

Association of Bay Area Governments

Executive Board

July 18, 2019

Agenda Item 10.c.

Plan Bay Area 2050: Regional Growth Forecast Methodology

Subject: Report on Plan Bay Area 2050: Regional Growth Forecast Methodology

Background: Staff will present the approach, tools and assumptions underlying the Regional Growth Forecast of total jobs, population, and households for Plan Bay Area 2050.

In preparation for crafting the growth pattern for Plan Bay Area 2050, it is necessary to first understand how much the region will likely grow over the next 30 years.

Building upon the work from Horizon which explored three different futures and associated growth trajectories, Plan Bay Area 2050 will require a Regional Growth Forecast for use in the development of the regional plan.

The Regional Growth Forecast estimates of jobs, population, and households will serve as a key input to the UrbanSim 2.0 land use model, which will identify likely locations for future growth based on the ultimate Plan's strategies.

This presentation will focus on the methods used for creating the Regional Growth Forecast, putting it in the broader context of the Plan Bay Area 2050 development process.

Issues: **How will Plan Bay Area 2050 be analyzed?**

Each version of Plan Bay Area (officially the Regional Transportation Plan / Sustainable Communities Strategy) has relied upon a Regional Growth Forecast of how total levels of employment, population, and households will change across the nine-county region over the Plan lifespan and at what income levels. Further analysis of the Plan is conducted using a land use model (UrbanSim 2.0) to identify where growth will locate inside the region, and a transportation model (Travel Model 1.5) that will explore the travel patterns and transportation impacts generated by this growth.

What tools are used?

The Regional Growth Forecast makes use of the Bay Area Regional Economic Modeling Inc. (REMI) 2.2 model. Additional analysis of household, income and in-commute patterns are done using analytic techniques created in-house. Ultimately, the results inform and may be informed by UrbanSim 2.0 and Travel Model 1.5.

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How are the underlying assumptions determined?

At the regional forecast stage, the assumptions are mainly technical in nature. When we reach the stage of the local area forecast, a number of land use policy assumptions will be made in consultation with regional planners, while at the same time strategies will be vetted by the public and key stakeholders. For the Regional Growth Forecast, the ABAG/MTC team has worked with the Center for Continuing Study of the California Economy and with a technical advisory committee of economic, demographic, real estate, and model experts to discuss assumptions and provide feedback on the Regional Growth Forecast methodology. Economists and demographers from the California Department of Finance are also consulted.

What is new for Plan Bay Area 2050?

There will be more attention to how the information provided by one model can inform other parts of the analysis, so that the Regional Growth Forecast of population, jobs and households takes into account the impacts of strategies for housing, economic development, and beyond. Furthermore, the Regional Growth Forecast will for the first time extend through the year 2050 – the horizon year for this planning cycle.

Next Steps:

This initial presentation of the forecasting methodology gives staff time to incorporate suggestions and address unanticipated concerns.

The methodology was presented to the ABAG Regional Planning Committee on June 5 and to the ABAG Administrative Committee on July 12 with input from committee members and public comment.

Between mid-July and mid-August, public comments are requested on the Regional Growth Forecast methodology; in combination with a public hearing, final approval of this methodology will be requested by the September ABAG Executive Board meeting.

Staff will continue improving the method of iterating results between REMI 2.2, UrbanSim 2.0 and Travel Model 1.5 over the summer with the goal of developing a Draft Regional Growth Forecast by fall 2019.

Further testing of strategies will be done in fall 2019 and early 2020, with a final Regional Growth Forecast slated for adoption in spring 2020.

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Attachments:

Attachment A: Plan Bay Area 2050: Regional Growth Forecast
Methodology
Attachment B: Presentation

Reviewed:



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