

## M E M O R A N D U M



Agenda Item 7a

TO: Joint MTC Planning Committee with the  
ABAG Administrative Committee

FR: Executive Director

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

DATE: October 5, 2018

### Summary

At its October meeting, staff will provide the committees 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 change.

- **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 ABAG Regional Planning Committee received this presentation at its meeting last week. 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*.



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Steve Heminger

### Attachments

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

SH:ms

J:\COMMITTEE\Planning Committee\2018\10\_PLNG\_Oct 2018\7ai\_October Joint Planning and Admin-Growth Strategies Perspective Paper Memo\_v1.docx



The background image shows a large, multi-story residential building with a Mediterranean-style architectural design, featuring terracotta roofs and multiple windows. In the foreground, a courtyard area is filled with people and several white event tents, suggesting a community event or festival. A blue banner with the word 'HORIZON' is overlaid on the top left.

H O R I Z O N

# Regional Growth Strategies

Perspective Paper #3 - Work to Date/Preview

Mark Shorett

Joint MTC Planning Committee with the ABAG Administrative Committee

October 12, 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

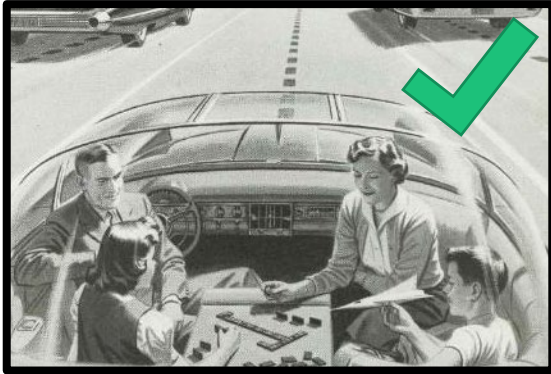
Project Performance

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

PLAN BAY AREA 2050



# Perspective Papers



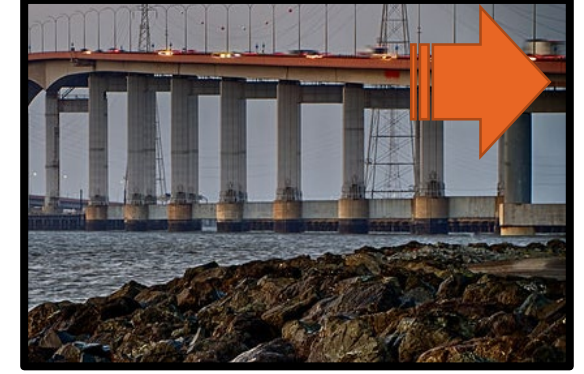
1) Autonomous Vehicles



2) Toward a Shared Future



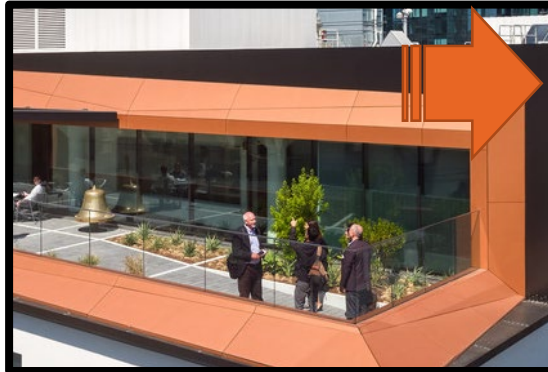
3) Growth Strategies



4) Crossings



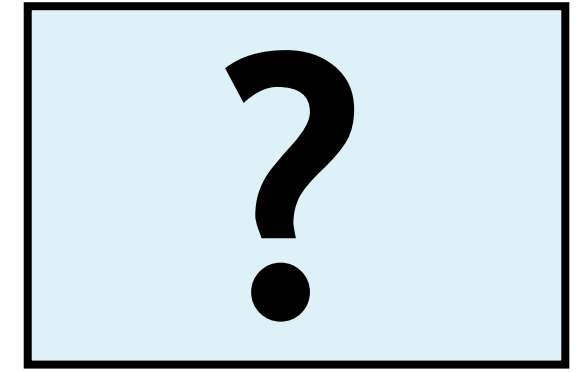
5) Future of Jobs



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



# 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





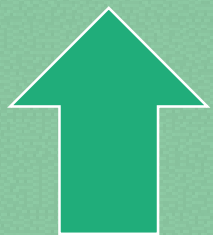
# Successes & Challenges



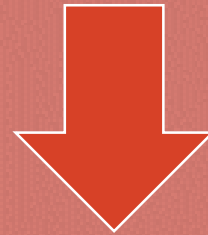
- Effective open space protection
- 188 adopted PDAs



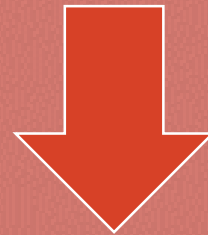
- Share of housing permits in PDAs increasing
- OBAG aligns investment with growth strategy



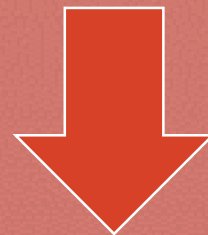
- Stronger real estate markets in PDAs across region



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

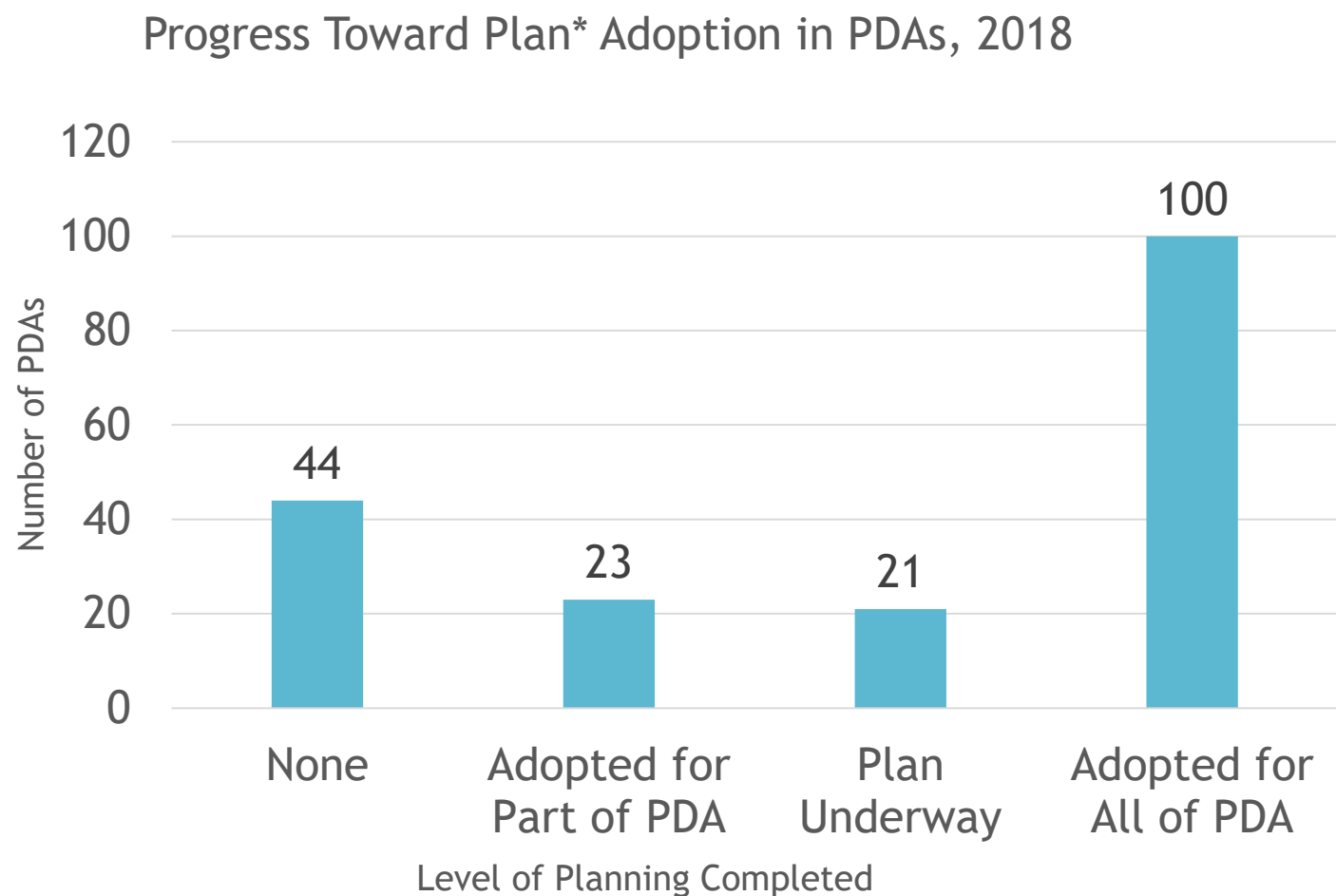


- Current share well below PBA 2040 forecast
- Low and moderate income housing needs not met



- Increasing displacement pressure in many PDAs

# 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*



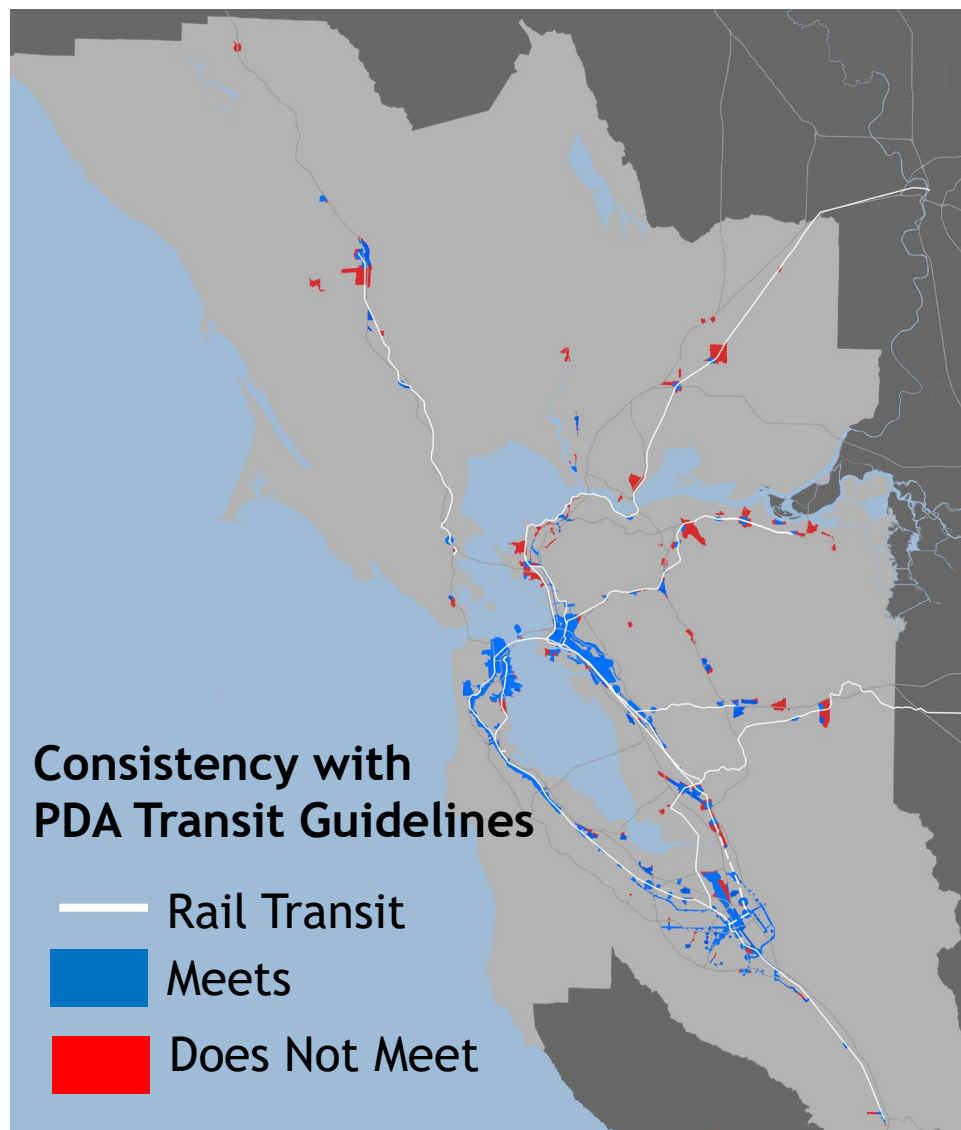
**Central Petaluma  
Specific Plan**  
*Petaluma*



**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

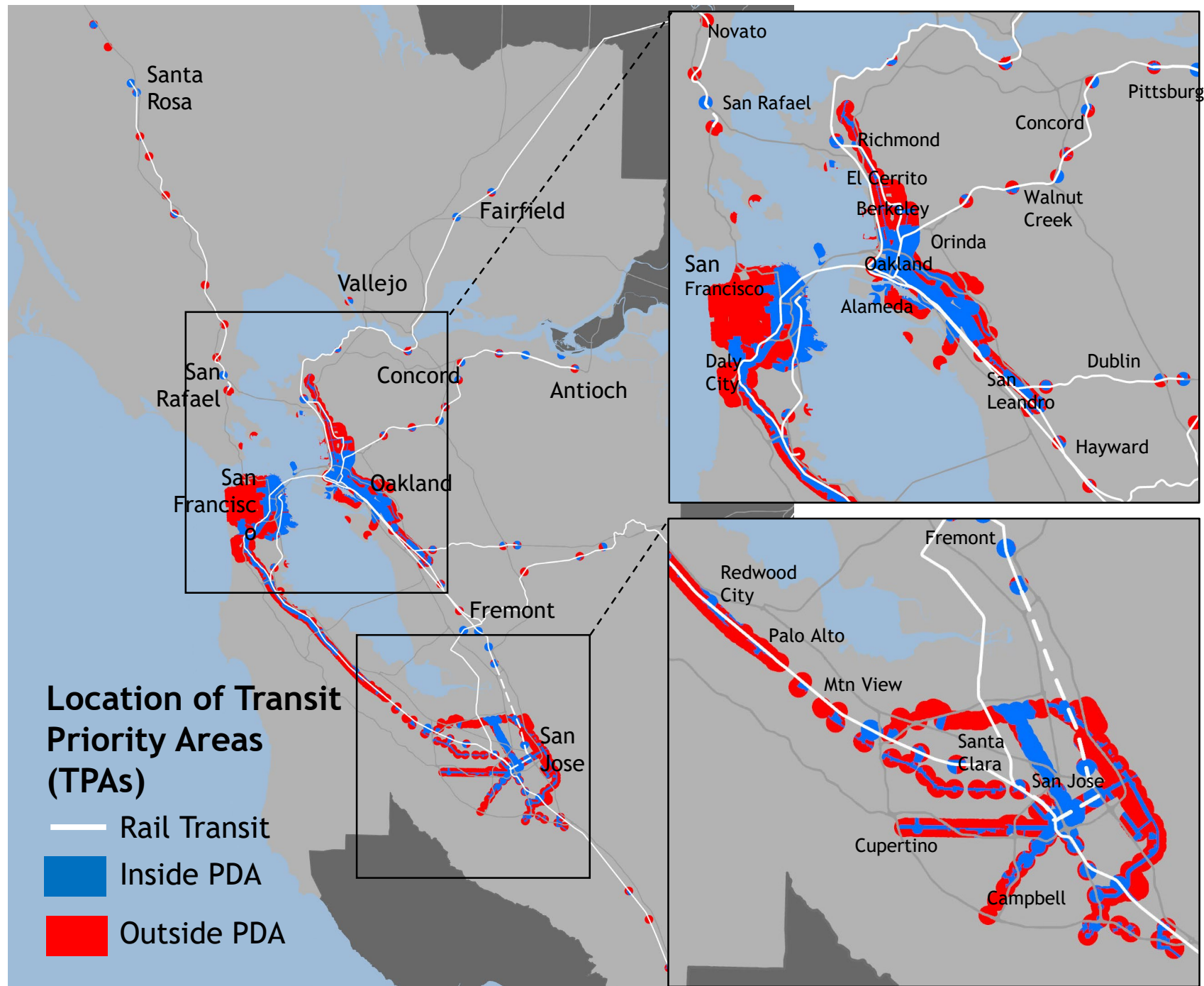
\*\* = defined as a rail station, ferry terminal, or bus service with 20 minute headway at peak hours

# 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





# What's Missing from Our Framework?

## Full Suite of Guiding Principles



Housing + transportation 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

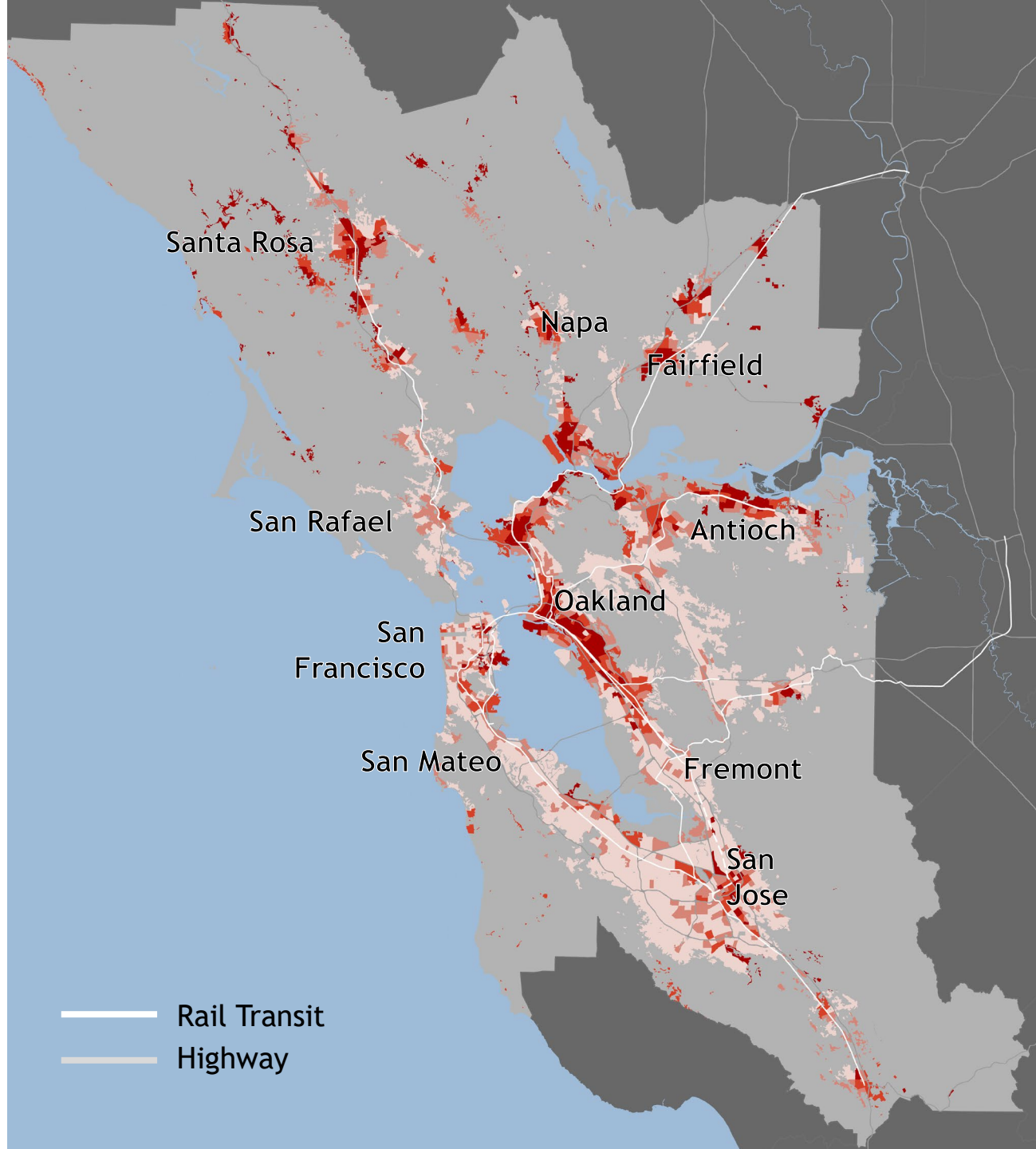
2

1

*Least affordable*

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

Source: US Census ACS 2012-2016





# Vehicle Miles Traveled (per person)

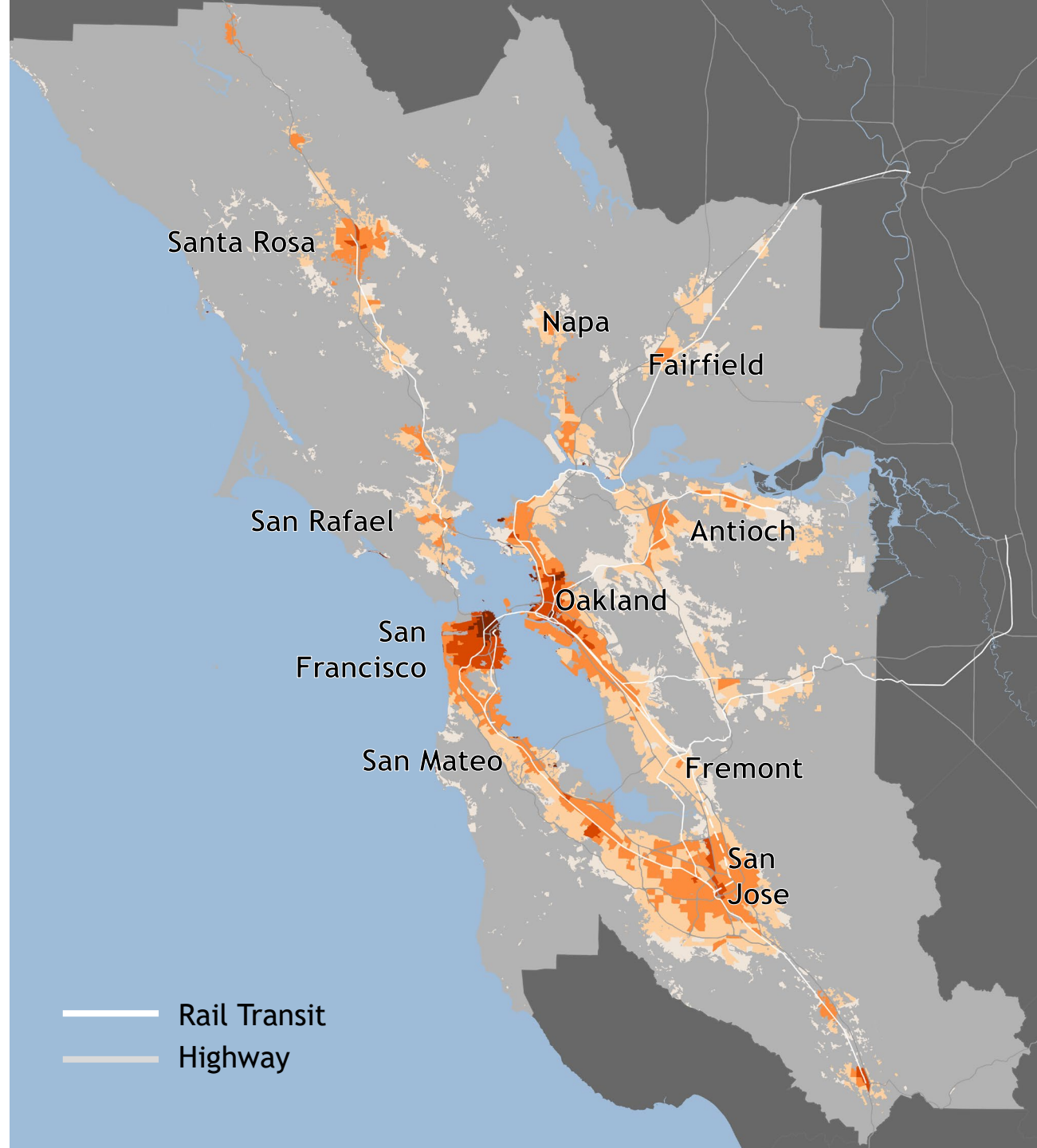
Lowest VMT/person



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*

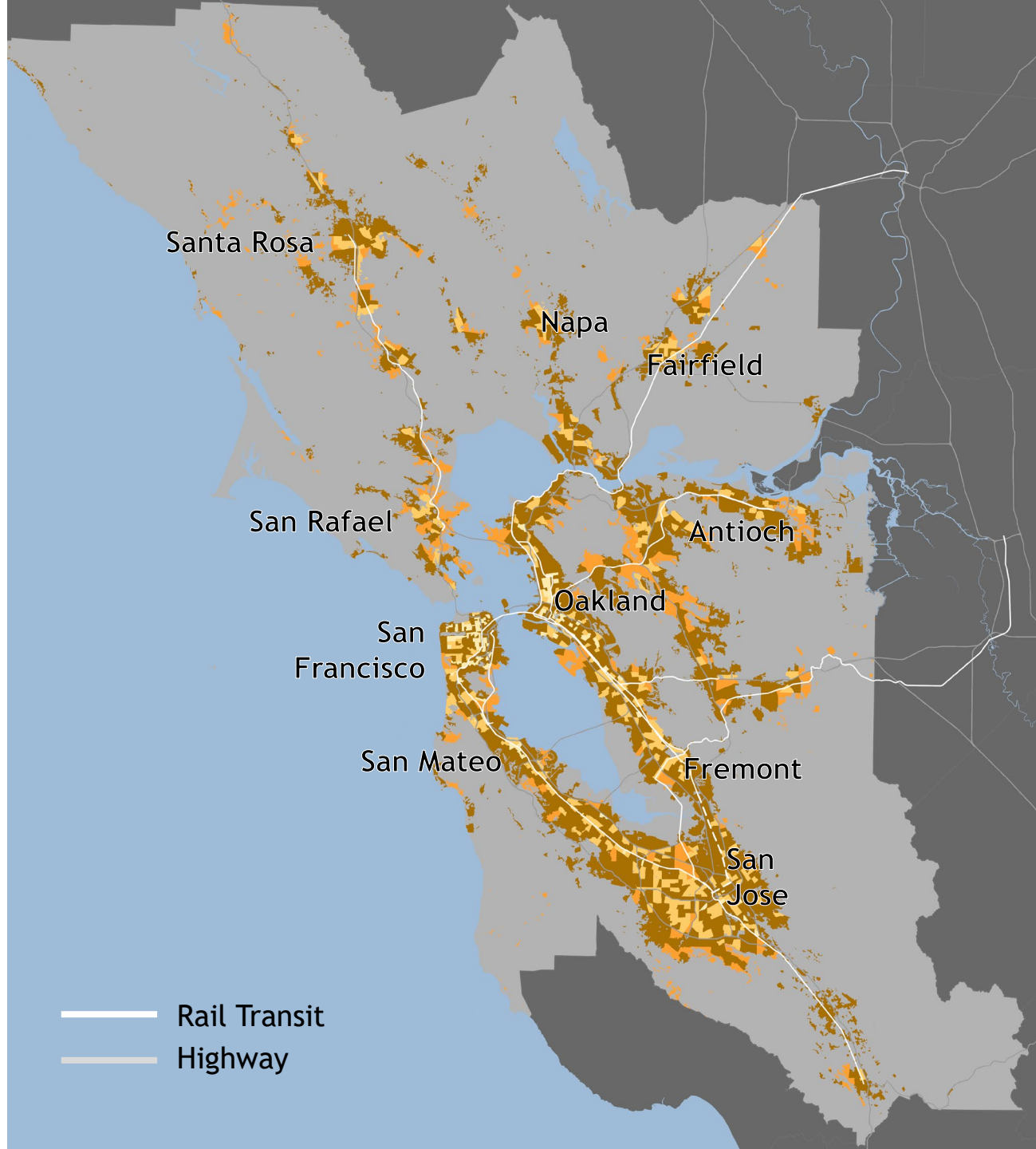


*Least stable: high displacement*



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

Source: Vital Signs; US Census





# Hazard Protection

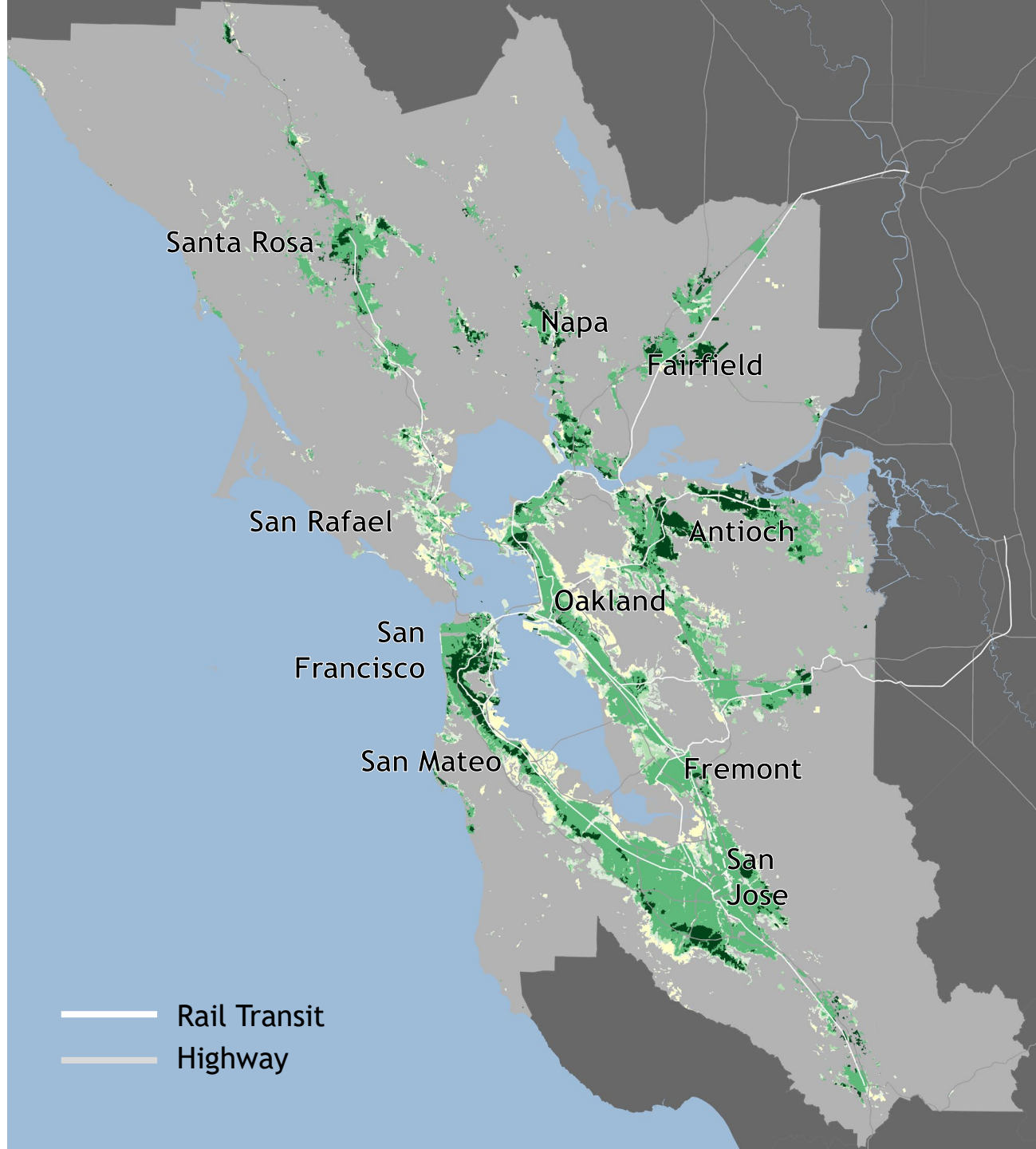
*Least vulnerable to  
natural hazards*



*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

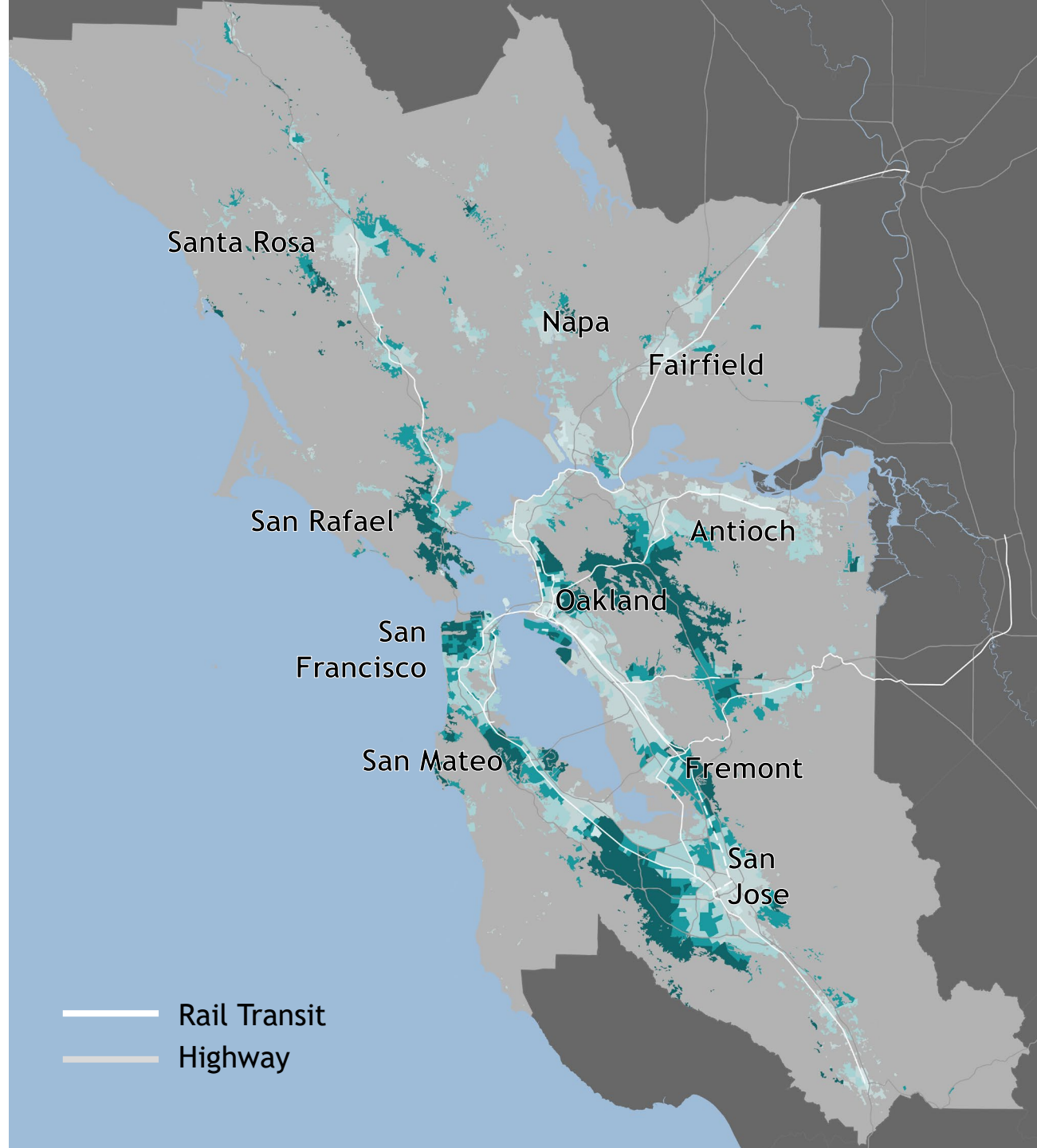
*Greatest access to  
healthcare,  
education, and jobs*

*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+

17-18

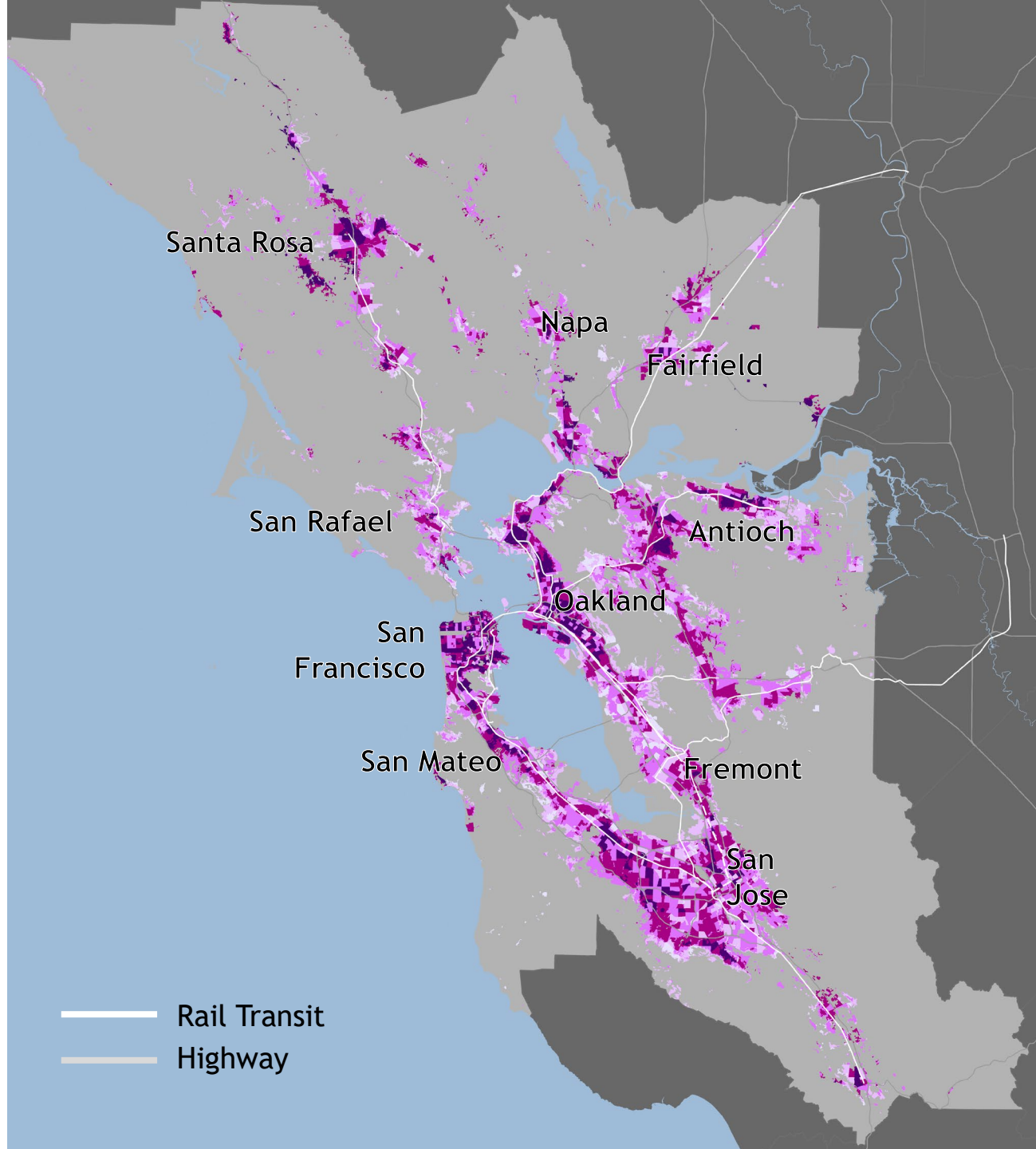
15-16

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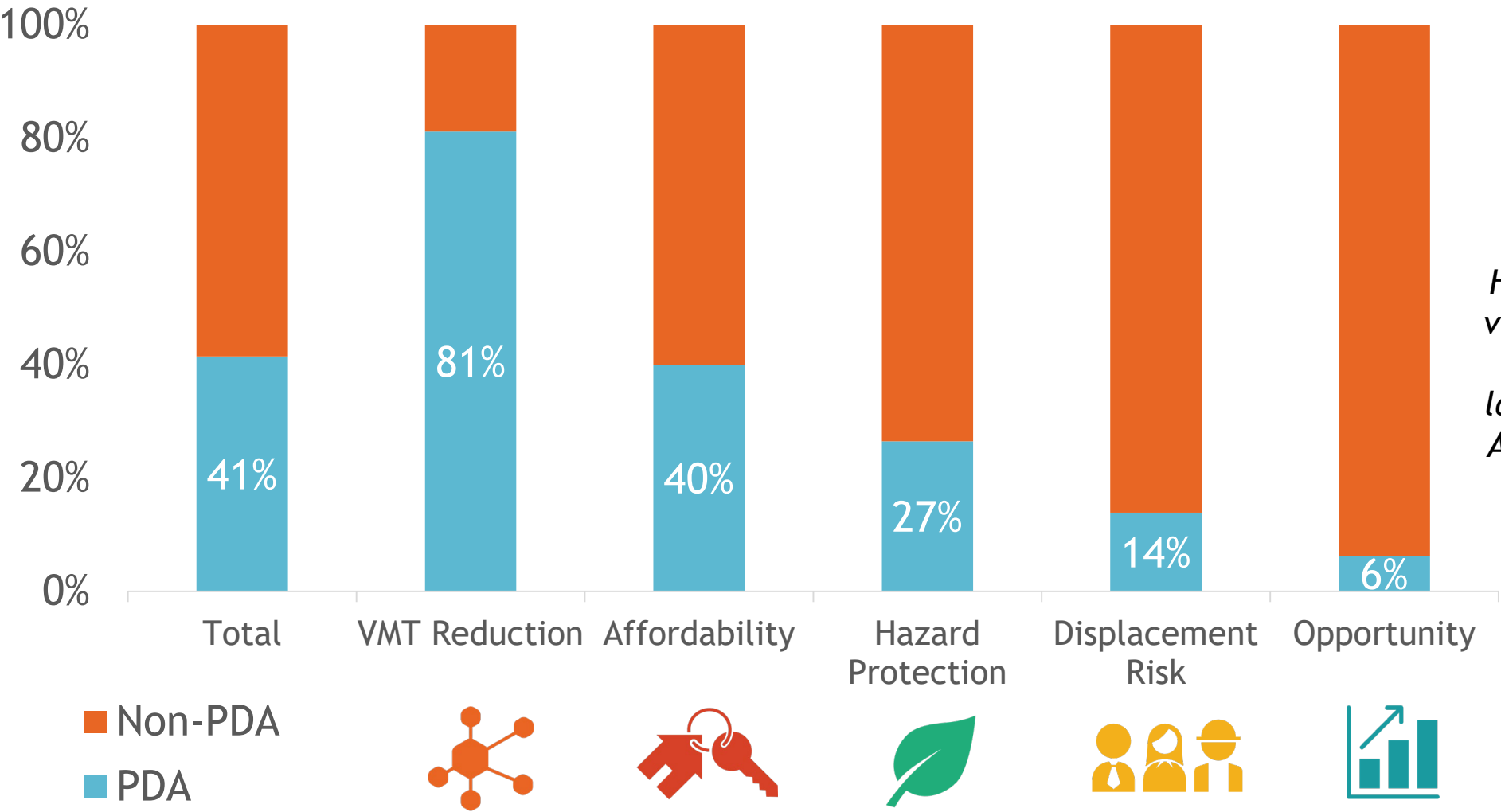
5-12

*Lowest  
combined score*

What's Missing?



# Where Are the Highest-Ranked\* Places?



*PDA locations 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**



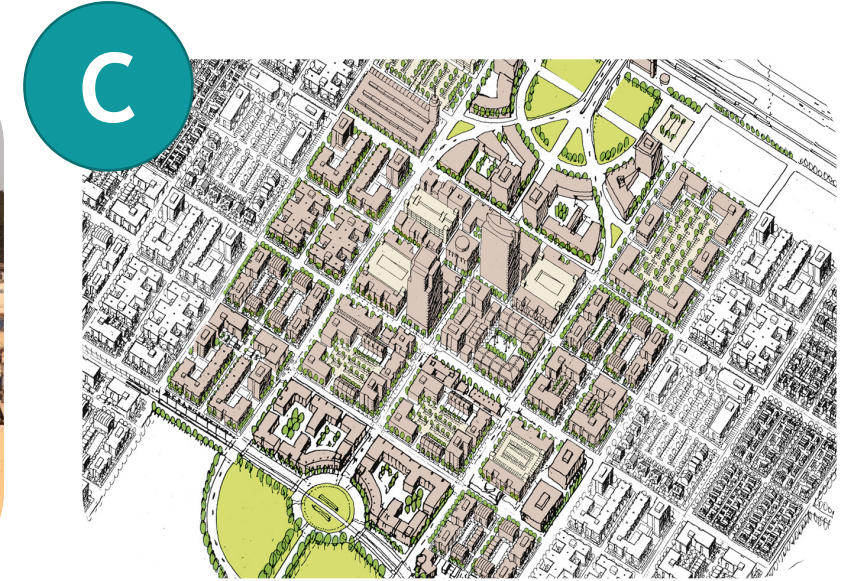
# Three Potential Frameworks for Growth



Double Down  
on PDAs



PDAs Plus



Clean Slate



# 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

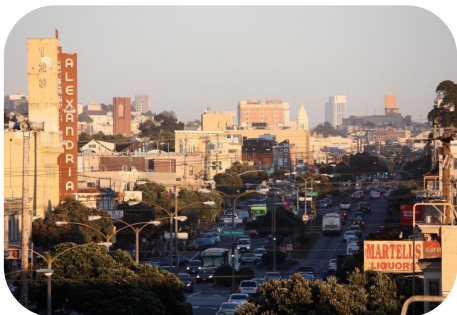
## PROS

- 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

# What's Next?

