



PLAN BAY AREA 2050+



ASSOCIATION OF BAY AREA GOVERNMENTS  
METROPOLITAN TRANSPORTATION COMMISSION

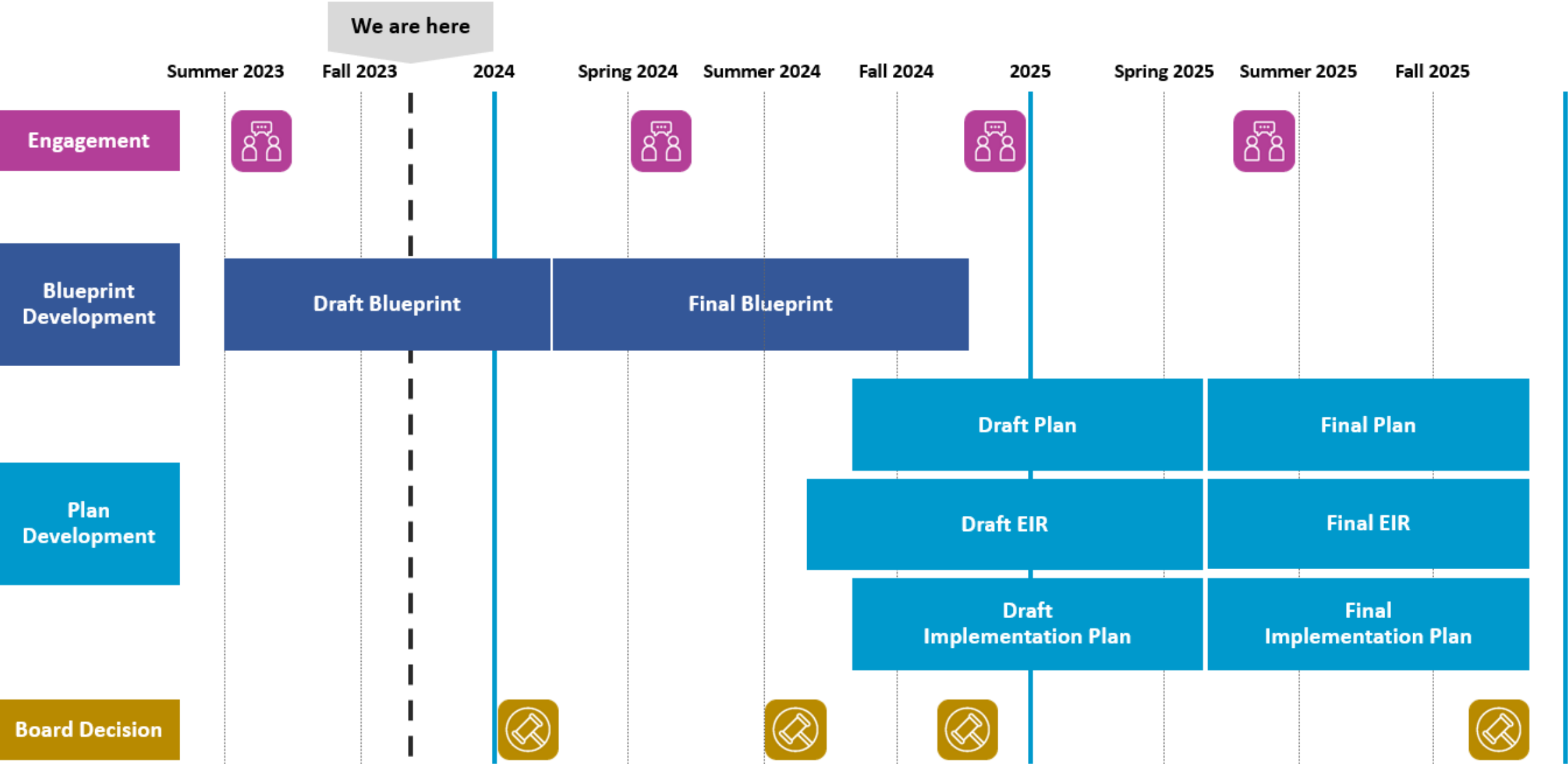
# Plan Bay Area 2050+:

*Round 1 Engagement Findings, Draft Core Planning Assumptions,  
and Draft Blueprint Strategy Refinements*

Joint MTC Planning Committee with the ABAG Administrative Committee

November 3, 2023

# Plan Bay Area 2050+: Schedule

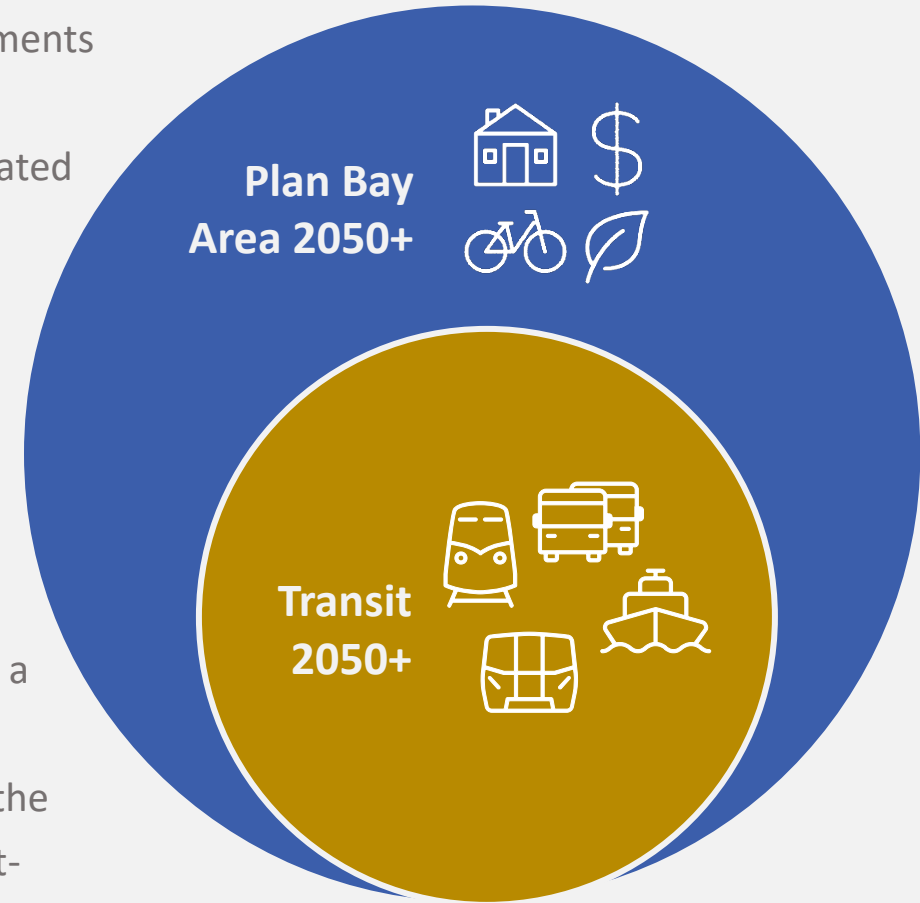


# Plan Bay Area 2050+: Refresher and Overview

- Plan Bay Area 2050+ is a **limited and focused update** to Plan Bay Area 2050, focused on three core priorities: public information, updated assumptions, and implementation
- The parallel Transit 2050+ effort is developing a **service-oriented, fiscally-constrained transit network plan** for the nine-county Bay Area, for incorporation into the Plan Bay Area 2050+ Final Blueprint later in 2024
- The goal of this presentation is to provide an update on Plan Bay Area 2050+ progress to-date, including:
  - **Round 1 public and partner engagement findings**
  - **Draft core planning assumptions**, including key external forces, the draft Regional Growth Forecast, and draft Needs and Revenue forecasts
  - **Potential Draft Blueprint strategy refinements**, as informed by Round 1 engagement and Plan Bay Area 2050 implementation activities

## Plan Bay Area 2050+:

Responsible for targeted refinements to the plan's 29 strategies unrelated to transit

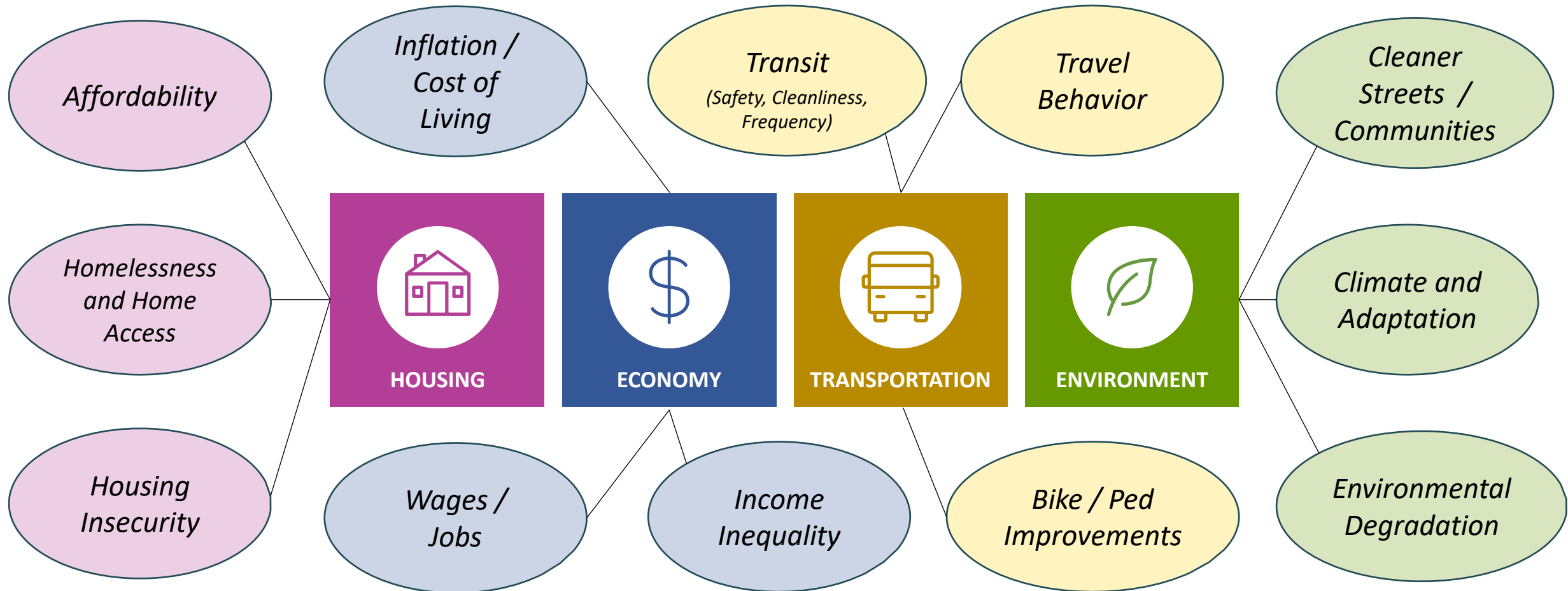


## Transit 2050+:

Responsible for a comprehensive reimagining of the plan's six transit-oriented strategies

# Public Engagement: Round 1 Key Themes

Round 1 activities generated over 16,000 public comments and engaged hundreds of partner organizations through pop-up public workshops, online surveys, virtual stakeholder events, CBO partnerships, and more.



Note: For more information on Round 1 engagement activities and findings, please see **Attachment B**.

# What are Planning Assumptions, Strategies and Geographies?



## Planning Assumptions

- **External Forces** reflect assumptions about future year conditions that are independent from Plan Bay Area and beyond the region's control; these conditions influence the impact of strategies adopted in the plan.
- The **Regional Growth Forecast** estimates how much the Bay Area might grow between now and 2050, including population, jobs and households
- **Needs and Revenue Analyses** are financial forecasts that support the Transportation, Housing and Environment Elements



## Strategies and Geographies\*

- **Strategies** are either public policies or investments that can be implemented in the Bay Area over the next 25 years at the local, regional, or state levels
- **Growth Geographies** are areas within the region's nine counties where future housing and/or job growth would be focused under the plan's strategies
- Plan Bay Area includes: Transportation Strategies; Housing Geographies & Strategies; Economic Geographies & Strategies; and Environmental Strategies

*\*Note: The Joint MTC Planning with the ABAG Administrative Committee will formally adopt Plan Bay Area 2050+ strategies and geographies for further study as part of a Draft Blueprint action item in January 2024.*

# Planning Assumptions: Draft External Forces (*subset*)

- To account for **future uncertainties**, MTC/ABAG explored a wide range of external forces as part of **three distinctive futures** during the Horizon initiative to evaluate strategies later included in Plan Bay Area 2050.
- Plan Bay Area 2050+ will include **targeted updates** to select external forces to better reflect the current planning context, especially where there is sufficient evidence for new and lasting trends in the post-pandemic “New Normal”.

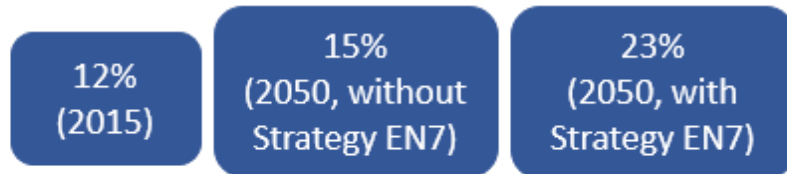


## Share of Work from Home on Typical Day

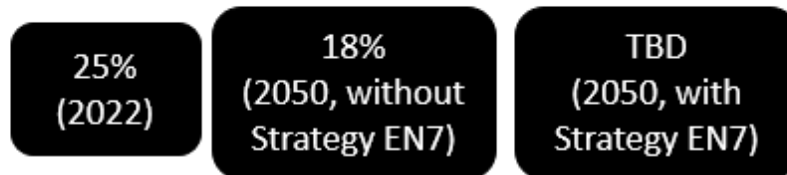
*Range Explored in Horizon Futures*



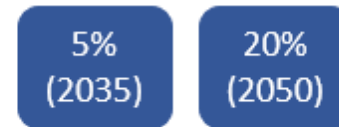
*Plan Bay Area 2050 Assumptions*



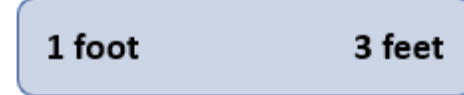
*Plan Bay Area 2050+ Preliminary Assumptions*



## Autonomous Vehicle (AV) Market Share



## Anticipated Sea Level Rise (SLR) & Protection Height



# Planning Assumptions: Draft Regional Growth Forecast



## **Population:**

Moderately lower population growth, driven by COVID-19 slowdown and declining fertility + U.S. immigration



## **Jobs:**

Mostly unchanged jobs picture, driven by a strong national economy and a continued competitive Bay Area economy



## **Households and Age:**

With an aging population comes declining average household size, as older populations tend to have smaller households



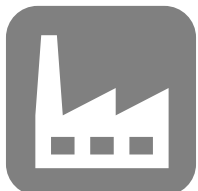
## **Racial/Ethnic Diversity:**

Bay Area population continues to diversify, driven by both migration and fertility dynamics



## **Income:**

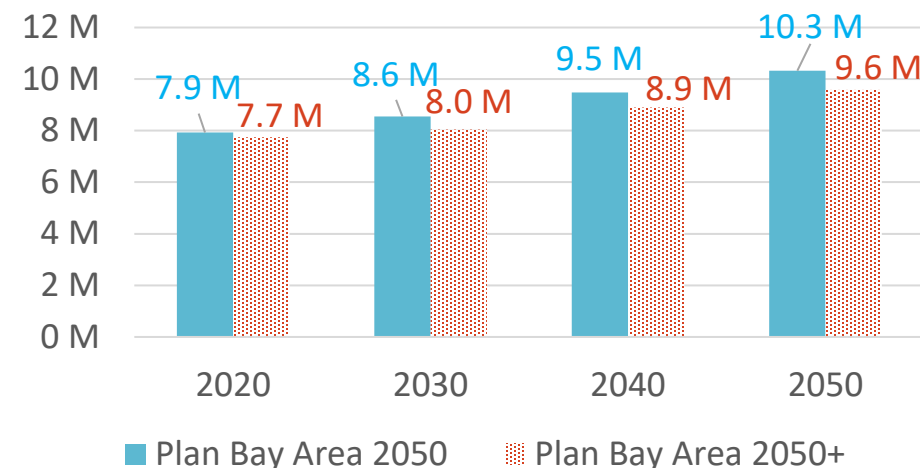
A continued shrinkage of the middle class, offset by increases in both high- and low-income populations



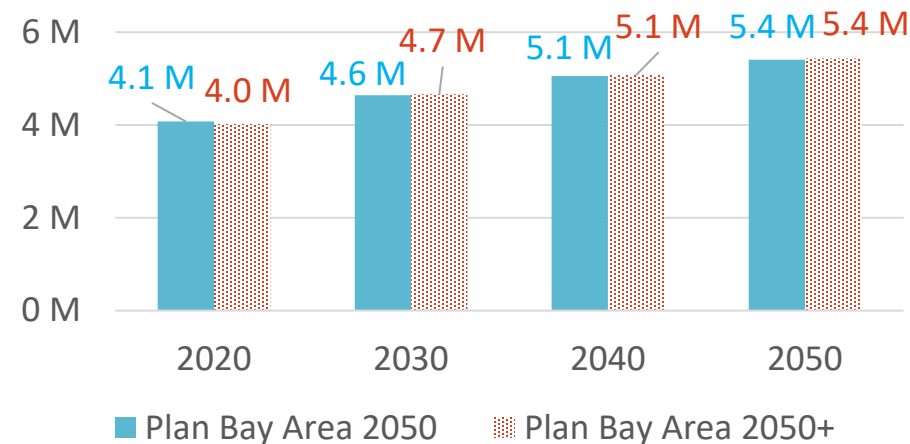
## **Industry Composition:**

The region will continue to be a center for innovation, technology, and high-value services and industries

### Population



### Employment



Note: For more information on the Draft Regional Growth Forecast, please see **Attachment C.**



## **For Transportation, “Needs” are:**

The estimated costs to operate, maintain, and optimize the transportation system.

## **For Transportation, “Revenues” are:**

The estimated revenues from federal, state, regional, local, and new sources reasonably expected to be available over the planning period.

## **What’s different about Transportation?**

Federal statute requires the Transportation Element to be fiscally constrained, meaning that investments to maintain and enhance the system must not exceed projected revenues. Major projects must be included in Plan Bay Area’s transportation project list to advance to construction.



Source: California High-Speed Rail Authority



# Planning Assumptions: Draft Transport. Needs & Revenue



Plan Bay Area 2050+ forecasts higher costs and lower revenues versus Plan Bay Area 2050, teeing up challenging tradeoff discussions ahead:

- **At \$381 billion, costs to operate, maintain and optimize** the transportation network over the plan horizon are roughly equivalent to Plan Bay Area 2050, despite a shorter plan period
- **Capital costs** for major projects are rising faster than inflation, on the order of 20% to 40% greater than Plan Bay Area 2050
- The **draft revenue forecast including anticipated, new and optional revenues** is nearly \$100 billion less than the prior plan
- Without anticipated, new or optional revenues, **funding for expansion and/or enhancement projects would be extremely limited** after addressing operating and maintenance needs

**Bottom line:** Projects may need to be delayed or removed to meet fiscal constraint requirements.

| Transportation System Needs Categories<br>(\$ in billions)                                 | Plan Bay Area 2050 | Plan Bay Area 2050+ | Change        |
|--|--------------------|---------------------|---------------|
| Local Streets, Roads, and Bike/Ped Assets  | \$62               | <b>\$72</b>         | \$11          |
| Local Bridges  | \$3                | <b>\$3</b>          | \$0           |
| Regional Bridges   | \$22               | <b>\$20</b>         | (\$2)         |
| State Highways   | \$24               | <b>\$29</b>         | \$4           |
| Transit Operations   | \$211              | <b>\$183</b>        | (\$28)        |
| Transit Capital Assets   | \$60               | <b>\$66</b>         | \$7           |
| Transit Capital Assets: Zero-Emission Fleet Incremental Cost                               | \$0                | <b>\$8</b>          | \$8           |
| <b>Total Transportation Needs</b>  | <b>\$381</b>       | <b>\$381</b>        | <b>\$0</b>    |
| <b>Total Transportation Revenue <u>Without</u> Anticipated, New, and Optional Revenues</b> | <b>\$477</b>       | <b>\$406</b>        | <b>(\$71)</b> |
| <b>Total Transportation Revenue <u>With</u> Anticipated, New, and Optional Revenues</b>    | <b>\$591</b>       | <b>\$493</b>        | <b>(\$98)</b> |

# Planning Assumptions: Draft Housing Needs & Revenue



The baseline subsidy required to meet forecasted housing needs is greater in Plan Bay Area 2050+, with the gap between need and expected revenue also increasing.

- **Rising Development Costs.** Increased construction costs and interest rates have driven up the per-unit cost to build housing.
- **Increasing income inequality.** Compared to Plan Bay Area 2050, low-income households are forecasted to account for a larger share of overall population growth in Plan Bay Area 2050+.
- **New state and local funding sources.** Recent increase in state and local funding, while critical to addressing the housing crisis, falls far short of meeting current and anticipated need when projected into the future.

| Housing Strategy Themes<br>(\$ in billions) | Plan Bay<br>Area 2050 | Plan Bay<br>Area 2050+ | Change       |
|---|-----------------------|------------------------|--------------|
| Protection & Preservation                   | \$239                 | <b>\$252</b>           | +13          |
| Production                                  | \$219                 | <b>\$302</b>           | +\$83        |
| Create Inclusive Communities                | \$10                  | <b>\$11</b>            | +\$1         |
| <b>Total Housing Need</b>                   | <b>\$458</b>          | <b>\$552</b>           | <b>\$97</b>  |
| <b>Total Housing Revenue</b>                | <b>\$122</b>          | <b>\$159</b>           | <b>+\$37</b> |

Note: Estimates shown in Year of Expenditure dollars over full plan period, accounting for anticipated future inflation; numbers may not total due to rounding. Revenues may be revised in Final Blueprint pending potential 2024 regional housing measure.

Refinements to the plan's Housing strategies will aim to meet the remaining need by reducing production costs and through a mix of federal, state, and leveraged regional and local sources.

# Planning Assumptions: Draft Environment Needs & Revenue

The environment needs (\$216B) have roughly doubled in Plan Bay Area 2050+ compared with the prior plan.

- **Strategy EN1.** The \$66B increase is due to increasing adaptation coverage from 3.0 to 4.9 feet as well as updated cost estimates.
- **Strategies EN2 & EN3 and Strategies EN5 & EN6.** Reshuffling between the paired strategies results in a decrease in one and an increase in the other. Strategy EN3 also increased due to expanding building decarbonization to cover all buildings.

This is the first time Plan Bay Area has forecasted environment revenues. The draft revenues (\$30B) only meet 14% of overall environmental needs.

- Many environmental funding sources are one-time sources, particularly for emerging needs like sea level rise, building decarbonization, and transportation demand management.

| Environment Element Strategies<br>(\$ in billions) | Plan Bay Area 2050 | Plan Bay Area 2050+ | Change |
|--|--------------------|---------------------|--------|
| Strategy EN1: Adapt to Sea Level Rise              | \$19               | <b>\$85</b>         | \$66   |
| Strategy EN2: Seismic & Wildfire Home Retrofits    | \$15               | <b>\$7</b>          | -\$8   |
| Strategy EN3: Energy & Water Building Retrofits    | \$18               | <b>\$52</b>         | \$34   |
| Strategy EN4: Maintain Urban Growth Boundaries     | <\$1B              | <\$1B               | -      |
| Strategy EN5: Protect & Manage Conservation Lands  | \$15               | <b>\$42</b>         | \$27   |
| Strategy EN6: Modernize and Expand Parks & Trails  | \$30               | <b>\$20</b>         | -\$10  |
| Strategy EN7: Expand Commute Trip Reduction Prgm.  | <\$1B              | <\$1B               | -      |
| Strategy EN8: Expand Clean Vehicle Initiatives     | \$5                | <b>\$8</b>          | \$3    |
| Strategy EN9: Expand Transportation Demand Mgmt.   | \$1                | <b>\$2</b>          | \$1    |
| <b>Total Environment Element Need</b>              | \$103              | <b>\$215</b>        | \$112  |
| <b>Total Environment Element Revenue</b>           | -                  | <b>\$30</b>         | -      |



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# Draft Blueprint: Pivoting from Planning Assumptions to Proposed Strategy Refinements

# Proposed Strategy Refinements (1 of 2)

Engagement Theme  
(from summer '23)

Proposed Refinements and [Relevant Implementation Efforts](#)

**Improve transit safety, cleanliness, and frequency**

Undertake a more comprehensive update to transit strategies via the parallel Transit 2050+ effort to support connectivity, ridership recovery, system reliability, and more. Recommendations will be integrated during Plan Bay Area 2050+ Final Blueprint phase in mid-2024.

**Ensure equitable pricing strategies and reduce driving demand**

Propose refinements to per-mile freeway tolling strategy (Strategy T5) with expanded equity considerations. Weave together the plan's existing pricing strategies with a refreshed approach, while also considering expanding the strategy to include a new regional mileage-based user fee.

- [Express Lanes START, Clipper® START and Clipper® BayPass](#)
- [Next Generation Freeways Study](#)

**Encourage safe active transportation**

Propose refinements to Strategy T8 and T9 to enhance access and safety on the High Injury and Regional Active Transportation Networks using design. Stakeholders also highlighted the need to protect key community spaces, especially schools & senior centers.

- [Regional Active Transportation Plan and Active Transportation Network](#)
- [Complete Streets Policy](#)



Photo: rawpixel



Photo: San Francisco Bike Coalition

Refer to **Attachment G** for more information on strategy refinements.

# Proposed Strategy Refinements (2 of 2)

Engagement Theme (*from summer '23*)

## Proposed Refinements and Relevant Implementation Efforts

**Remove local policy barriers to building housing and support innovation**

Integrate areas subject to the Transit-Oriented Communities Policy as part of minor refresh to Growth Geographies (Strategy H3). Refine affordable housing production strategies (Strategies H4, H5, H6, H8) to integrate innovative construction & finance models and Priority Sites.

- [Transit-Oriented Communities Policy](#)
- [Priority Development Area Program](#)
- [BAHFA Pilot Programs](#)

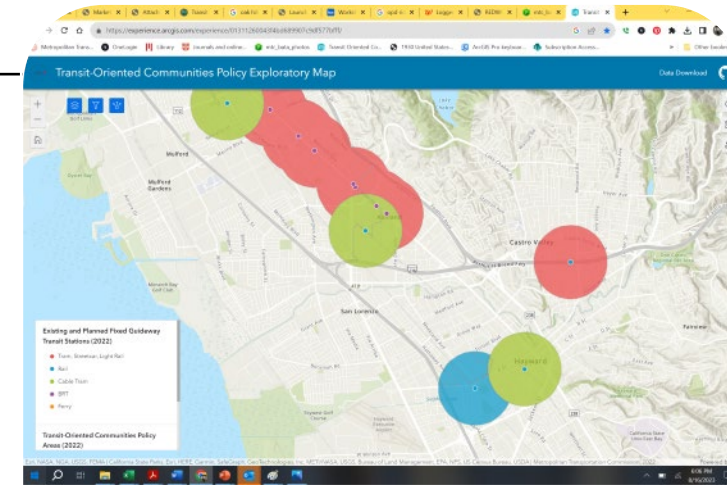


Photo: MTC Photo Library

**Do more to reduce greenhouse gas emissions**

Propose targeted expansion for building decarbonization (Strategy EN3), electric vehicles (Strategy EN8), and transportation demand management programs (Strategy EN9). Consider integrating e-bikes into approach for Strategy EN8.

- [MTC Climate Initiative Grant Programs](#)
- [BayREN Strategic Business Plan](#)



Photo: Karl Nielsen, Fagan Marsh State Marine Park

**Do more to adapt to climate change impacts**

Propose a significant expansion to address sea level rise with updated cost assumptions (Strategy EN1) and expand urban greening efforts with more tree canopy (Strategy EN6).

- [MTC/BCDC Sea Level Rise Adaptation Funding & Investment Framework](#)
- [MTC/ABAG Priority Conservation Area Refresh](#)

Refer to **Attachment G** for more information on strategy refinements.



# Next Steps

**December 2023/January 2024:** Anticipated Update on Parallel Transit 2050+ Effort

**January 2024:** Seek Approval of Draft Blueprint Strategies

**Winter/Spring 2024:** Analysis of Draft Blueprint Performance & Equity Outcomes

**Spring 2024:** Round 2 of Public & Stakeholder Engagement

**Summer 2024:** Seek Approval of Final Blueprint Strategies, including Project Lists

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