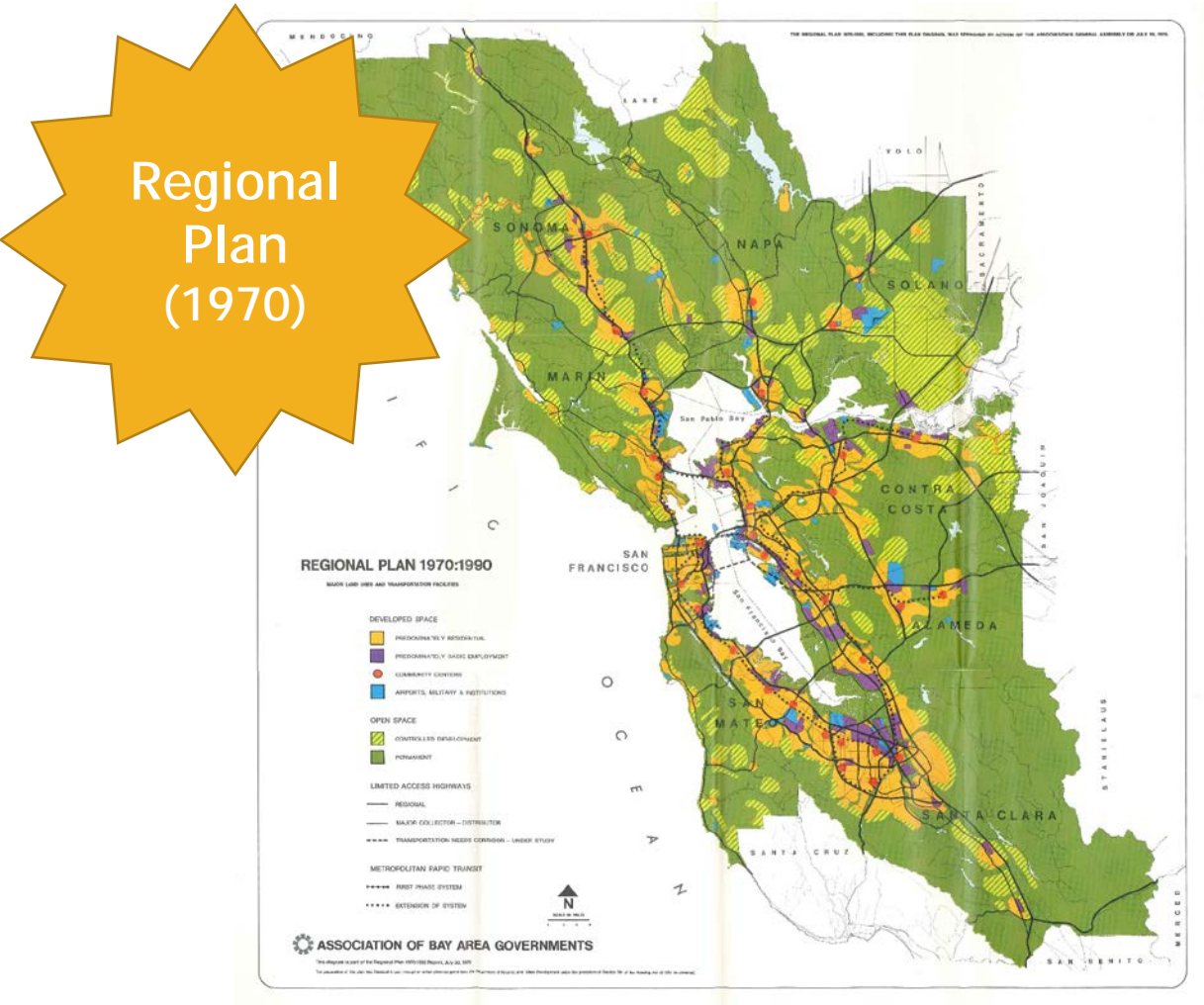
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Examples from Across the Globe



Growth Frameworks for the Bay Area



The Current Growth Framework



PDA

Focus Housing and Jobs in Priority Development Areas

- Voluntarily adopted by cities; planned, or being planned, for housing
- Within walking distance of frequent transit & inside an existing community

PCA

Protect Open Space in Priority Conservation Areas

- Voluntarily nominated by cities and special districts (e.g. park districts)
- Regionally significant open spaces



The Current Growth Framework

Invest in PDAs and PCAs via
One Bay Area Grant (OBAG)

OBAG devotes a share of regional transportation funds to planning and projects in PDAs and PCAs



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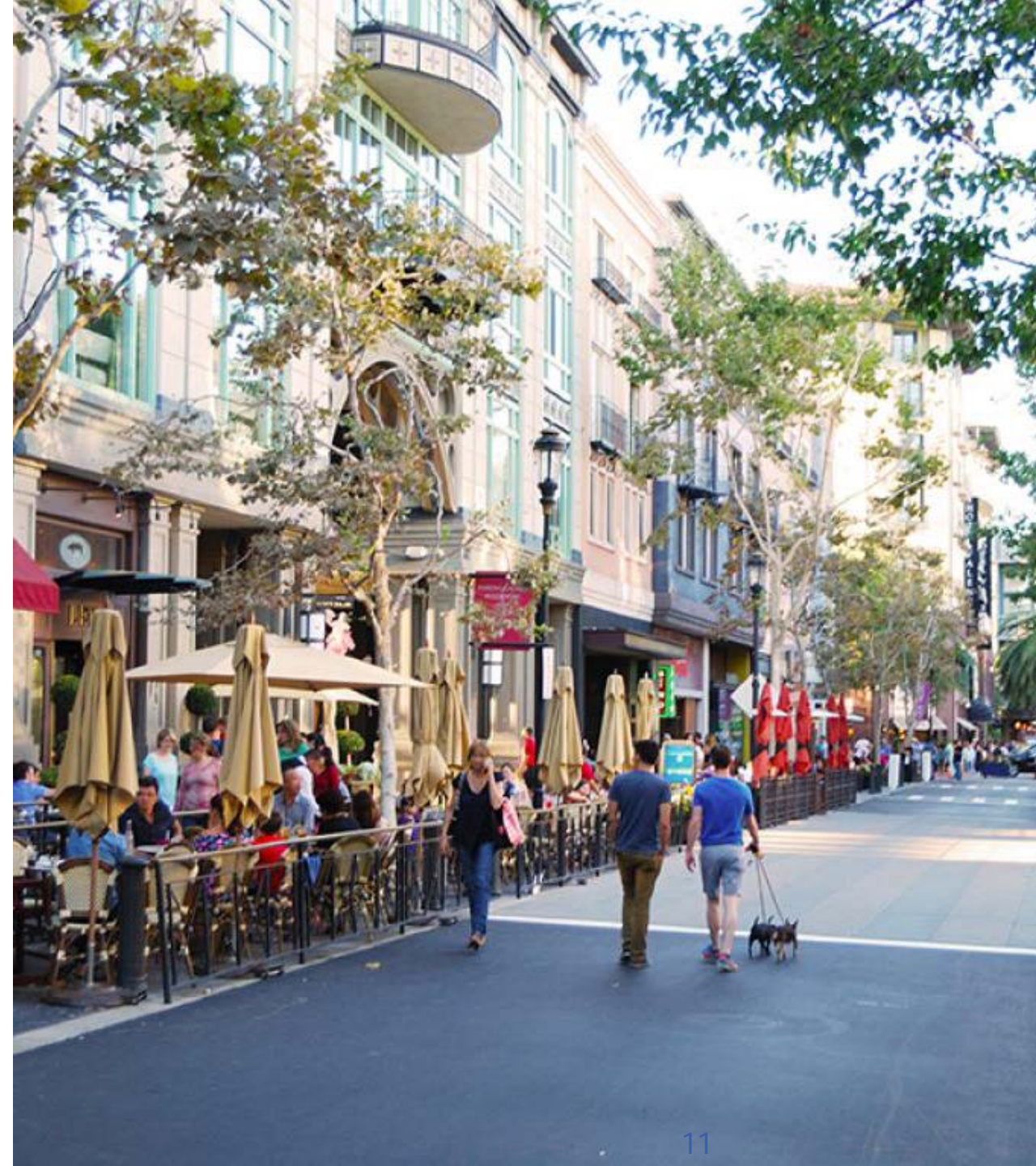
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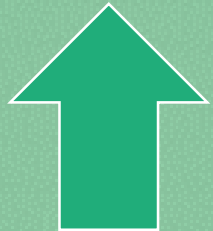
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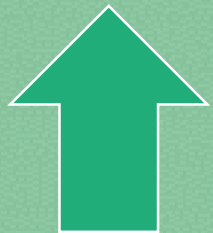
Successes & Challenges



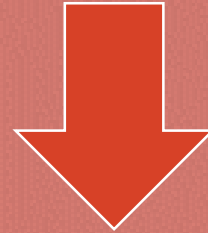
- Effective open space protection
- 188 adopted PDAs



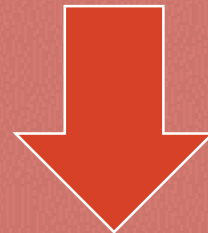
- Share of housing permits in PDAs increasing
- OBAG aligns investment with growth strategy



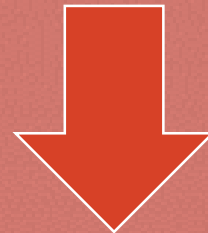
- Stronger real estate markets in PDAs across region



- Some PDAs not aligned with program guidelines
- Many cities do not designate transit-rich areas PDAs



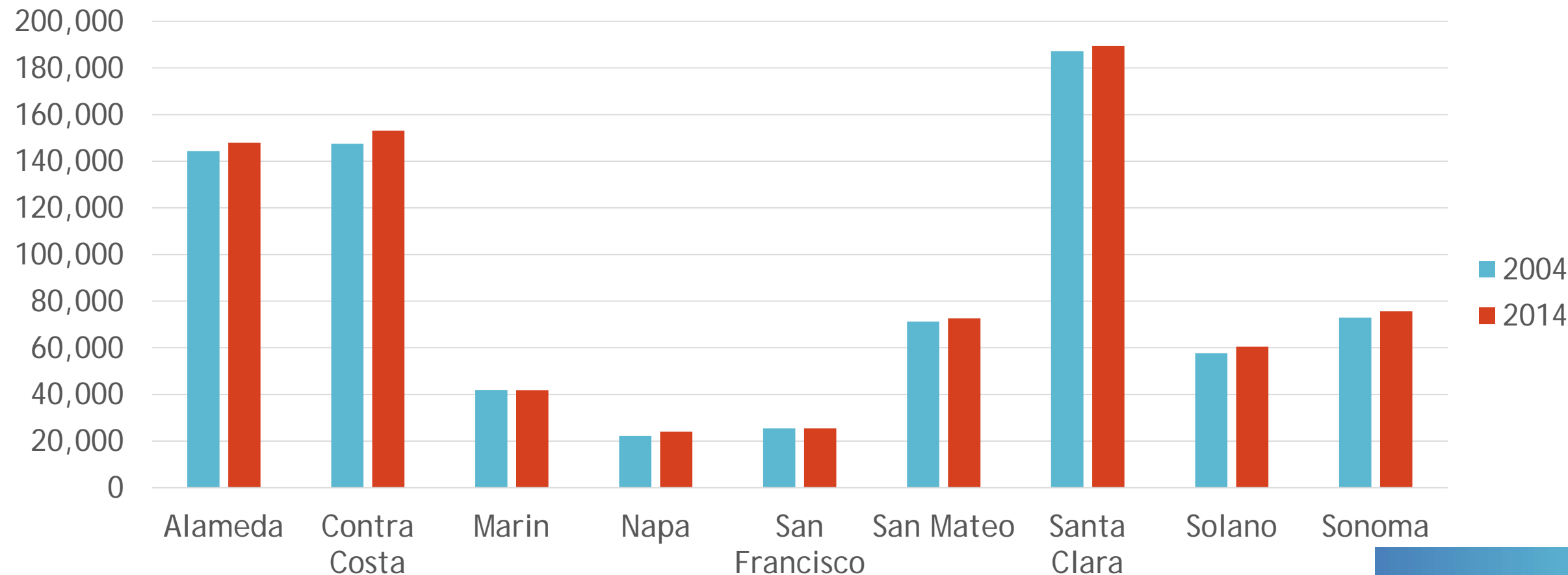
- Current share well below PBA 2040 forecast
- Low and moderate income housing needs not met



- Increasing displacement pressure in many PDAs

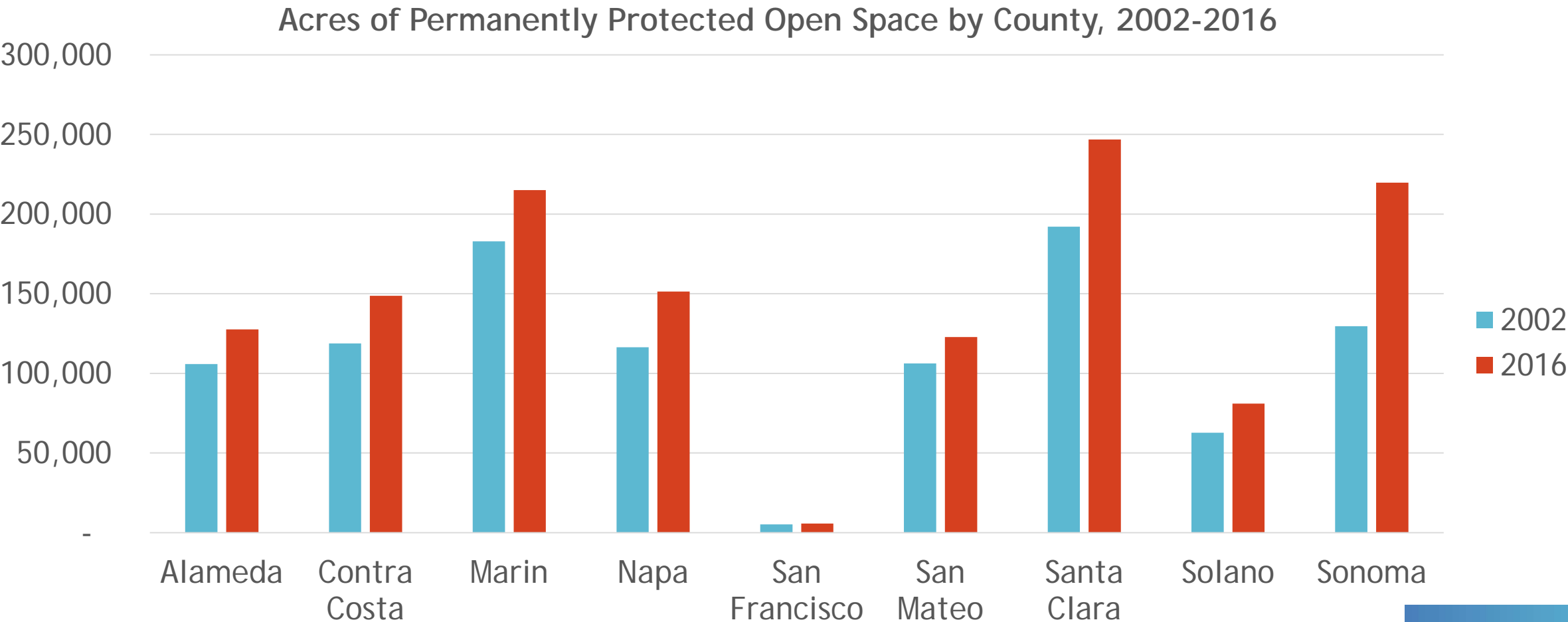
Greenfield Development: Limited Growth

Acres of Urbanized Land by County: 2004-2014

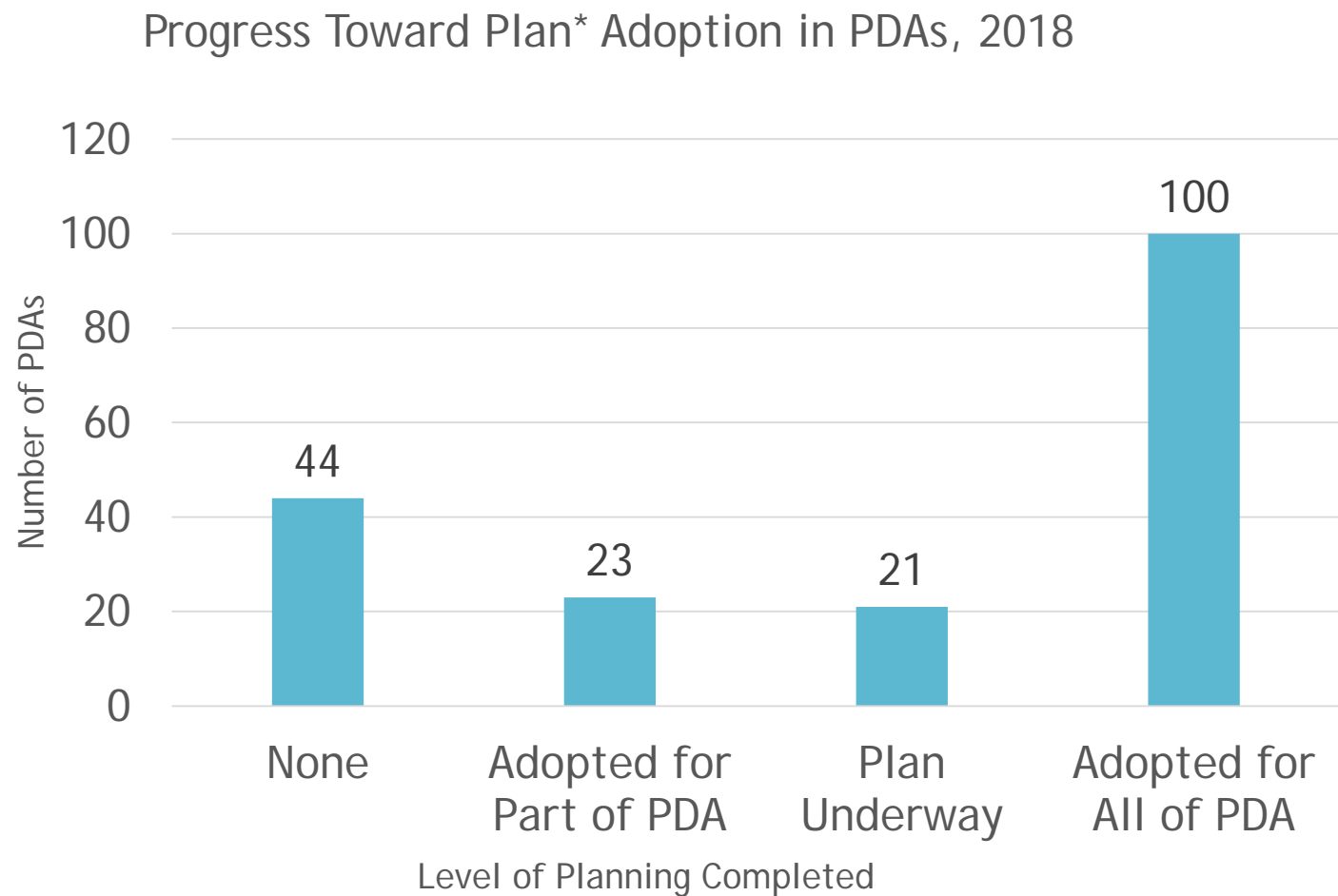


Source: Vital Signs/California Farmland Mapping and Monitoring Program
Current Framework

Open Space: Increased Protection



Plans Underway or Complete in 75% of PDAs



* = defined as specific plan or equivalent
Source: MTC/ABAG Survey of Locally Adopted Plans
Current Framework



**Broadway-Valdez
Specific Plan**
Oakland

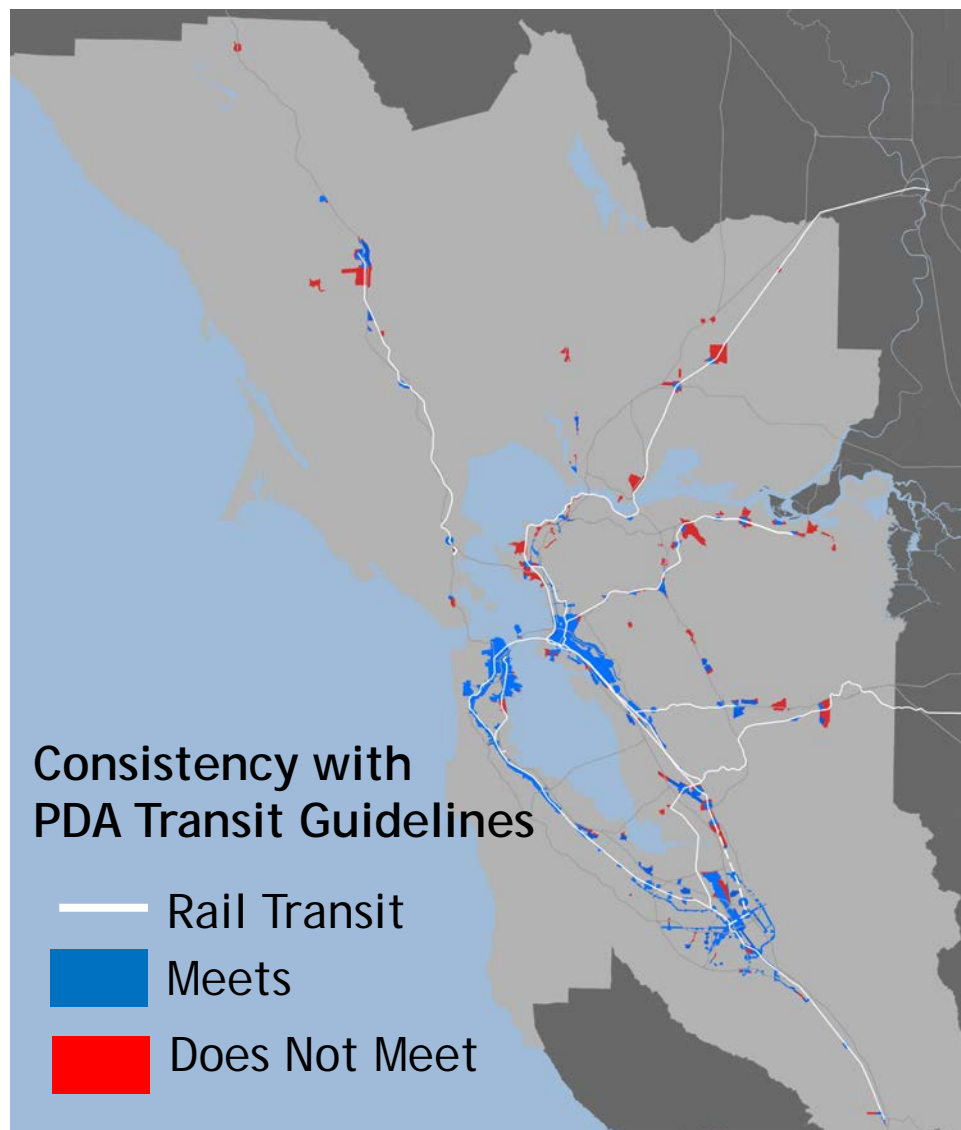


**Central Petaluma
Specific Plan**
Petaluma



**Downtown
Precise Plan**
Redwood City

Some PDAs Do Not Meet Guidelines



1/4

of PDAs are not well-served* by frequent transit as defined by PDA program guidelines**

* = defined as less than 50% of PDA

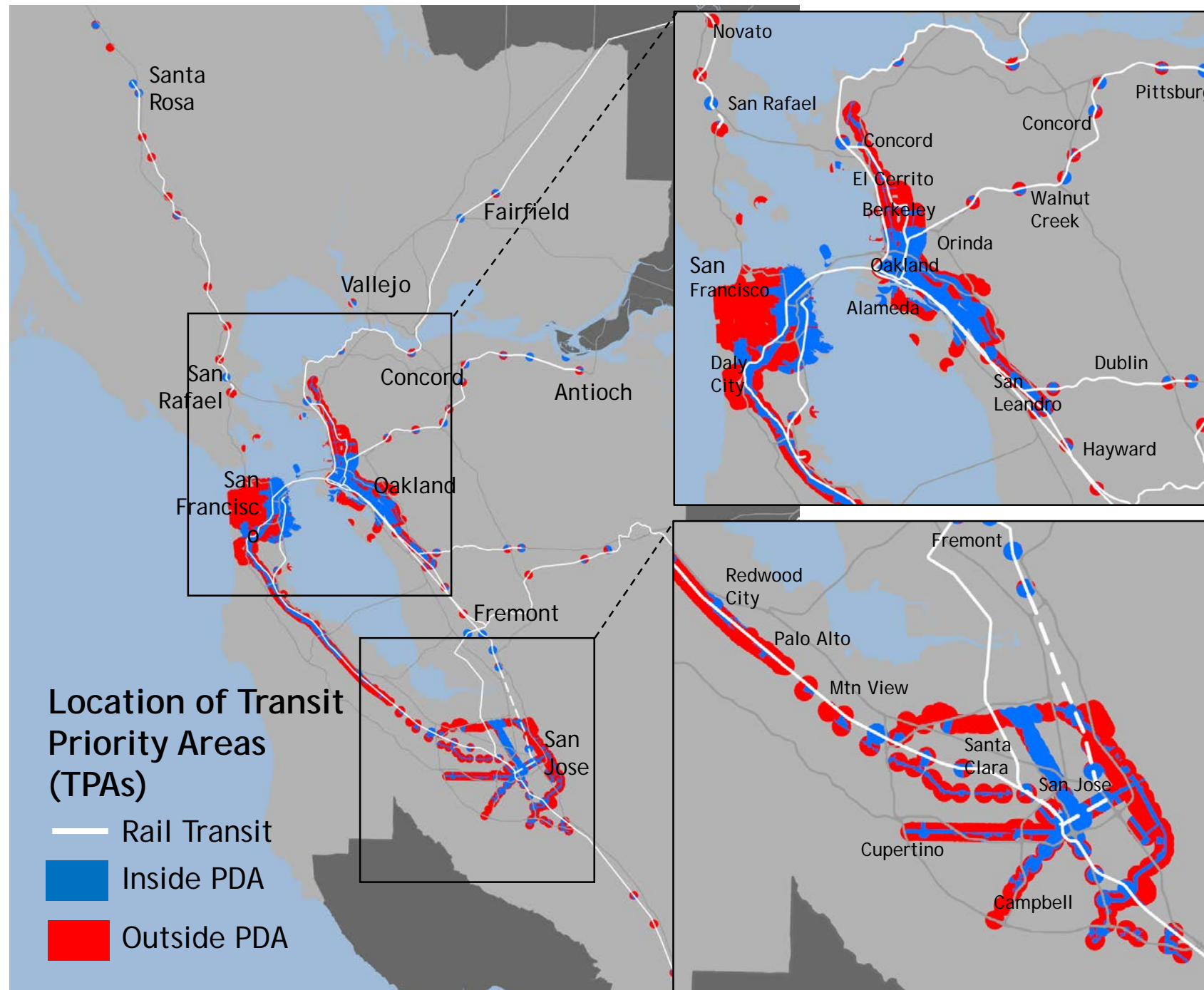
** = defined as a rail station, ferry terminal, or bus service with 20 minute headway at peak hours

Many Transit-Rich Areas Are Not PDAs

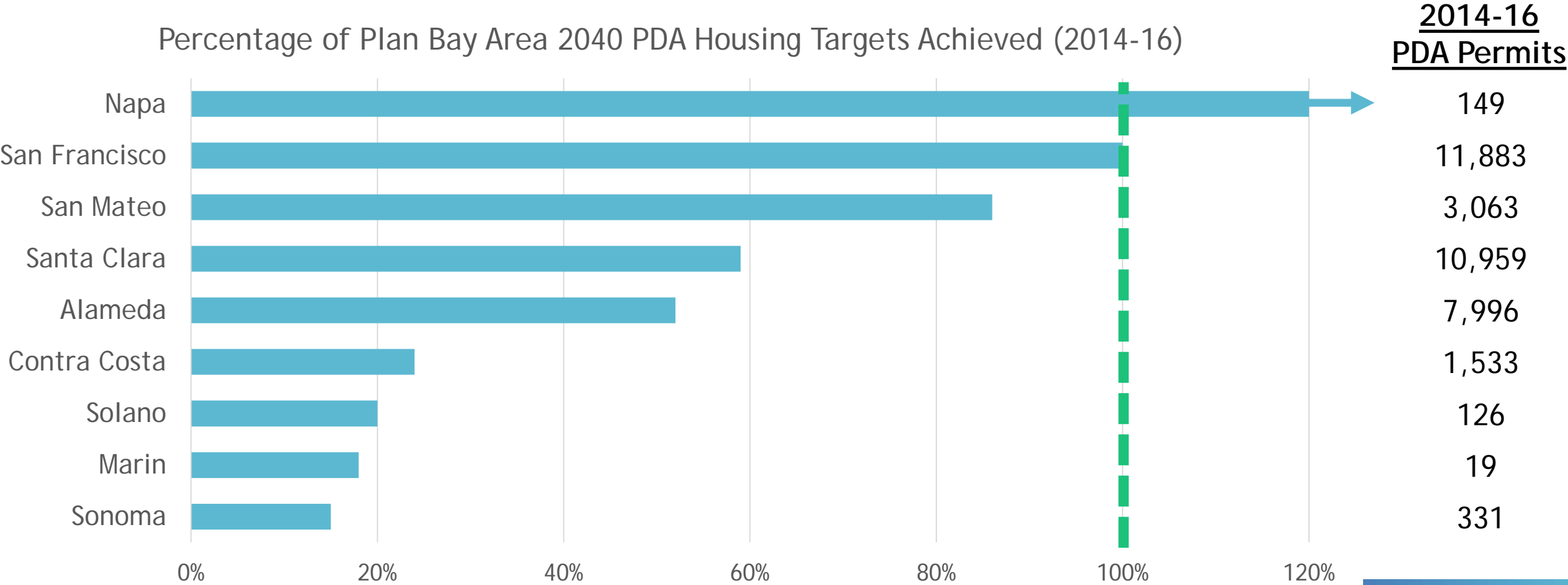
>50%

of land within 10 minutes' walk of frequent transit is not designated a PDA

Source: Regional Transit Database
Current Framework

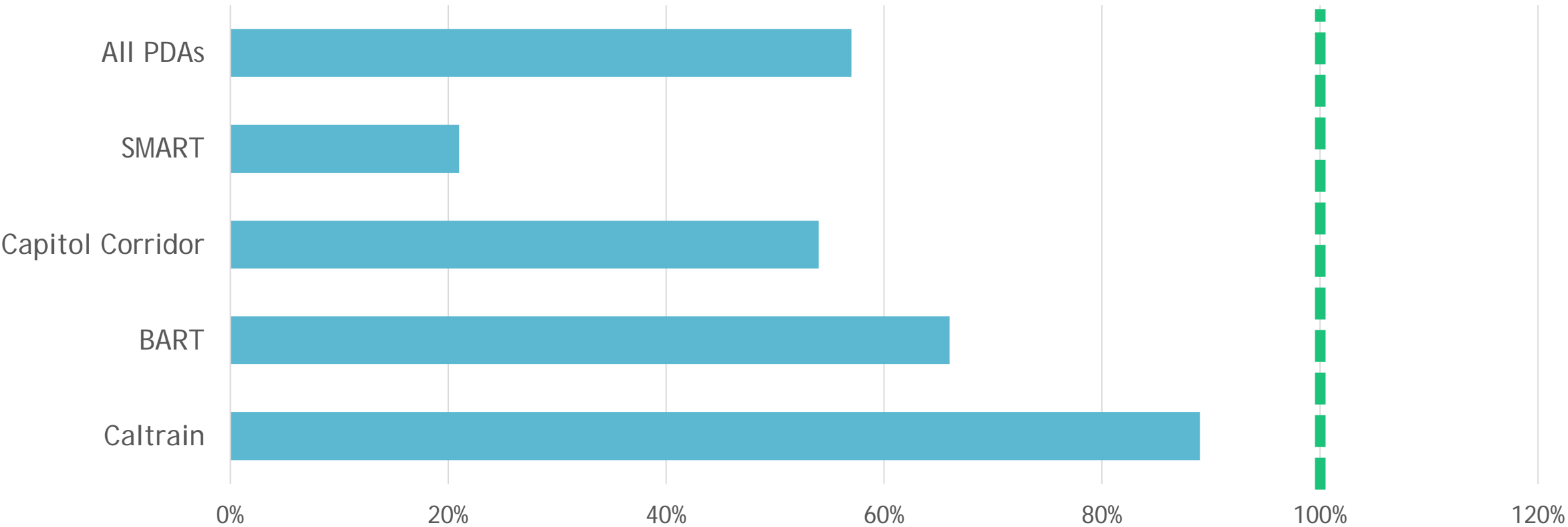


PDA Progress on Housing Varies by County

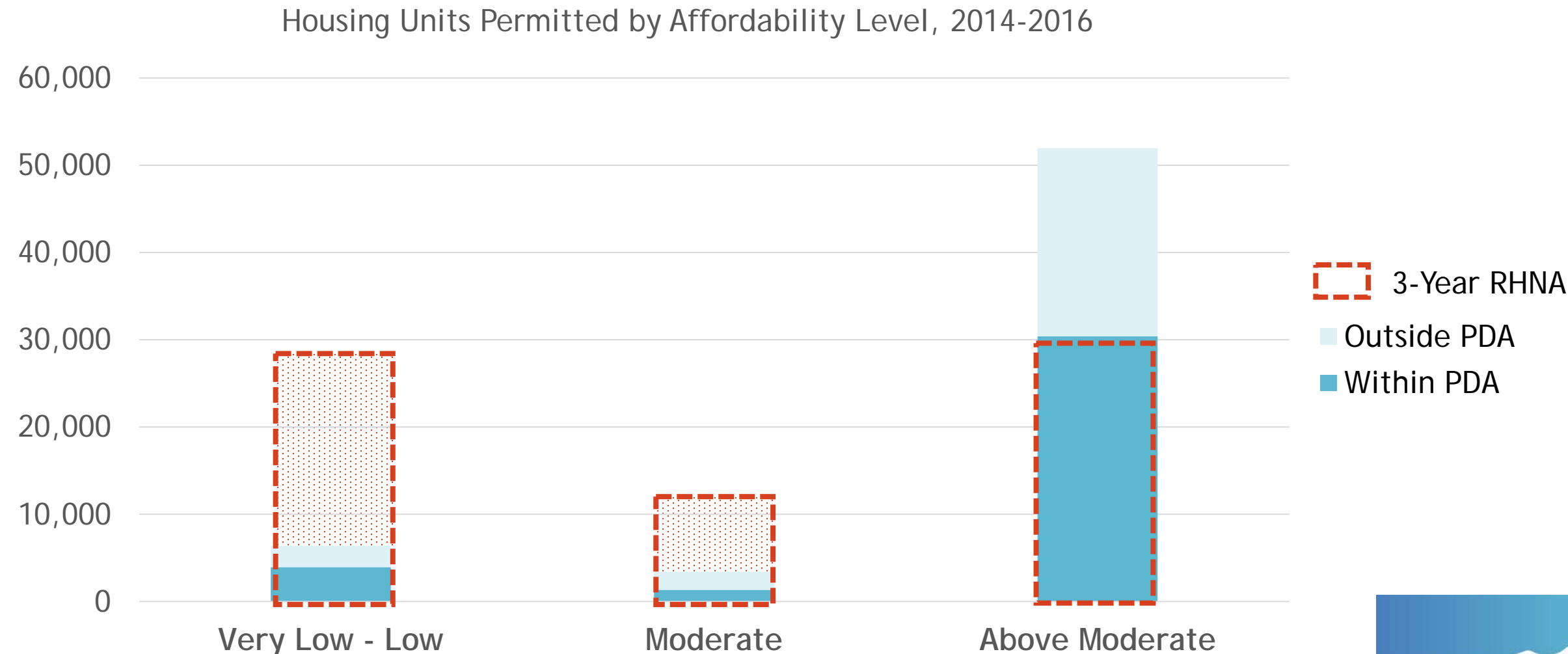


PDA Progress on Housing Varies by Transit Corridor

Percentage of Plan Bay Area 2040 Housing Targets Achieved (2014-16)



Currently Not Meeting RHNA Needs - Inside or Outside of PDAs



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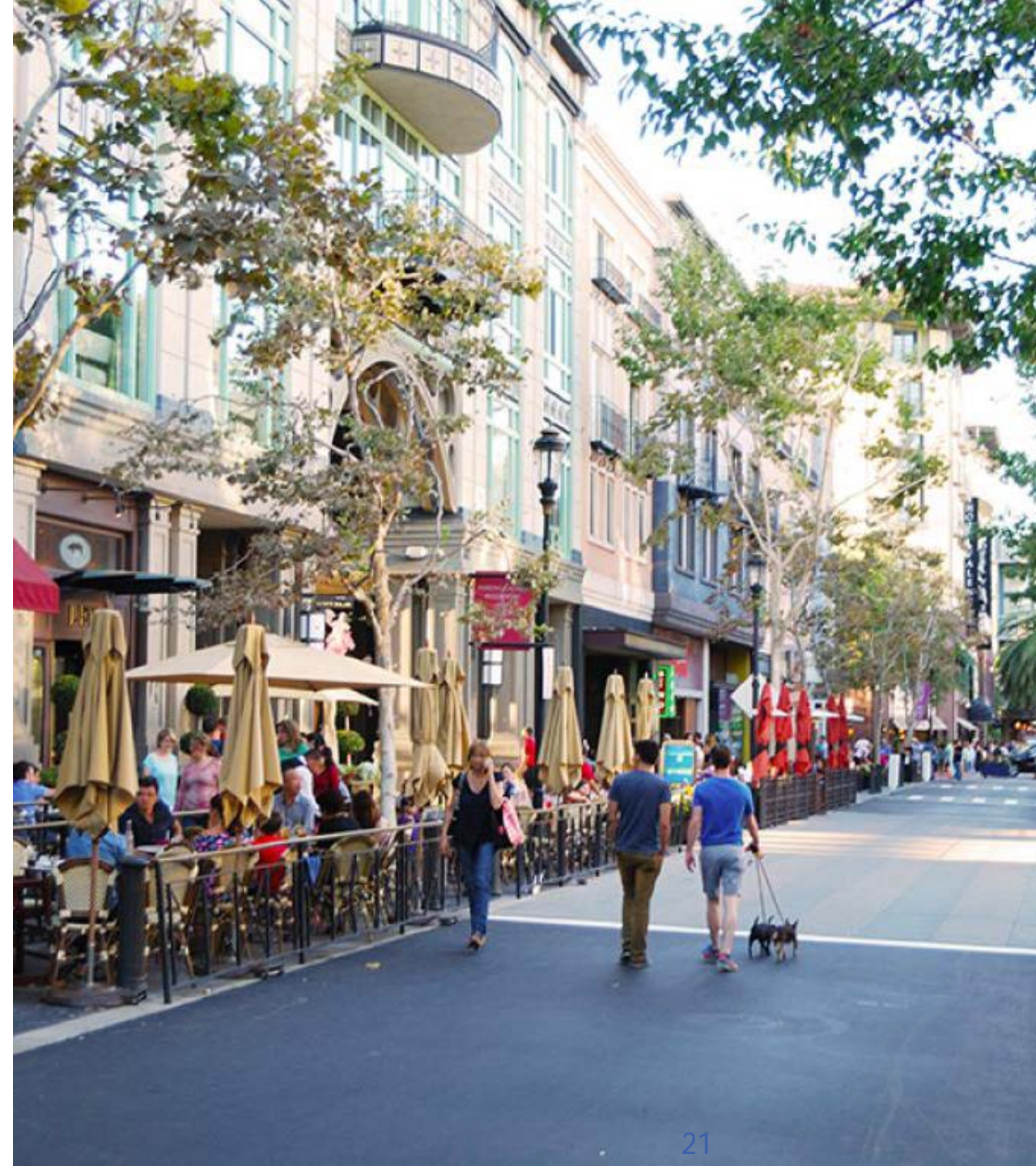
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What's Missing from Our Framework?

Full Suite of Guiding Principles



AFFORDABLE



CONNECTED



DIVERSE

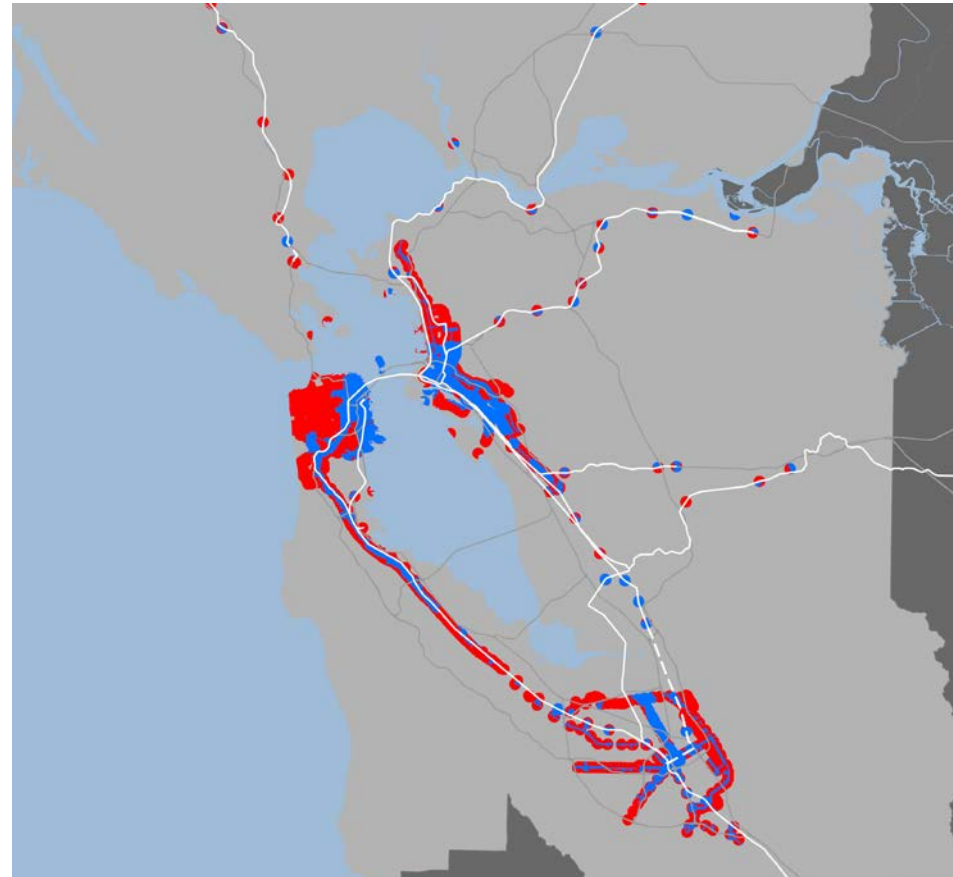


HEALTHY



VIBRANT

Geographies Beyond PDAs/PCAs



Exploring Areas Best Suited for Growth

Full Suite of Guiding Principles



Housing costs



Vehicle miles traveled per person



Community stability



Hazard protection



Access to opportunity

Geographies Beyond PDAs/PCAs



Developed an index for the entire nine-county Bay Area



AFFORDABLE

Housing Costs

Most affordable



5

4

3

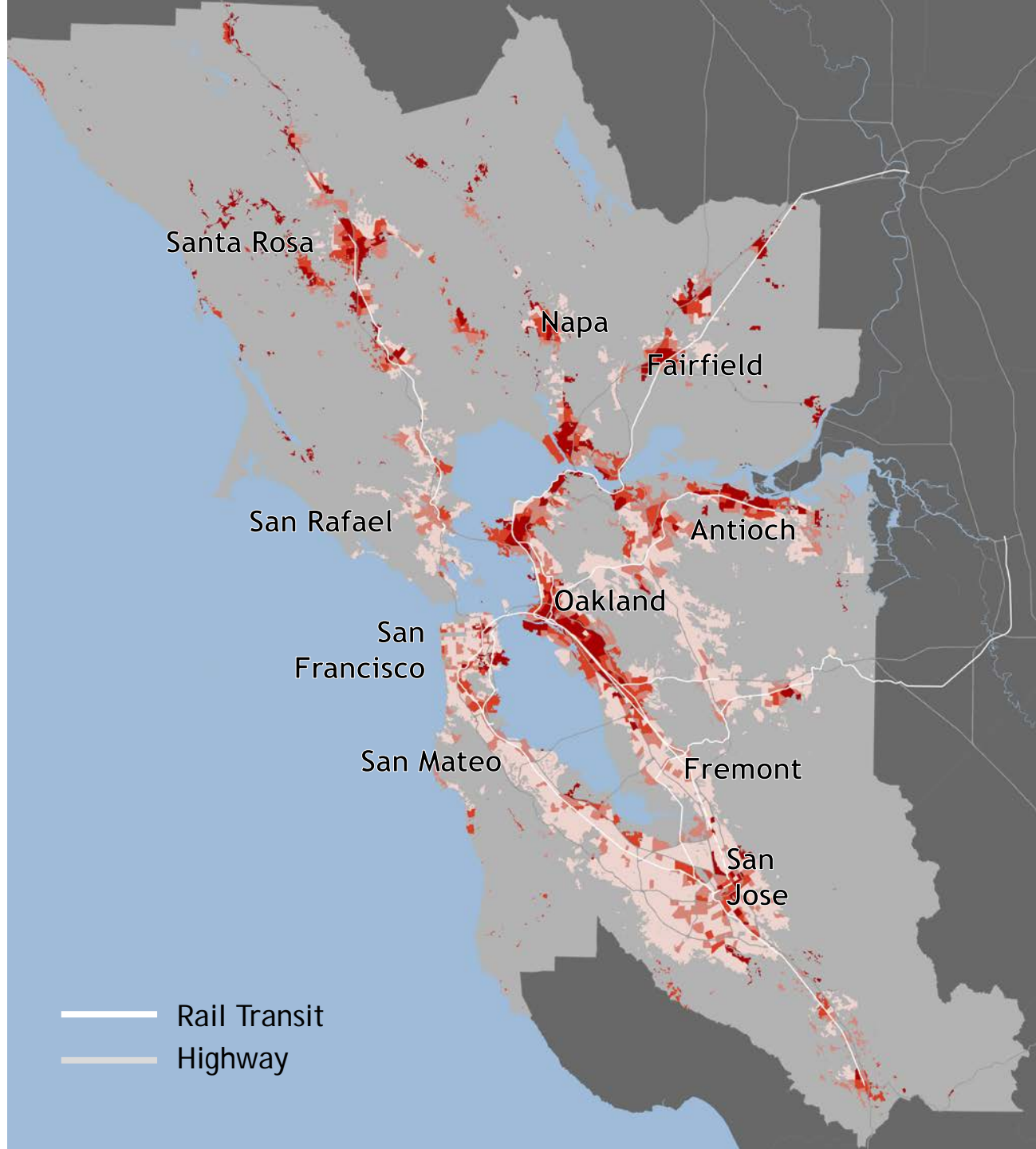
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1

Least affordable

Affordability Definition: Monthly Contract Rent (rent asked), 2016

Source: US Census ACS 2012-2016



Vehicle Miles Traveled (per person)

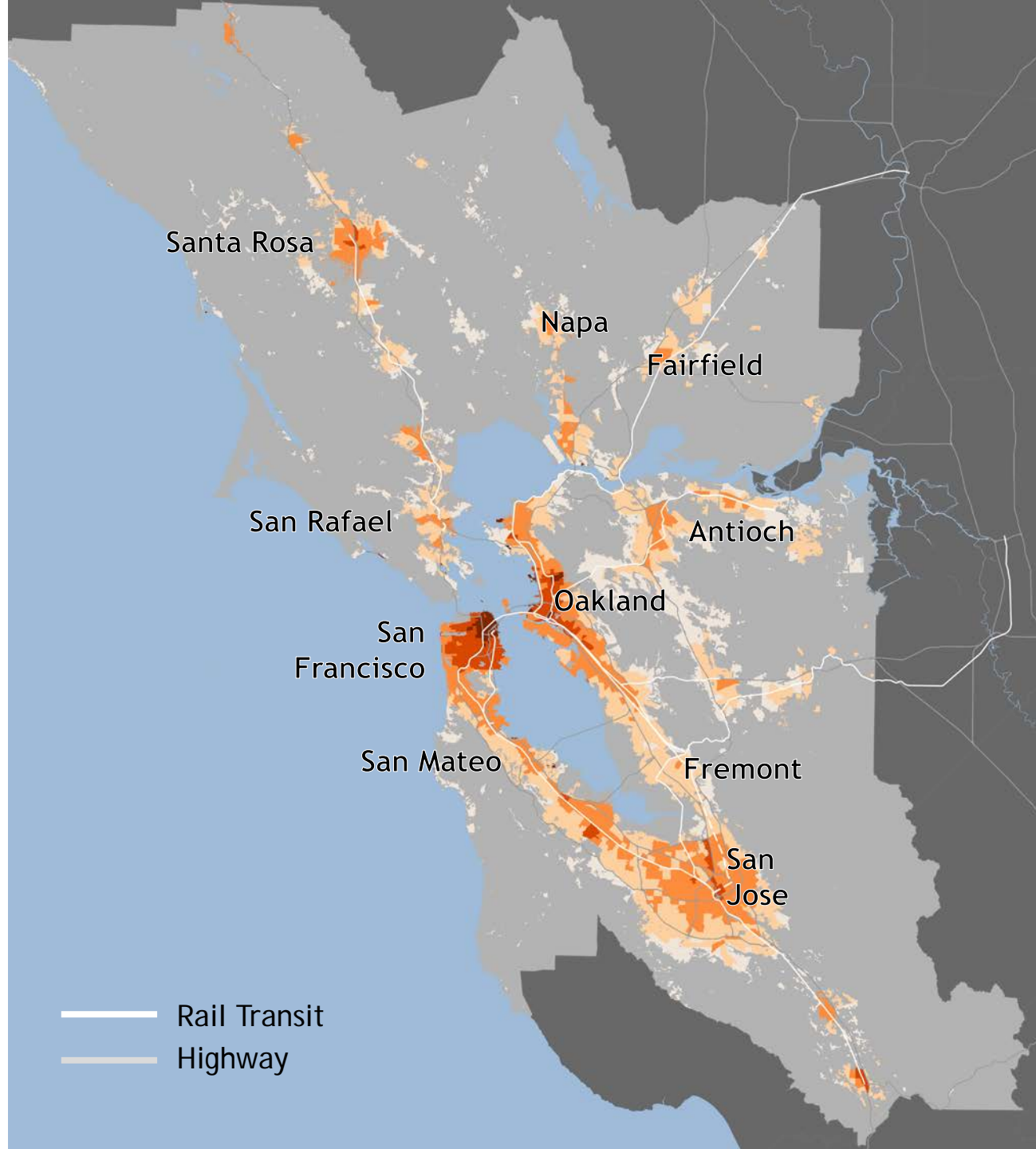
Lowest VMT/person



Highest VMT/person

VMT Definition: simulated weekday vehicle miles traveled per person, 2015

Source: Travel Model One - MTC





DIVERSE

Community Stability

Most stable: no displacement

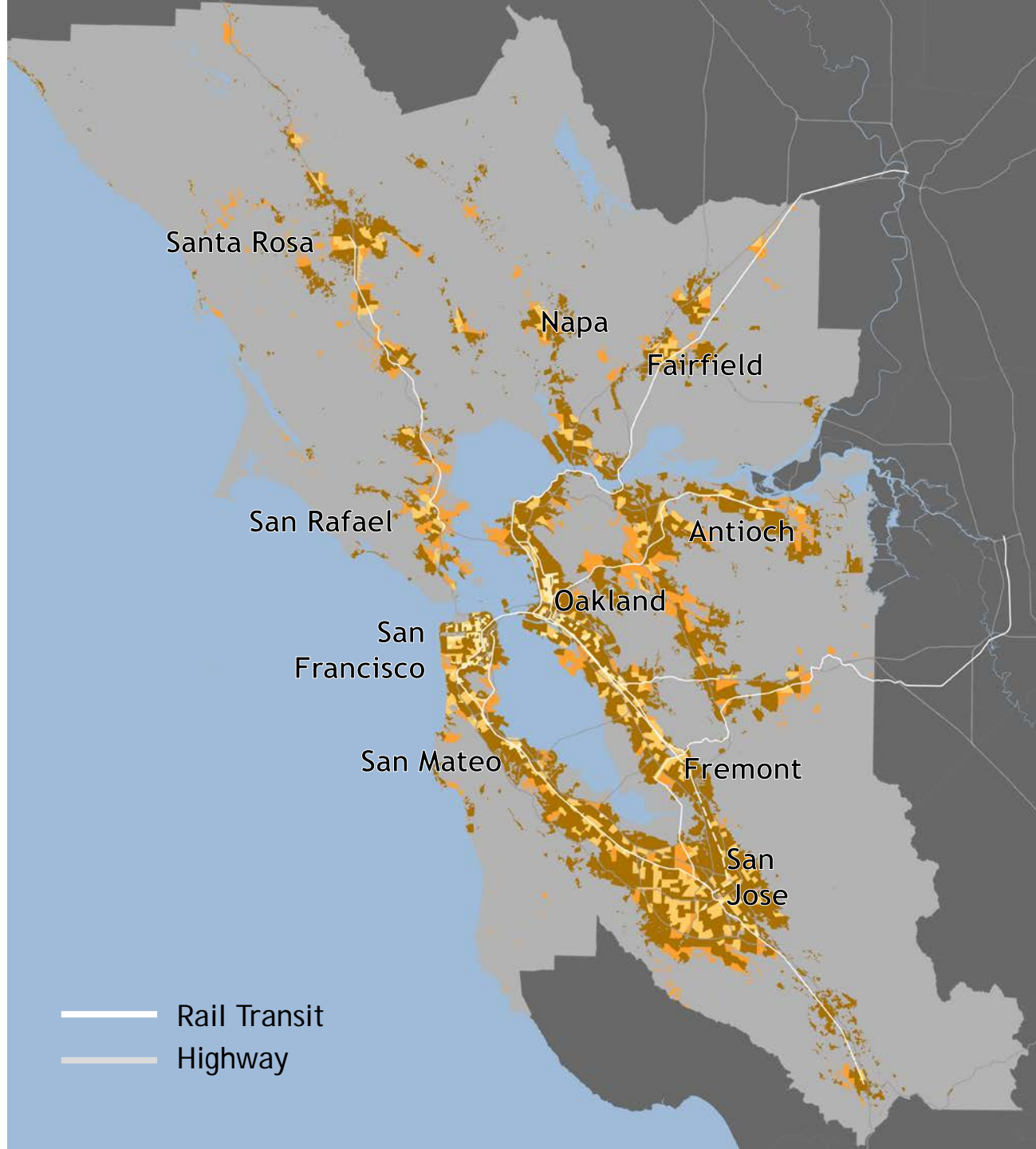


Least stable: high displacement



Community Stability Definition: lack of displacement risk as defined in Plan Bay Area 2040/Vital Signs, 2015

Source: Vital Signs; US Census



Hazard Protection

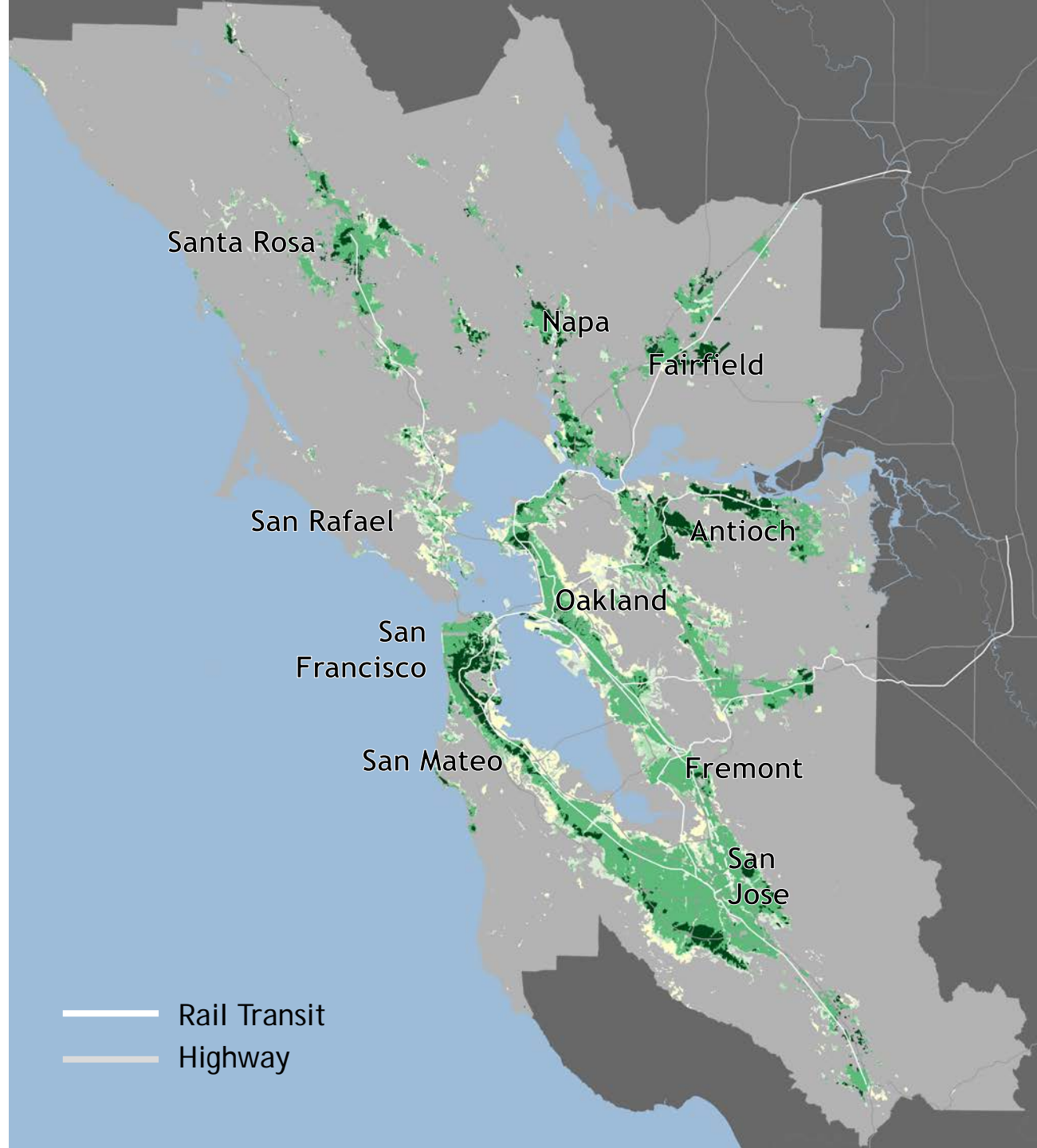
*Least vulnerable to
natural hazards*



*Most vulnerable to
natural hazards*

*Protection Definition: lack of exposure to wildfire,
earthquake, flooding and/or sea level rise risks*

Source: MTC, Cal Fire, USGS, FEMA, BCDC



Access to Opportunity

*Greatest access to
healthcare,
education, and jobs*

*Least access to
healthcare,
education, and jobs*



Opportunity Definition: combination of access to high-quality healthcare, good schools, and diverse job opportunities

Source: California TCAC/HCD, DOE, OES; US Census ACS/LEHD





All Indicators Combined

*Highest
combined score*



19+

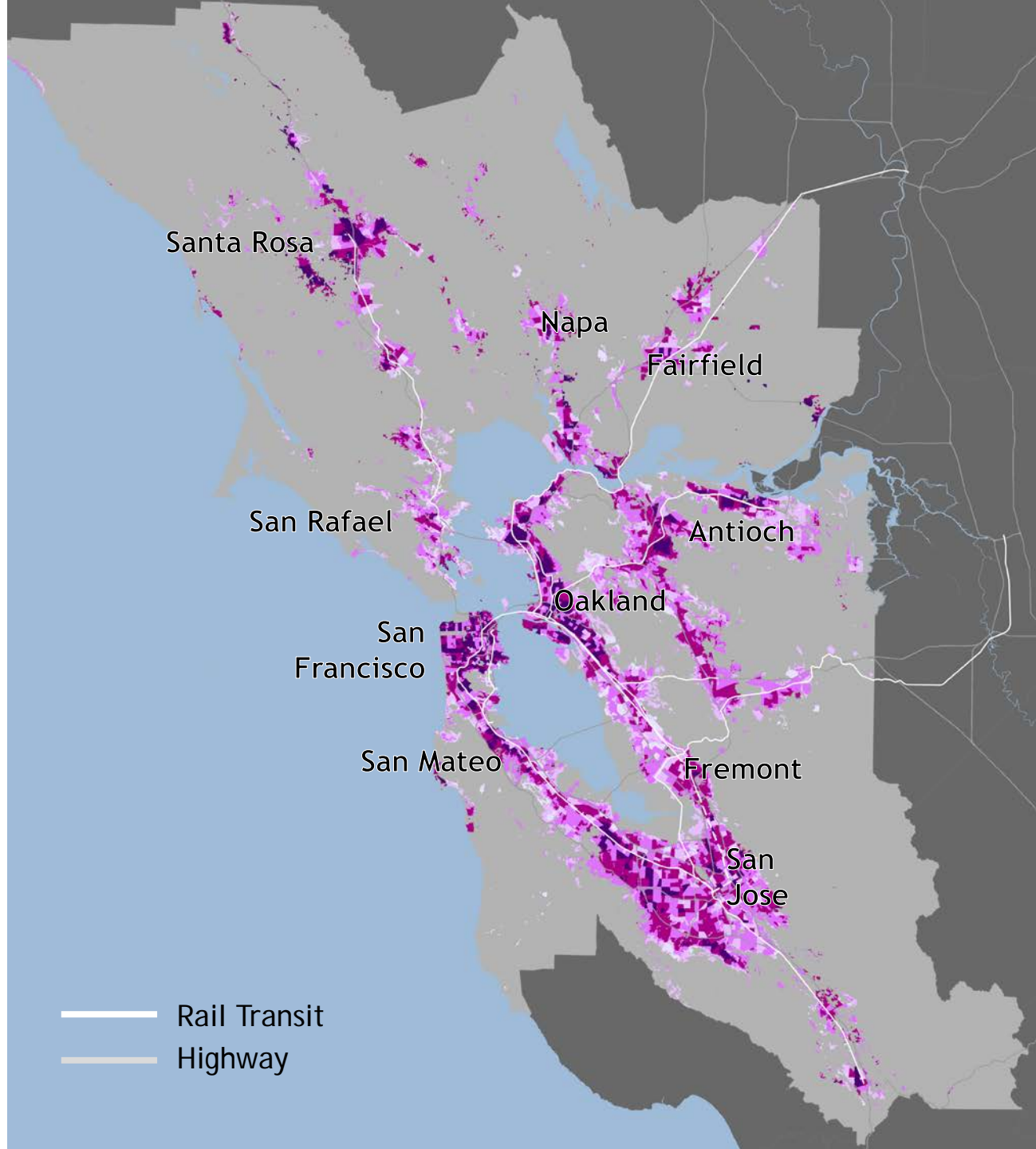
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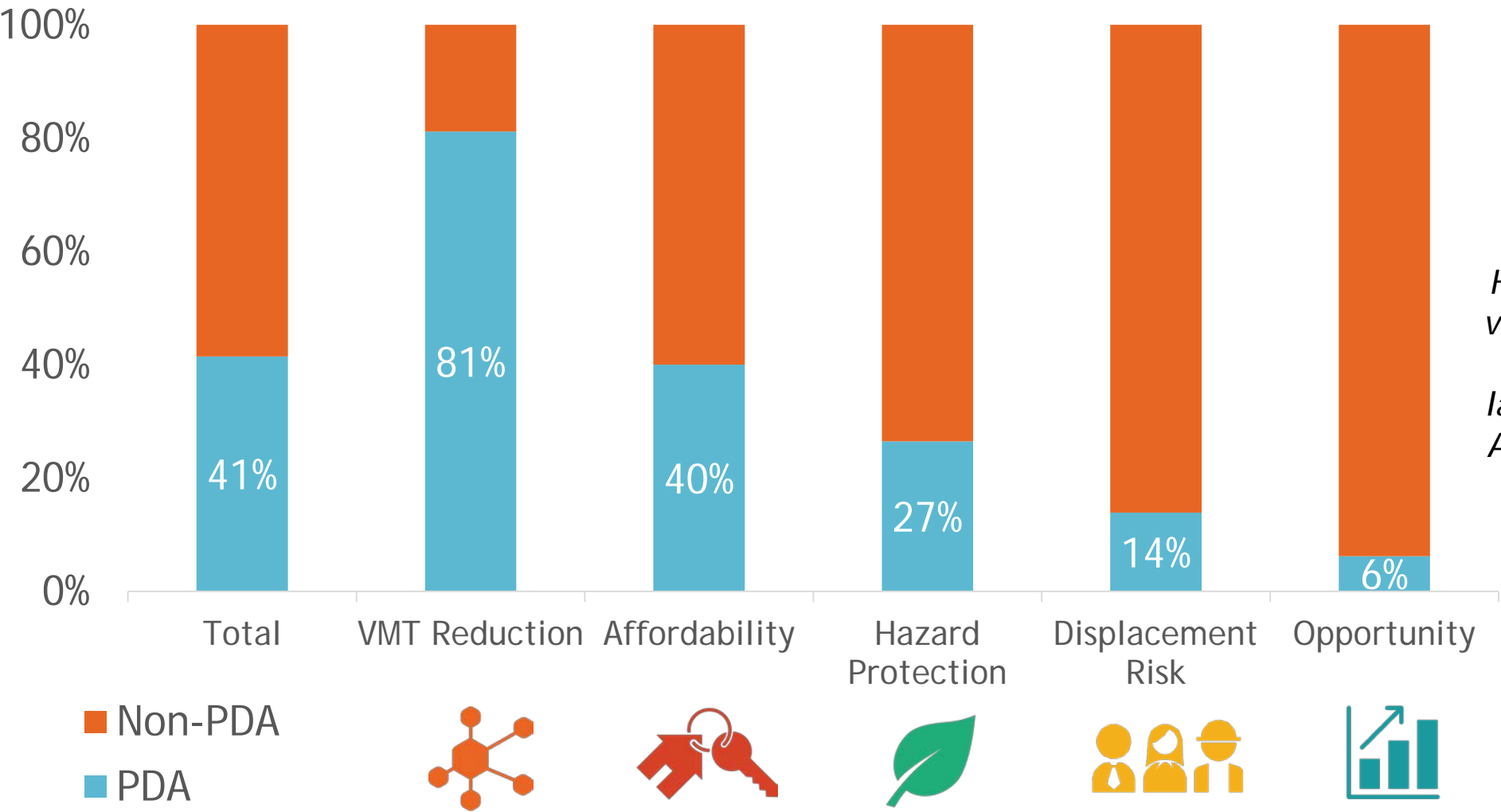
5-12

*Lowest
combined score*



What's Missing?

Where Are the Highest-Ranked* Places?



PDA's are generally in lower-VMT locations with reduced transportation costs.

However, the vast majority are vulnerable to natural hazards & displacement, and nearly all lack adequate access to the Bay Area's best schools & hospitals.

*** = top 20% of Census blocks in the Bay Area for each indicator**

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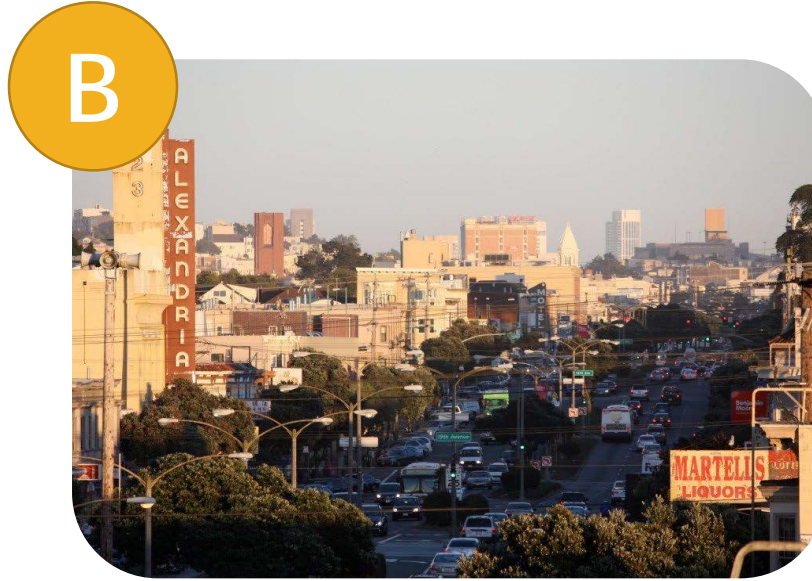
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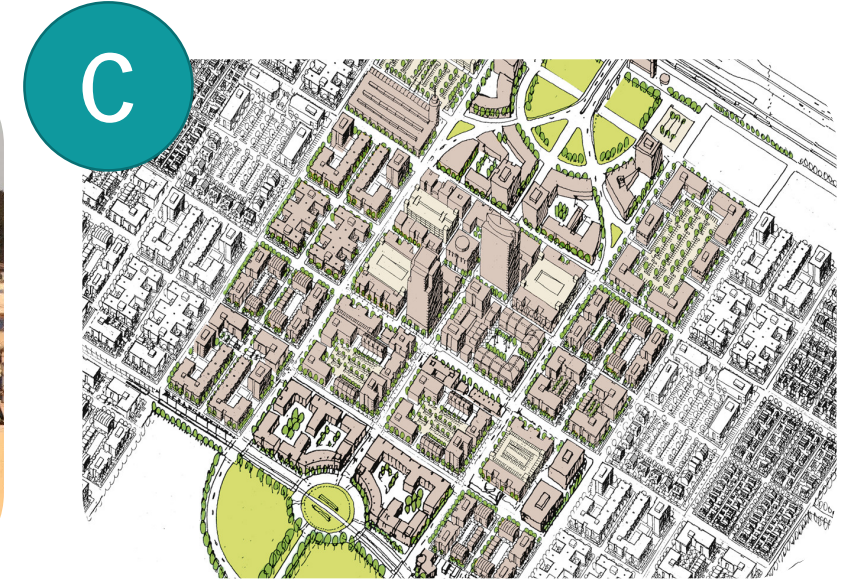
Three Potential Frameworks for Growth



Double Down
on PDAs



PDAs Plus



Clean Slate



A Double Down on PDAs

- **Concept**
 - PDAs remain the primary focus area for housing growth & take on a larger share of job growth
 - PDAs evolve to reflect local context, including market strength and displacement risk
 - “High-performing” PDAs prioritized for the greatest levels of growth and investment
- **Example Strategies**
 - Increase share of regional funding in PDAs
 - Direct transit investments to bring all PDAs to minimum frequency requirement
 - Tailor assistance and investments to PDA market strength

PROS

- Builds on locally-supported approach
- Leverages recently-adopted plans

CONS

- Growth footprint may not be adequate to meet housing needs
- Does not fully leverage transit network



PDA's Plus

- **Concept**
 - Expand growth geographies beyond PDAs to include TPAs served by high-capacity transit and “regional catalyst sites” for mixed-income housing
 - Expand growth framework to include entire region with supportive land use strategies as appropriate
- **Example Strategies**
 - Provide incentives and funding to support development of “catalyst sites”
 - Provide assistance and investments to spur “missing middle” and modular housing

PROS

- Leverages the full extent of the regional transit network
- Greater diversity of places to meet housing needs, including high-opportunity areas

CONS

- Requires revised guidelines and designation process



C Clean Slate

- **Concept**
 - Continue supporting growth in transit-served infill locations as part of larger strategy
 - Allow for strategic expansion of urban footprint and prioritize middle-density housing
 - Consider “new towns” to meet housing needs
- **Example Strategies**
 - Provide planning support and infrastructure for urban reserves
 - Fund first/last mile mobility solutions in lower-density locations
 - Streamline development processes

PROS

- Provides the greatest geographic footprint to meet housing needs
- Spreads responsibility for accommodating growth more broadly, including high-opportunity areas

CONS

- May require significant infrastructure investment
- Likely requires changes to urban growth boundaries

Testing Frameworks & Strategies via Futures



A

Double Down
on PDAs



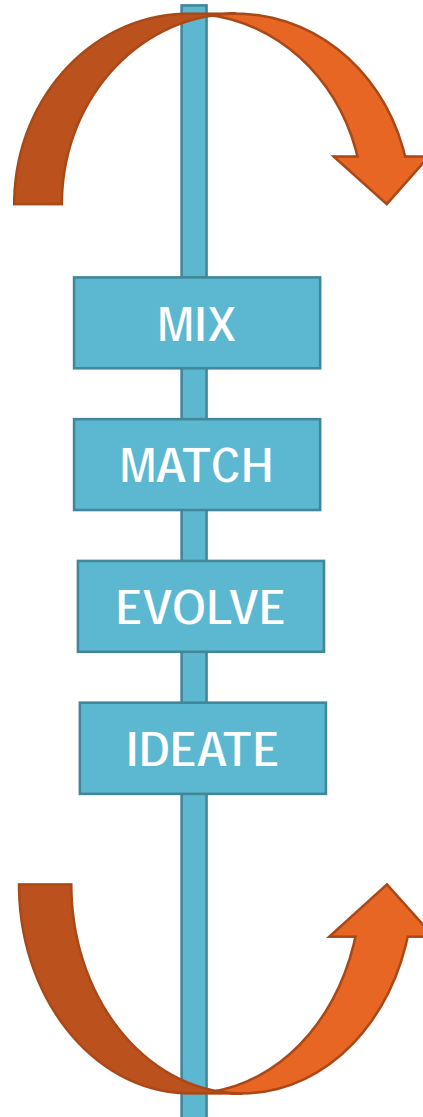
B

PDAs Plus



C

Clean Slate



Clean
and Green

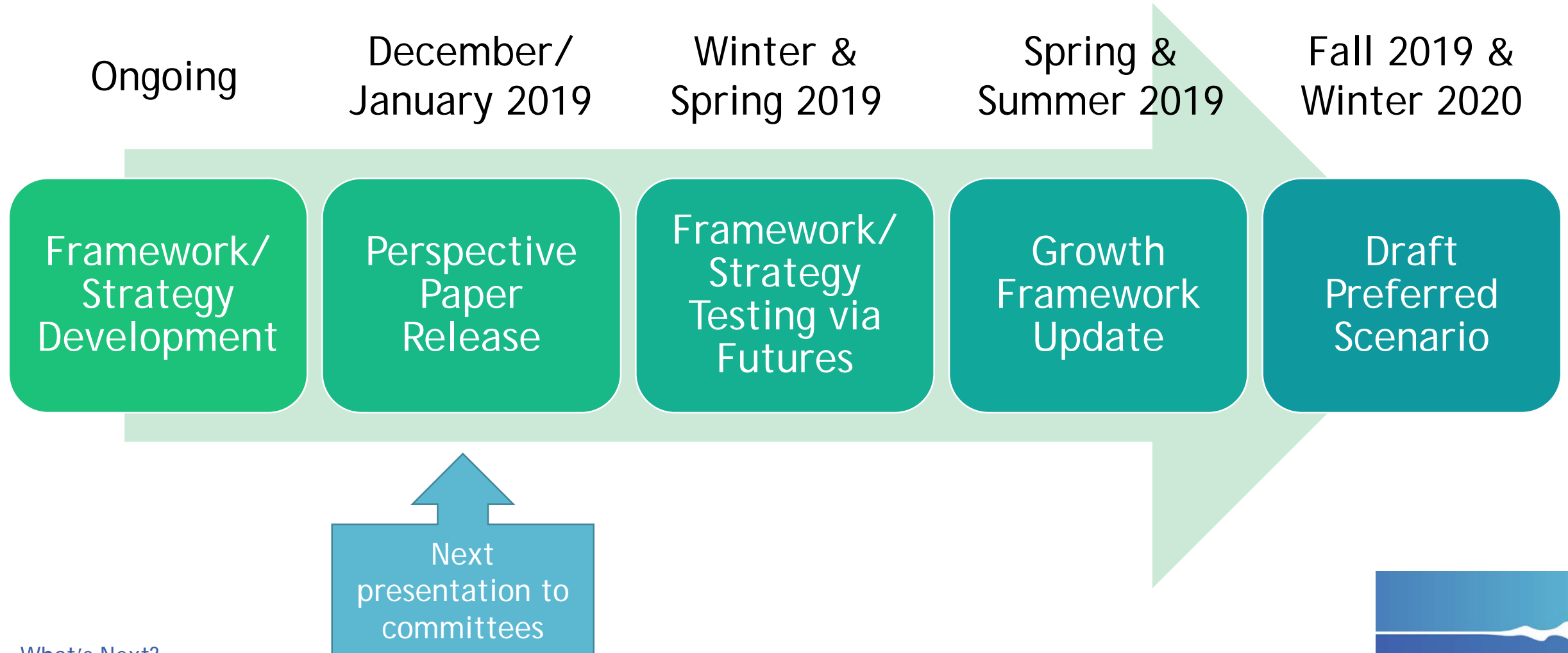


Rising Tides,
Falling
Fortunes



Back to
the Future

What's Next?



Discussion Question #1

- Which aspects of the current PDA-focused framework are:
 - Most effective?
 - Least effective?

Discussion Question #2

- What are the opportunities and challenges associated with:
 - Framework Option A – Double Down
 - Framework Option B – PDAs Plus
 - Framework Option C – Clean Slate

Discussion Question #3

- Which strategies could be pursued to implement each option by:
 - Cities
 - ABAG/MTC
 - State