



PLAN BAY AREA 2050

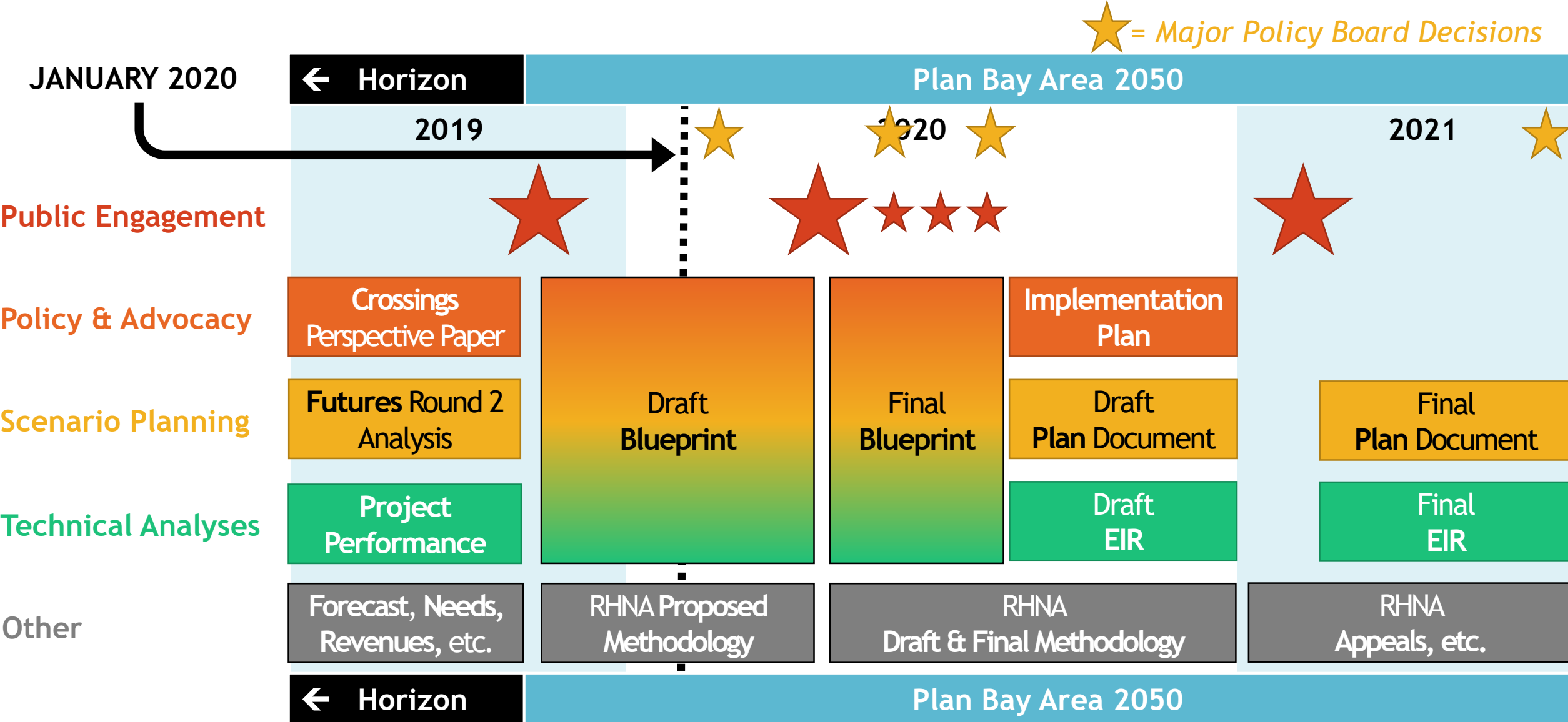
*Plan Bay Area 2050*

# Draft Blueprint: Setting the Stage

January 2020 Webinar

*Focus on Housing & Economy Elements*

# Plan Bay Area 2050 Schedule



# New Release!

## Futures Final Report

*Download link:*

<https://mtc.ca.gov/our-work/plans-projects/horizon/futures-planning>

*Email questions to:*

*Michael Germeraad*

[mgermeraad@bayareametro.gov](mailto:mgermeraad@bayareametro.gov)





# The report is organized into 5 chapters.

### Streamline Development in All Areas Designated for Growth

**RATING**  
●○○○

**CHALLENGE**  
Cities and counties generally do not build housing or commercial buildings — private developers do. However, even with strong market demand, areas that provide regional benefits like reduced GHG emissions may not attract private development without local policies that support future growth.

**STRATEGY**  
Apply a set of development streamlining measures in areas prioritized for growth. In Plan Bay Area 2040 and in both rounds of Futures analysis, assumed faster development approvals and reduced parking requirements were used to streamline growth in PDAs and other growth geographies, which increased their attractiveness for new development compared to other areas.

**RATING: Recommended to move forward**  
The strategy was included in Plan Bay Area 2040. While new Priority Development Areas are locally nominated, the same incentives should be applied to support an expanded set of Plan Bay Area 2050 priority areas for growth.

**PROS**

- More than 90% of growth occurs within growth geographies in all three Futures<sup>1,2</sup>. The streamlining measures coupled with the zoning changes in the previous suite of geography strategies create an attractive environment for growth regardless of different levels of development studied in different Futures. Model outputs illustrated below suggest that policies alone are enough to drive growth into priority areas.
- Strategy uses policy rather than financial incentives to focus growth. Using policy to focus growth rather than financial incentives are a cost-effective way to implement a land use blueprint.

**CONS**

- Streamlining needs to work for the community. Streamlining that speeds project permitting can lead to missed opportunities to make the most of new developments. When done right, local land use planning that creates a framework for future development ensures new developments can proceed quickly, while meeting the community's priorities developed as part of a specific plan or general plan process.

Figure 20. Location of households added between 2015 to 2050 relative to growth geography

**TECHNICAL NOTES**  
To better understand this strategy's pros and cons, the UrbanSim 1.5 land use model was used to simulate the strategy as part of a package. The model assumes that CEQA streamlining reflects a 1% more profitable development, reduced parking requirements reflect 1% more profitable development, and depending on a parcel's associated vehicle miles traveled, the development is 2% to -2% more/less profitable to reflect compliance with SB 743. The strategy also assumes that \$40 million in Onw Bay Area Grant funding further improves overall profitability by the amount across all development within the growth geography.

53 FUTURES: RESILIENT AND EQUITABLE STRATEGIES

ASSOCIATION OF BAY AREA GOVERNMENTS  
METROPOLITAN TRANSPORTATION COMMISSION

## 1. INTRODUCTION

## 2. FUTURES PLANNING

## 3. THE IMPACTS OF THE HORIZON STRATEGIES

Explores how Horizon strategies when evaluated together, affect regional goals organized under the five Horizon Guiding Principles.

## 4. IDENTIFYING EFFECTIVE STRATEGIES

Summarizes the specific effects of each of the 34 Horizon strategies into a one pager.

## 5. WHAT HAVE WE LEARNED?



# A single source for all Futures findings.



Most of the content has been shared previously at October - January meetings and workshops. The report compiles all the findings together in a single resource.

# Advancing the Vision of Plan Bay Area 2050



To ensure by the year 2050 that  
the Bay Area is **affordable**,  
**connected**, **diverse**, **healthy**  
and **vibrant** for all.

# Refresher: Key Statutory Requirements

*While Plan Bay Area 2050 must meet many statutory requirements, these three are among the most critical:*



## Fiscal Constraint

Under federal transportation planning regulations, the Plan must rely upon reasonably-expected revenues

**Impact if Not Met:** federal and state agencies will reject the Plan's approval, triggering a conformity lapse



## Greenhouse Gas Reduction

Under Senate Bill 375, Plan Bay Area 2050 must meet or exceed a recently-enhanced 19 percent per-capita GHG reduction target for light-duty vehicles by 2035.

**Impact if Not Met:** region ineligible for select SB 1 funding



## Housing at All Income Levels

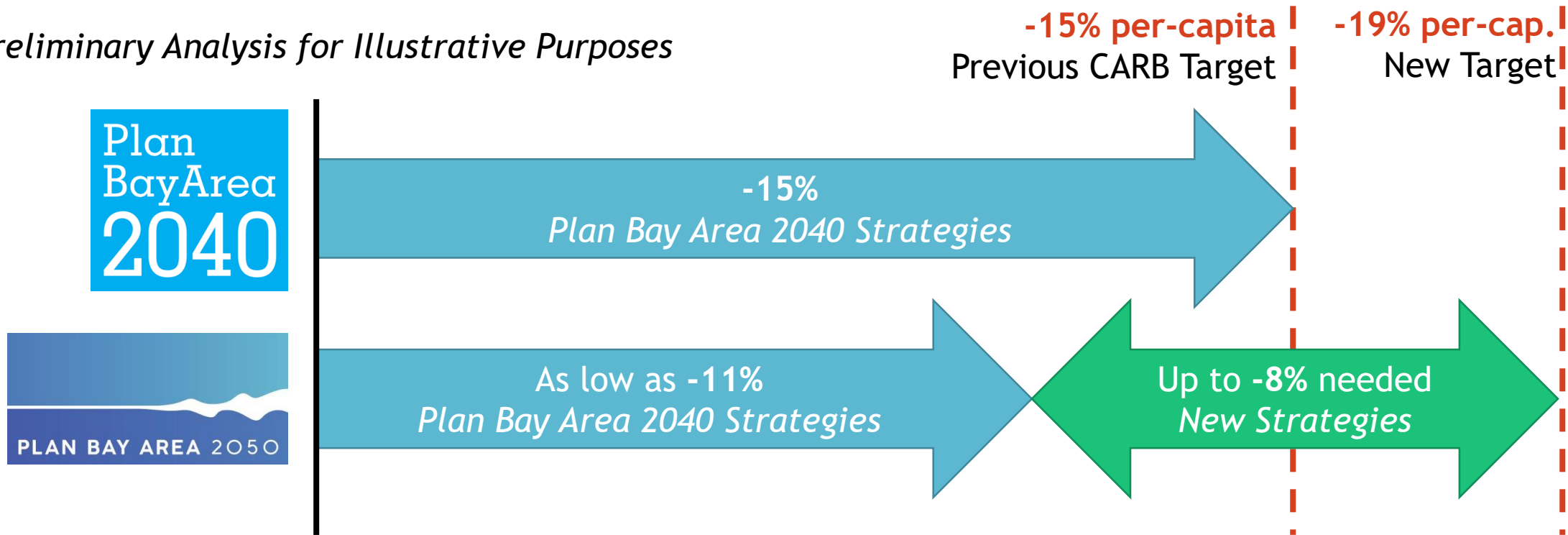
Under Senate Bill 375, Plan Bay Area 2050 plan for sufficient housing for all income levels; RHNA must ultimately be consistent with the Plan.

**Impact if Not Met:** HCD may not approve RHNA



# Without bold new strategies, it may be very difficult to meet the more ambitious GHG target.

*Preliminary Analysis for Illustrative Purposes*



As part of the Draft Blueprint, we will be **seeking your approval** in February to further study key strategies.

The Draft Blueprint will **integrate and test complementary strategies** to achieve improved regional outcomes.



## Plan Bay Area 2050 Blueprint

- **Transportation** Investments & Strategies
- **Housing** Geographies & Strategies
- **Economic** Geographies & Strategies
- **Environmental** Strategies

Today, we will focus on key questions related to two elements of the Plan Blueprint.



## Plan Bay Area 2050 Blueprint

- Transportation Investments & Strategies
- **Housing** Geographies & Strategies
- **Economic** Geographies & Strategies
- Environmental Strategies



# Refresher: Two Versions of the Blueprint

Transportation



Housing



Economy



Environment



**Plan Bay Area 2050 Blueprint Basic**  
Includes available revenues from Needs & Revenue assessments, but does not include New Revenues from future regional measures



**Plan Bay Area 2050 Blueprint Plus**  
Includes available revenues from Needs & Revenue assessments + additional New Revenues distributed to one or more topic areas of the Plan

This approach will provide more flexibility over the next year, should the MTC/ABAG boards wish to integrate new revenues to create a more aspirational Plan.

Either could be adopted as the Preferred Alternative in 2020 or 2021.

# Refresher: What is a Strategy?

What do we mean by “strategy”?

A strategy is either a **public policy or set of investments that can be implemented** in the Bay Area over the next 30 years; a strategy is **not a near-term action or legislative proposal**.

Who would implement these strategies?

Strategies in Plan Bay Area 2050 can be implemented at the **local, regional, or state levels**. Specific implementation actions and the role for MTC/ABAG will be identified through a collaborative process for the Implementation Plan in late 2020.

How many strategies can we include in the Blueprint?

Plan Bay Area 2050 must be **fiscally constrained**, meaning that not every strategy can be integrated into the Plan given finite revenues available.







3,000

comments at fall 2019  
“pop-up” workshops

9,900

comments from *Mayor of  
Bayville* online tool

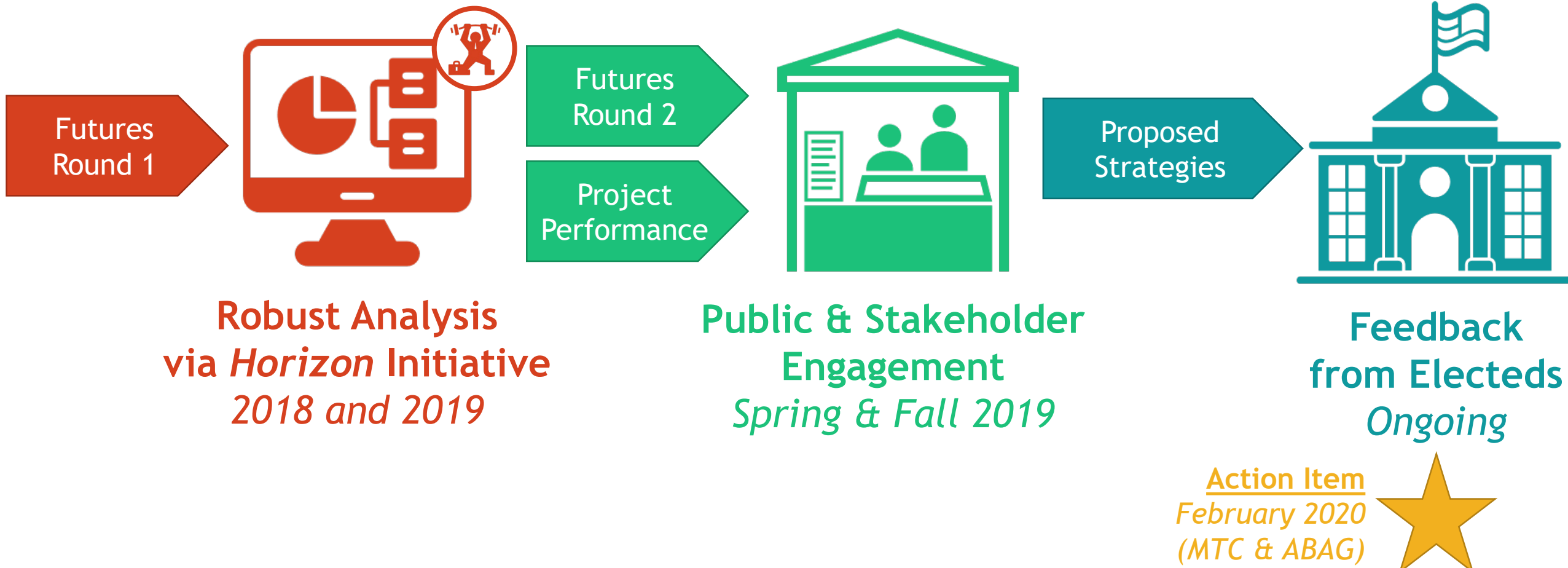


>250

attendees at fall 2019  
Draft Blueprint  
stakeholder workshops



# How Were Strategies Generated & Refined?



# More Opportunities for Strategy Refinements through Mid-2020

## Draft Blueprint



Analysis  
*Winter 2020*



Public & Stakeholder  
Engagement  
*Spring 2020*



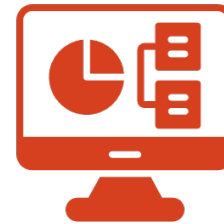
Strategy Revisions for  
Final Blueprint  
*Spring 2020*

18  
events



Action Item  
(MTC & ABAG)

## Final Blueprint



Analysis  
*Summer 2020*



Blueprint Approval &  
Advancement to EIR  
*Fall 2020*



Action Item  
(MTC & ABAG)

PLAN BAY AREA 2050

# Housing Element of the Draft Blueprint







# Refresh on Housing: What is the Plan required to do?

“The sustainable communities strategy shall...

“Identify areas within the region sufficient to house all the population of the region, including all economic segments of the population over the [30 year] course of the planning period... taking into account... employment growth

“Identify areas within the region sufficient to house an eight-year projection of the regional housing need [RHNA] for the region...

“Reduce the greenhouse gas emissions from automobiles and light trucks to achieve... [state-approved] reduction targets” (-19% for Plan Bay Area 2050)

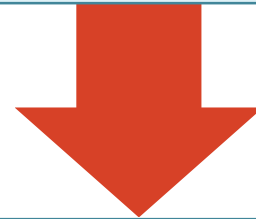
-California Government Code 65080(b); Senate Bill 375



# What are the consequences of not meeting one or more requirements?



Plan not approved by federal or state agencies



Transportation funding sources jeopardized  
(e.g. *SB1 Solutions for Congested Corridors*)

# Refresh on RHNA & Plan Bay Area 2050: What are the statutory requirements?

**RHNA must be consistent with the development pattern from the Plan<sup>1</sup>.**

- **Housing Element Law does not provide a definition of consistency or specific guidance about how it should be achieved.** Historically, MTC/ABAG has interpreted the consistency requirement to mean that the eight-year RHNA housing allocation for a given jurisdiction should not exceed the 30-year Plan housing forecast for the same jurisdiction.

**Subregional shares must be generated based on the Plan<sup>2</sup>.**

- **For any designated subregions, the share of the RHND allocated to that subregion must be generally based solely on the long-range plan, as opposed to other factors that may be integrated into the methodology.**

**Key assumptions from the Plan's Regional Growth Forecast should be provided to the state during the RHND consultation process<sup>3</sup>.**

- **However, the state is not required to integrate Council of Governments input on population growth estimates unless that total regional population forecast for the projection year is within  $\pm 1.5$  percent of the state's own forecast for the Bay Area.**

In addition to reducing GHG emissions...

# Why are Housing Strategies Critical?

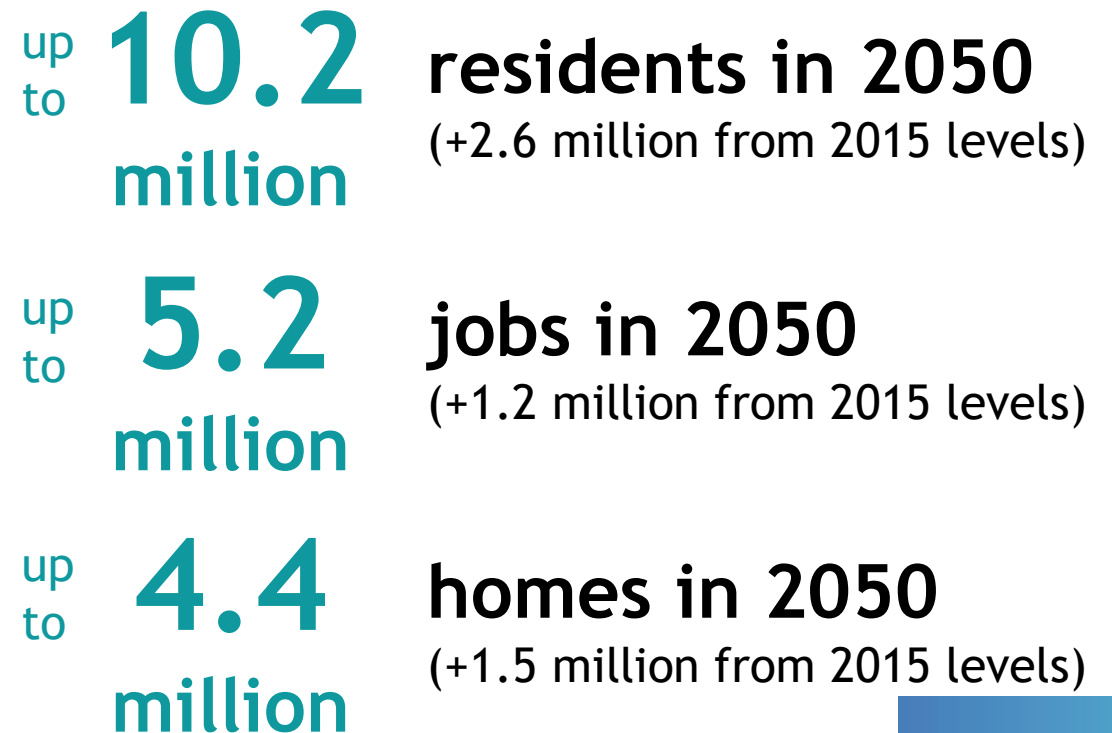
Without new strategies, regional affordability will continue to worsen.



Strategies included in Plan Bay Area 2040 were insufficient to slow rising housing costs. The share of lower-income households' income spent on housing and transportation were forecasted to rise 13 percentage points by year 2040.

Source: Plan Bay Area 2040 Final Plan

The region is anticipated to see significant growth through 2050.



Source: Plan Bay Area 2050  
Draft Regional Growth Forecast



# Draft Blueprint: Proposed Housing Strategies

**Spur Housing  
Production &  
Create Inclusive  
Communities**

**Allow a Greater Mix of Housing Types & Densities  
in Growth Geographies**

Transform Aging Malls and Office Parks into Neighborhoods

Reduce Barriers to Housing in Growth Geographies

**Protect,  
Preserve, &  
Produce  
Affordable  
Housing**

Fund Affordable Housing Protection, Preservation & Production

Require 10 to 20 Percent of All New Housing to be Affordable

Further Strengthen Renter Protections

**Focus of this  
session**

**Additional Housing  
Strategies  
Recommended for  
inclusion in Blueprint**  
*(see attachment for more  
detail)*

**Adopted into State Law in  
2019; included in Blueprint**

**Repurpose Public Land to Build Housing**



**Question: To meet regional housing need and improve potential GHG & equity outcomes, should the Blueprint integrate Transit-Rich and High-Resource Areas throughout the region?**

# Looking at the Big Picture: Our Current Growth Framework

## Locally-Nominated Priority Areas



Priority Development Areas



Priority Conservation Areas



Priority Production Areas



**Plan Bay Area:**  
*Strategies & Implementation*



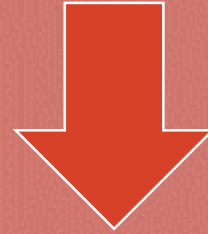
## Plan Bay Area: Focused Growth



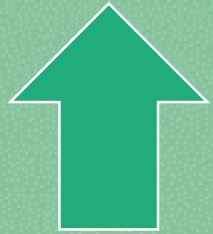
# Regional Growth Framework: Progress to Date



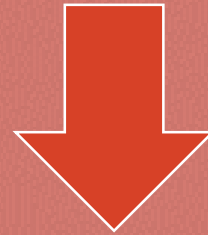
- Effective open space protection
- 188 adopted PDAs



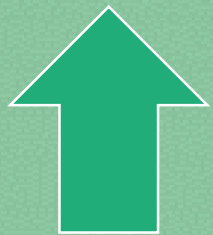
- Some PDAs not aligned with program guidelines
- Many areas that support regional goals not yet nominated PDAs



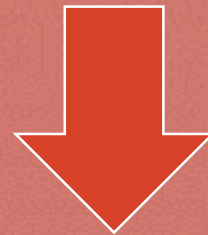
- Share of housing permits in PDAs increasing
- OBAG aligns investment with growth strategy



- Current share of jobs & housing in PDAs well below PBA forecast
- Low and moderate income housing needs not met



- Stronger real estate markets in PDAs across region



- Increasing displacement pressure in many PDAs



# Which Growth Geographies should the Draft Blueprint include?

## Existing Growth Geographies

*Locally nominated*



Priority Development Areas



Priority Production Areas

## To consider:

### Additional Growth Geographies

*Advance GHG & Equity Outcomes and PDA-eligible, but not yet locally nominated*



Transit-Rich Areas



High-Resource Areas



Other Urbanized Areas



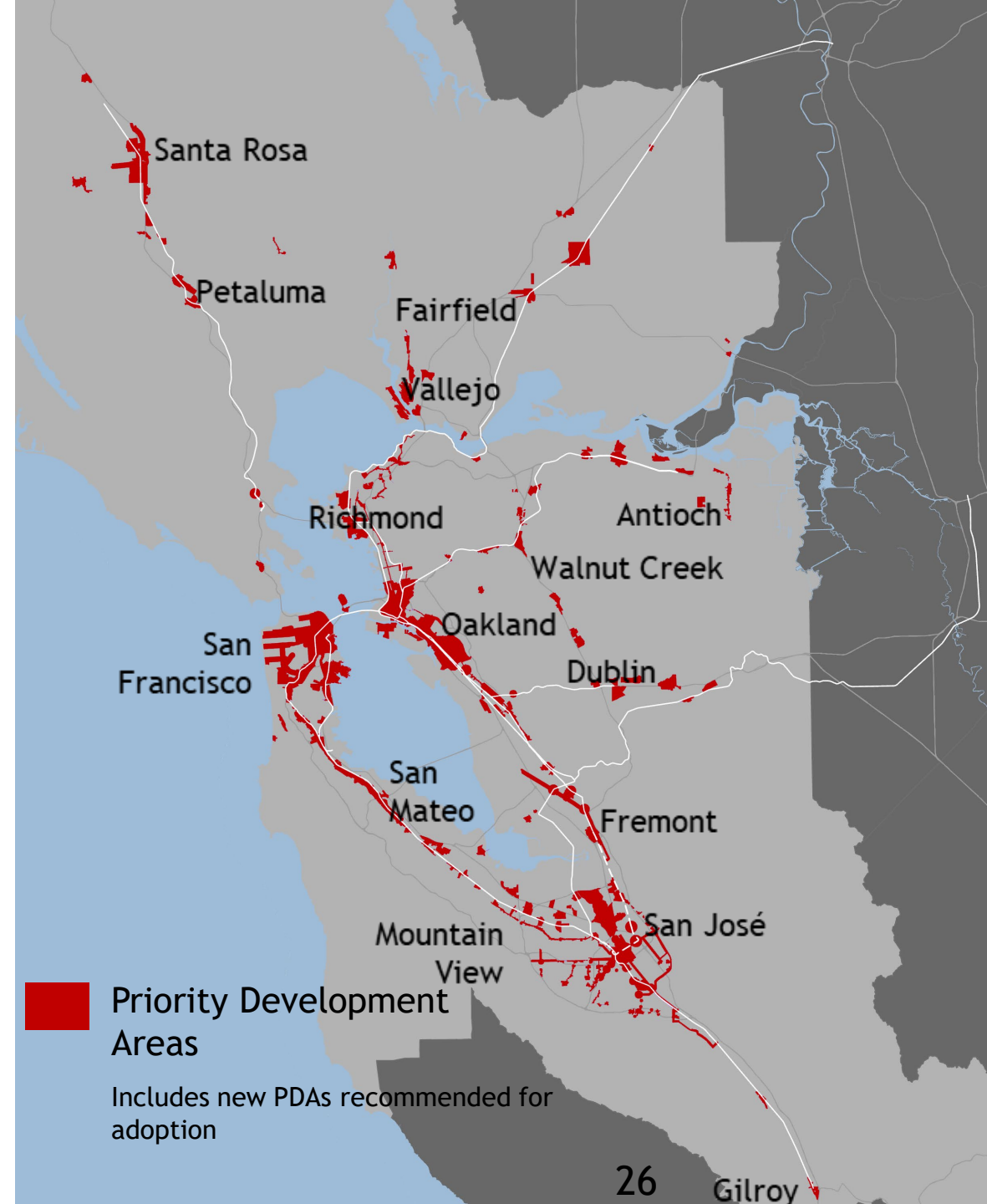
# Priority Development Areas

## Definition:

- Locally nominated
- Within the urban footprint;
- Planned, or will be planned, for significant housing and job growth;
- Within ½ mile of qualifying transit.

Two types of PDAs, based upon level of transit service:

- Transit-rich (rail, ferry, 15-minute bus)
- Connected Community (30-minute bus and VMT policies or within High Resource Area)





# Transit-Rich Areas

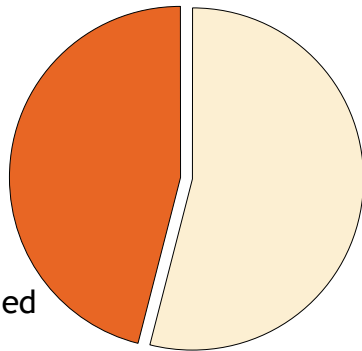
## Definition:

Within ½ mile of a rail station, ferry terminal, or bus stop with peak headways of 15 minutes or less.

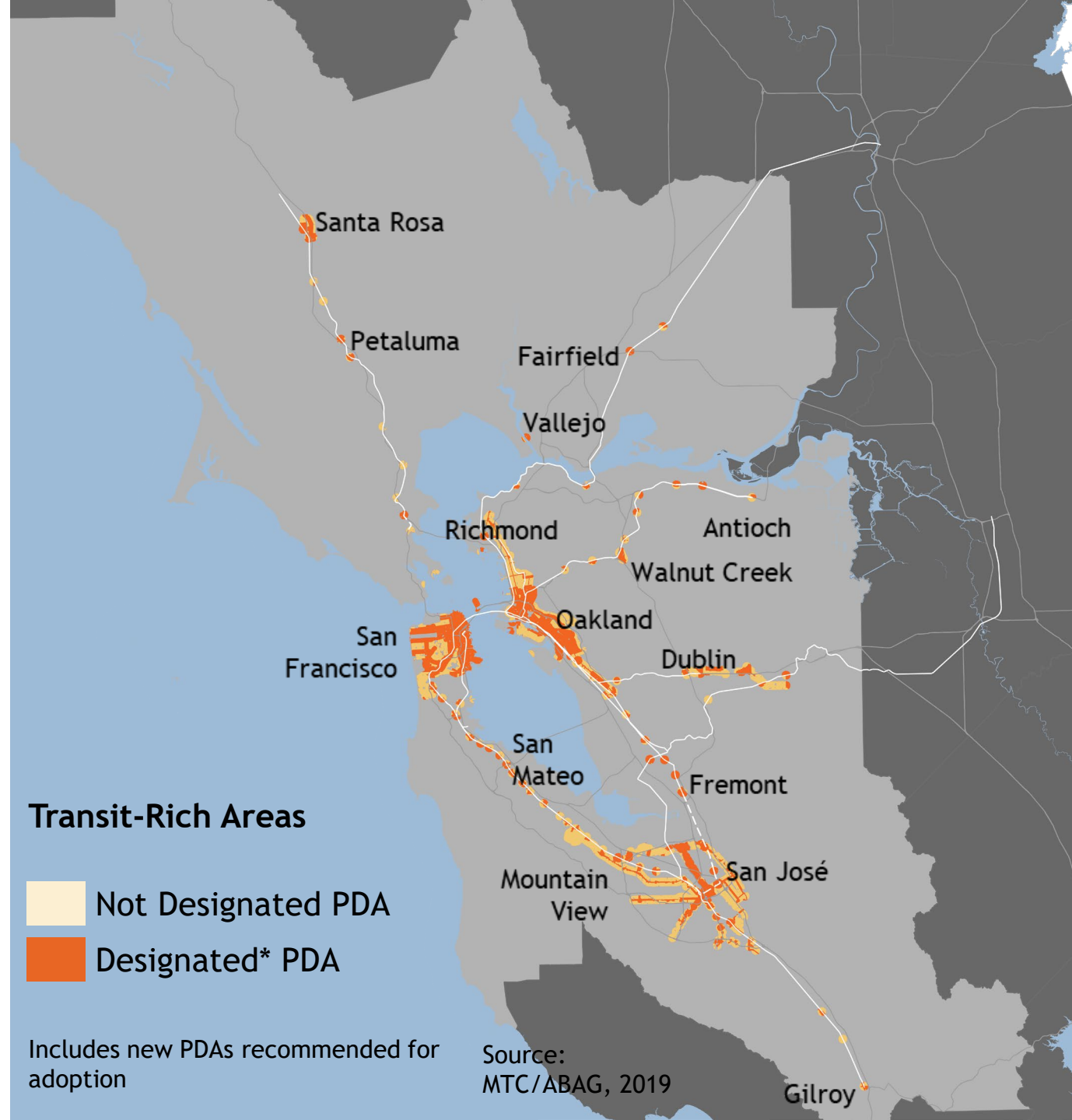
# 54%

Percent not designated PDA\*

\*Includes new PDAs recommended for adoption



Undesignated Designated



## Transit-Rich Areas



Includes new PDAs recommended for adoption

Source:  
MTC/ABAG, 2019





# High-Resource Areas\*

## Definition:

Places that offer “the best chance at economic advancement, high educational attainment, and good physical and mental health”

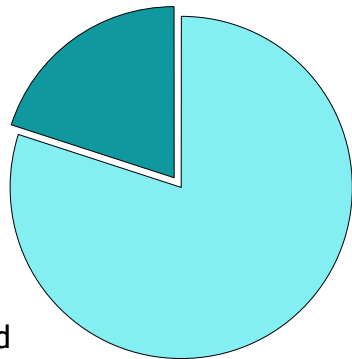
- CA HCD 2019

Based upon **economic, environmental, and educational** indicators shown to affect these outcomes

# 80%

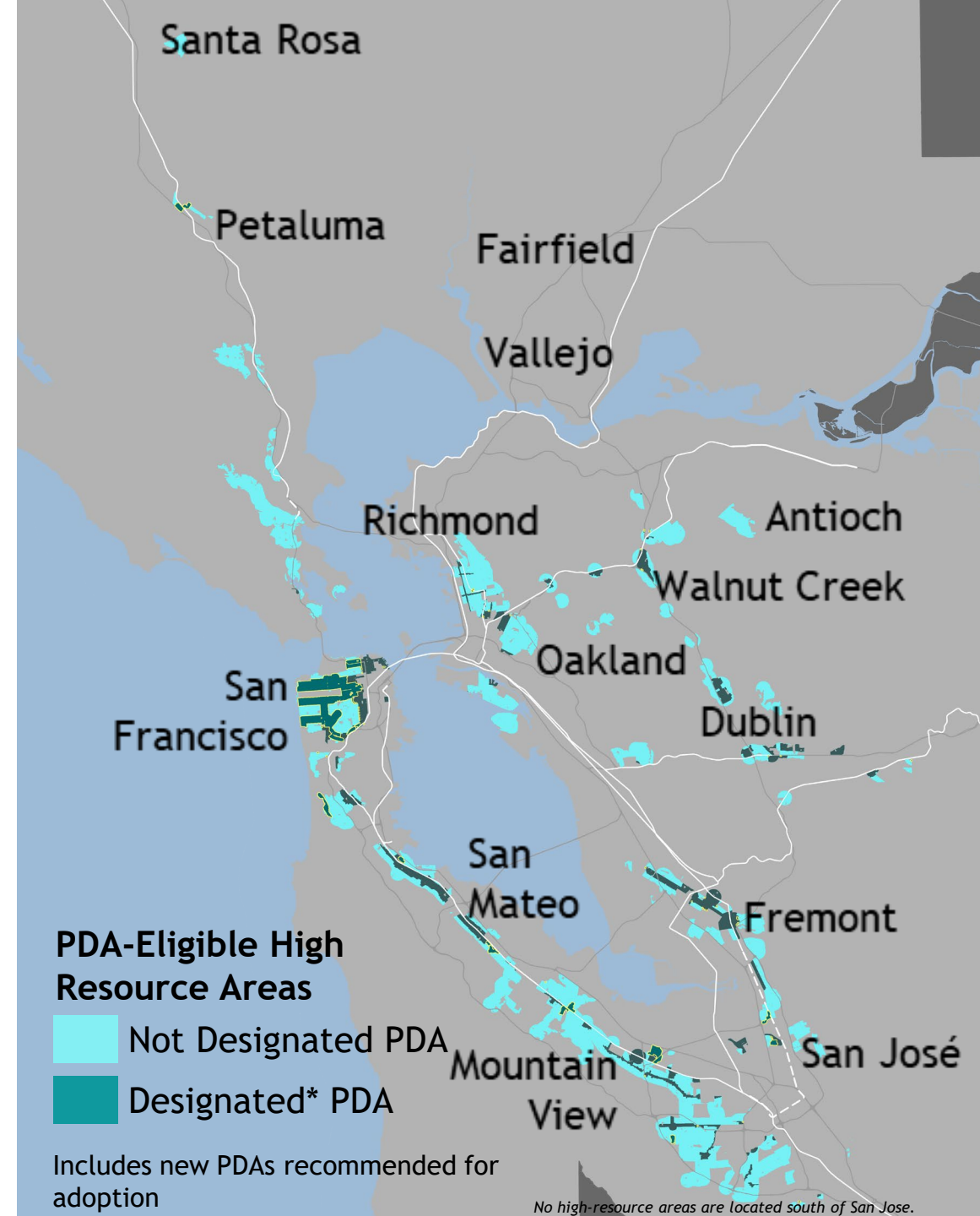
Percent not designated PDA\*

\*Includes new PDAs recommended for adoption



■ Undesignated ■ Designated

\*Includes High Resource Areas within ½ mile of transit stop that meets PDA criteria.





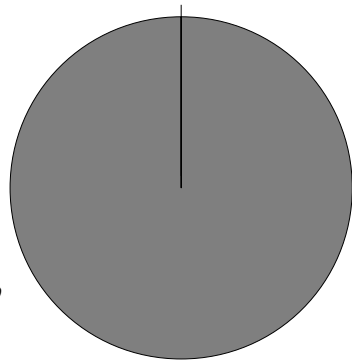
# Other Urbanized Areas

## Definition:

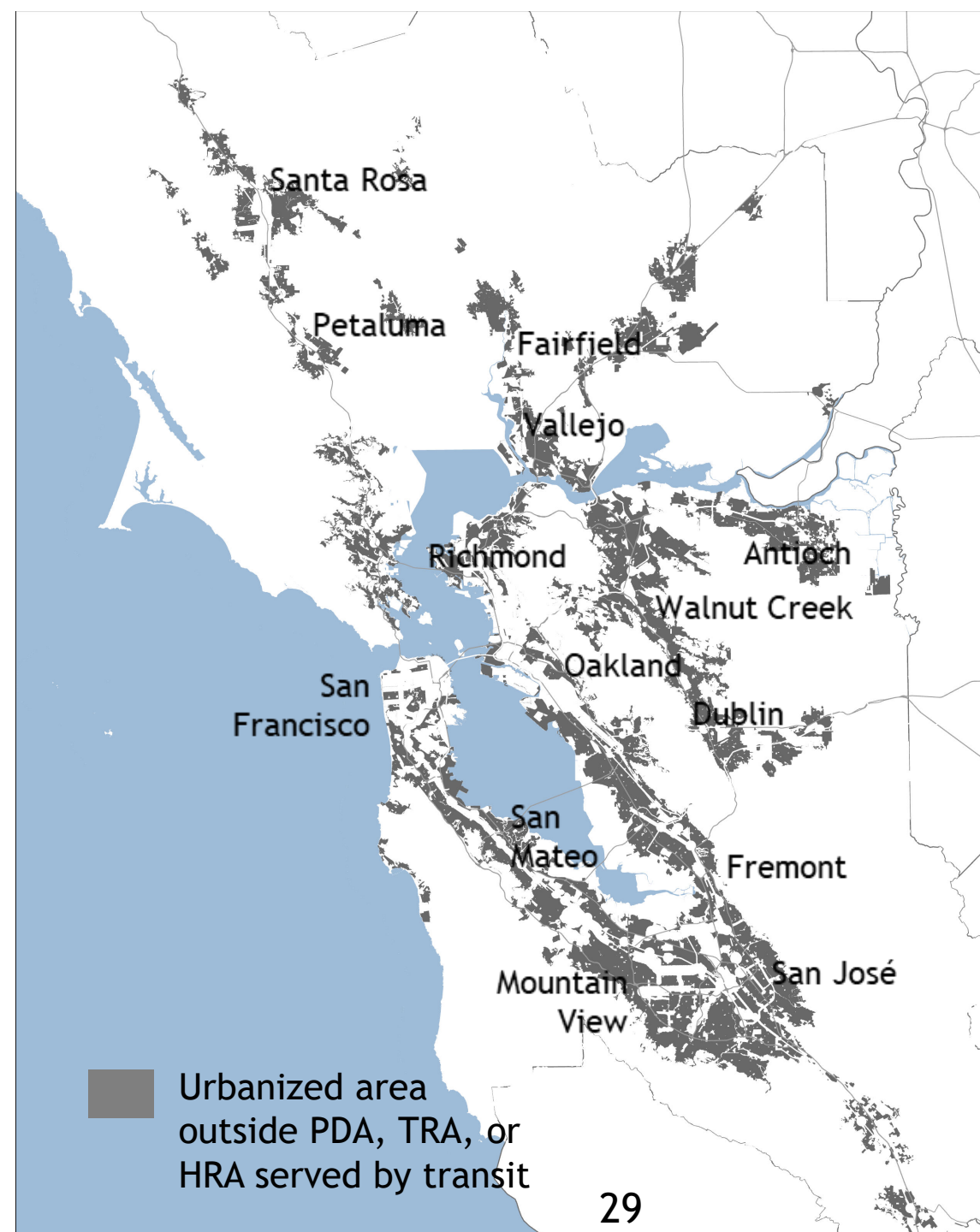
Places within urban growth boundaries but outside PDAs and Transit-Rich, Low-VMT, and High-Resource Areas

# 100%

Outside PDAs, TRAs, & HRAs  
(*not eligible*)

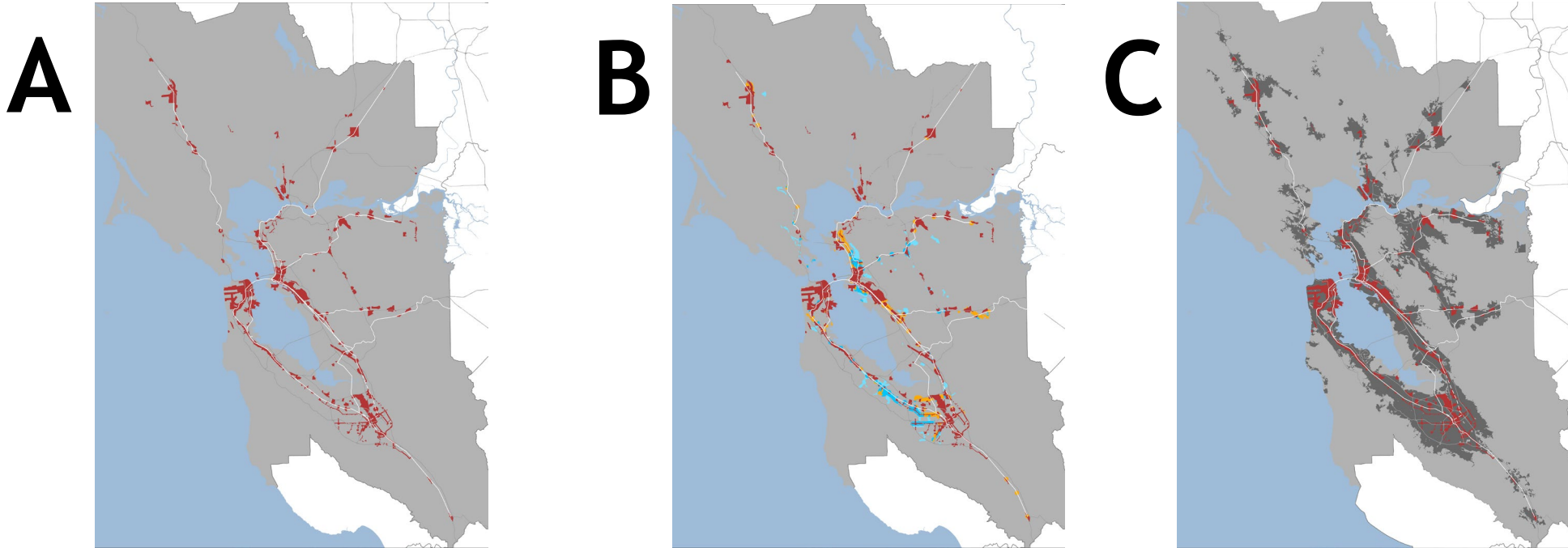


■ Undesignated



# Which Geographies Should the Blueprint Prioritize?

## *Three Refined Options to Consider*





# All Options



Growth geographies exclude high fire risk areas



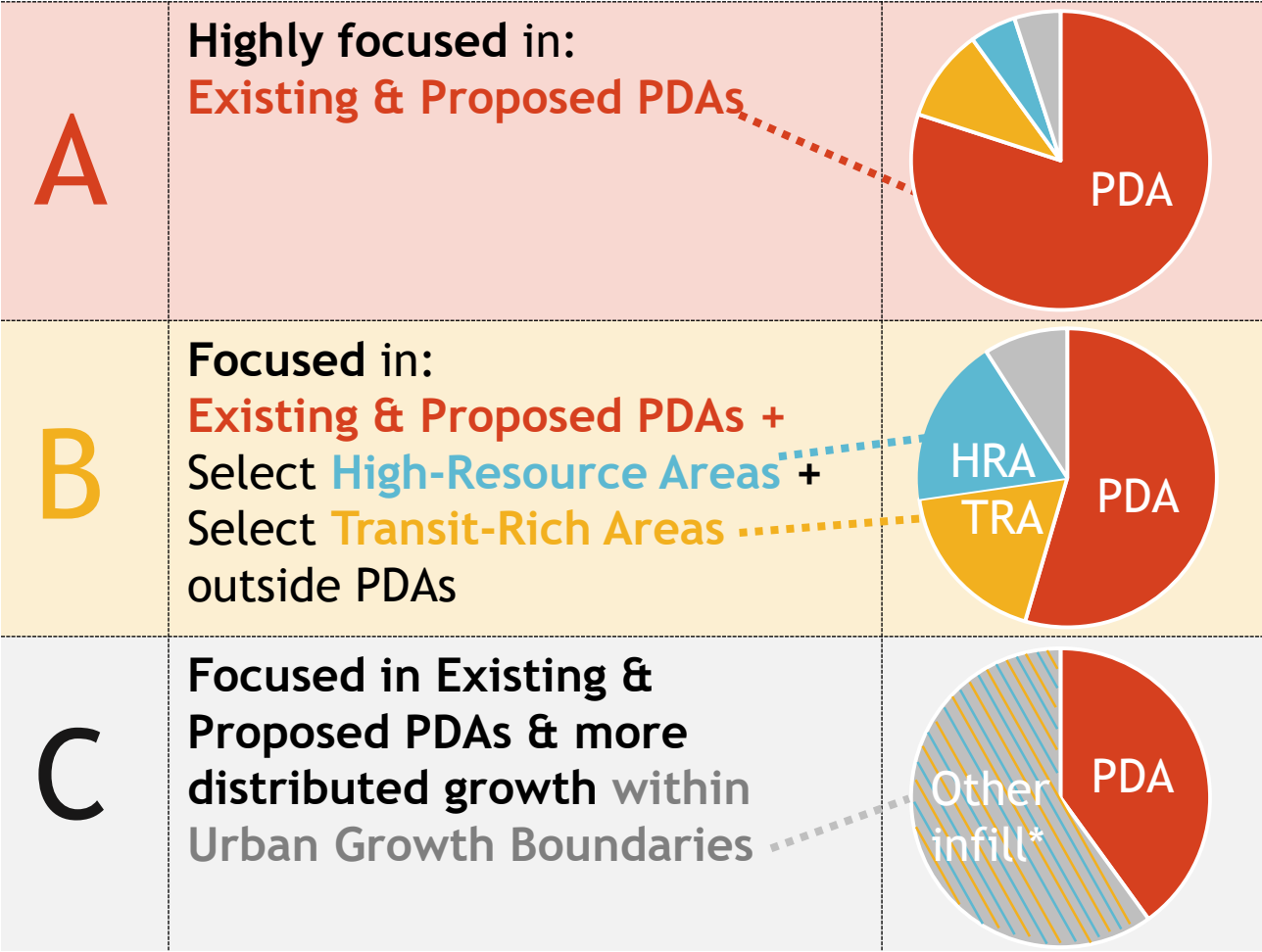
No growth outside urban growth boundaries



Some new homes & jobs outside Growth Geographies



# Location of Growth by Option

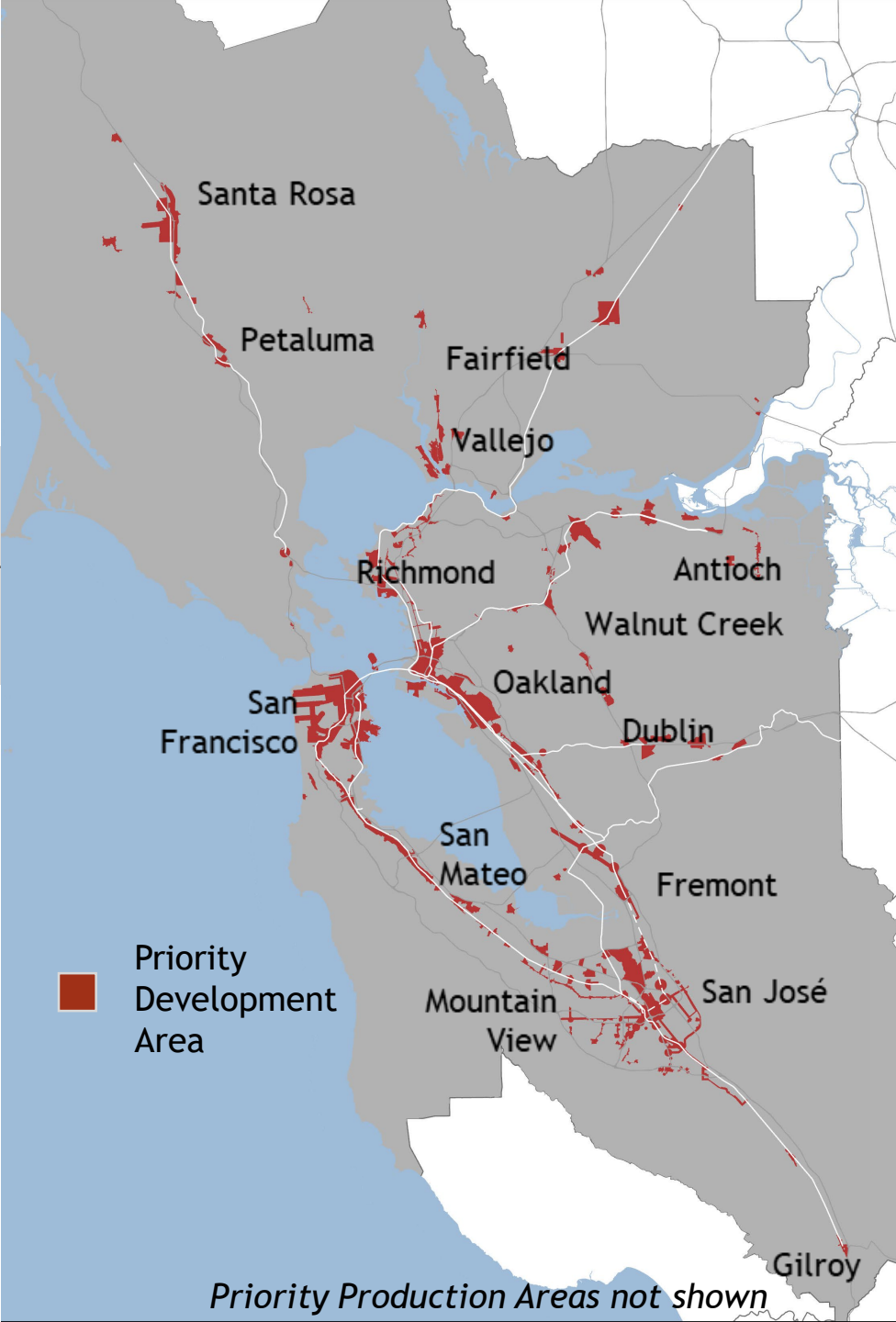
Location of Growth (charts are illustrative)








\* Including all **High-Resource Areas** + **Transit-Rich Areas**

# Option A: Which Geographies are Prioritized?

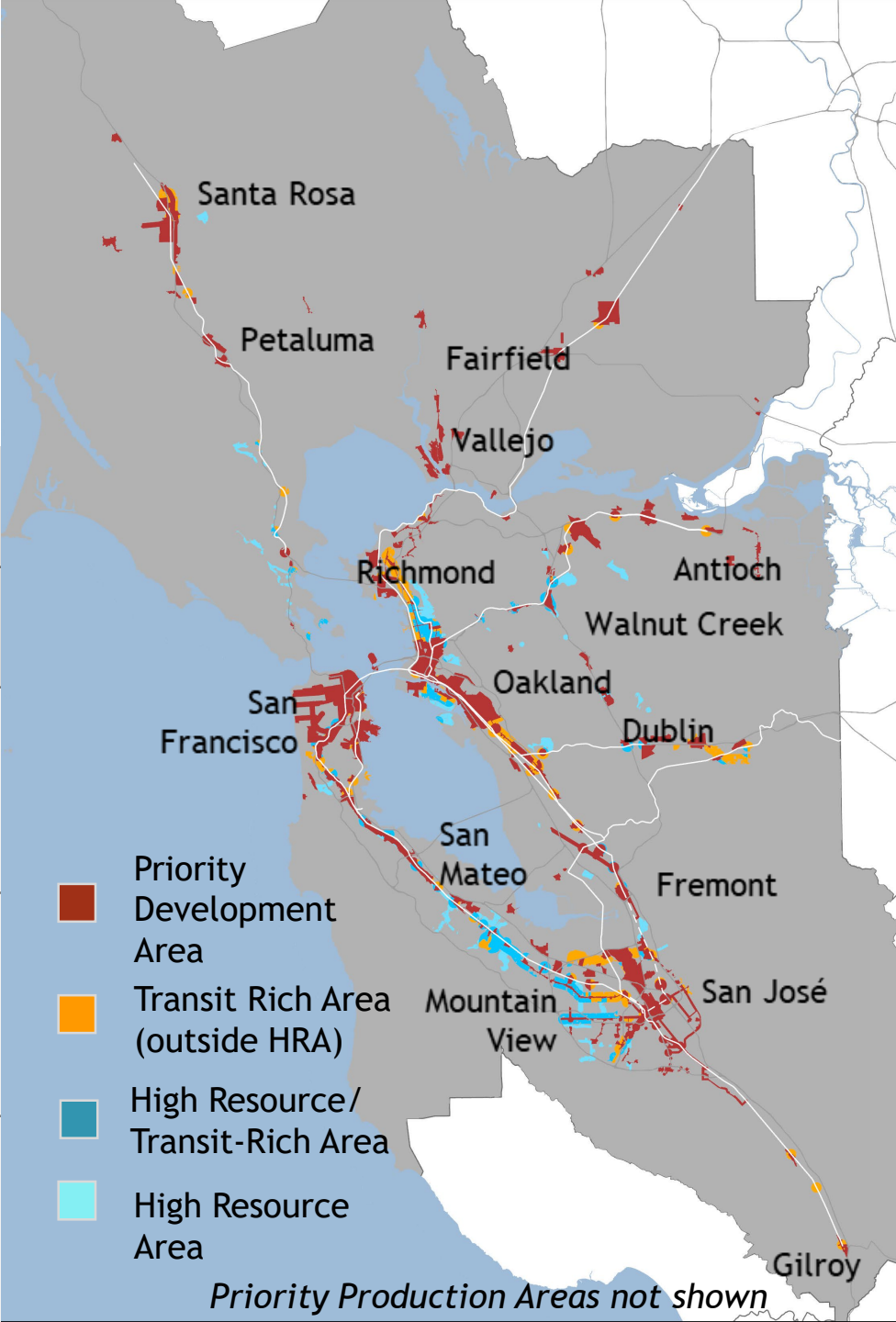
Growth Geographies Prioritized	Jobs		
	Homes	Non-industrial	Industrial
Inside locally-nominated areas			
 PDA	✓	✓	
 PPA			✓



# Option B: Which Geographies are Prioritized?





Growth Geographies Prioritized	Jobs		
	Homes	Non-industrial	Industrial
Inside locally-nominated areas	 PDA	✓	✓
	 PPA		✓
Outside locally-nominated areas	 TRA: frequent regional rail stations	✓	✓
	 TRA: All*	✓	
	 HRA*	✓	

\* Applies to all jurisdictions except those that have already nominated more than 50% of PDA-eligible areas

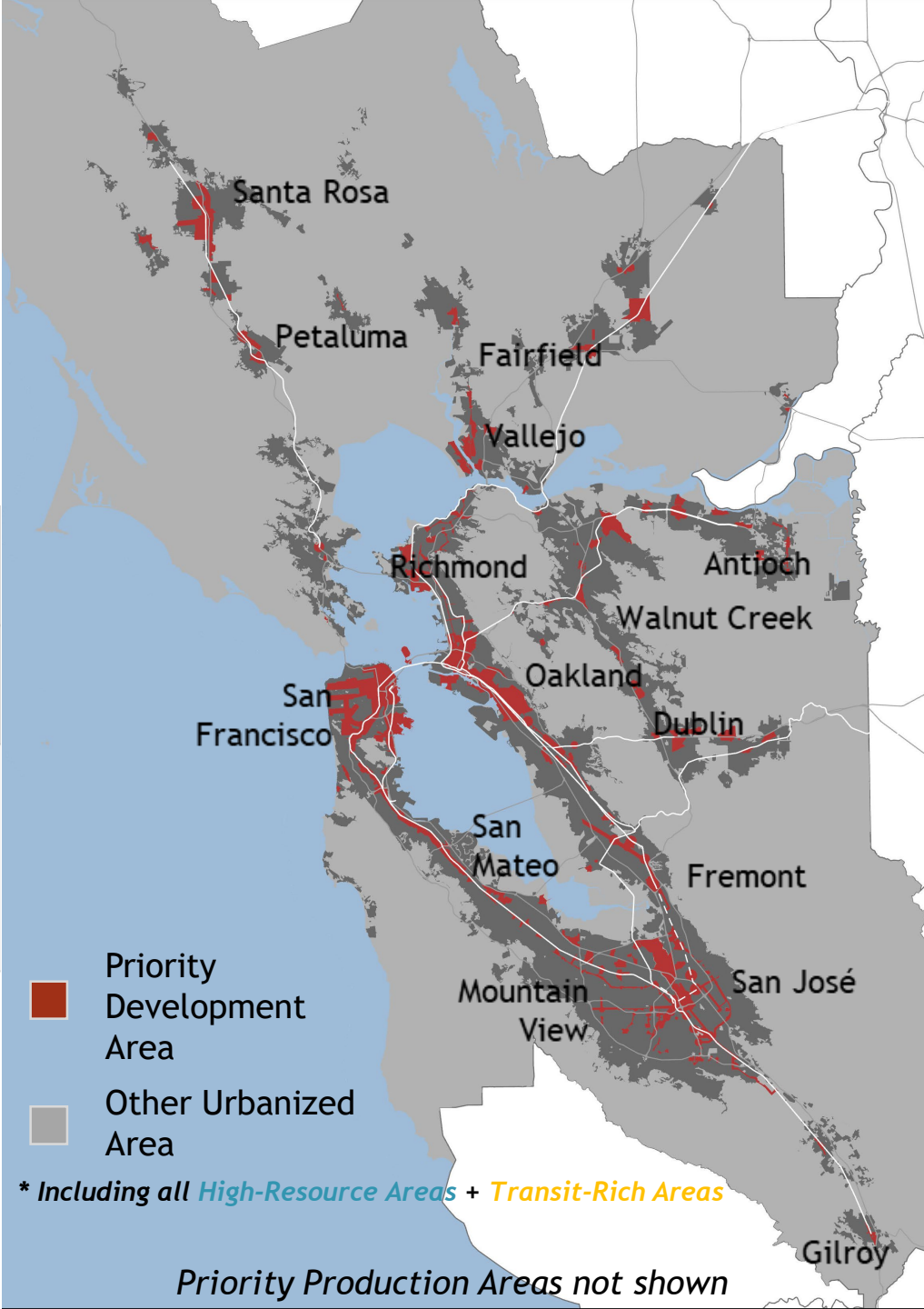




# Option C: Which Geographies are Prioritized?

Growth Geographies Prioritized	Jobs		
	Homes	Non-industrial	Industrial
Inside locally-nominated areas  PDA  PPA	✓	✓	
			✓
Outside locally-nominated areas   Other Urbanized Areas*	✓	✓	

\* Including all *High-Resource Areas* + *Transit-Rich Areas*



# What Changes: Share of High Resource\* & Transit Rich Areas Included in Each Option

Option

Geography

PBA 2040

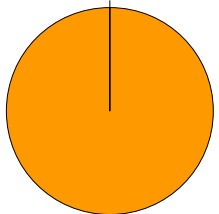
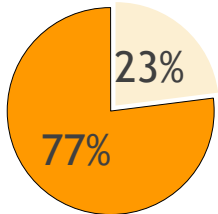
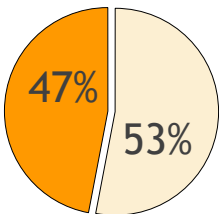
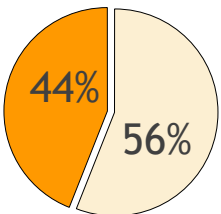
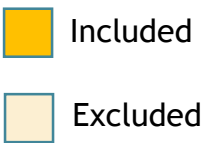
A

B

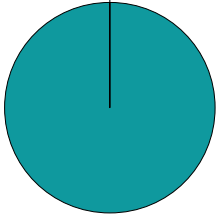
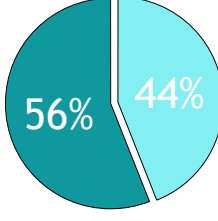
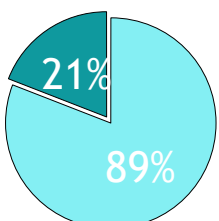
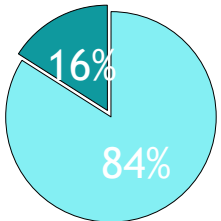
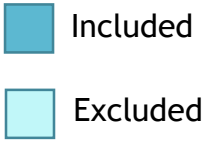
C



Transit Rich



High Resource\*

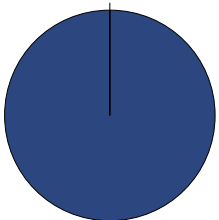
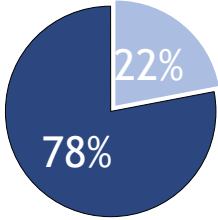
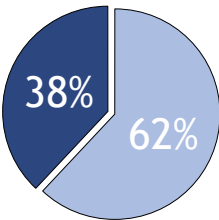
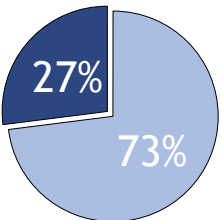
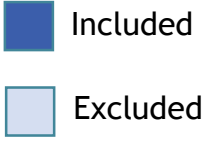


All urbanized areas are included in Option C

Growth would be distributed across the region

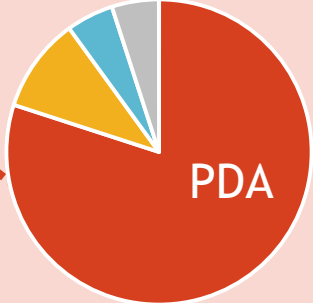
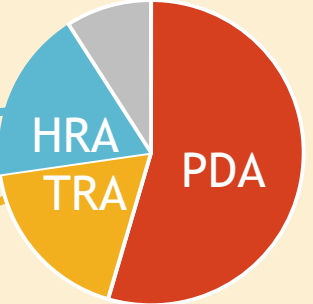
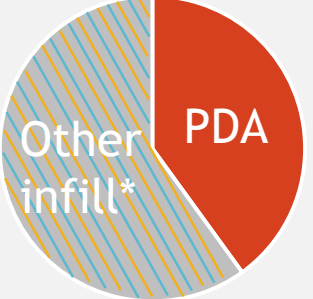


Transit Rich & High Resource



\*Excludes high resource areas that do not meet minimum PDA transit criteria

# Potential Outcomes of Options

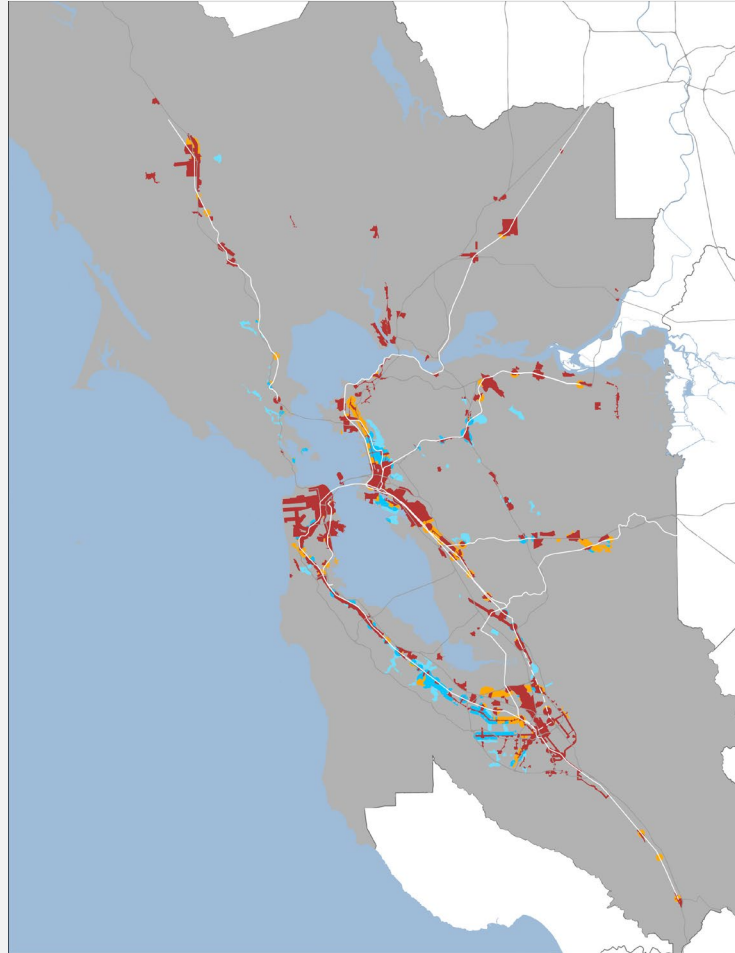
Location of Growth (charts are illustrative)			GHG Reduction	Equity	RHNA Consistency	Local Implementation
A	Highly focused in: Existing & Proposed PDAs		+	--	-	++
B	Focused in: Existing & Proposed PDAs + select High Resource Areas + Select Transit Rich Areas outside PDAs		++	++	+	-
C	More distributed growth within Urban Growth Boundaries  * Including all High-Resource Areas + Transit-Rich Areas		--	+	+	+






No Growth in:

-  High Hazard Areas
-  Areas outside Urban Growth Boundaries

# Best Option to Meet Goals: Option B

B












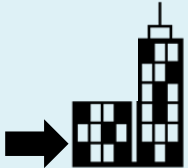





- ✓  PDAs
- ✓  PPAs
- ✓  TRAs:  
Frequent Regional Rail
- ✓  All TRAs\*
- ✓  HRAs\*

*\* Applies to all jurisdictions except those that have already nominated more than 50% of PDA-eligible areas*



# Option B: What would it look like?

Context (not exhaustive)			Housing Mix (illustrative only)		
Transit	Job Access	Area Land Use			
 <p>Very frequent service</p>					
 <p>Frequent service</p>					
 <p>Basic service</p>					 

Feedback? Questions?





PLAN BAY AREA 2050

# Economy Element of the Draft Blueprint





# Draft Blueprint: Proposed Economy Strategies

## Shift the Location of Jobs

Encourage Job Growth in Housing-Rich Places via Subsidies

Assess a Jobs-Housing Balance Fee on New Office Developments

Assess a Transportation Impact Fee on New Office Developments

Place Office Caps in Jobs-Rich Cities

Allow Greater Commercial Densities in Growth Geographies

Focus of this  
session

## Improve Economic Mobility

Expand Childcare Support for Low-Income Families

Create Incubator Programs in Economically-Challenged Areas

Establish Priority Production Areas to Retain Key Industrial Lands

Additional Economy  
Strategies  
Recommended for  
inclusion in Blueprint  
*(see attachment for  
more detail)*



# Question: Should the Blueprint include one or more strategies to significantly shift the location of job growth?



# What Determines Job Location?



Industry clusters



Population growth & demographics



Transportation access (especially for high-skilled workers)



External forces

(technology, geopolitics, federal & state investment)

***Key Finding from Plan Bay Area 2040 & Horizon:***  
Jobs are hard to move - especially between sub-regions, and especially high-wage jobs with “multiplier effects”.

# Can Policies Influence Job Location?

*Five industries projected to grow between 2020-2050*

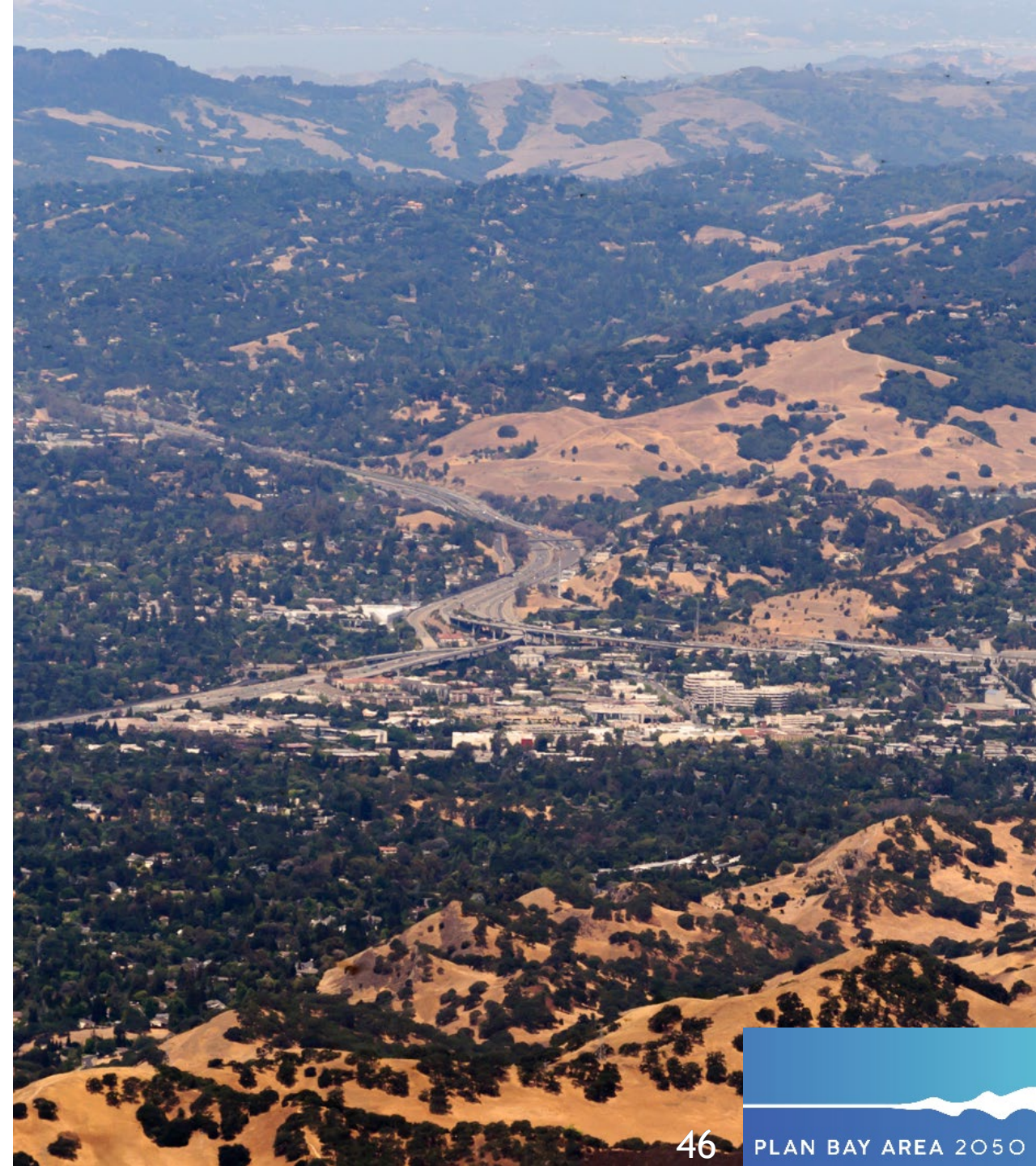
Industry	Level of Expected Job Growth* (absolute)	Factors Influencing Location	Ability to relocate within region
<b>Retail</b>	Low	Access to customers Rents/development costs	Moderate <i>(follows population)</i>
<b>Arts/Recreation/Other</b> (e.g. restaurants)	Low	Access to customers Rents	Moderate <i>(follows population)</i>
<b>Information</b> (e.g. web publishers)	Moderate	Proximity to similar firms and skilled employees	Very low
<b>Health &amp; Education</b> (e.g. hospitals, schools)	High	Land availability and cost	Moderate <i>(follows population)</i>
<b>Professional &amp; Managerial</b> (e.g. engineering, architecture)	High	Land availability and cost	Low

\*Based on preliminary PBA 2050 Forecast



## Encourage Job Growth in Housing Rich Places through Subsidies

- **Strategy:** Subsidize office development in housing-rich areas through new revenue sources (i.e. taxes, instead of new fees in job rich areas)
- **Considerations:** generates funding for economic development in disadvantaged communities; revenue source TBD
- **Potential Impacts:** increases employment opportunities in disadvantaged communities; longer timeframe







## Assess a Jobs-Housing Balance Fee on Office Development

- **Strategy:** Assess a fee on new office development in areas that have a jobs-housing balance higher than the regional average or county average
- **Considerations:** increases resources for affordable housing near jobs; politically controversial; may dampen job growth
- **Potential Impacts:** may be difficult to direct development to alternative areas within the region







# Assess a Transportation Impact Fee on New Office Development

(revised per feedback)

- **Strategy:** Assess an expanded transportation impact fee on new office development in areas where employees would generate above-average VMT (region or county level)
- **Considerations:** increases resources for economic development programs where there are jobs/housing deficiencies improving economic opportunity; politically controversial; may dampen job growth
- **Potential Impacts:** may be difficult to direct development to alternative areas within the region







## Place Office Caps in Jobs-Rich Cities

- **Strategy:** Expand office development caps in job-rich cities to limit further job growth in cities with the highest jobs-to-housing ratios
- **Considerations:** reduction of job growth in capped cities; improves subregional jobs balance and may improve access to opportunity; local opposition
- **Potential Impacts:** potential loss of jobs to other regions

Limited in scope

Broad in scope





Feedback? Questions?



# What's Next for the Plan Bay Area 2050 Blueprint?

## Draft Blueprint



Analysis  
*Winter 2020*



Public & Stakeholder  
Engagement  
*Spring 2020*



Strategy Revisions for  
Final Blueprint  
*Spring 2020*



Action Item  
(MTC & ABAG)

## Final Blueprint



Analysis  
*Summer 2020*



Blueprint Approval &  
Advancement to EIR  
*Fall 2020*



Action Item  
(MTC & ABAG)