

Plan  
BayArea  
2040



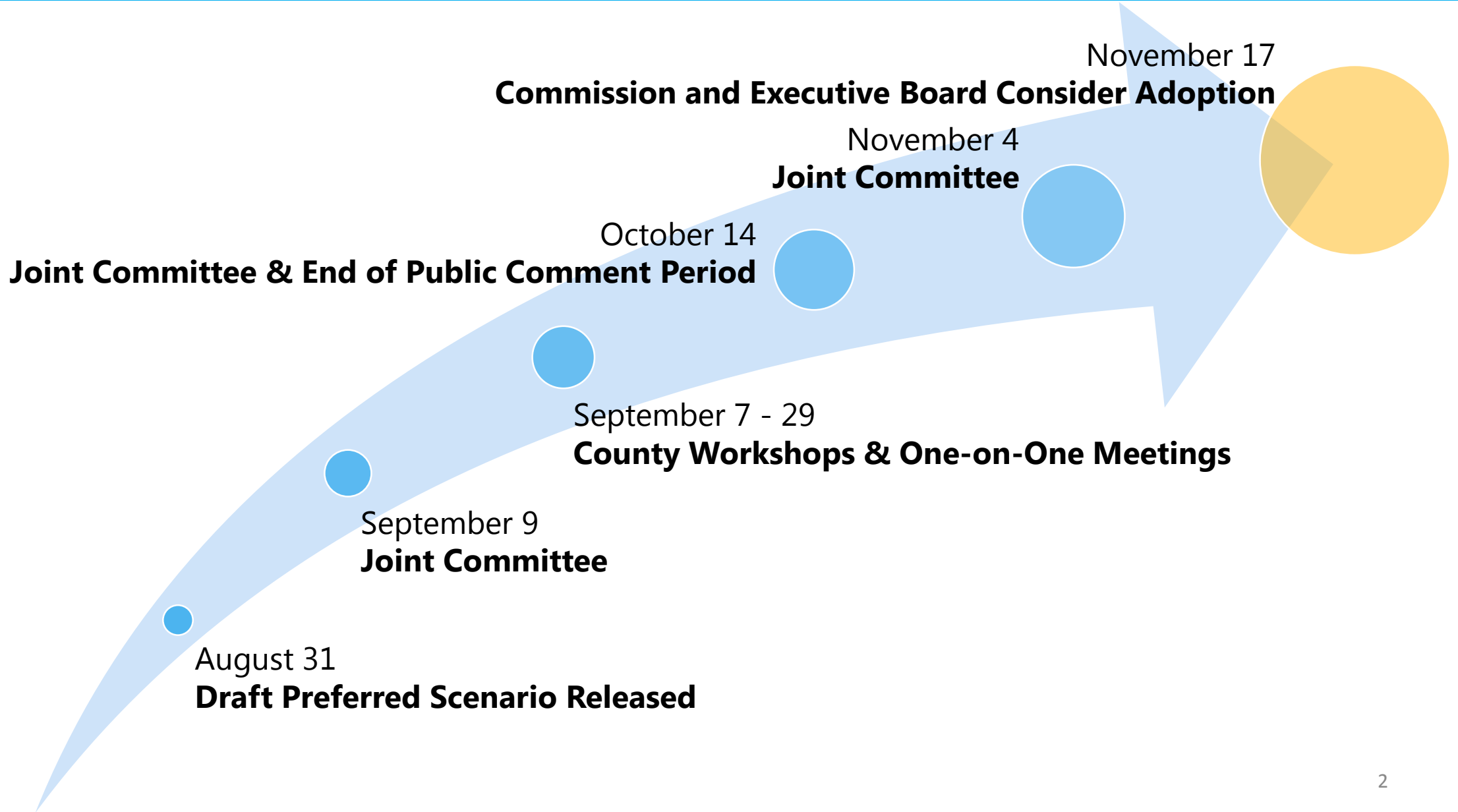
**FINAL PREFERRED SCENARIO:**  
REGIONAL GROWTH PATTERN & INVESTMENT STRATEGY



Ken Kirkey, MTC – November 17, 2016

*Special Joint Meeting of the Metropolitan Transportation Commission and the ABAG Executive Board*

# November is an important month for Plan Bay Area 2040.



# Local jurisdictions, stakeholders, and members of the public provided robust feedback on the Draft Preferred Scenario.

## Specific issues included:

- **Technical corrections** on pipeline data, opportunity sites, and zoning assumptions to better match local plans
- **Requests to increase jobs-housing ratios** to improve commutes and to boost regional affordability
- **Requests for implementation action plans** on issues like affordability, physical activity, preservation of open space, and transportation funding advocacy

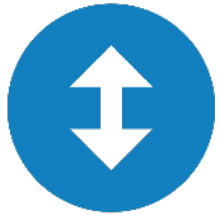
**20** staff-to-staff meetings  
with individual cities

**9** county-level meetings  
with planning directors



# In response, staff updated strategies in the Final Preferred Scenario, as well as baseline data inputs, when appropriate.

## CHANGES TO POLICIES/STRATEGIES IN FINAL PREFERRED SCENARIO



**Adjusted zoning in PDAs** to align with PBA 2040 performance targets



**Incorporated or added office or commercial development caps** to reduce employment growth in job-rich cities

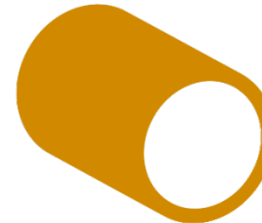


**Added back select express lane projects** not included in Draft Preferred Scenario

## CHANGES TO BASELINE DATA AND MODEL ASSUMPTIONS



**Updated employee office space density** to trends more similar to status quo



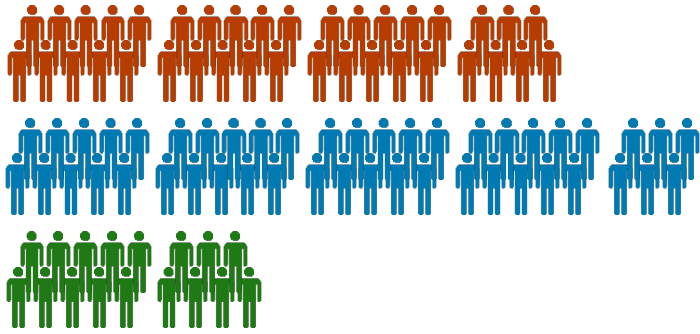
**Incorporated missing pipeline projects** to better reflect current development underway



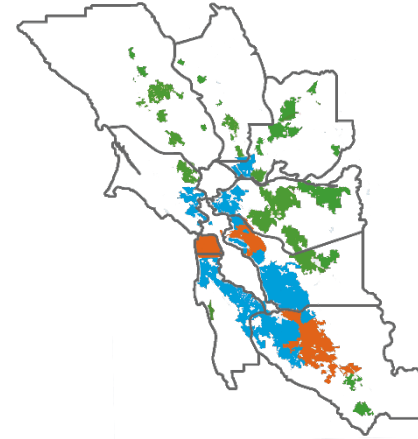
**Made technical corrections** on other land use baseline data (e.g., current zoning)

# Our economy is booming – but we're not building enough housing.

Jobs added from 2011 through 2015:  
**501,000**



Housing units built from 2011 through 2015:  
**65,000**



## Big 3 Cities:

1 housing unit built for every **7 jobs** created

## Bayside Cities and Towns:

1 housing unit built for every **15 jobs** created

## Inland, Coastal, Delta Cities and Towns:

1 housing unit built for every **3 jobs** created

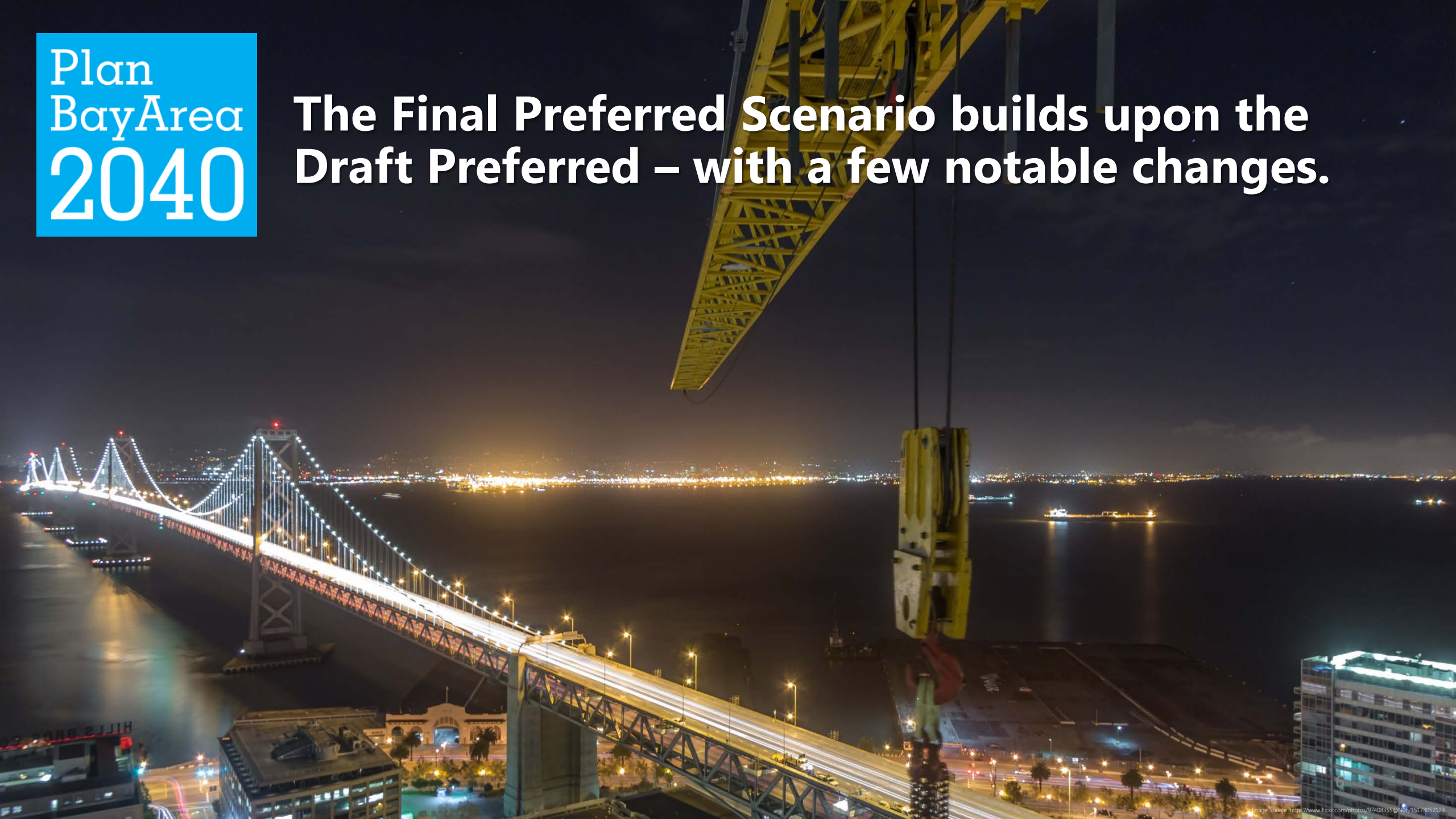
Regionally: 1 house was built for every **8 jobs** created

<http://www.dof.ca.gov/research/demographic/reports/estimates/e-5/2011-20/view.php>



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**The Final Preferred Scenario builds upon the Draft Preferred – with a few notable changes.**



# Land use strategies influence the location of future housing and jobs.

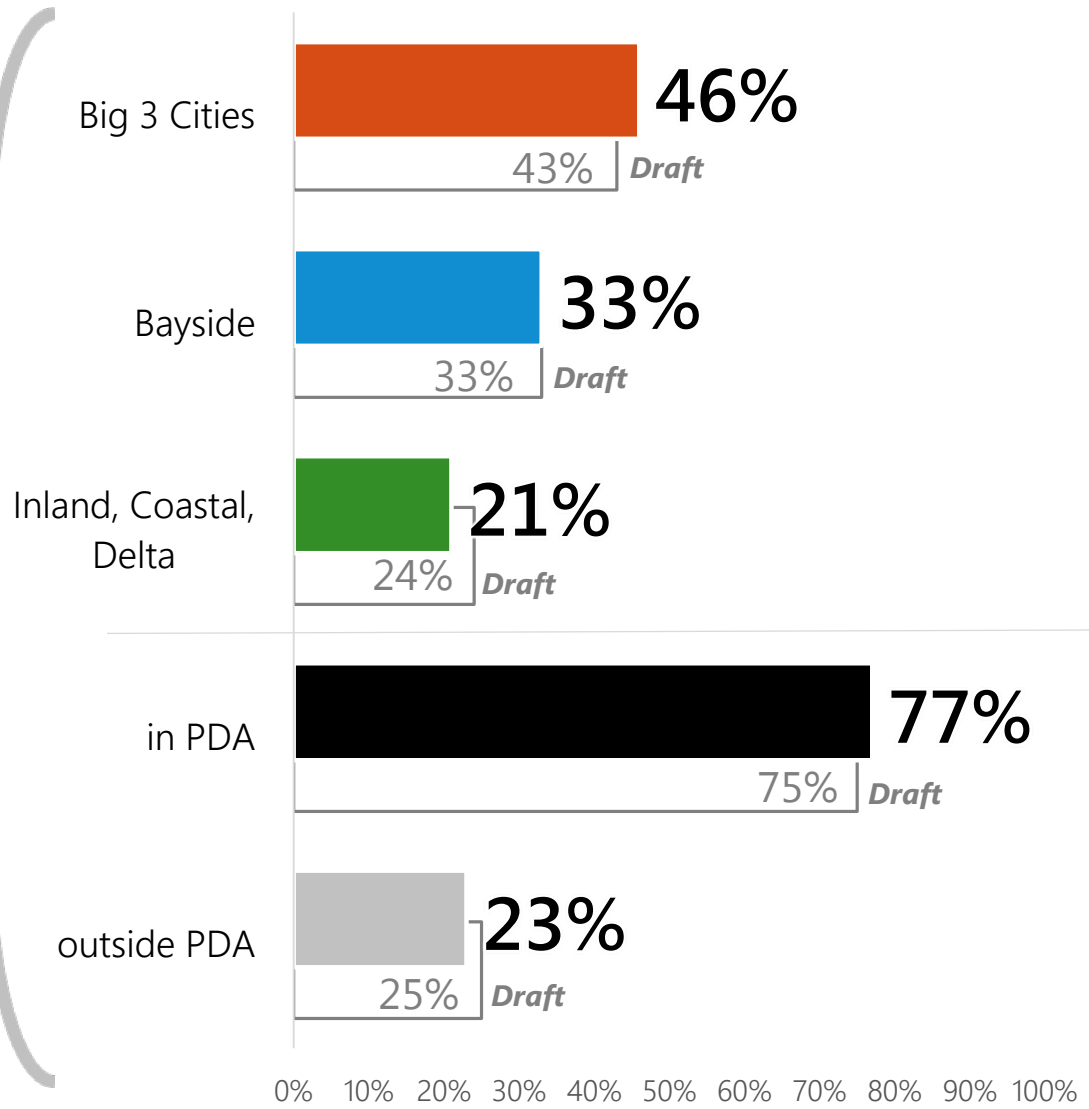
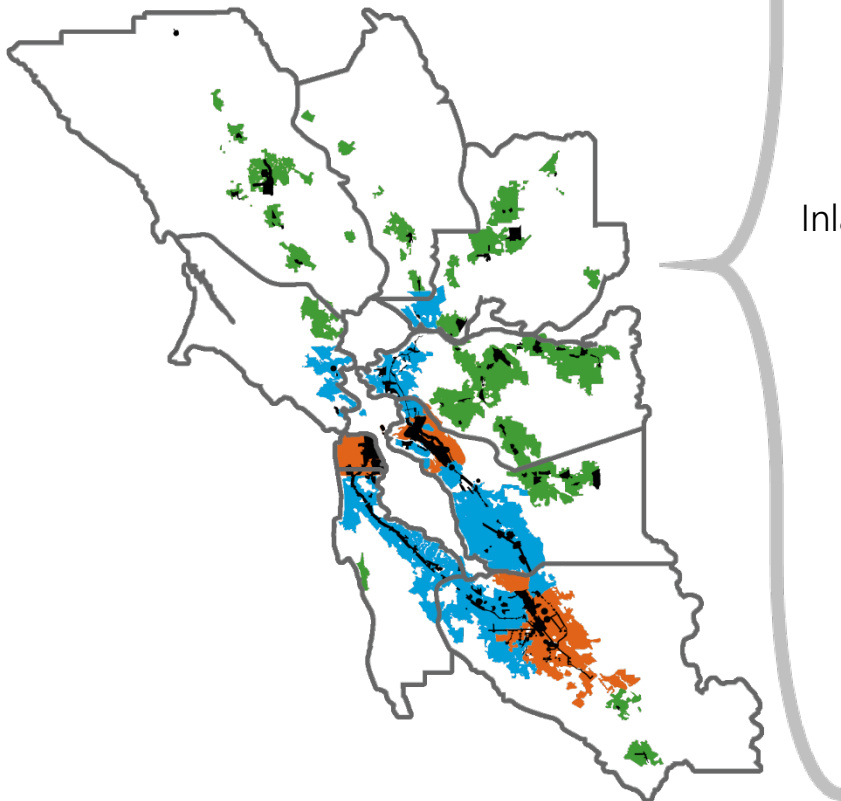
The **Final Preferred Scenario** has the following key strategies for land use:

- Assign **higher densities** than currently allowed by cities to select PDAs.
- Keep **current urban growth boundaries** in place.
- Preserve and incorporate **office space caps** in job-rich cities.
- Assume for-profit housing developments make **10 percent of units deed-restricted** in perpetuity.
- Reduce the cost of building in PDAs and TPAs through **eased parking minimums** and **streamlined environmental clearance**.
- Assume **subsidies** stimulate housing and commercial development within PDAs.
- Assess **commercial development fee** based on VMT to improve jobs-housing ratio and to fund affordable housing in PDAs.

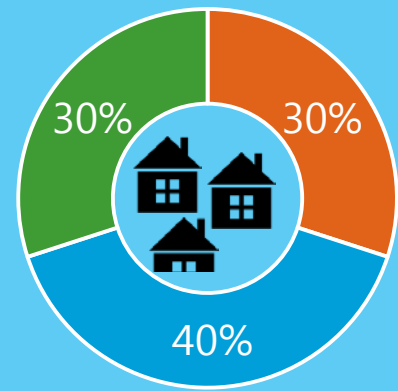


# Compared to the Draft Preferred Scenario, the Final Preferred Scenario boosts housing growth in the "Big 3" cities.

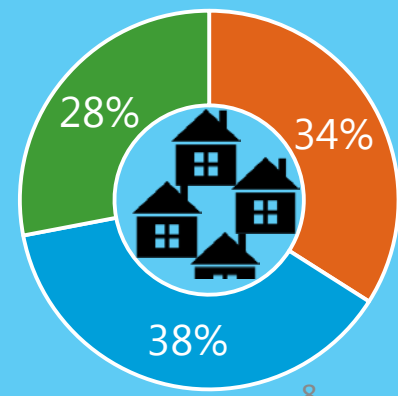
Where will the region plan for the **820,000** new households?



2010: **2.6 million** households



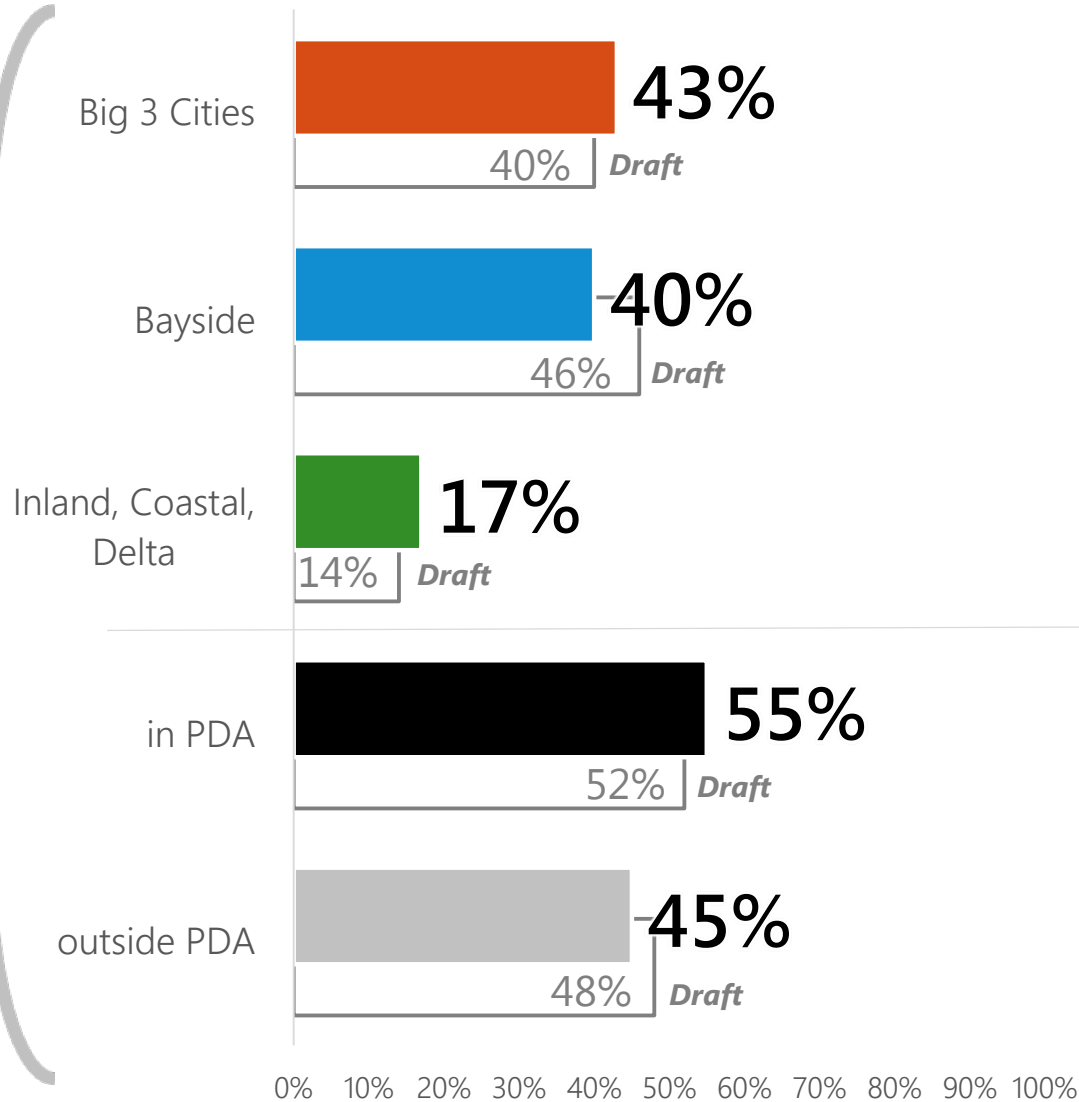
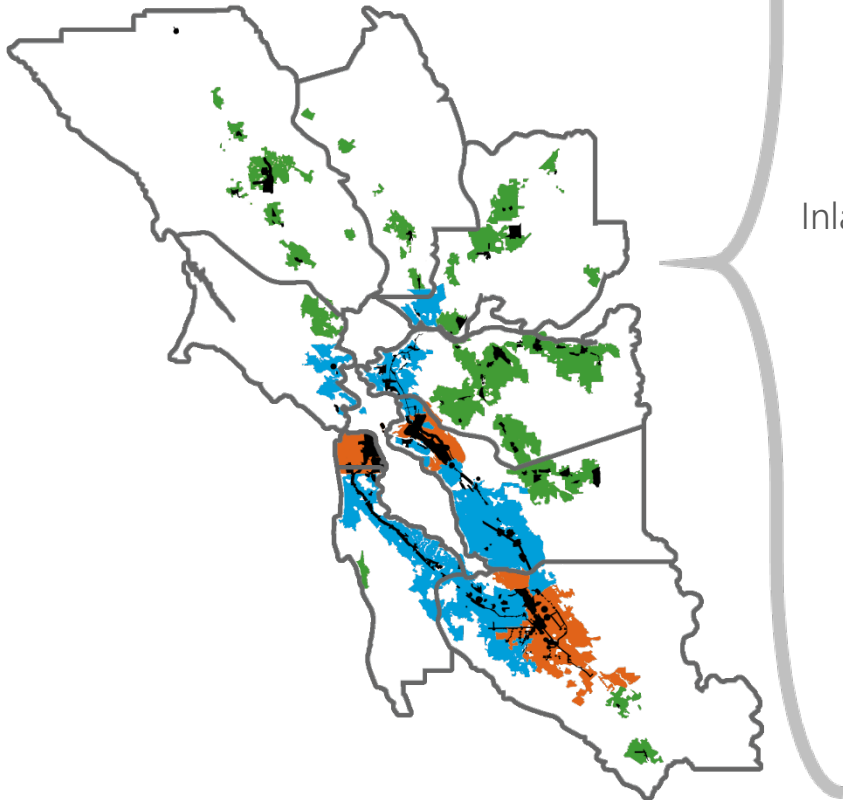
2040: **3.4 million** households



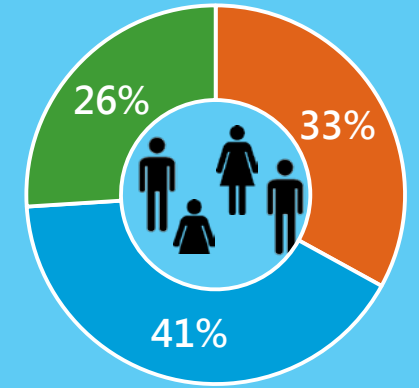


# New strategies included in the Final Preferred Scenario shifted some job growth away from Bayside communities.

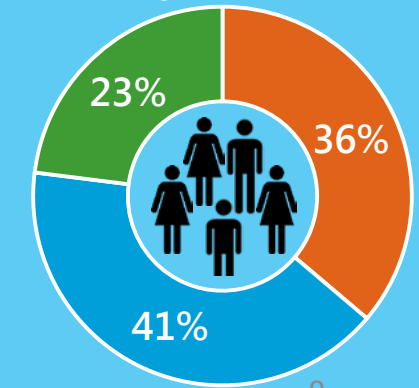
Where will the region plan for the **1.3 million** new jobs?



2010: **3.4 million** jobs



2040: **4.7 million** jobs



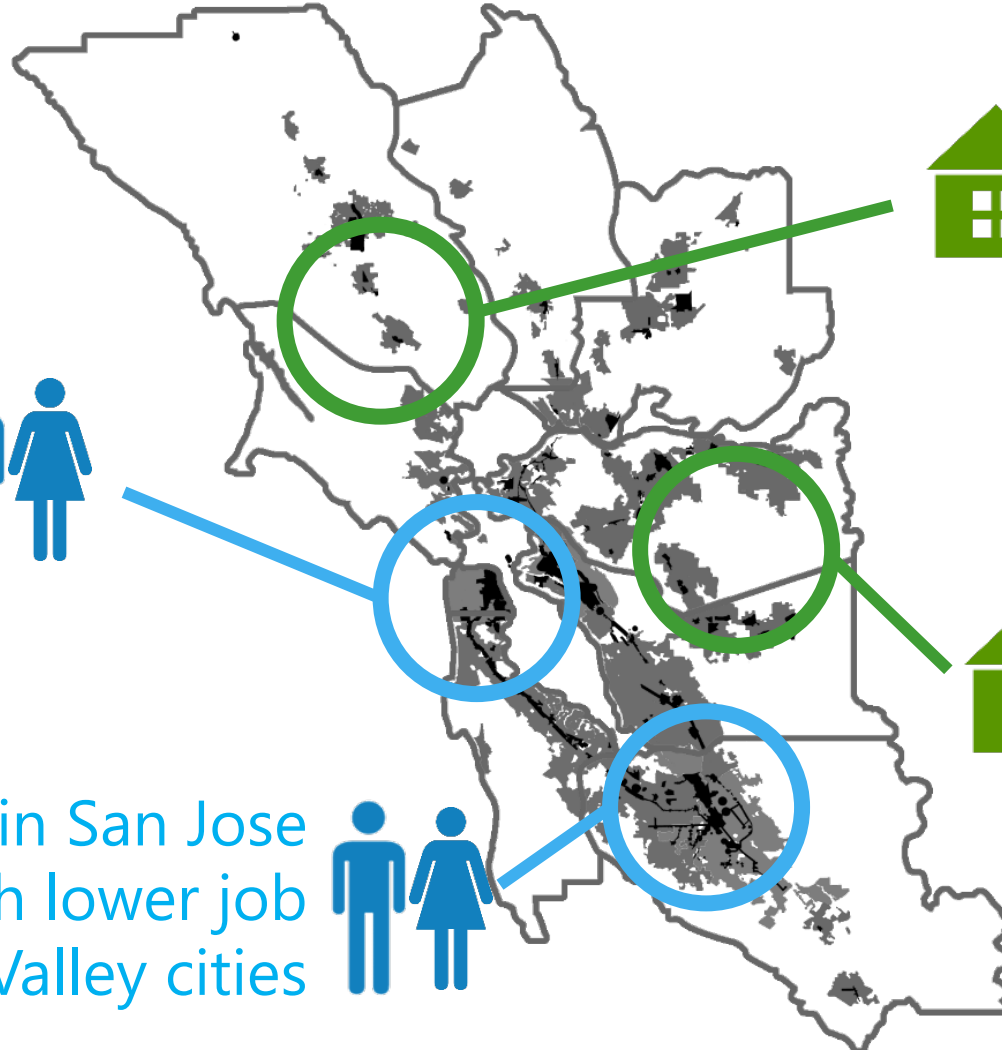
# More information for local jurisdictions interested in detailed forecasts is publicly available.

Primary changes as a result of **policy** and **technical** changes since **September's draft release** include:

**Reduced job growth**  
in San Francisco



**Increased job growth** in San Jose  
(and Oakland), with lower job  
forecasts for other Silicon Valley cities



**Reduced housing growth** in North Bay,  
especially in Sonoma  
County



**Shifted housing growth** from Contra  
Costa to other high-  
population, job-rich  
counties

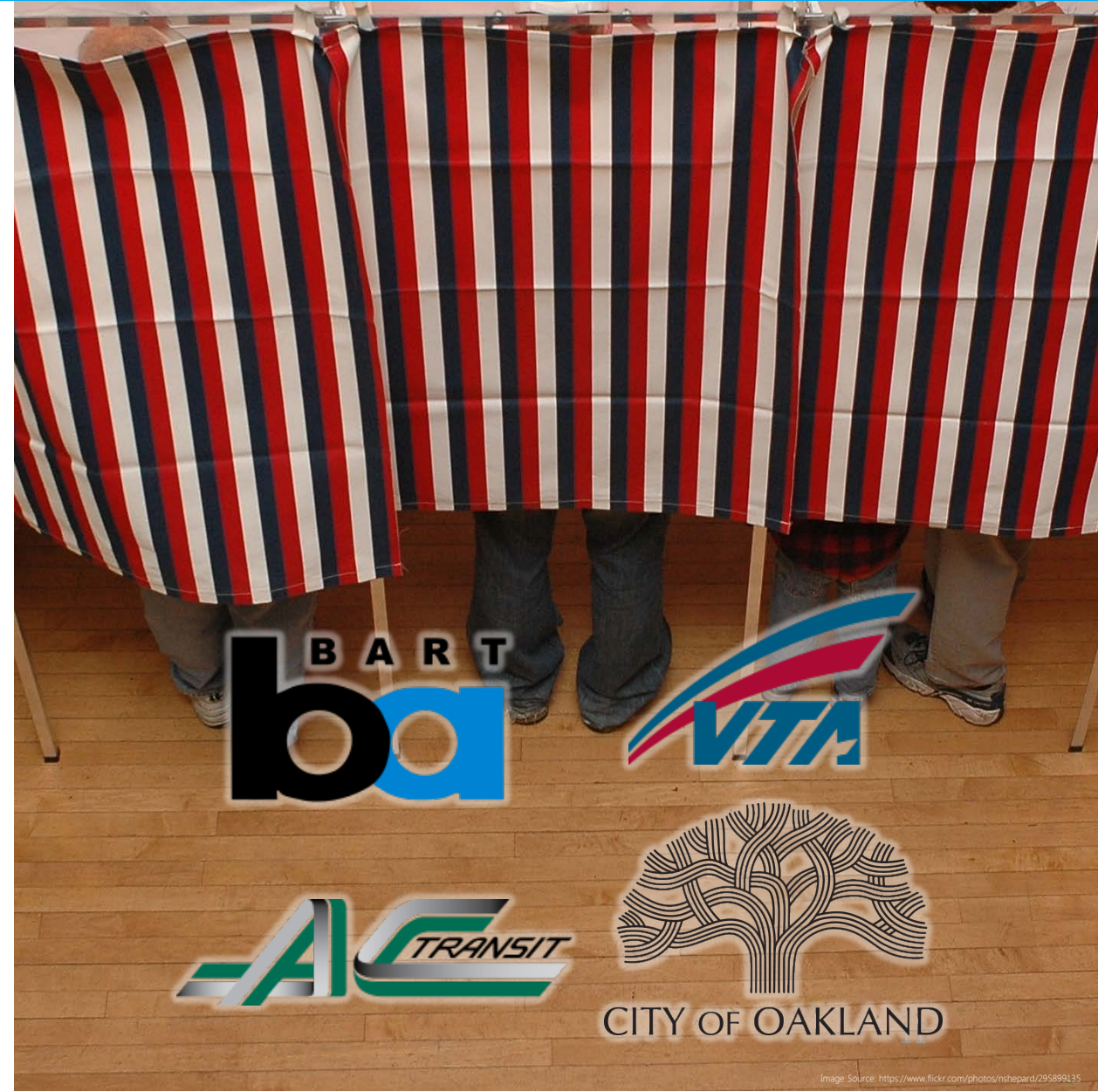
# The Final Preferred Scenario Recommendation was modified to incorporate the results of the November 8<sup>th</sup> election.

Bay Area voters **approved \$12 billion** of the possible \$19 billion in transportation revenue measures, including:

- BART G.O. bond
- Santa Clara County ½ cent sales tax
- AC Transit parcel tax
- City of Oakland infrastructure bond

Revisions to the Final Preferred Scenario:

- Program reductions for San Francisco and Contra Costa counties; minor project changes
- \$2 billion less funding for local streets and roads repair



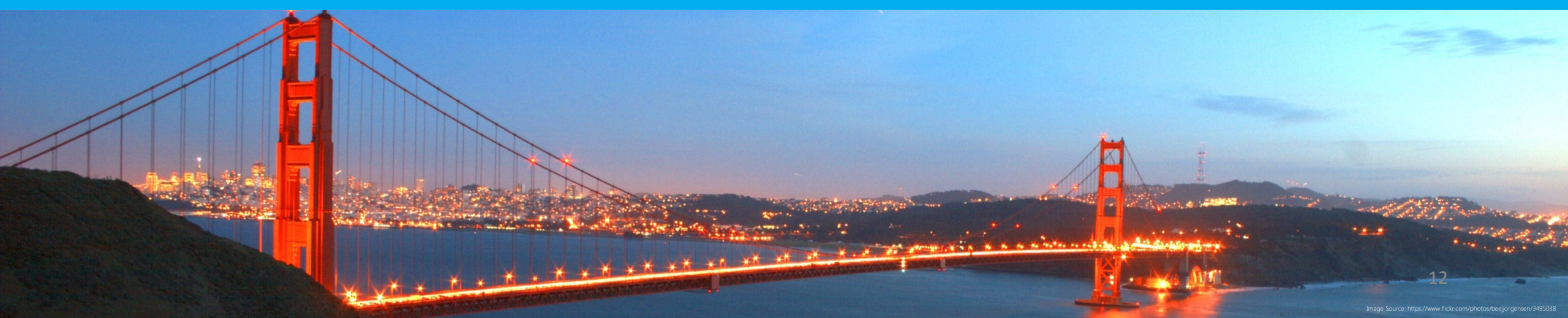
# Final Preferred Scenario includes transportation ballot measures passed on 11/8, SF + Contra Costa measure revenue was removed

## Revenue Envelope for Plan Bay Area 2040

Federal State Regional Local Anticipated 2016 Transportation Ballot Measures



**\$303 billion**  
Year of Expenditure \$

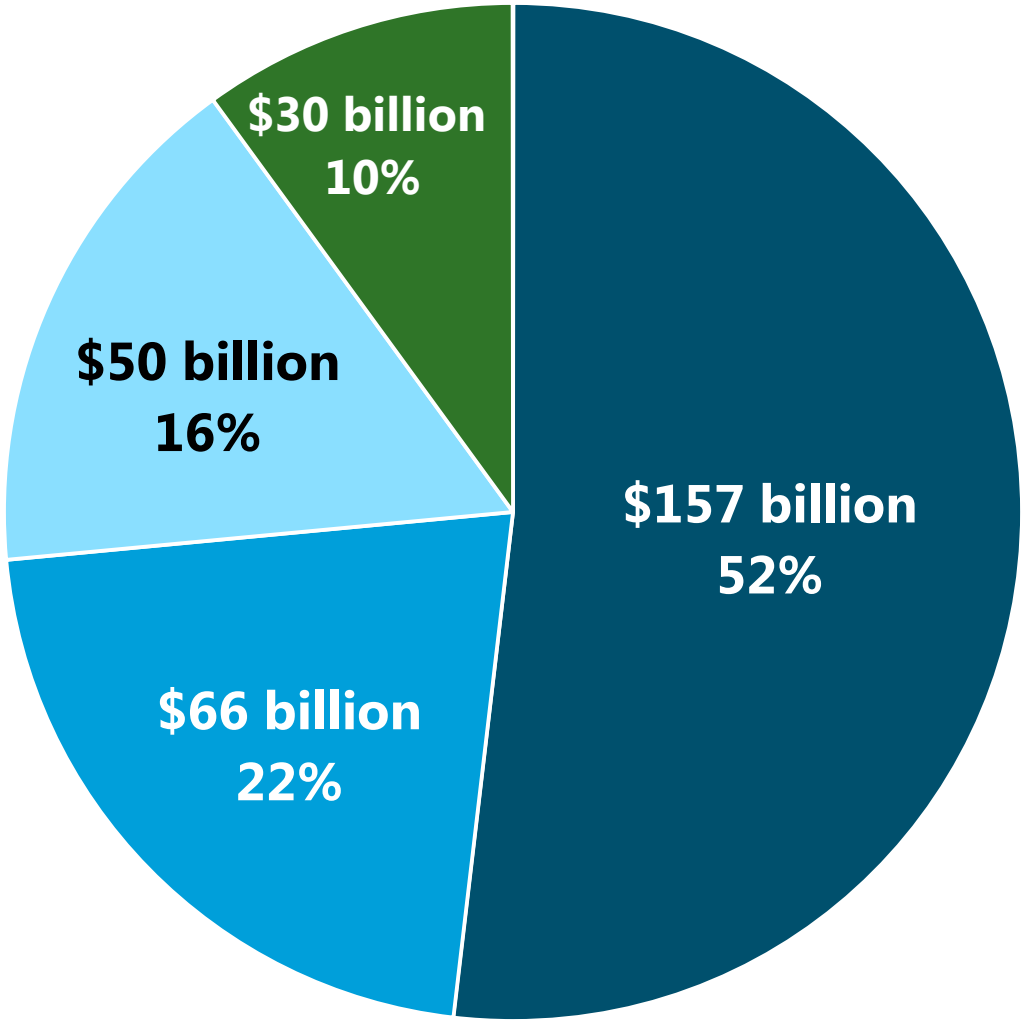


# The Final Preferred Scenario allocates over 90 percent of funds towards maintenance and modernization, similar to Plan Bay Area.

Total Plan Bay Area 2040 Expenditures - \$303 billion  
(in billions of \$YOE)

**90%**  
**Operate, Maintain,  
and Modernize**

**10%**  
**Expand Existing  
System**

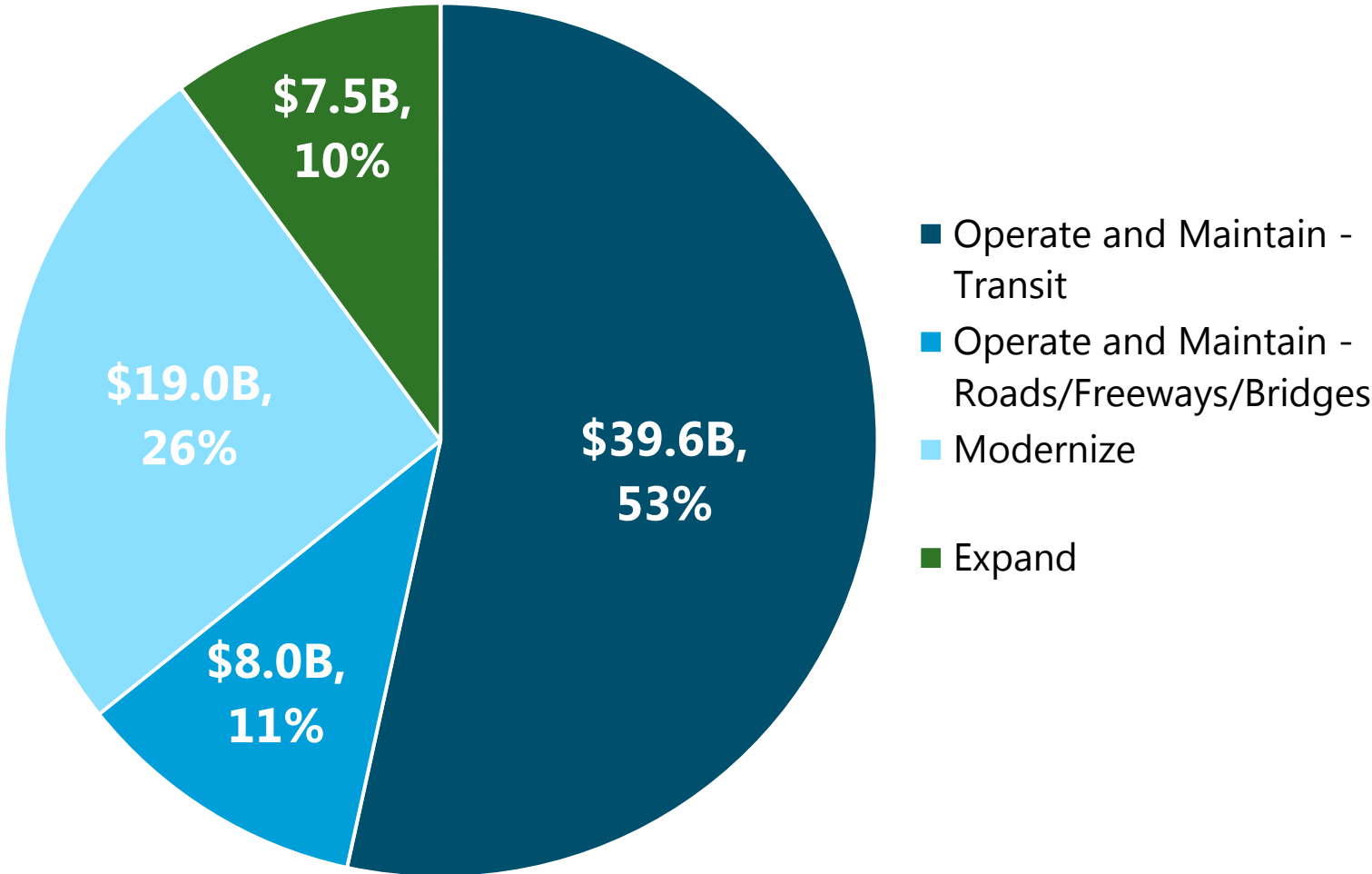


- Operate and Maintain - Transit
- Operate and Maintain - Roads/Freeways/Bridges
- Modernize
- Expand

# Future regional discretionary revenues support maintaining the existing system while balancing modernizing and expanding.

Major Discretionary Fund Sources	Amount (in billions)
FTA Formula Funds + Other Cond. Discr. Sources	\$30.5
STP-CMAQ	\$4.7
New Starts/Small Starts/ Core Capacity	\$5.0
Cap and Trade	\$4.8
STA-Pop	\$1.9
ATP + ITIP	\$1.2
High Speed Rail	\$0.7
Future Regional Measures	\$8.9
Other Federal	\$2.3
Anticipated/Unspecified	\$14.0

**Regional Discretionary Revenue - \$74 billion**  
(in billions of \$YOE)



# Discretionary revenue is used to close the gaps on transit operating expenses over the next 24 years.

## OVERVIEW OF REGIONAL TRANSIT OPERATIONS: SERVICE & FUNDING



### Service Levels

**+7.5%**

greater than the original Plan Bay Area

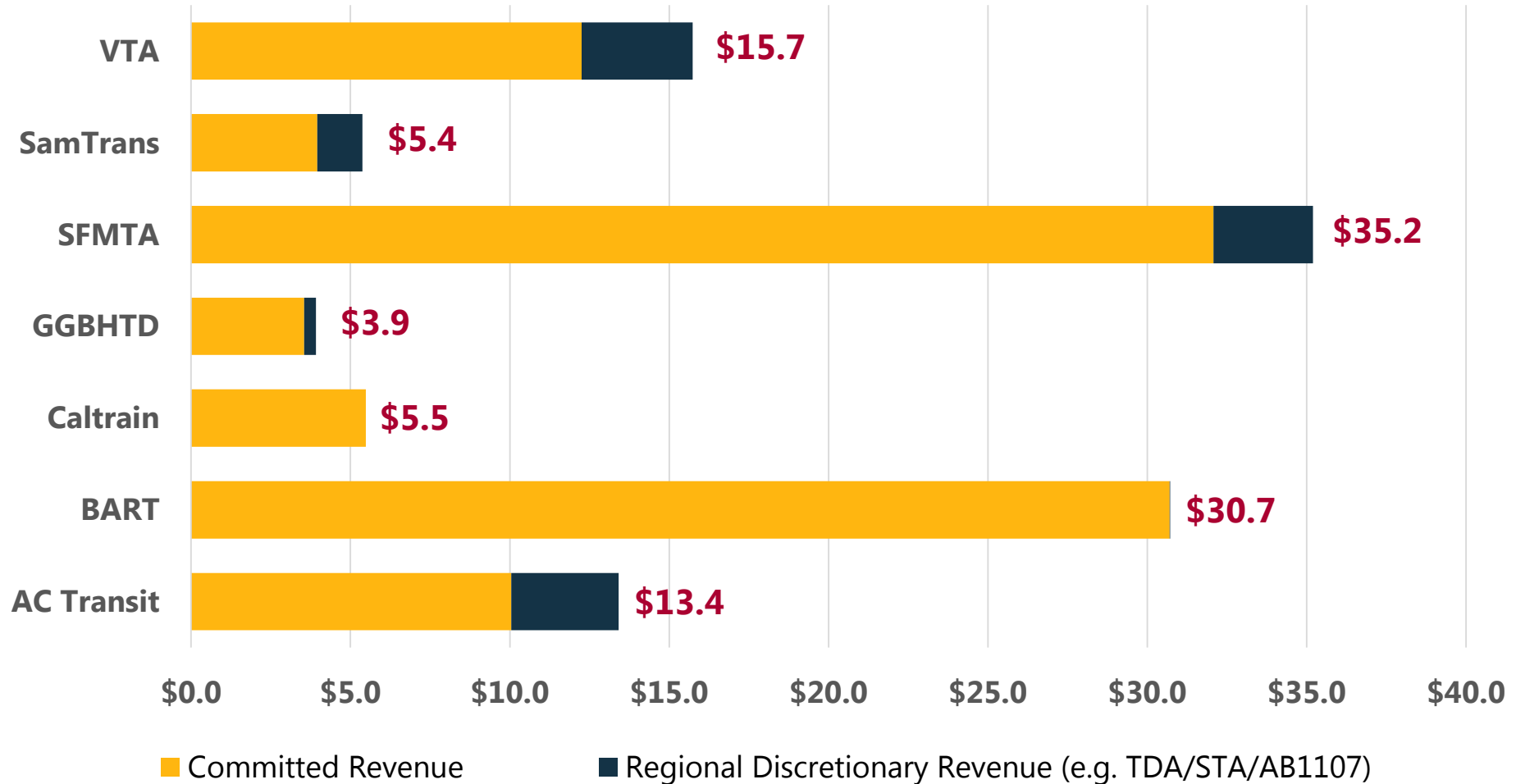


### Annual Costs

**+23%**

greater than the original Plan Bay Area

Draft Transit Operating Needs and Funding, 2017 - 2040  
(In billions of YOES\$)



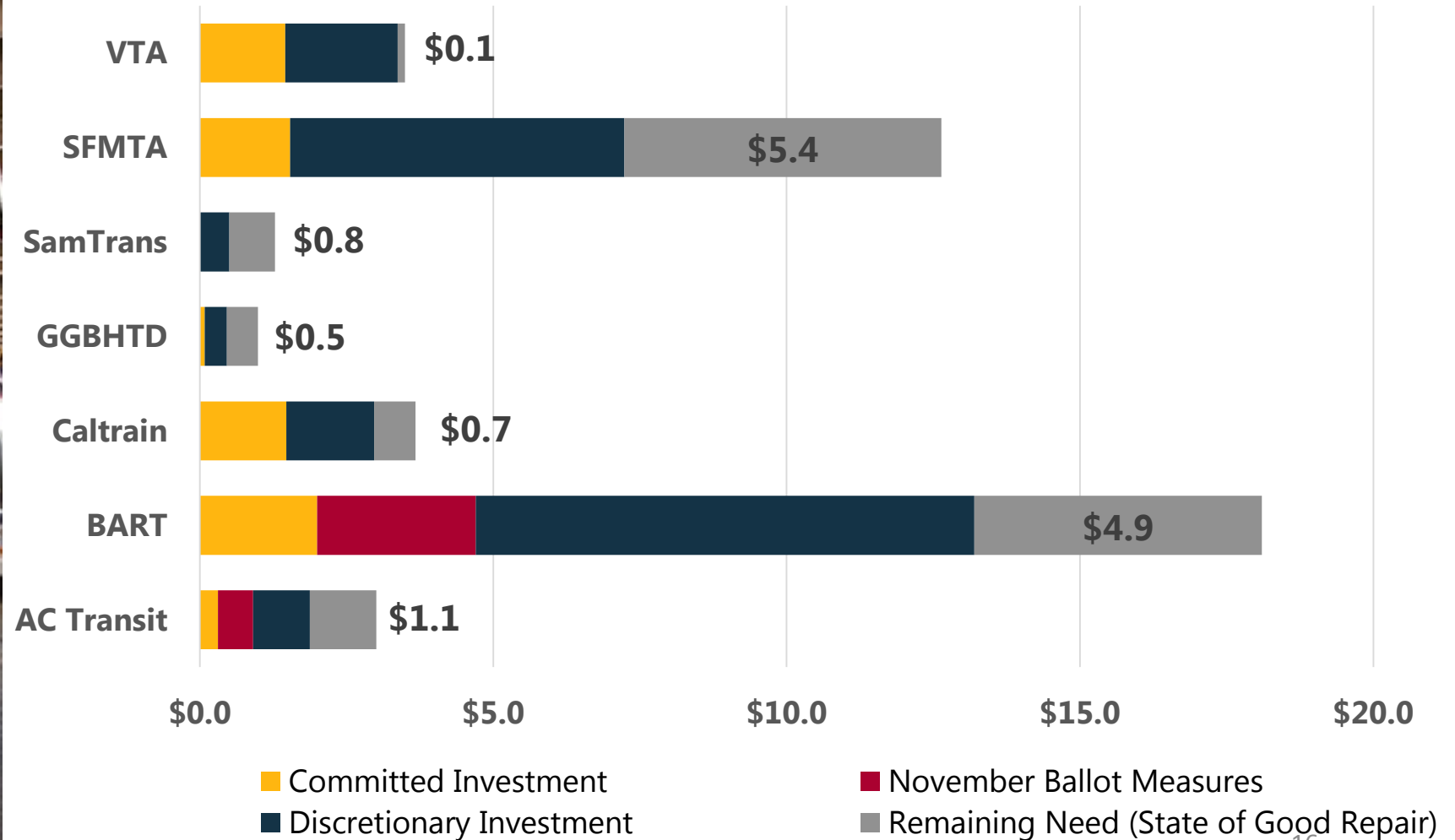
**\$X.X** = 24-Year Operating Need & Revenue

*Note: statistics cited focus solely on operating existing service. Funding for projects that increase service is included within the modernize and expand investment categories.*

# Maintenance funding is directed to highest asset need, but does not fully achieve a state of good repair for transit capital.



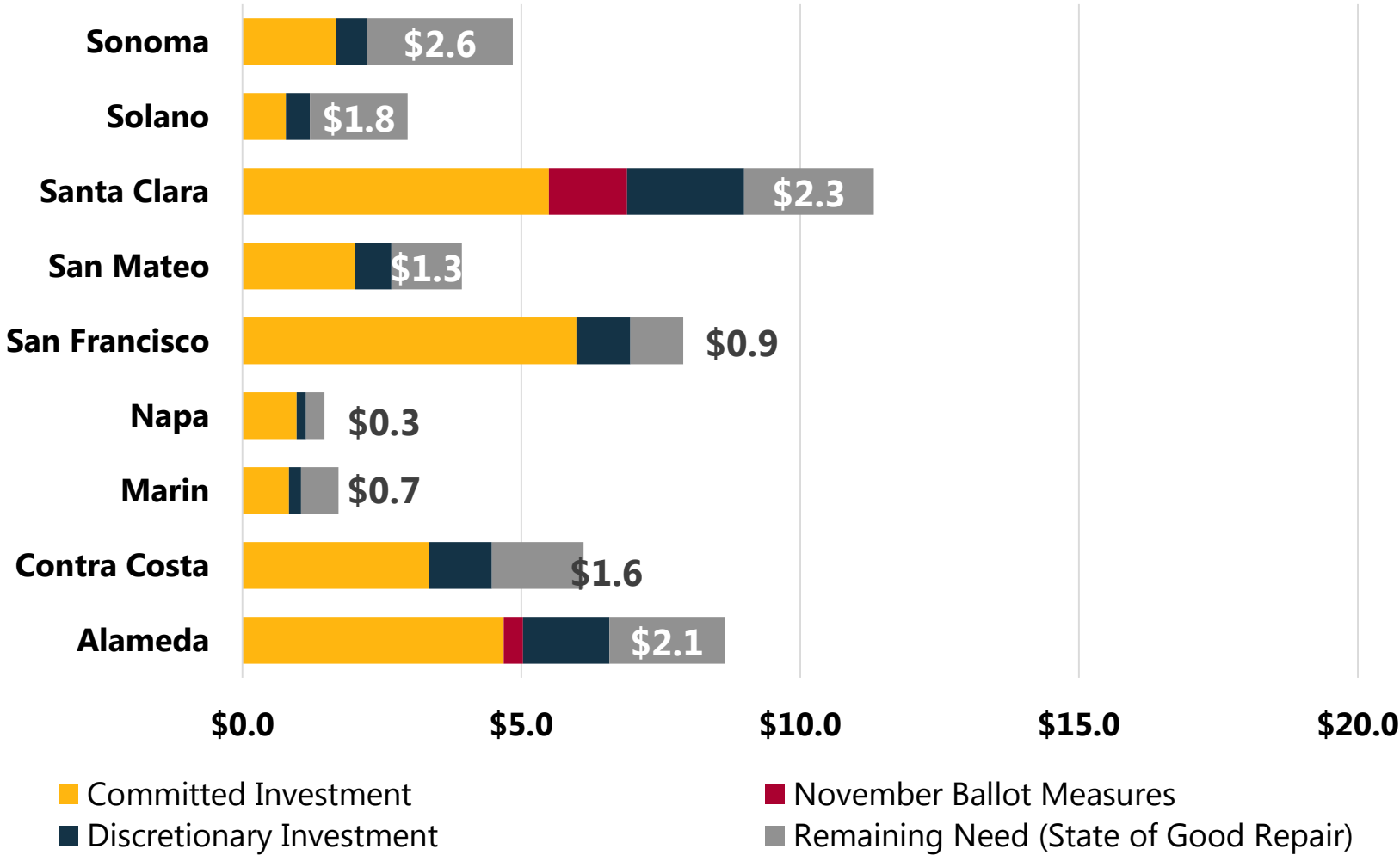
Draft Transit Capital Needs and Funding, 2017 - 2040  
(In billions of YOES\$)





# Funding for local streets and roads also brings us closer, but not completely, to a state of good repair.

**Draft Local Streets and Roads Needs and Funding, 2017 - 2040**  
(In billions of YOES\$)



# Future regional funding is also directed to three key issue areas for Plan Bay Area 2040.



**Closing the GHG Gap**



**Sustainable Goods Movement**



**Core Capacity Transit**

# Most of the Plan's GHG emission reductions will come from MTC's Climate Initiatives Program.

Transportation and land use strategies are not enough to meet the climate goals of SB375, requiring the following additional programs:



Transportation Demand Management



Alternative Fuel/Vehicle Strategies



Car Sharing and Vanpool Incentives

Strategy	Local/Comm.	Regional Discr.	Total Plan Investment
Regional Climate Initiatives Program	\$36 million	\$490 million	\$526 million

Total = ~11% reduction in greenhouse gas emissions from 2005

# Almost \$3 billion of discretionary funding would go toward modernizing the region's goods movement network.

The draft investment strategy seeks to improve goods movement operations while also increasing the environmental sustainability of the sector.

Strategy	Local/Comm.	Regional Discr.	Total Plan Investment
Modernizing Infrastructure	\$2,100 million	\$2,300 million	\$4,400 million
Clean Fuels and Impact Reduction		\$350 million	\$350 million
Smart Deliveries and Operations		\$300 million	\$300 million



Increase efficiency within the Port of Oakland



Reduce emissions of small trucks



Reduce neighborhood impacts



Fund strategic highway investments

# The Final Preferred Scenario investment strategy would provide transit crowding relief throughout the region's core.

## Major investments include:

- Extending BART to Silicon Valley
- Extending Caltrain to downtown San Francisco
- Increasing frequencies and capacity on BART
- Electrifying and modernizing Caltrain
- Bus rapid transit in San Francisco and Silicon Valley
- More vehicles for SFMTA, AC Transit, VTA and WETA
- Transit priority infrastructure in San Francisco and along the Bay Bridge approaches



Location	Total Plan Investment*
Transbay Corridor	\$5.5 billion
Peninsula Corridor	\$7.3 billion
Within San Francisco	\$2.7 billion
Within Santa Clara County	\$8.2 billion
Planning for future capacity projects	\$0.5 billion



\*Includes funding from local/committed sources, regional discretionary sources and November 2016 ballot measures

# Changes between the Draft Preferred and Final Preferred did not have any significant impacts on overall performance results.

## PERFORMANCE TARGET SUMMARY FOR THE FINAL PREFERRED SCENARIO

Refer to Attachment D1 for detailed results.

Final performance results will differ slightly from those shown here, as the final scenarios will include a complete network of all transportation projects. The final results will also be analyzed against the 2040 Plan horizon year.

### TARGET ACHIEVED (5)



Climate Protection



Adequate Housing



Open Space and Agricultural Preservation



Middle-Wage Job Creation



Goods Movement/Congestion Reduction

### RIGHT DIRECTION (5)



Healthy and Safe Communities



Affordable Housing



Non-Auto Mode Shift



Road Maintenance



Transit Maintenance

### WRONG DIRECTION (3)



Housing + Transportation Affordability



Displacement Risk



Access to Jobs

# We know what land use & transportation strategies are needed to tackle congestion – affordability is a much bigger challenge.

**PERFORMANCE TARGET RESULTS FOR FINAL PREFERRED**

Target results for the Final Preferred are **ranked from best to worst**, depending on the degree to which performance exceeds (or underperforms) on a given target.

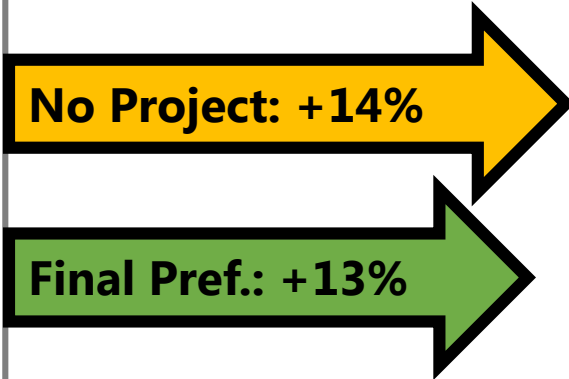
*Final performance results will differ slightly from those shown here, as the final scenarios will include a complete network of all transportation projects. The final results will also be analyzed against the 2040 Plan horizon year.*

	<u>Goal</u>	<u>Final Preferred</u>	
<b>Goods Movement/Congestion Reduction</b>	<b>-20%</b>	<b>-29%</b>	<b>BEST</b>
Climate Protection	-15%	-18%	
Middle-Wage Job Creation	+38%	+43%	
Open Space and Agricultural Preservation	100%	100%	
Adequate Housing	100%	100%	
Transit Maintenance	-100%	-78%	
Non-Auto Mode Shift	+10%	+3%	
Road Maintenance	-100%	-16%	
Affordable Housing	+15%	+2%	
Healthy and Safe Communities	-10%	-1%	
Access to Jobs	+20%	-0%	
Displacement Risk	+0%	+9%	
<b>Housing + Transportation Affordability</b>	<b>-10%</b>	<b>+13%</b>	<b>WORST</b>

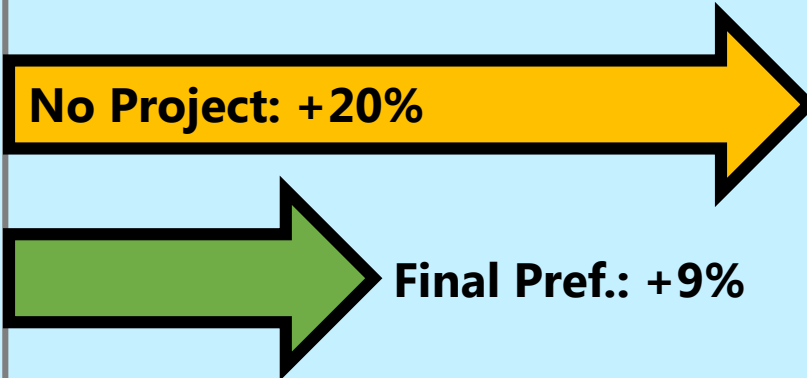
Even though we move in the wrong direction on three targets, we are making progress compared to the No Project.

SELECT PERFORMANCE TARGET RESULTS

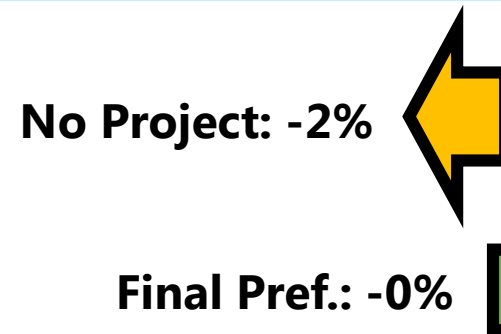
Housing + Transportation  
Affordability



Displacement Risk



Access to Jobs



*Final performance results will differ slightly from those shown here, as the final scenarios will include a complete network of all transportation projects. The final results will also be analyzed against the 2040 Plan horizon year.*



# Transportation investments are being targeted to benefit low-income Bay Area residents.

## TRANSPORTATION FUNDING ALLOCATION FOR FINAL PREFERRED SCENARIO

	Share of Population	Share of Investment Benefit		
		Transit	Roadway	Total
Low-Income	<b>24%</b>	48%	27%	<b>40%</b>
Minority	<b>59%</b>	61%	52%	<b>57%</b>

*Final Title VI assessment may differ slightly from these preliminary estimates.*



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While the Final Preferred Scenario makes progress on many fronts, **regional affordability challenges remain**. Implementation actions on this front **are a key priority for MTC and ABAG in 2017**.



MTC and ABAG are committed to establishing an Action Plan in 2017, which will:

- begin following the adoption of the Preferred Scenario
- be in consultation with local jurisdictions, interested public agencies, and non-governmental entities
- identify near and medium-term actions for MTC, ABAG, and other entities to make meaningful progress on the Plan's performance

We recommend the following actions:

- 1) Adoption of the **Final Preferred Scenario and Investment Strategy**
- 2) Approval of the proposed **Action Plan policy statement**

