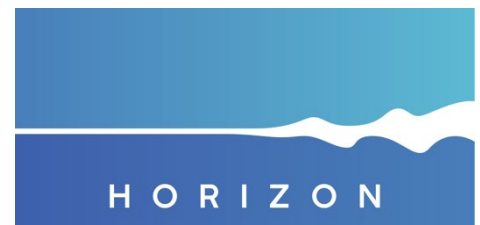


M E M O R A N D U M



Agenda Item 2

TO: Regional Advisory Working Group
FR: Mark Shorett
RE: Horizon: Perspective Paper #3 - Regional Growth Strategies

DATE: November 28, 2018

Summary

At its December meeting, staff will provide RAWG with an overview of the third *Horizon* Perspective Paper - *Regional Growth Strategies* - prior to its January release. 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). The paper also identifies potential strategies for advancing an updated framework, building on the successes of the current framework while addressing its challenges. Staff is seeking input on the potential strategies included in Attachment A.

Perspective Paper #3 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 emissions, and supports the *Horizon* 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: Regional Growth Framework Analysis & Potential Framework Options

In October, staff presented preliminary findings based on an analysis of progress toward implementing the current regional growth framework. Key findings from that work include:

- **The Bay Area is trending toward focused growth in PDAs, but it is not on pace to provide the level of housing in Plan Bay Area 2040.** Furthermore, the region continues to fall far short of meeting the needs of low- and moderate-income households.
- **While more residents are riding transit, walking, and biking, vehicle miles traveled remain stubbornly high.** This threatens our ability to meet our greenhouse gas reduction targets.
- **A significant share of PDAs do not meet the criteria of the PDA program.** One in four PDAs are not well-served by transit that meets program guidelines.
- **The current growth framework excludes many locations that could help the region meet its targets.** Roughly half of all land with high-quality transit service is not currently designated a PDA.
- **New regional challenges have emerged since the inception of the current framework.** Issues such as growing environmental hazards and displacement of lower-income residents point to the need for a more holistic framework.

At the October meeting, staff also presented three potential options for a future growth framework: *Double Down on PDAs*, *PDAs Plus*, and *Clean Slate*. Intended to spur discussion, the options offer divergent approaches to meeting the region's full housing needs, focusing job growth, and significantly reducing GHG emissions. Stakeholders noted that some PDAs face

significant challenges to development and that we may need to look beyond those geographies to meet our housing goals. At the same time, concerns were raised about *Clean Slate's* expansion of developable lands - and the potential impacts from greenfield growth.

Regional Growth Framework Strategies

Building upon committee and stakeholder feedback, staff worked with a consultant team to develop a set of strategies for implementing one or more of the framework options and to set the stage for a 2019 update to the framework. Key strategies are shown in the table below.

All Options	Double Down on PDAs	PDAs Plus	Clean Slate
<ul style="list-style-type: none"> - Integrate regional growth framework into local General Plans - Expand OBAG3 funding & align criteria more closely with housing outcomes - Invest in infrastructure, schools, and services in growth areas - Establish a regional housing enterprise to increase production and preservation of affordable housing 	<ul style="list-style-type: none"> - Allow transit-supportive densities in all PDAs, paired with design standards and displacement mitigation strategies - Implement regional employment location policy supported by incentives to balance the location of job and housing growth - Invest higher levels of transportation funding to provide all PDAs sufficient transit service 	<ul style="list-style-type: none"> - Create guidelines for expanded range of priority areas - Support local implementation through expanded PDA planning program - Direct infrastructure funding and technical assistance to mixed-income Regional Catalyst Projects with 1000+ housing units 	<ul style="list-style-type: none"> - Strategically adjust urban limit lines to create Urban Reserves for future development that meets environmental performance standards - Streamline permitting and mitigation process to maximize regional ecological benefit and minimize uncertainty - Provide funding for new infrastructure, including transit and shared mobility services, to serve new mixed-income communities with 10,000+ housing units

Next Steps

Key strategies included in the final *Regional Growth Strategies Perspective Paper* will be tested across a series of divergent futures (“what if...” planning scenarios). The strategies will provide the basis for developing an updated Regional Growth Framework in early 2019 for discussion with committees, local staff and elected officials, and stakeholders. The updated framework will shape the Preferred *Plan Bay Area 2050*, as well the *Plan's* policies and investments. Staff will continue to coordinate with the related CASA effort.

Requested Feedback

Staff request feedback from the RAWG on the following questions:

- Which strategies would be the most effective in: a) meeting regional housing needs and b) achieving the statutory GHG reduction target?
- Which strategies are feasible today and should be “fast tracked”?
- Which strategies are worth pursuing but face significant near-term obstacles?

Attachments

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



H O R I Z O N

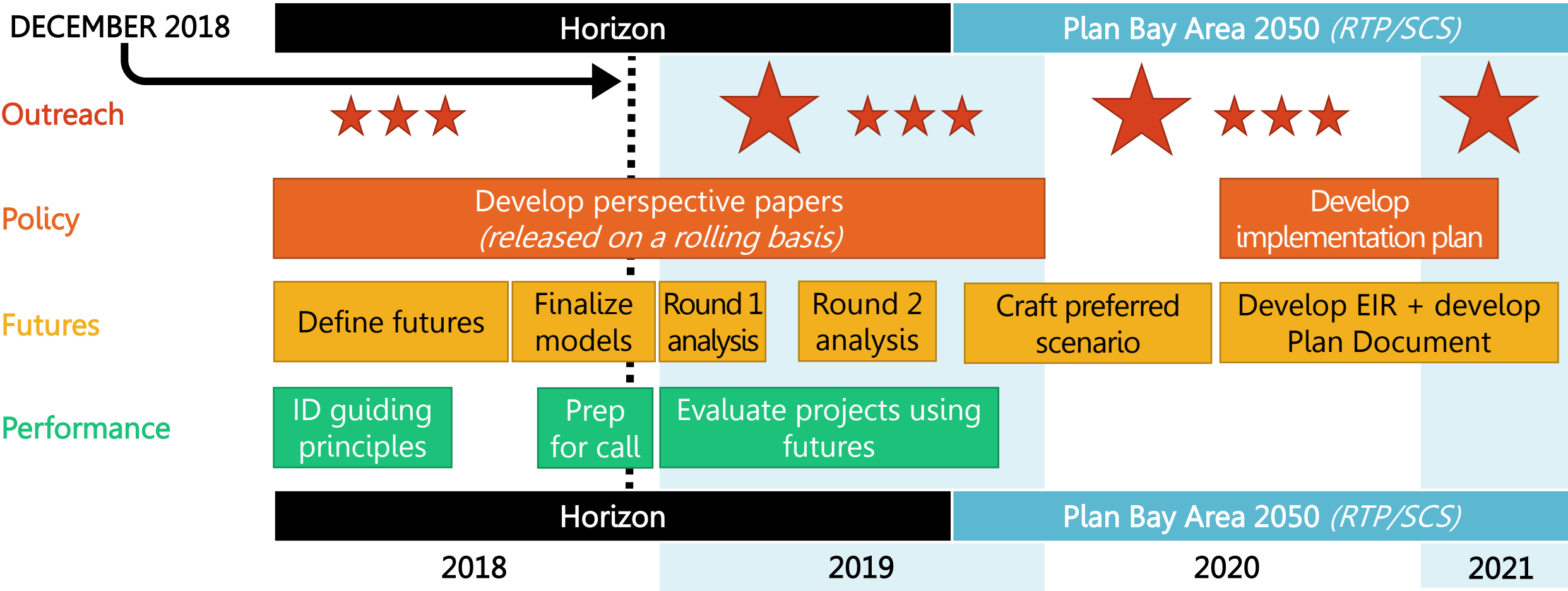
Regional Growth Strategies

Perspective Paper #3

Mark Shorett, MTC/ABAG

Regional Advisory Working Group - December 4, 2018

Horizon and Plan Bay Area Overview



Perspective Papers Overview



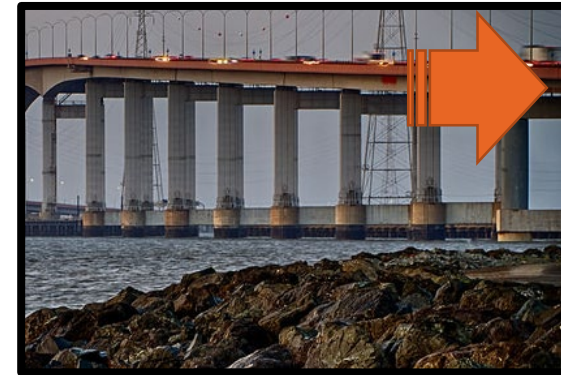
1) Autonomous Vehicles



2) Toward a Shared Future



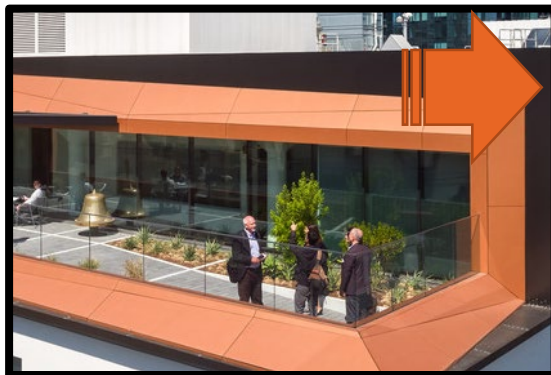
3) Growth Strategies



4) Crossings



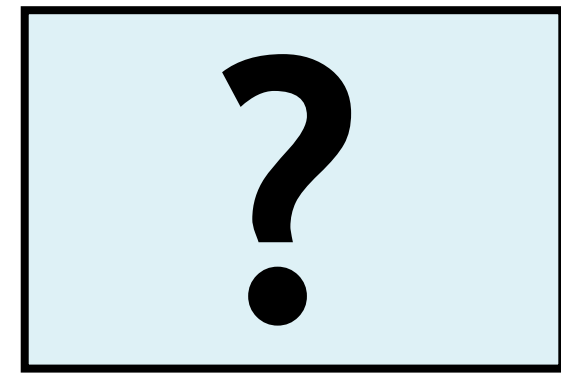
5) Future of Jobs



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



H O R I Z O N

Highlights from October 2018

Assessment of Current Framework

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



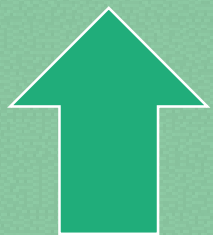
Successes & Challenges



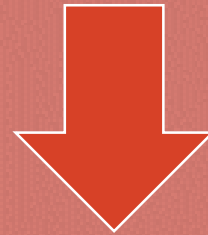
- Effective open space protection
- 188 adopted PDAs



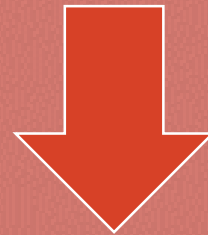
- Share of housing permits in PDAs increasing
- OBAG aligns investment with growth strategy



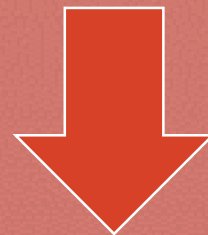
- Stronger real estate markets in PDAs across region



- 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

Key Findings

PDAs are generally in lower-VMT locations, but very few are in high-opportunity communities.

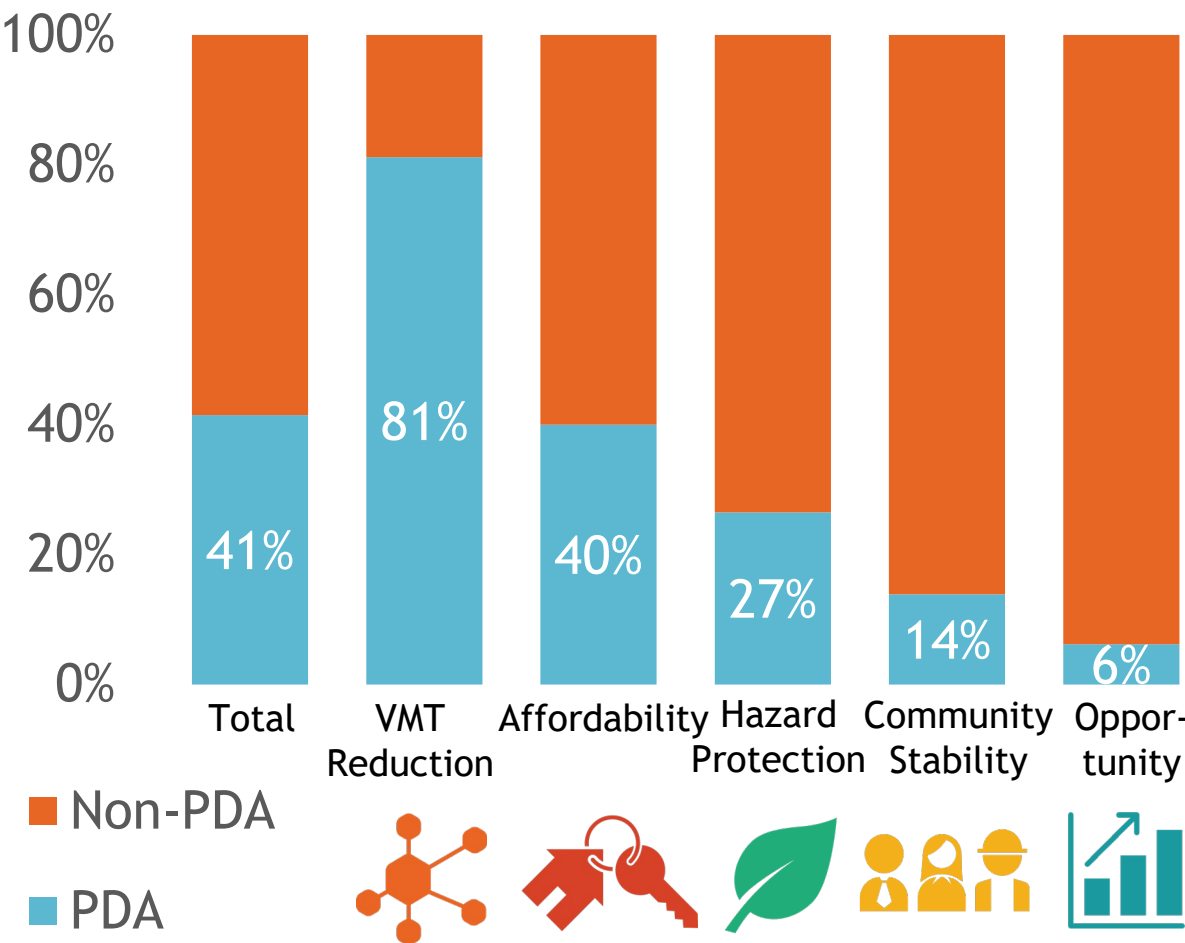
1 / 4

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

> 50%

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

Summary of Highest-Ranked Places





H O R I Z O N

Future Growth Framework

Options & Strategies

Geographies to Consider in Future Growth Framework



Residential/Mixed-Use	Office/Retail	Manufacturing	Open Space/Habitat
Existing Priority Development Areas (PDAs)			
Additional priority areas (new)			
Incremental growth areas (new)			
		Priority Production Areas (PPAs - new)	
			Priority Conservation Areas (PCAs)

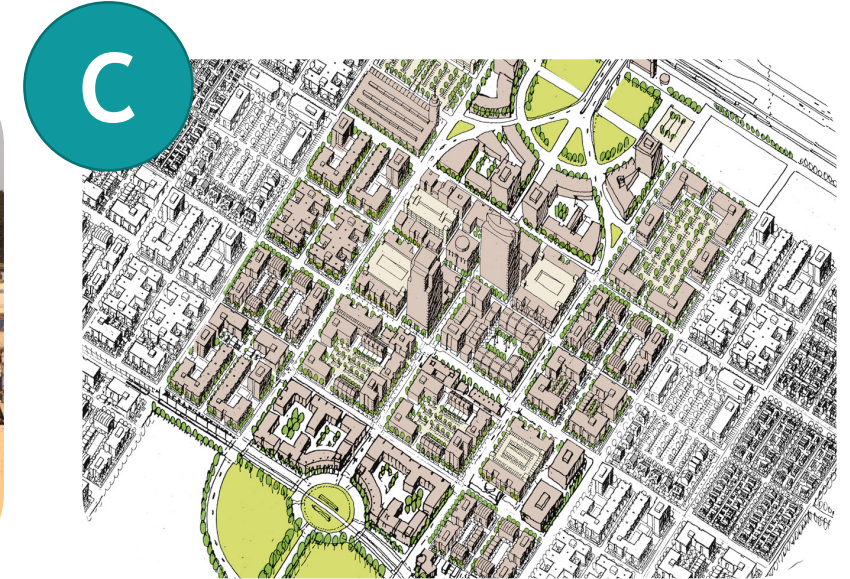
Three Potential Frameworks for Growth



Double Down
on PDAs



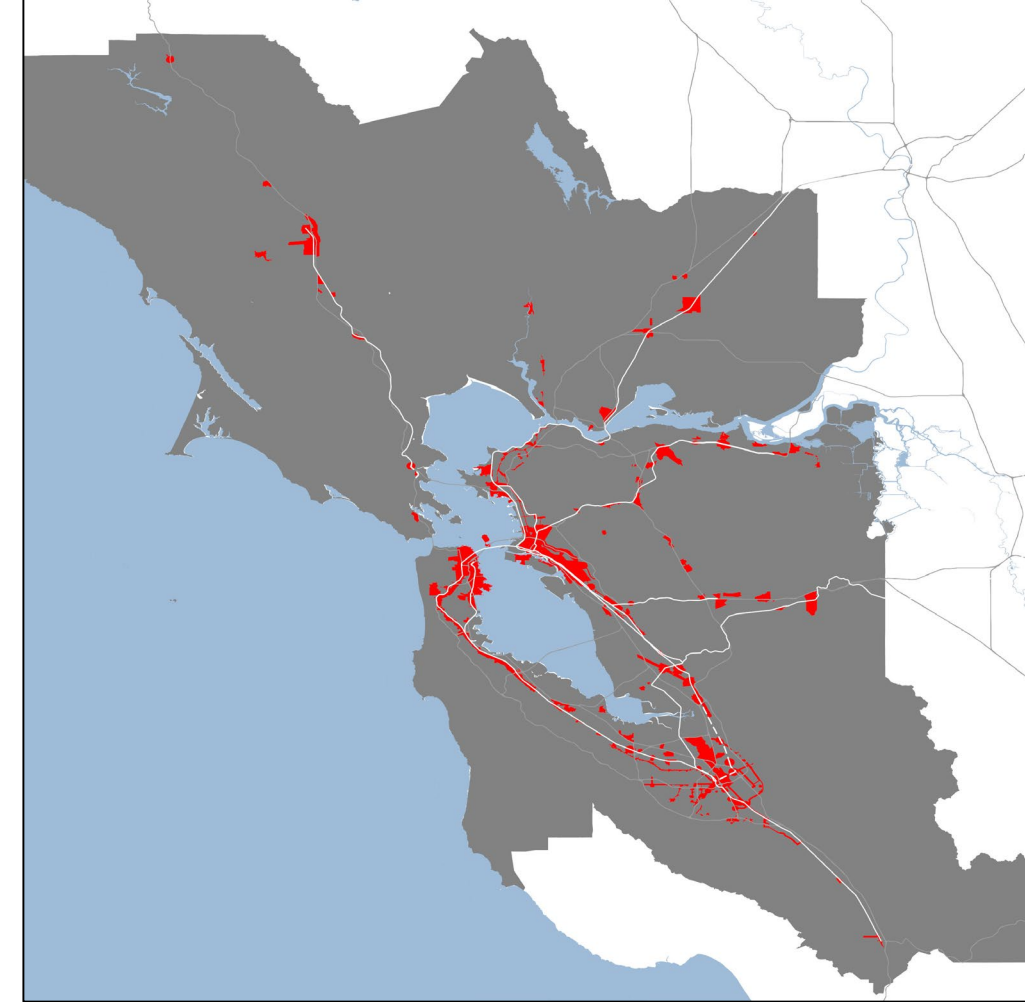
PDAs Plus



Clean Slate

A Double Down on PDAs

- **Concept**
 - PDAs remain the primary focus for housing growth and take on increased share of jobs
 - PDAs are planned and developed at feasible densities with services that reflect local demand
 - PDAs with the greatest housing production and GHG reduction potential receive highest levels of growth and investment

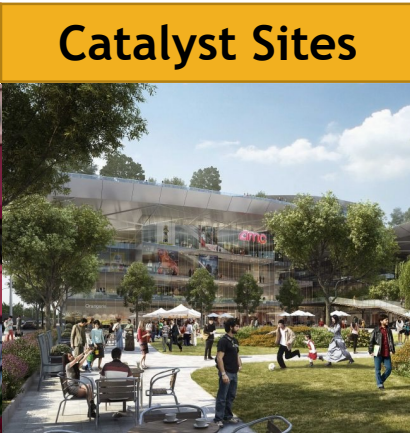
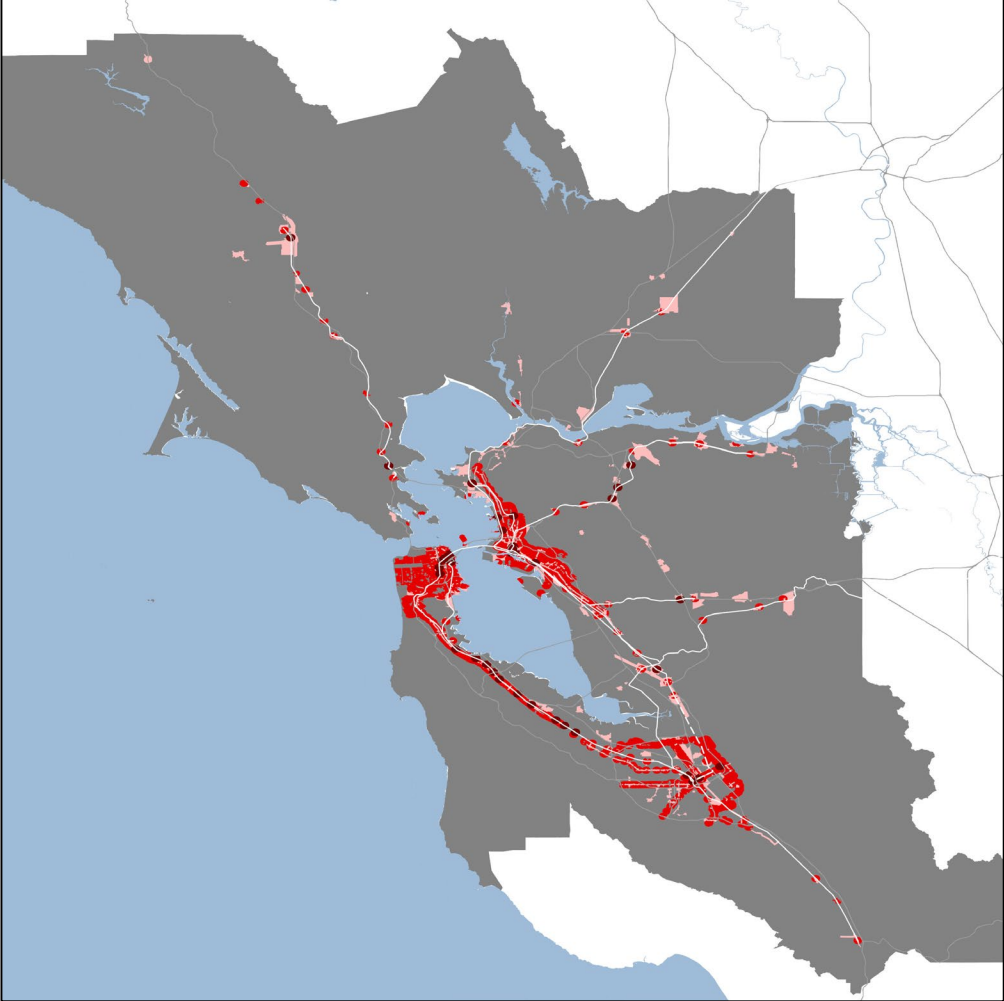


Priority Development Areas



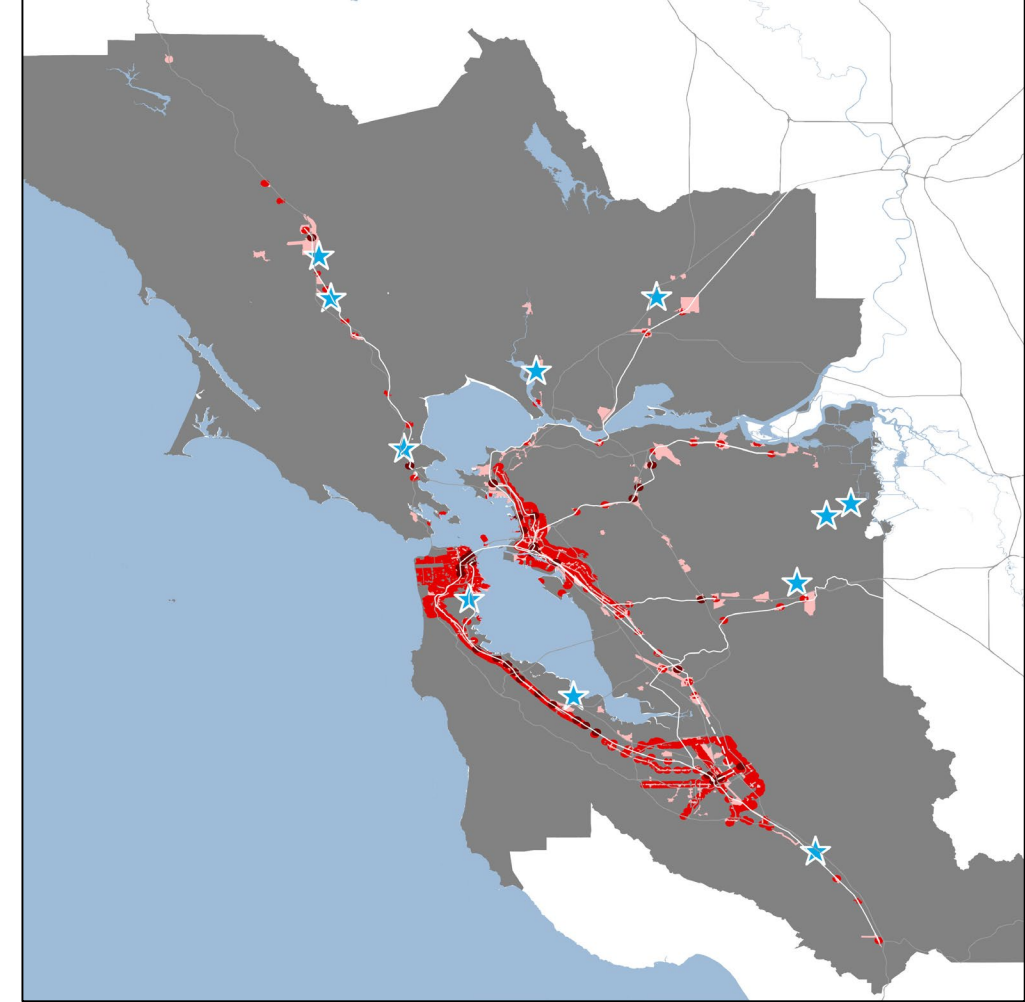
B PDAs Plus

- **Concept**
 - Focus most new jobs and housing around highest capacity transit, including areas outside PDAs
 - Transform aging shopping centers, office parks, and public land into mixed-income communities
 - Introduce context-sensitive “missing middle” housing in transit-served neighborhoods

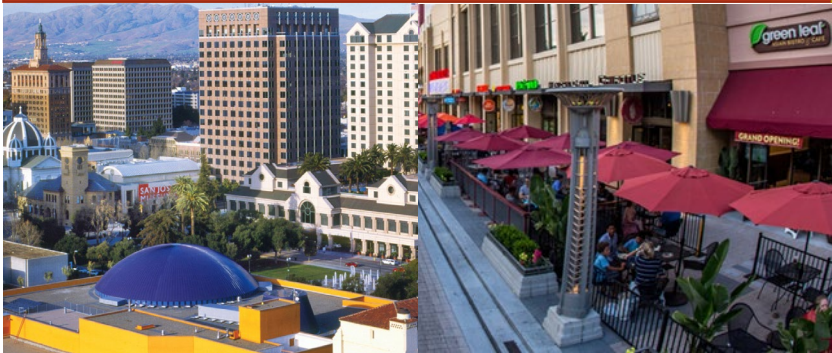


C Clean Slate

- **Concept**
 - Continue supporting growth in transit-served infill locations
 - Strategically expand areas allowed for development to create new mixed-use communities
 - Increase “missing middle” housing in single-family neighborhoods throughout the region



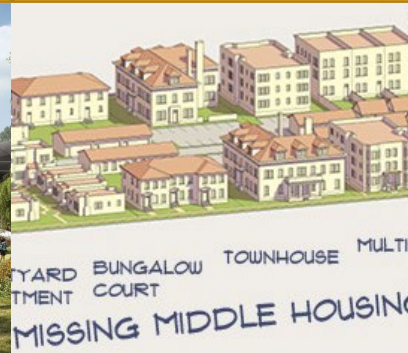
Priority Development Areas



Catalyst Sites



Residential Infill



Urban Edge



A B C Shared Challenges & Strategies

CHALLENGES

STRATEGIES

- Lack of connection between growth framework and local land use plans
- Limited financing for infrastructure, housing, and economic development
- Quality of life and fiscal concerns
- Hazard risk and climate change adaptation
- Unaffordability of new housing for moderate- and low-income households

Integrate the regional growth framework into local General Plans

Expand OBAG3 funding & align criteria more closely with housing outcomes

Invest in infrastructure and high-quality services in growth areas

Create regional climate change adaptation strategy aligned with growth framework

Establish a Regional Housing Enterprise to increase preservation and production of affordable housing

A Double Down on PDAs

KEY CHALLENGES

- **Inequities** - significant displacement pressures & growth focused in lower-resource areas
- **Development constraints** - land availability, inconsistent market demand for housing and jobs
- **Transit** - limited transit service in one-quarter of all PDAs, transit crowding

KEY STRATEGIES

Allow transit-supportive densities in all PDAs, paired with design standards and displacement mitigation strategies

Implement a regional employment location policy supported by incentives to balance the location of job and housing growth

Invest higher level of transportation funding to provide all PDAs sufficient levels of transit service

B PDAs Plus

KEY CHALLENGES

- **Changes to current framework** - requires update process
- **Potential community opposition** - obstacles to growth outside of existing PDAs
- **Development schedule** - uncertain timeline for large-scale reuse projects

KEY STRATEGIES

Create guidelines and implementation resources for an expanded range of regional priority areas

Permit “missing middle” housing in transit rich neighborhoods, supported by context-sensitive design standards

Provide infrastructure funding and technical assistance to Regional Catalyst Projects with 1000+ mixed-income housing units and supportive local services

C Clean Slate

KEY CHALLENGES

- **Urban limit lines** - established by counties and local jurisdictions
- **Potential environmental impacts** - associated with developing greenfield lands
- **Infrastructure** - limited roads, transit, water, and other public facilities for edge sites

KEY STRATEGIES

Strategically adjust urban limit lines to create Urban Reserves for future development that meets environmental performance standards

Streamline permitting and mitigation process to maximize regional ecological benefit and minimize uncertainty

Provide funding for new infrastructure, including transit and shared mobility services, to serve new mixed-income communities with 10,000+ housing units



Ongoing Coordination



CASA, The Committee to House the Bay Area



Adapting to Rising Tides (ART)



Priority Production Areas (PPAs)

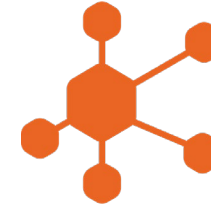
Aligning with the Guiding Principles

Updating the Regional Growth Framework could:

- Expand housing and employment opportunity sites to yield more affordable outcomes
- Address PDAs that are not adequately connected to the region's transportation system
- Promote more equitable outcomes by ensuring that everyone can live in a diverse, healthy, economically vibrant community of their choice



AFFORDABLE



CONNECTED



DIVERSE



HEALTHY



VIBRANT

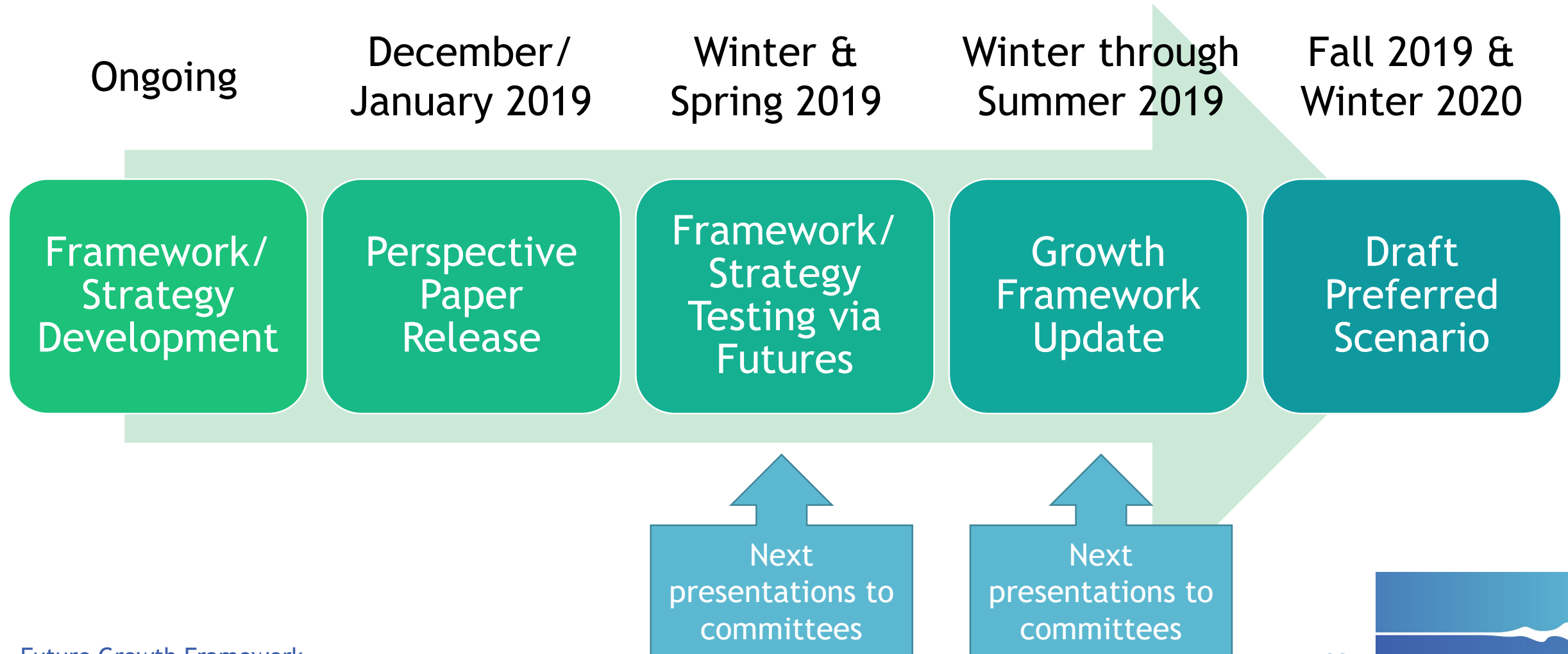


H O R I Z O N

Future Growth Framework

The Path Forward

What's Next?



Toward a Future Framework

Updated Framework & Strategies



Guidelines & Designations



Plan Bay Area 2050:
Investments & Preferred Land Use

PLAN BAY AREA 2050

Ongoing implementation & monitoring

Paper Release Event

January 30, 2019

6:00 PM

Hayward City Hall