



Bay Area Metro
375 Beale Street
San Francisco, CA 94105

May 3, 2019

Re: Regional Growth Framework Revisions: Next Steps Presentation

Dear ABAG President Rabbitt, MTC Chair Haggerty, MTC Commissioners, ABAG Executive Board, and Staff,

The San Francisco Bay Area Planning and Urban Research Association (SPUR) is member-supported urban policy think tank that promotes good planning and good government through research, education and advocacy. We are located in the three largest cities of the Bay Area and work to drive local and regional change.

We commend MTC and ABAG for re-assessing the Plan Bay Area regional growth strategy and the Priority Development Area tool. The last update of Plan Bay Area offered a sobering wake-up call that our current approach to regional and local planning will continue to worsen the many crises that the Bay Area faces. This major update of Plan Bay Area is an opportunity to be visionary and paint a picture of what we want the future to be, rather than accept current trends.

The *Horizons* Perspective Paper highlights several of the shortcomings with the current growth framework, including:

- Cities opt-in to the Priority Development Area designation, which limits new growth to too few places and worsens housing costs and other displacement pressures around the region.
- Only 6% of Priority Development Areas are located in areas of high opportunity, reflecting a long history of policy decisions that have disadvantaged people of color and low-income people—as well as an opportunity to reverse the trend of growing segregation.
- Approximately half of the region’s housing growth between 2015-2017 has taken place outside of the Priority Development Areas, suggesting that the PDA tools are not adequately shaping where growth is located.
- Some Priority Development Areas do not meet the program criteria, suggesting that these are not the “right” places for new growth.
- Some of the areas in the region with the highest potential to reduce VMT and greenhouse gas emissions are not PDAs, suggesting that the PDA tool is missing some of the most transit-accessible and sustainable places to grow.

SPUR strongly supports the proposed definition of a PDA: *“an infill location that is planned for significant housing and job growth, offers a suite of mobility options which enable residents to live a car-free or car-light lifestyle, and promotes greater opportunity for all, regardless of race or income”*. **We strongly support using objective, measurable criteria to determine where growth should be located. Locating new growth in Transit Priority Areas and High Opportunity Areas is a big step in the right direction.** As MTC and ABAG consider the adoption of this new framework, we also recommend:

1. **We strongly support locating growth in areas that are rich in transit, high-quality schools, and other resources that promote economic mobility.** However, changing the regional growth framework will not change the fact that some cities have been reluctant to embrace growth and submit plans that conform to the regional growth framework. **We recommend that MTC add requirements to its funding programs to move away from an opt-in approach and continue to explore statewide growth management legislation**, such as those that concentrate growth near transit and require local plans to be consistent with the regional plan.
2. We appreciate that there are two categories of PDAs. All PDAs are not alike, and we should expect more from our urban areas. It is these areas where we also most need to direct job growth to support transit. **For transit-rich PDAs, we recommend a requirement that cities plan for at least 60% of their job growth within ¼-mile of regional rail stations.**
3. **For connected community PDAs, we recommend a closer look at the requirement that “at least 50% of land in PDA be within ½ mile of an existing or planned bus line with headways of no more than 30 minutes in peak periods”**. Many transit agencies are starting to shift their operating models to provide high-ridership routes (high frequency and high span) with less geographic coverage. These shifts are consistent with the need to create a network of local and regional routes and help support the financial stability of transit agencies, but the shifts also mean that the amount of land area proximal to a bus route may change.
4. **Prior to adoption of the proposal, we recommend that staff prepare and circulate a map that shows the area and locations that would be incorporated in the new designations.** That will help determine how much land is available for growth.
5. **Prior to adoption of the proposal, we recommend that staff prepare and circulate a map that compares the areas that are classified as PDAs if they have the current 20-minute transit frequency compared to the proposed 15-minute transit frequency.** Though SPUR supports frequent transit, we are also concerned that this shift may reduce the number of places that are designated for growth.

6. **We recommend that MTC model approximately how much growth could fit within these designations.** SPUR found that in the last two decades we have created a housing shortfall of 700,000 housing units and will need to produce 2.5 million new housing units over the next 50 years to make the region affordable to median income households.¹ It is not clear whether the proposed land area covered by the PDA framework can accommodate this amount of growth, suggesting the possibility of spillover into areas where we do not want to direct growth or into the megaregion.
7. We appreciate that there are two categories of PDAs, one that will help reinforce the urban centers of the Bay Area. All PDAs are not alike, and we should expect more from our urban areas. It is these areas where we also most need to direct job growth to support transit. **We recommend a requirement that cities plan for at least 60% of their job growth within ¼-mile of regional rail stations.**
8. **We appreciate that the two categories of PDAs incorporate job growth.** For many years, SPUR has advocated for Bay Area Metro to revise the PDA program and criteria to incorporate jobs so that the regional growth framework more directly shapes the location, density and diversity of employment.
9. **We support the Priority Production Area (PPA) for industrial jobs in concept, however:**
 - a. **We caution that cities could use the PPA as an excuse to not permit housing and infill development.** One way to avoid this outcome is to require cities to adopt plans for Priority Development Areas (or whatever replaces this program) prior to nominating Priority Production Areas. We also support the staff recommendation that PPAs not overlap with a PDA and does not include land within ½ mile of a regional rail station or ferry terminal.
 - b. **We want to grow the number of middle-wage jobs in the Bay Area, and protecting land for industrial jobs may not achieve that goal.** The Bay Area has had almost no change in the number of middle-wage jobs between 2007 and 2017.² At the same time, the types of industries and occupations that support middle-wage jobs is changing. Many industrial jobs are no longer middle-wage jobs. Jobs in the healthcare, caring occupations, and professional services are

¹ <https://www.spur.org/news/2019-02-21/how-much-housing-should-bay-area-have-built-avoid-current-housing-crisis>

² <https://www.spur.org/news/2019-01-23/wage-trends-show-increases-low-wage-jobs-while-middle-wage-job-growth-slows>

growing and will provide middle-income jobs. We encourage Bay Area Metro to provide support for these jobs within the growth framework.

10. Require cities to rezone their Priority Development Areas. Many cities that have adopted specific plans for their PDAs have not rezoned the land. Rezoning after adopting a plan helps speed up the infill development process. We recommend changing the grant award criteria so that cities that must include rezoning in their scope of work as a condition of funding.

11. Clarify how these designations will be used relative to various funding programs and policies. It is helpful for cities to understand how the criteria and designations will be used to inform Plan Bay Area, as well as OBAG, transit funding, RHNA, fair housing and other programs.

Thank you for the opportunity to provide input on this critical update to the region's plan for growth. Please do not hesitate to reach out with any questions at ltolkoff@spur.org.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Laura Tolhoff', is positioned above the typed name.

Laura Tolhoff
Regional Planning Policy Director