

Metropolitan Transportation Commission
Joint MTC ABAG Legislation Committee

May 12, 2023

Agenda Item 3d

Assembly Bill 1335 (Zbur): Population Forecasting for Long Range Plans

Subject:

Prescribes new population forecasting methodology for the regional transportation plan (RTP)/sustainable communities' strategies (SCS).

Background:

Regional Transportation Plan/Sustainable Communities Strategy Background

An RTP/SCS is a long-range transportation and land use planning document. Federal law requires that metropolitan planning organizations (MPOs) update their RTP – a federally mandated long-range transportation plan – every four or five years (in the Bay Area, the update is required every four years). Since 2008, state law (Senate Bill (SB) 375, Steinberg) has mandated that each MPO's RTP also include an SCS, an integrated transportation and land use strategy to reduce greenhouse gas emissions from cars and light duty truck travel, including planning for adequate housing to accommodate projected population growth. MTC and ABAG jointly develop and approve the SCS; the Bay Area's most recently adopted RTP/SCS is Plan Bay Area 2050.

One of the key components of Plan Bay Area 2050 is a Regional Growth Forecast, which is a projection of how much the Bay Area's population, jobs, and housing are expected to grow through the year 2050. In projecting population growth, the forecasting process considers factors such as housing-supportive policies, employment growth, new transportation patterns, and other policy interventions which can affect population trends. These interventions are aligned with state and regional policy goals tied to the SCS (climate, housing affordability, etc.). The forecast includes housing for all projected households plus the number of units that would be needed to house the increased number of workers estimated to otherwise commute into the region, consistent with state law.

Regional Housing Needs Assessments and the RTP/SCS

SB 375 also integrated transportation and housing planning processes by synchronizing the regional housing needs allocation (RHNA) and RTP/SCS schedules and requiring that the SCS identify areas within the region sufficient to house the eight-year projection of regional housing need (also called the regional housing needs determination (RHND)). Further, SB 375 required that the Department of Housing and Community Development (HCD) in developing the RHND consider both the RTP/SCS regional growth forecast *and* Department of Finance (DOF) population projections, though in practice HCD typically defaults to relying on the DOF projections.

State housing law further requires consistency between the distribution of the RHND to cities, towns and counties (i.e., RHNA) and the development pattern in the RTP/SCS (which is finalized first). Notably, these two planning processes seek to address the housing needs over different time horizons. For example, Plan Bay Area 2050 has a planning horizon of 2050, while the current RHNA cycle covers an eight-year period from 2023 to 2031. MTC/ABAG in Plan Bay Area 2050 achieved this consistency by ensuring that planned growth for the region, as well as planned growth at a more localized (county and sub-county) level was greater in the long-range plan than over the eight-year RHNA cycle.

AB 1335 Summary

AB 1335 would establish DOF population projections as the default baseline for the Regional Growth Forecast in future RTP/SCSs, applicable to the next update of Plan Bay Area. Specifically, the bill requires that the SCS portion of an RTP be based on 1) population projections produced by the DOF and 2) the regional population forecasts used in determining the eight-year RHNA. This would replace the current approach where MTC/ABAG (and other regions) develop a Regional Growth Forecast for the RTP/SCS. The bill *does not* propose to change state housing law, which requires that regional housing needs determinations are developed based on projections by DOF *and* Regional Growth Forecasts in the RTP/SCS, creating an inconsistency in statute.

AB 1335 would also require local governments to include in their housing element progress reports an update on how the jurisdiction is aligning its land use strategies with those in the applicable SCS.

Recommendation:

Oppose / ABAG Executive Board Approval

Oppose / MTC Commission Approval

Discussion

While we understand that the intent of the bill is to align the SCS and RHNA and support state housing goals, staff has several substantive concerns with AB 1335. First, state transportation planning law and state housing law already require alignment, so we do not believe this bill is necessary. Second, we are concerned that the bill would undercut our ability to incorporate strategies that advance specific policy goals (climate, housing affordability, etc.) into our Regional Growth Forecast, creating a disconnect between our policies and our growth forecasts. DOF population projections – in contrast to regional growth forecasts – are developed based solely on past trends and exclude policy changes such as those in Plan Bay Area 2050.

Further, we believe the bill would have the unintended consequence of substantially *reducing* planned growth; in the Bay Area, **using the DOF projections would have roughly halved** the amount of planned housing in Plan Bay Area 2050, making it harder to achieve state climate and housing goals and more difficult to justify future enhancements to the regional transportation network, which are deemed necessary based on our own projected changes in population. Lastly, we have technical concerns regarding implementation.

We appreciate that the author's office and bill sponsor have met with us numerous times and shared openness to addressing several of these concerns. However, we have not – to date – been able to identify a compromise. Given the significance of the Regional Growth Forecast to MTC and ABAG's work and the severity of our concerns, staff recommends an "oppose" position on AB 1335.

Known Positions

Support

Abundant Housing LA (sponsor)

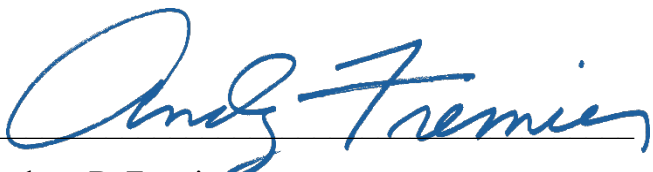
Oppose

California Building Industry Alliance

Southern California Association of Governments

Attachments:

none



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