



PLAN BAY AREA 2050

Plan Bay Area 2050 Blueprint: Housing & Economy

Super RAWG Workshop

December 10, 2019



Welcome & Introductions

Matt Maloney

Acting Director, Planning

Today's Agenda

1. **Introduction and Welcome:** 9:30 a.m.
2. **Presentation:** Horizon & Plan Bay Area 2050 (9:45 a.m.)
3. **Presentation:** What we heard: Results from Public Engagement (10:05 a.m.)
4. **Ice Breaker** (10:20 a.m.)
5. **Presentation:** Defining the Blueprint - Housing & Economy (10:30 a.m.)
6. **Break** (10:50 a.m.)
7. **Your Turn:** Where should we grow? (Break-out groups - 11 a.m.)
8. **Lunch** (12 noon)
9. **Presentation:** Blueprint Strategies - Housing & Economy (12:30 p.m.)
10. **Your Turn:** How should we grow? (Break-out groups - 12:50 p.m.)
11. **Next Steps** (1:50 p.m.)

Horizon & Plan Bay Area 2050: What We've Learned so Far

Dave Vautin & Michael Germeraad
Regional Planning Program

What is Plan Bay Area?

- The regional plan is a **blueprint for growth and infrastructure for the next 30 years**.
- The regional plan is **updated every four years**, with this major update due in 2021.
- The regional plan is a reflection of **the shared priorities of the diverse nine-county San Francisco Bay Area**.
- The regional plan is **fiscally-constrained**, even as it aspires to tackle the Bay Area's big challenges with specific strategies.
- The regional plan is **not an expenditure plan**; it is focused on setting priorities and over the long term and looking holistically across “silos”.





**Spring 2015 to
July 2017**



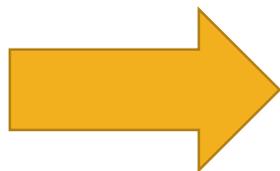
**February 2018 to
October 2019**



**September 2019
to June 2021**

High-performing strategies and projects from *Horizon* - those that are resilient to uncertainties - will be recommended for inclusion in the Plan Bay Area 2050 Blueprint.





Similar to *Horizon*, *Plan Bay Area 2050* will address **four core topic areas**, as we work to create a long-range integrated regional vision for the next 30 years.

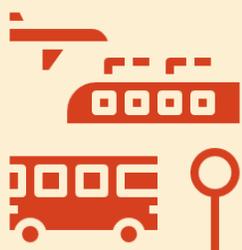
Cross-Cutting Issues



Equity



Resilience



Transportation



Housing



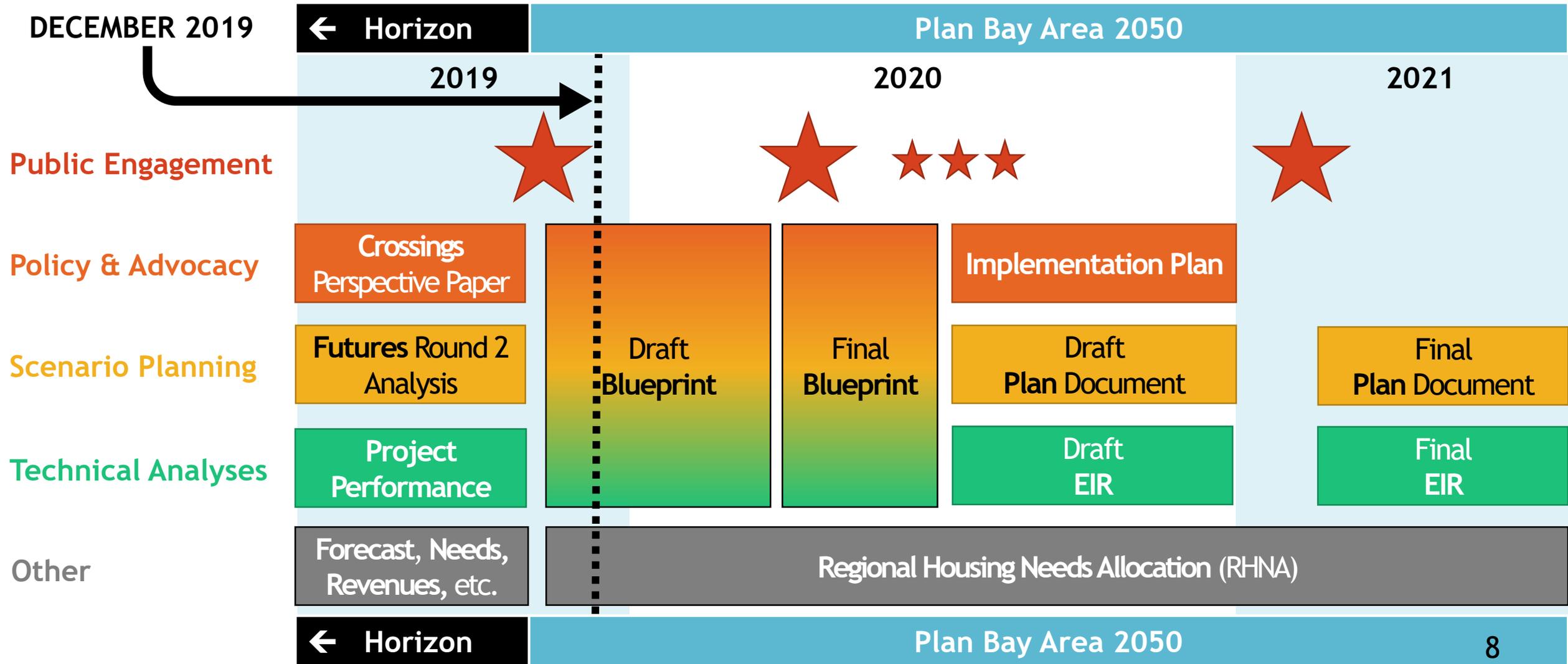
Environment



Economy



Plan Bay Area 2050 Schedule



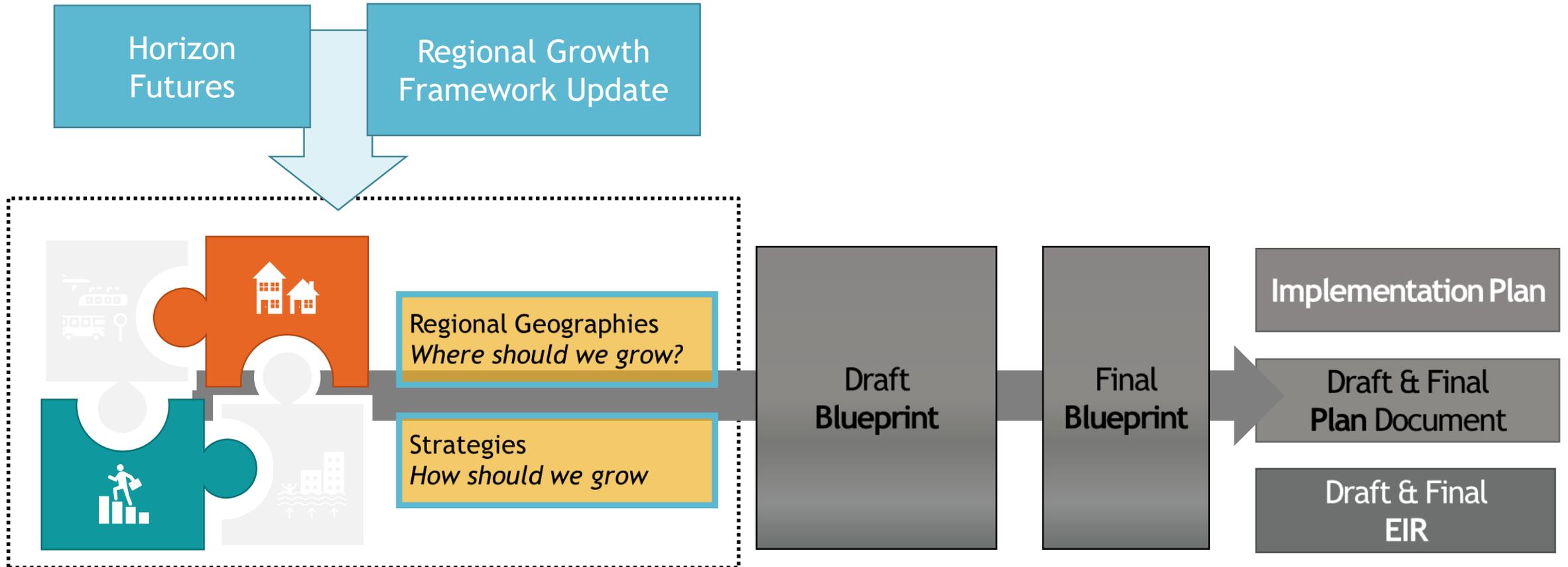
The Draft Blueprint will identify complementary strategies



Plan Bay Area 2050 Blueprint

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

How does today's workshop fit in?



Three Topics to Think About...

- **EQUITY.**

Plan Bay Area 2040 performed **much better on environmental goals than on equity goals**; in concert with the Equity Platform effort, staff proposes to **prioritize equity to a significantly greater degree** this cycle.

- **GREENHOUSE GASES.**

The new **19 percent per-capita greenhouse gas emissions reduction target** will require **ambitious strategies** going far beyond *Plan Bay Area 2040*; adopting a Plan that does not achieve the target puts the region's SB1 Solutions for Congested Corridors funding at risk post-2021.

- **NEW REVENUES.**

The Blueprint may be able to **incorporate significant new revenues** that could fund transportation, **housing, economic,** and/or environmental strategies.



Plan Bay Area builds on Horizon

Horizon:
Futures, Project
Performance, etc.

February 2018-October 2019
*Robust scenario planning,
project evaluation, and policy
analyses*

Plan Bay Area 2050:
Blueprint
(previously Preferred Scenario)

September 2019-Summer 2020
*Selection of resilient and
equitable strategies to create a
more comprehensive regional
plan*

Plan Bay Area 2050:
Finalization

Summer 2020-Summer 2021
*Development of shorter-range
Implementation Plan +
environmental analysis*

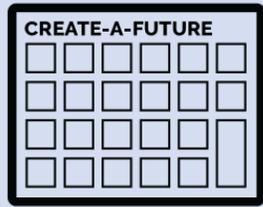


H O R I Z O N

The Horizon initiative was designed to identify strategies and investments to prepare the Bay Area for an uncertain future - to ensure we are resilient to ever-changing economic, political, technological, and environmental conditions.

Futures Process

OUTREACH



ROUND 1 ANALYSIS

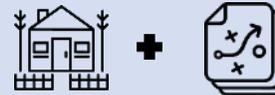
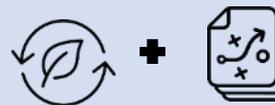
Current Strategies



REPORT



OUTREACH



ROUND 2 ANALYSIS

New Strategies



REPORT



Three Futures - “What If?” Scenarios

A



Rising Tides,
Falling
Fortunes

What if... the federal government cuts spending and reduces regulations, leaving more policy decisions to states and regions?

B



Clean
and Green

What if... new technologies and a national carbon tax enabled greater telecommuting and distributed job centers?

C



Back to
the Future

What if... an economic boom and new transportation options spur a new wave of development?

Five Guiding Principles



AFFORDABLE

All Bay Area residents and workers have sufficient housing options they can afford - households are economically secure.



CONNECTED

An expanded, well-functioning, safe and multimodal transportation system connects the Bay Area - fast, frequent and efficient intercity trips are complemented by a suite of local transportation options, connecting communities and creating a cohesive region.



DIVERSE

The Bay Area is an inclusive region where people from all backgrounds, abilities, and ages can remain in place - with full access to the region's assets and resources.



HEALTHY

The region's natural resources, open space, clean water and clean air are conserved - the region actively reduces its environmental footprint and protects residents from environmental impacts.



VIBRANT

The Bay Area region is an innovation leader, creating quality job opportunities for all and ample fiscal resources for communities.

35 Strategies Analyzed

Strategies were designed to support these nine priority areas, based on the Futures Interim Report findings. While new revenues were assumed in all Futures, fiscal constraint did mean that some strategies were omitted from Rising Tides, Falling Fortunes.



Improve Economic Mobility



Shift the Location of Jobs



Spur Housing Production



Retain & Expand Affordable Housing



Improve Access, Speed, and Reliability of Transportation



Prioritize Active Modes



Price Transportation Services



Reduce the Environment's Impact on Us



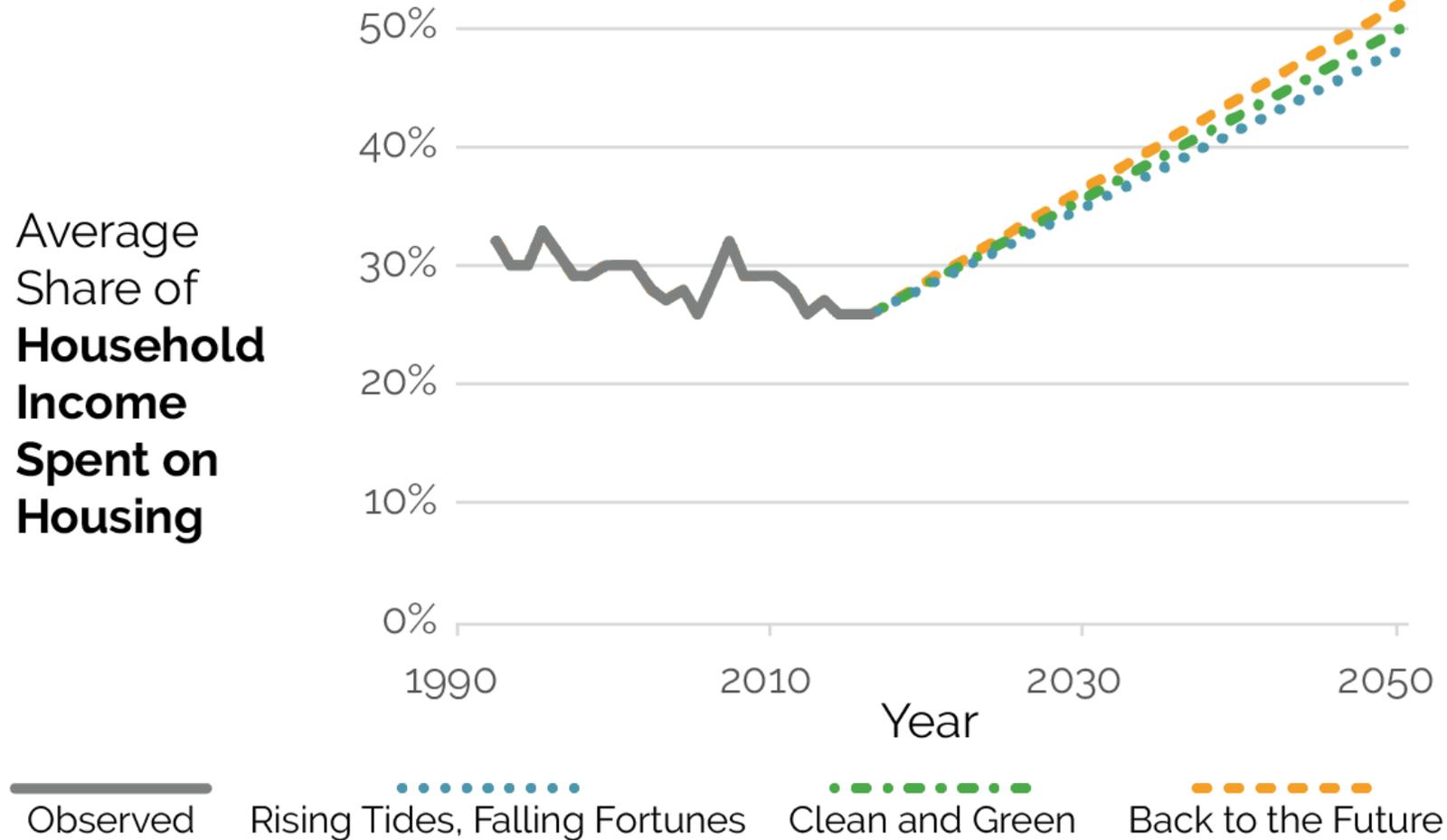
Reduce Our Impact on the Environment

The logo features a white, wavy line resembling a horizon or a stylized wave, set against a dark blue background. Below this line, the word "HORIZON" is written in white, uppercase, sans-serif letters.

H O R I Z O N

Housing Findings from Horizon Futures Analysis

Without new strategies in place, Bay Area housing affordability continued to get worse.



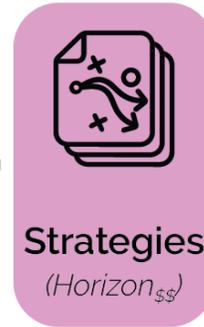
Round 2 Strategy Highlight: A mix of strategies to retain and expand affordable housing reduced the affordable housing gap.

Pass Inclusionary Zoning Policies



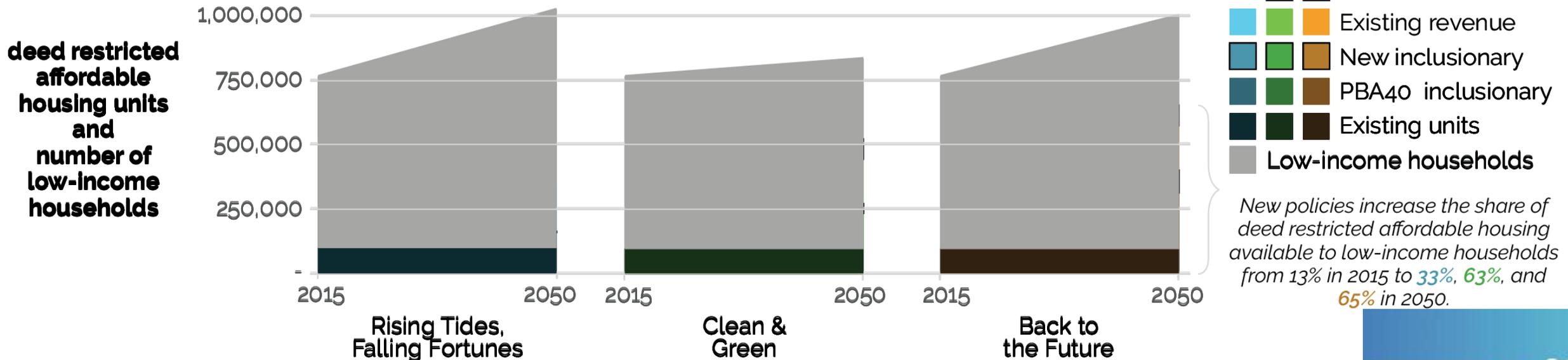
Require 10% to 20% of all new development to be deed-restricted affordable, expanding off the Plan Bay Area 2040 inclusionary strategy.

Fund Affordable Housing



Raise \$1.5 billion in new annual revenue to build and preserve affordable housing, complementing existing federal, state, and local affordable housing funds.

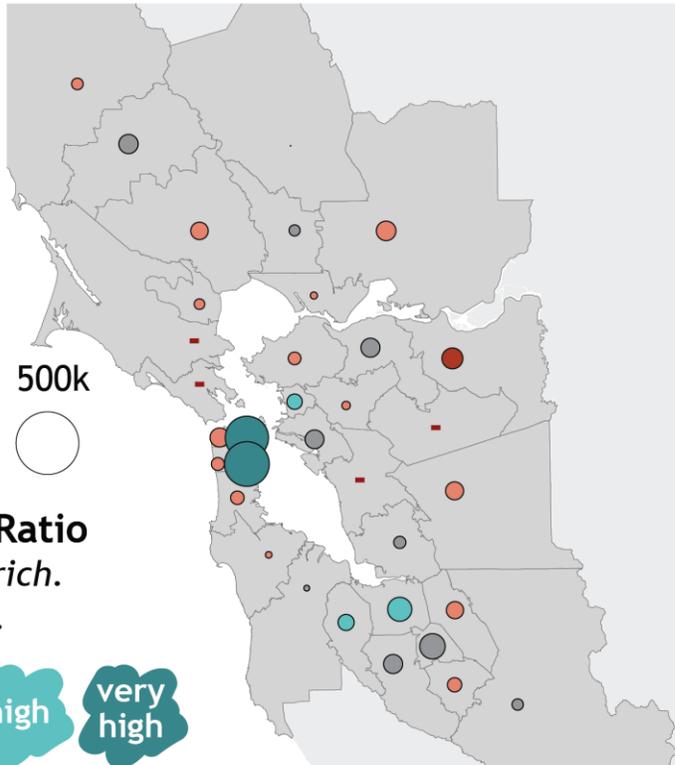
Effect of new policies on deed restricted affordable housing units 2015-2050



Land use strategies included in Plan Bay Area 2040 were insufficient to address the region's longstanding jobs-housing imbalance.

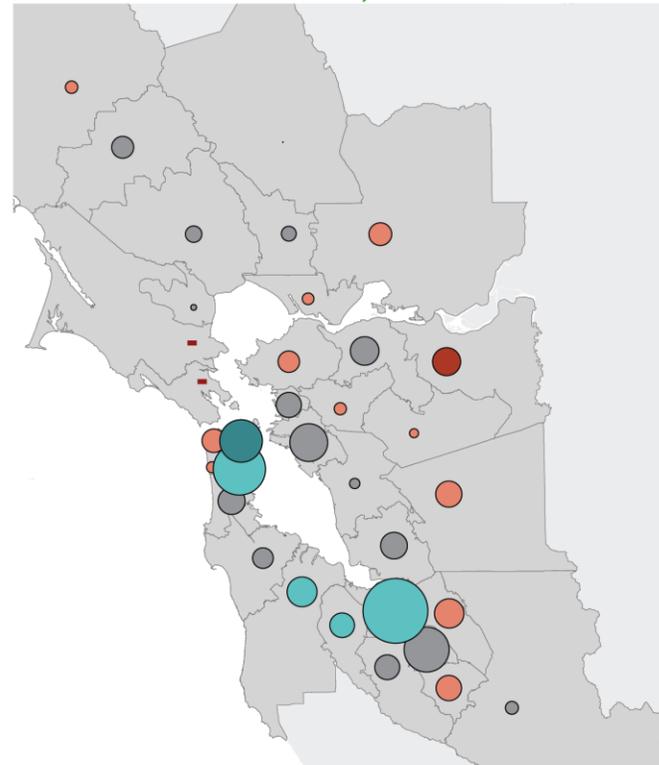
Rising Tides, Falling Fortunes

+0.5M Homes, +0.5M Jobs



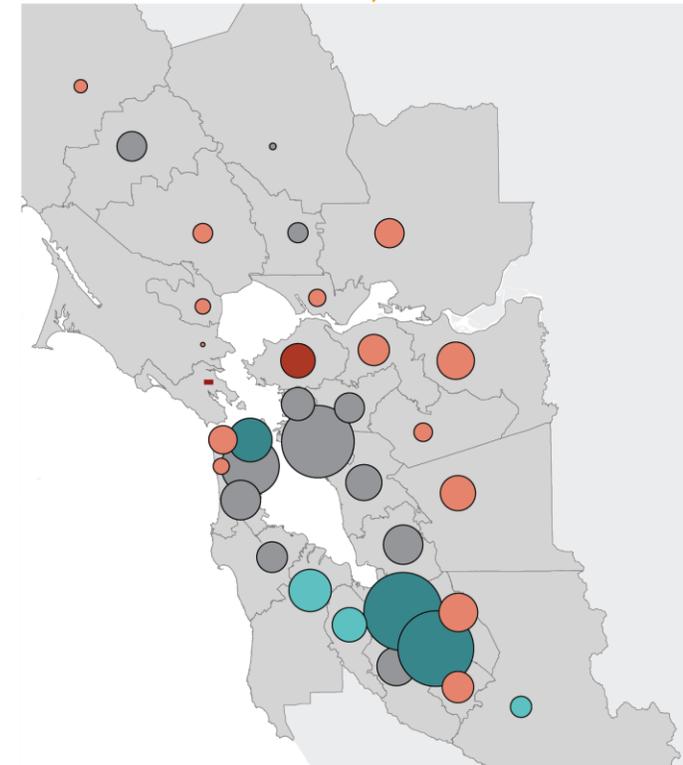
Clean and Green

+1.3M Homes, +1.1M Jobs



Back to the Future

+2.1M Homes, +2.7M Jobs



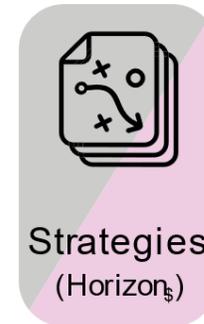
Round 2 Strategy Highlight: New growth areas enable more growth near transit and near opportunity.

Allow Diverse Housing Around Transit



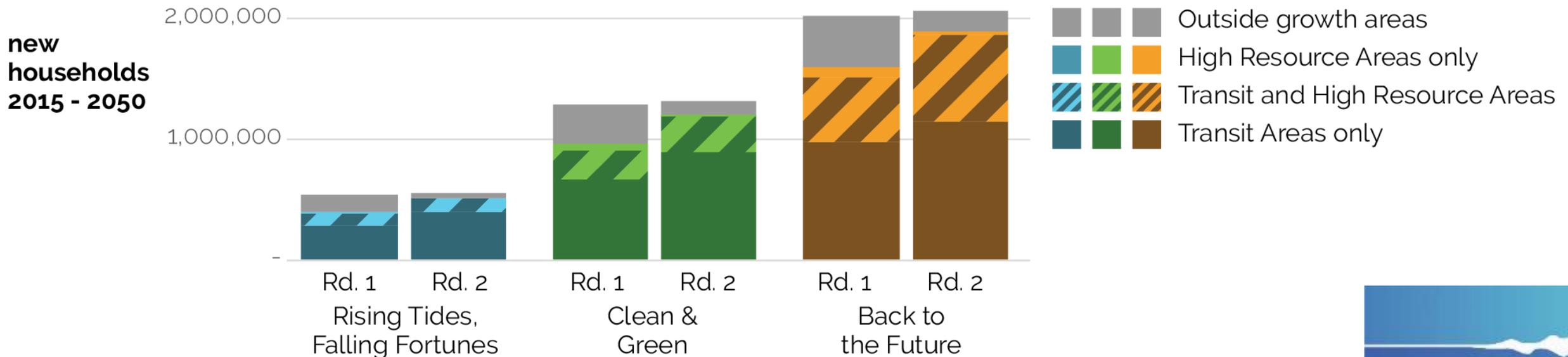
Allow more diverse housing growth around areas with high frequency transit. Expand the growth footprint beyond the current list of PDAs.

Allow Diverse Housing in High-Resource Areas



Allow more diverse housing growth in areas of high opportunity that also have moderate transit service. Expand the growth footprint beyond the current list of PDAs.

Location of households added between 2015-2050 relative to growth geography





Futures Round 2: Strategy Recommendations

Housing

 Recommended to move forward into Plan Bay Area 2050 Blueprint.

Allow Diverse Housing in Priority Development Areas (PDAs)

Streamline Development in All Growth Areas

 Recommended to move forward *with minor revisions.*

Allow Diverse Housing around Major Transit Stops (TPAs)

Allow Diverse Housing in High-Resource Areas (HRAs)

Transform Aging Malls and Office Parks into Neighborhoods

Fund Affordable Housing Preservation & Production

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

 Not recommended to move forward *unless major revisions are made.*

No housing strategies received this rating.

Already advancing into implementation due to state legislative action in 2019.

Repurpose Public Land to Build Housing

Increase Renter Protections

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H O R I Z O N

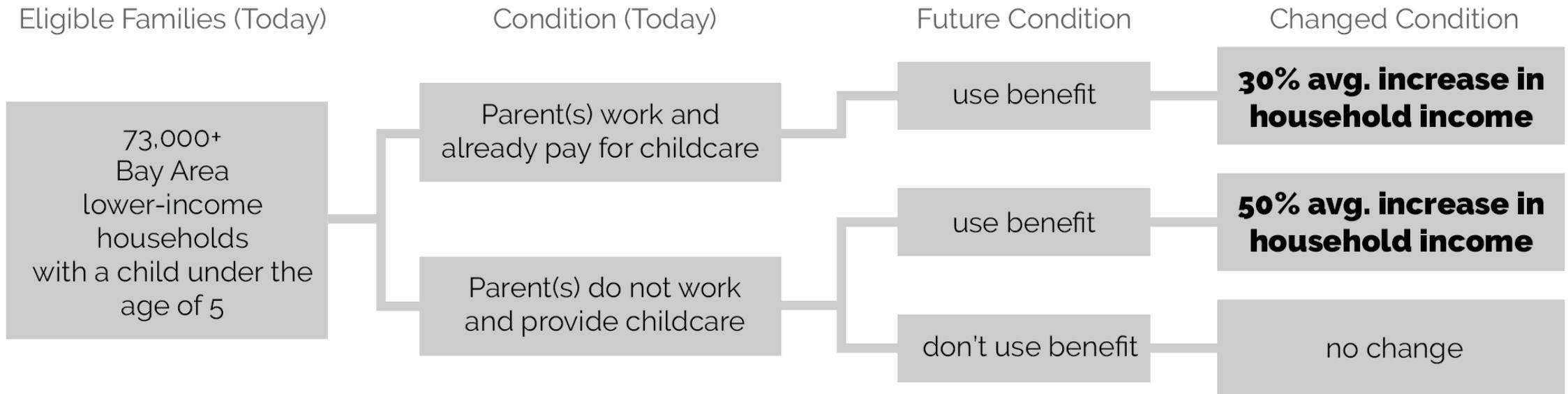
Economy Findings from Horizon Futures Analysis

Childcare is a major expense for Bay Area families. Providing a subsidy not only improves household income but it increases maternal employment.

Subsidize Childcare for Low-Income Families



Offer a 50% subsidy to low-income households in the Bay Area with children younger than 5.



A VMT-based fee on office development was effective in focusing office growth, but not in shifting jobs to the East and North Bay.

Apply a VMT-Based Fee on Office Development



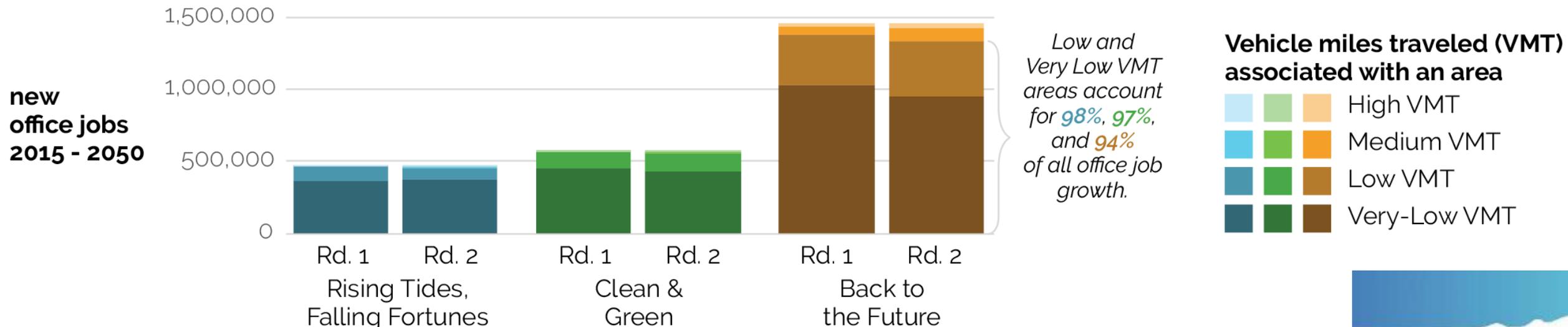
Strategies
(PBA 2040)

Apply a fee on new office development in areas that have high employment-related vehicle miles traveled (VMT), expanding upon a Plan Bay Area 2040 strategy.

Given that this strategy was included in Plan Bay Area 2040, it was studied in both Futures Round 1 and Futures Round 2 - and was very effective in focusing growth in low-VMT places in both analyses.

Further refinements could focus on better tailoring this strategy to reflect county-level conditions - rather than “one size fits all”.

Location of new office-related job growth relative to an area's associated VMT level



Futures Round 2: Strategy Recommendations

Economy



 Recommended to move forward into Plan Bay Area 2050 Blueprint.

No economic strategies received this rating.

 Recommended to move forward *with minor revisions.*

Assess a VMT-Based Fee on Office Development

Create Incubator Programs in Economically-Challenged Areas

Expand Childcare Support for Low-Income Families

 Not recommended to move forward *unless major revisions are made.*

Expand Construction Workforce Programs

Place Office Caps in Job-Rich Cities

Already advancing into implementation due to state legislative action in 2019.

Provide Portable Benefits for Part-Time/Freelance Workers

Not explored as part of Futures Round 2 analysis, but will be explored as part of Plan Bay Area 2050 Blueprint.

Establish Priority Production Areas to Protect Industrial Lands

Your Turn:

What Do The Guiding Principles Mean for Housing & Economy?

GET OUT YOUR PHONES!



Pop-Ups

28 Events



Online Survey

1,600+ submissions

= 10,000+ Comments

Cross-Cutting Issues	 Equity	 Resilience
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Vision To ensure by the year 2050 that the Bay Area is **affordable, connected, diverse, healthy, and vibrant for all.**

Guiding Principles	 Affordable	All Bay Area residents and workers have sufficient housing options they can afford - households are economically secure.
	 Connected	An expanded, well-functioning, safe and multimodal transportation system connects the Bay Area - fast, frequent and efficient intercity trips are complemented by a suite of local transportation options, connecting communities and creating a cohesive region.
	 Diverse	The Bay Area is an inclusive region where people from all backgrounds, abilities, and ages can remain in place - with full access to the region's assets and resources.
	 Healthy	The region's natural resources, open space, clean water and clean air are conserved - the region actively reduces its environmental footprint and protects residents from environmental impacts.
	 Vibrant	The Bay Area region is an innovation leader, creating quality job opportunities for all and ample fiscal resources for communities.

Defining the Blueprint: Housing & Economy

Johnny Jaramillo & Mark Shorett
Regional Planning

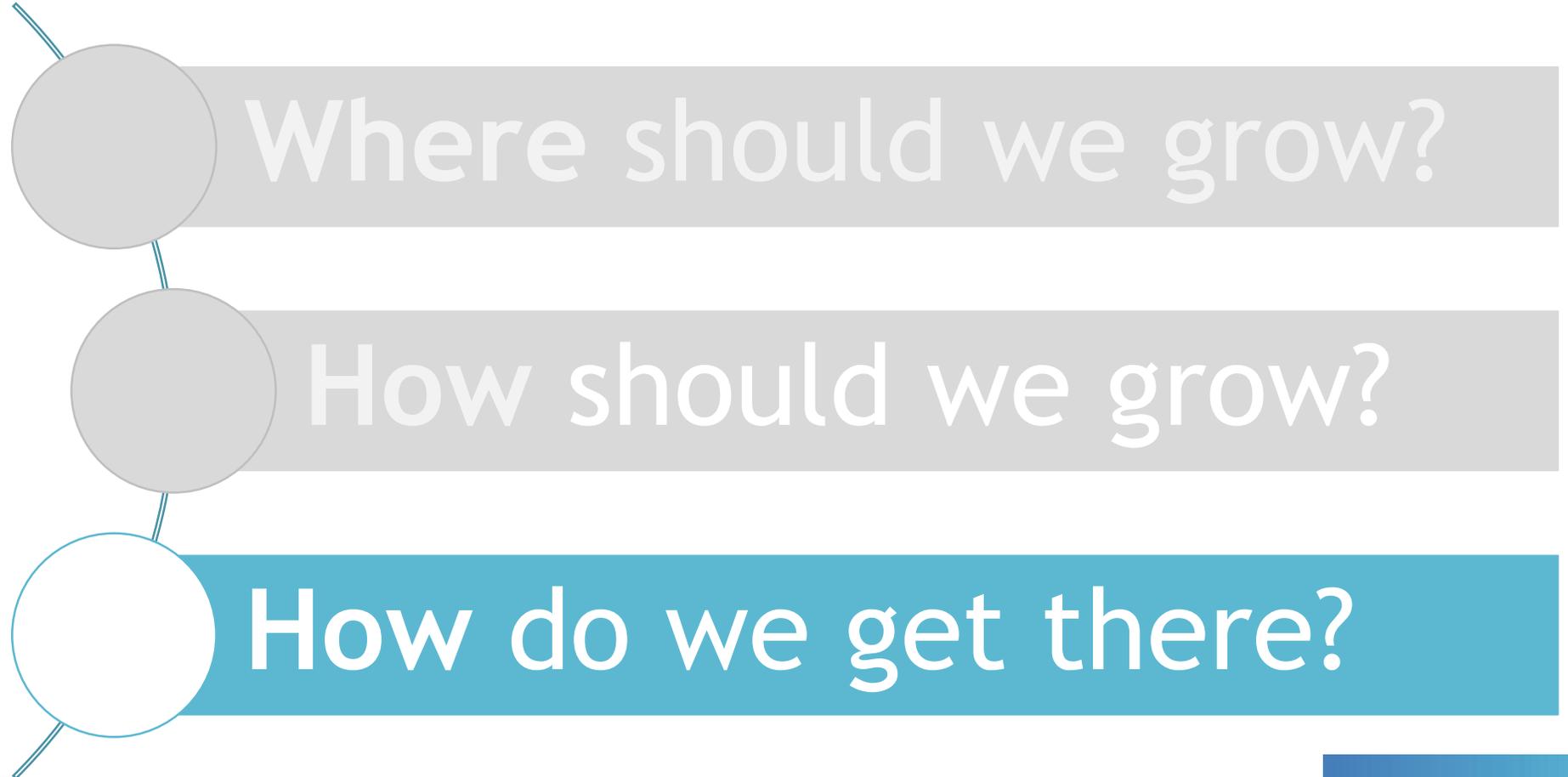


The Housing & Economy sections of the Blueprint will answer two questions

- Where should we grow?
- How should we grow?
- How do we get there?



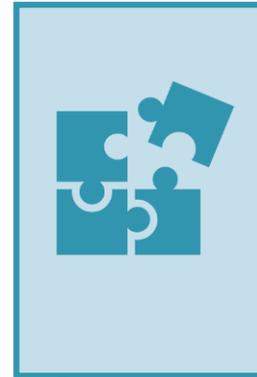
The Implementation Plan will answer a third question



Today's Focus: Geographies & Strategies



Growth Geographies*
(where)



Strategies*
(how)

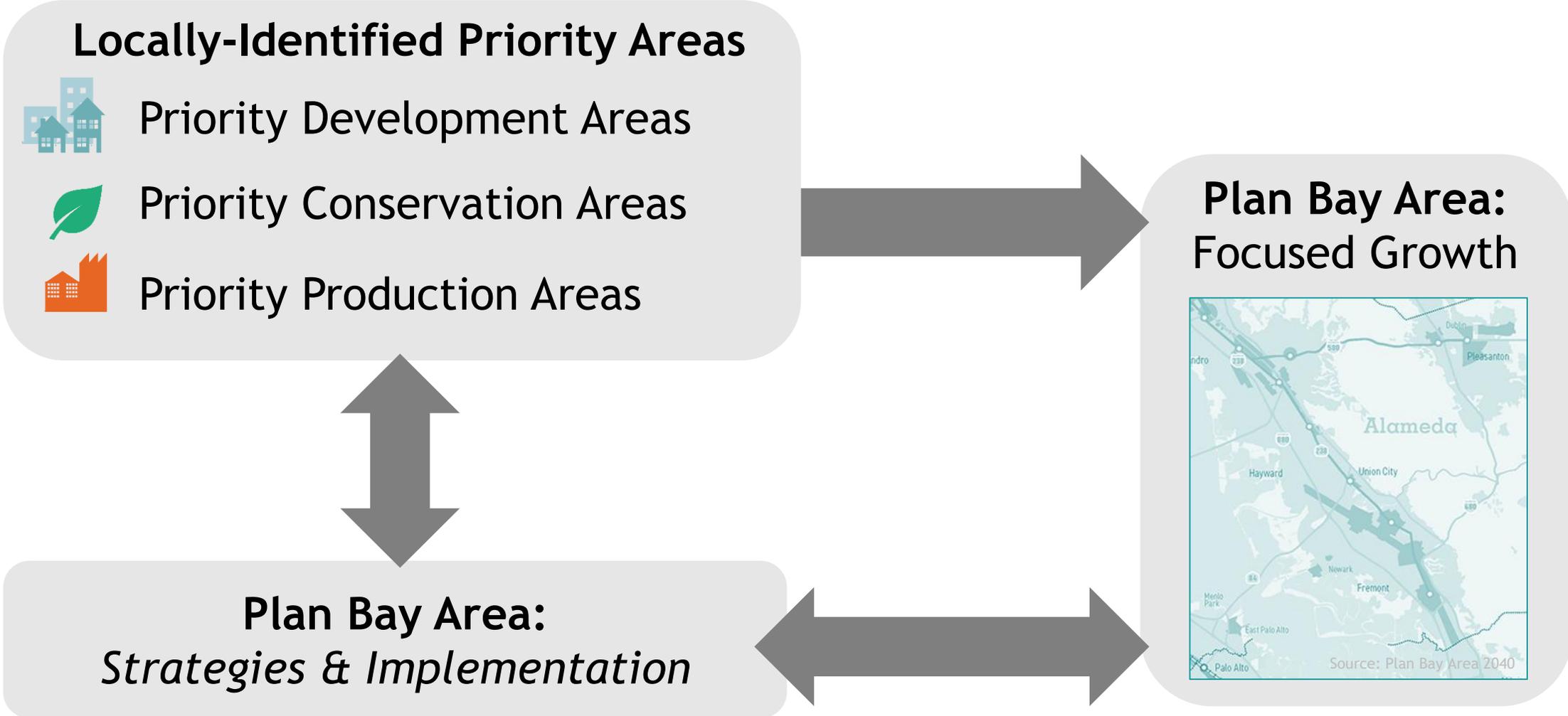
Blueprint



Implementation Plan
(how do we get there)

**emphasis of today's workshop*

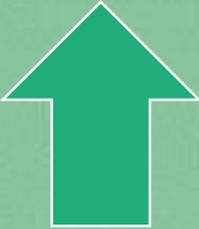
Regional Geographies: Our Current Growth Framework



Regional Growth Framework: Progress to date



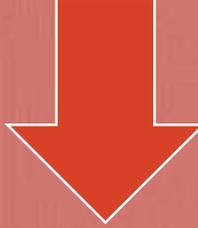
- Effective open space protection
- 188 adopted PDAs



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



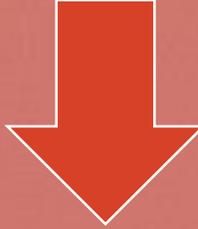
- Stronger real estate markets in PDAs across region



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



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



- Increasing displacement pressure in many PDAs

Regional Growth Framework Update: Adopted May 2019

Priority Development Areas: Revised Criteria



More Flexible Transit Standards:

- *Transit Rich*
- *Connected Community*



Timeline to Adopt
PDA Plans



Priority Production Areas:
Pilot Program & Criteria

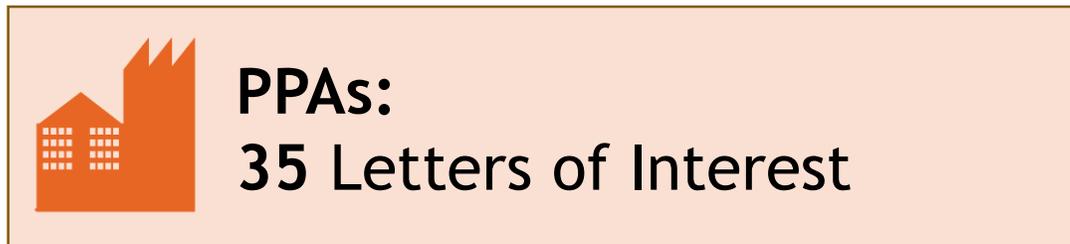


Priority Conservation Areas:
No change to criteria

PDA, PCA and PPA:
Call for Letters of Interest
June to September 2019

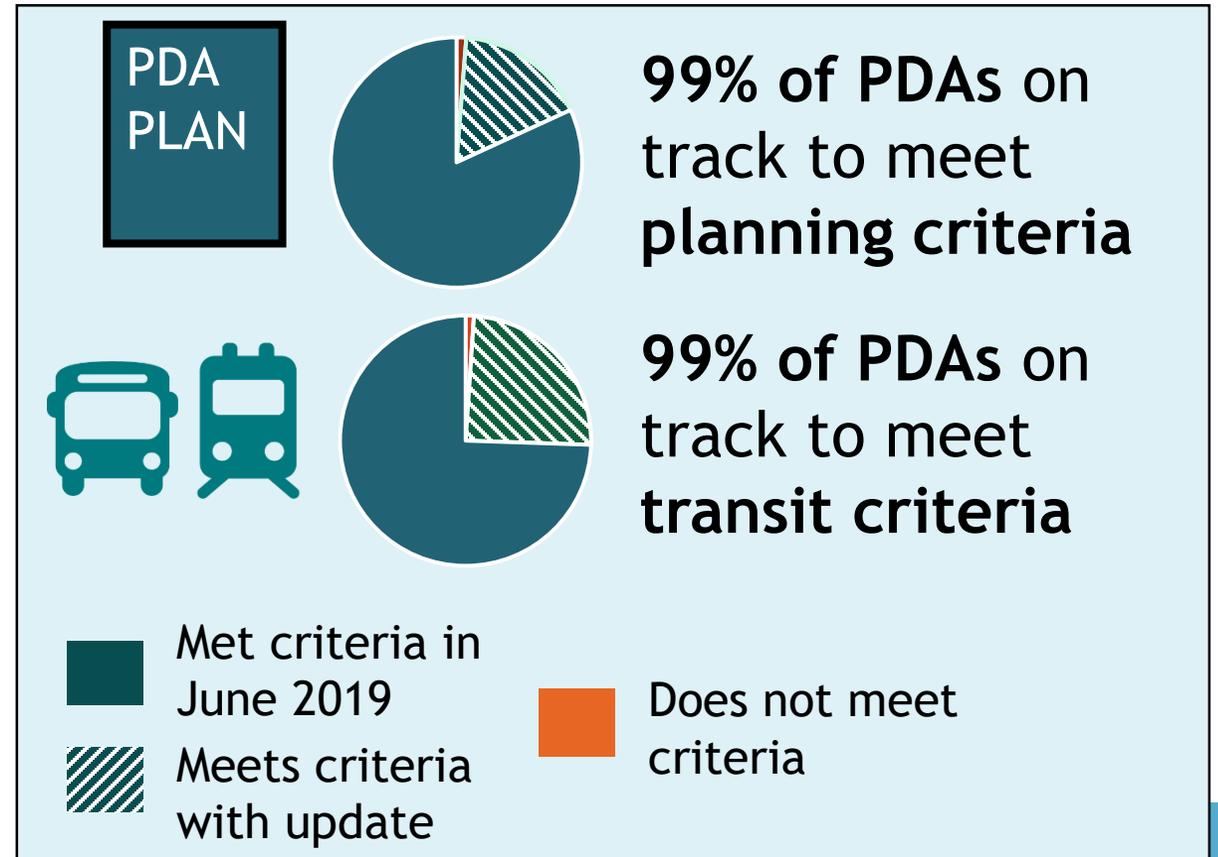
Local Response: September Submissions

Local jurisdictions demonstrated significant interest in new priority areas.



Totals do not include submissions which did not meet adopted criteria.

Inconsistencies with program guidelines were mostly resolved by cities and CTAs.



Remaining challenges



Equity: Despite uptick in share of high-resource areas designated PDAs, most places with greatest access to opportunities remain undesignated. Meanwhile, areas designated PDAs are disproportionately at risk of displacement.



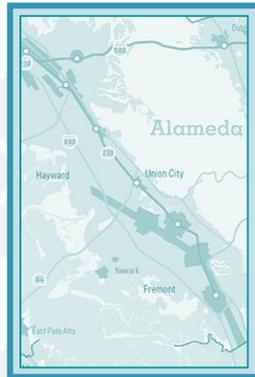
Leveraging regional transit investments: more than half of transit-rich areas not yet designated PDAs.



Affordability: Under any future scenario, supportive strategies will be needed to make the Bay Area affordable for everyone.

Toward the Blueprint

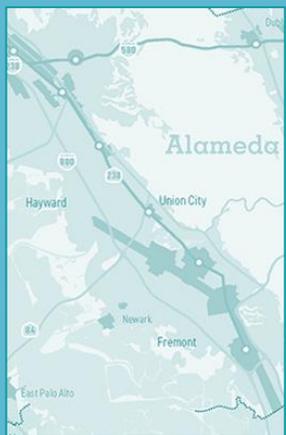
Where should we grow?



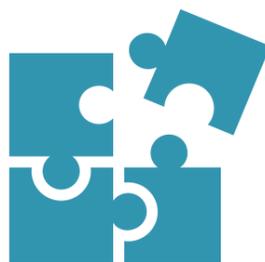
**Growth
Geographies**

Which strategies will get us there?

What is a Growth Geography?



**Growth
Geography**
Transit-rich Area



Strategy

Allow a mix of housing types and densities in Transit-Rich Areas



Implementation Action

Fund local plans in Transit-Rich Areas

Which Growth Geographies should the Blueprint include?

Existing Growth Geographies

Locally nominated



Priority Development Areas



Priority Production Areas

To consider:

Additional Growth Geographies

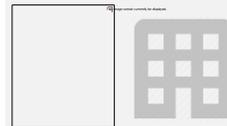
Advance GHG & Equity Outcomes and PDA-eligible, but not yet locally nominated



Transit-rich Areas



High-resource Areas



Other urbanized Areas



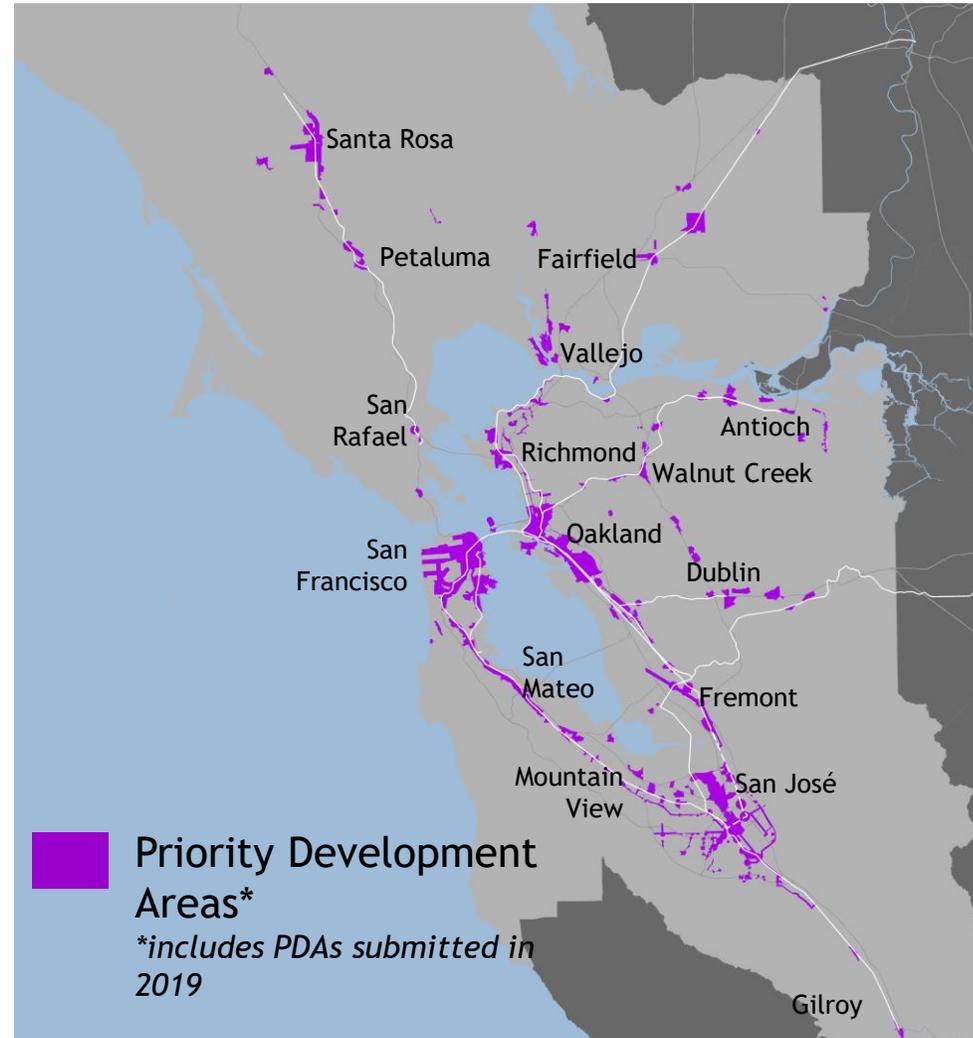
Priority Development Areas

Definition:

- Locally nominated
- Within the urban footprint;
- Planned, or will be planned, for significant housing and job growth
- Within ½ mile of high quality 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)





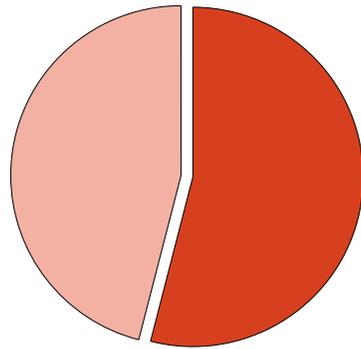
Transit-rich Areas

Definition:

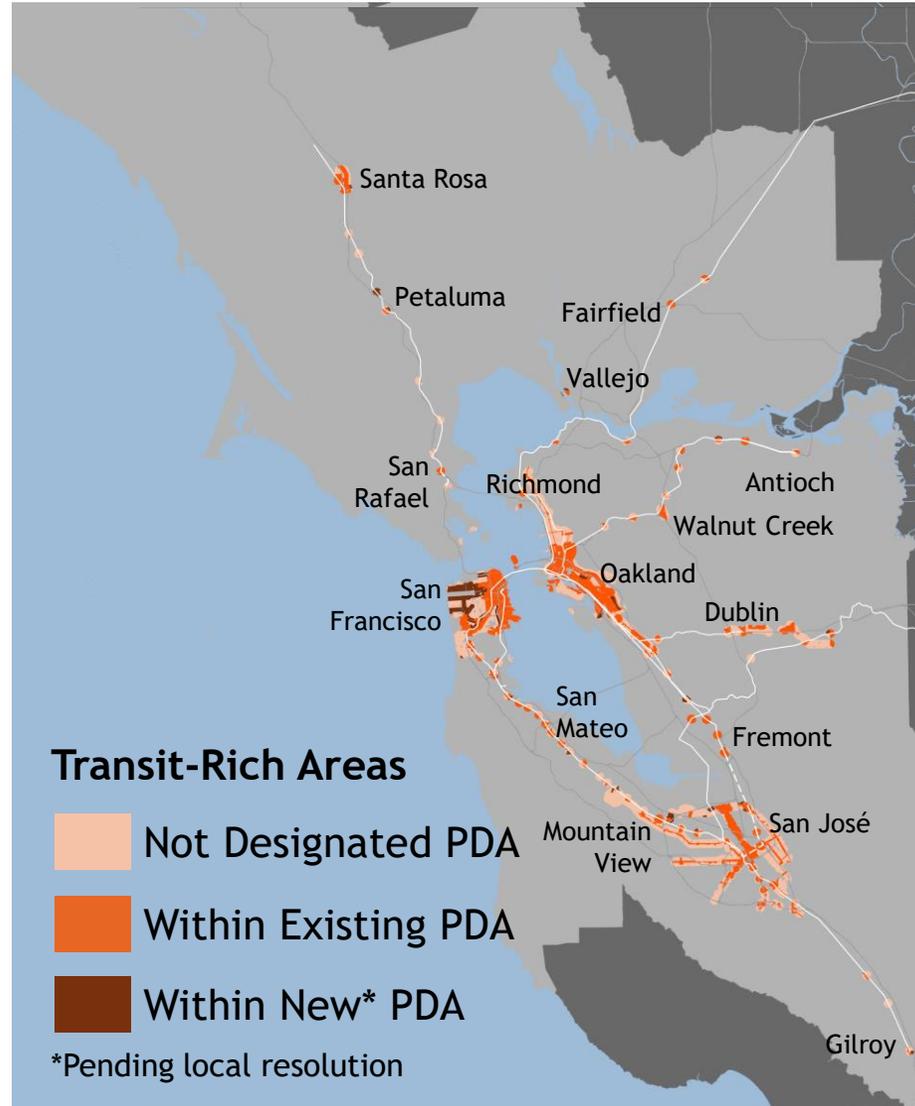
Within ½ mile of a rail station, ferry terminal, or bus stop with peak headways of 15 minutes or less.

54%

Percent not designated PDA



■ Undesignated ■ Designated



Source:
MTC/ABAG, 2019



High Resource Areas*

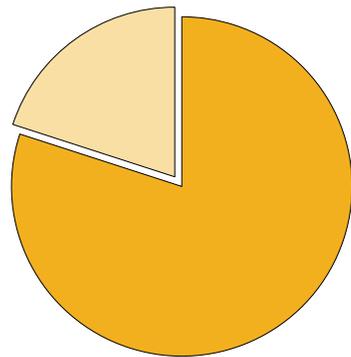
Definition:

Places that offer “the best chance at economic advancement, high educational attainment, and good physical and mental health”
- CA HCD 2019

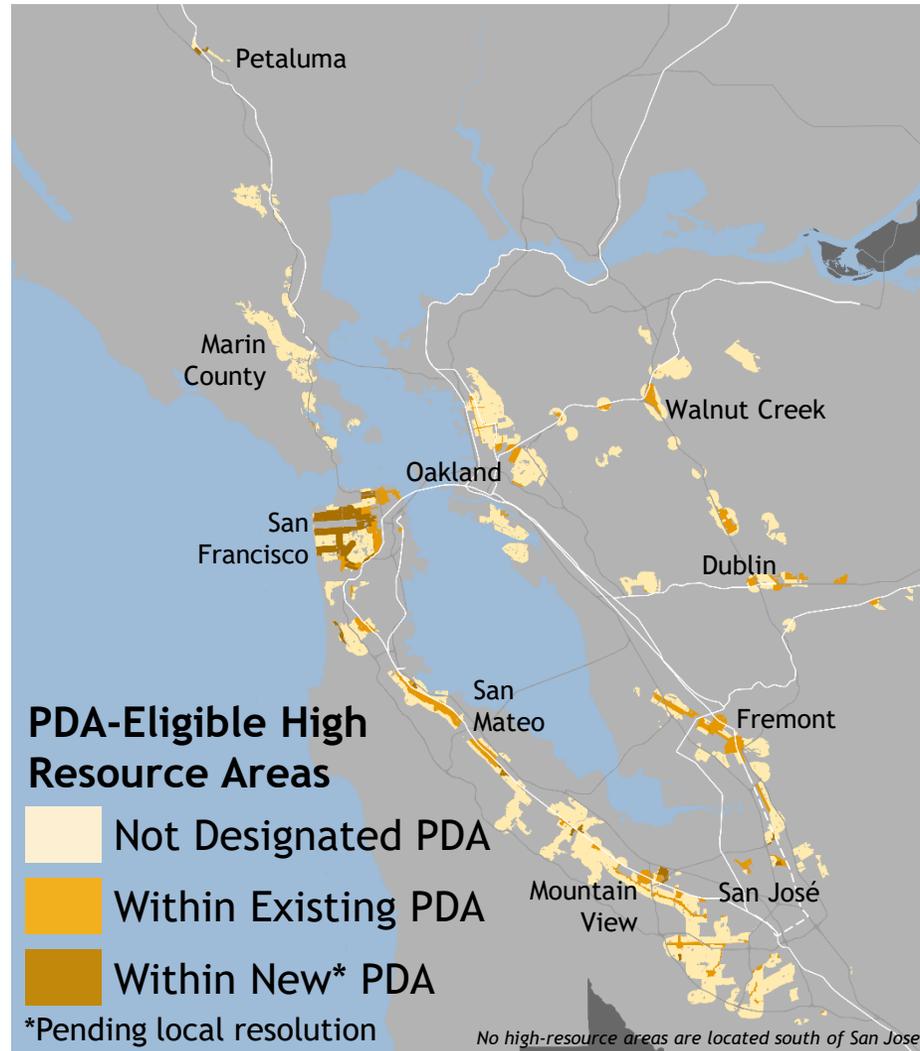
Based upon economic, environmental, and educational indicators shown to affect these outcomes

80%

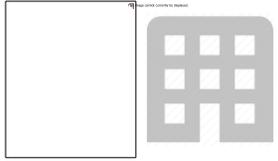
Percent not designated PDA



■ Undesignated ■ Designated



*Includes High Resource Areas within 1/2 mile of transit stop that meets PDA criteria.



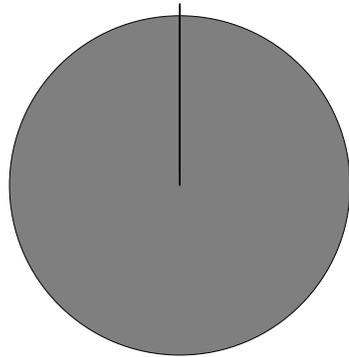
Other Urbanized Areas

Definition:

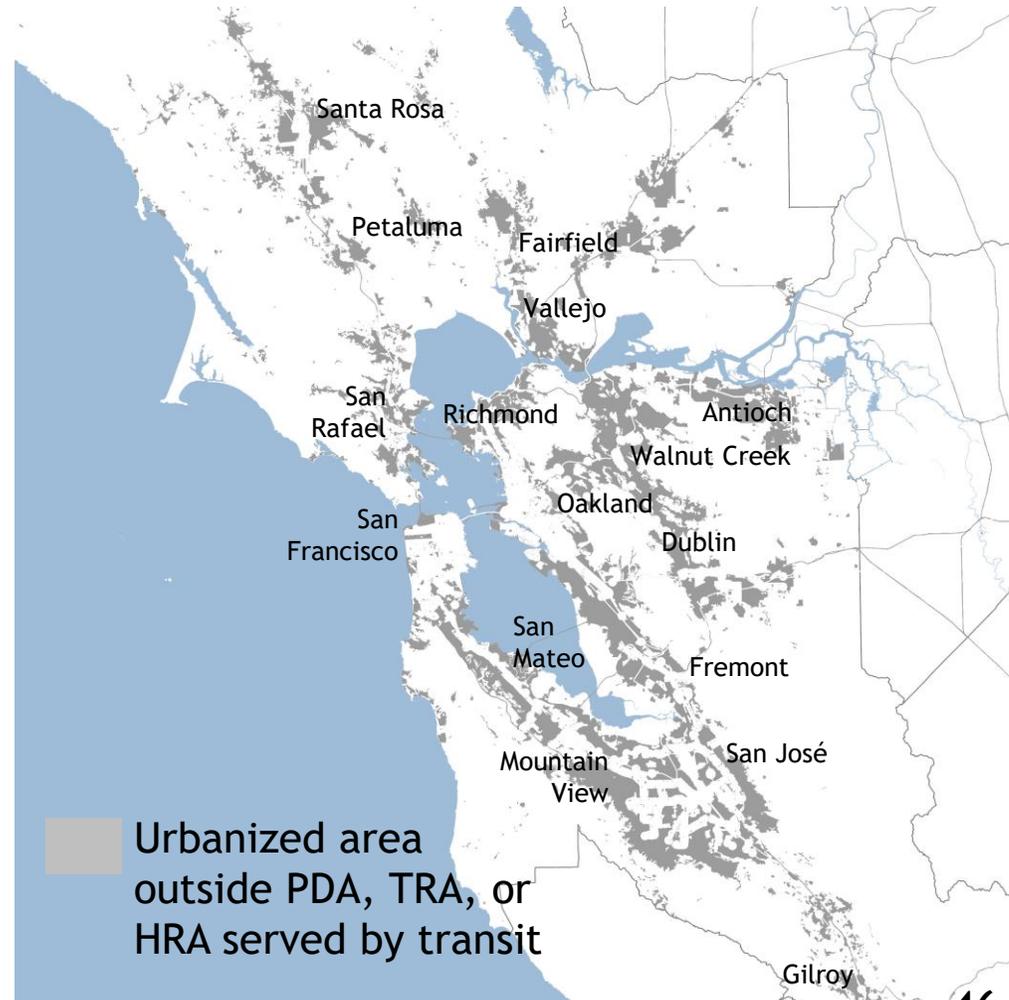
Places within urban growth boundaries but outside PDAs and Transit-rich, Low-VMT, and High Resource Areas

100%

Outside PDAs
(not eligible)



■ Undesignated



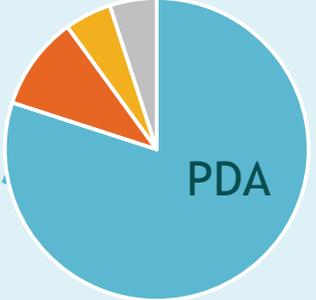
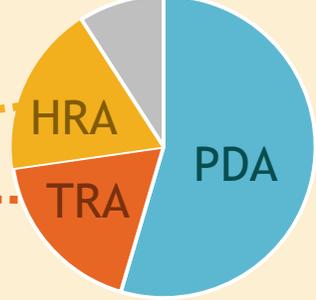
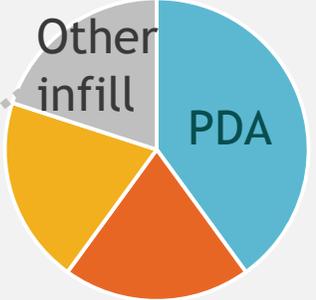
Key Question for Action This Winter:

Should the Plan Bay Area 2050 Blueprint focus some growth outside of locally-nominated places to improve potential GHG & equity outcomes?

Location of *Housing Growth* (charts are illustrative)

Pros

Cons

	<p>Highly focused in: Existing & Proposed PDAs</p>		<ul style="list-style-type: none"> • Growth pattern aligned with local nominations • Similar to Plan Bay Area 2040 	<ul style="list-style-type: none"> • Difficult to close GHG and equity gaps without broader range of growth areas
	<p>Focused in: Existing & Proposed PDAs + Select High-Resource Areas + Select Transit-Rich Areas outside PDAs</p>		<ul style="list-style-type: none"> • Maximizes potential for GHG reduction • Best aligns with fair housing requirements 	<ul style="list-style-type: none"> • Difficult to implement outside locally-nominated areas
	<p>Focused in Existing & Proposed PDAs + more distributed growth within Urban Growth Boundaries</p>		<ul style="list-style-type: none"> • Largest footprint for meeting housing need • Does not require identifying additional areas for growth 	<ul style="list-style-type: none"> • Difficult to implement outside locally-nominated areas • Likely GHG increase

**YOUR TURN:
Where Should we Grow?**

Table Activity

A collage of urban scenes. The top left shows a blue banner with white text. Below it, a white bus with '81 MOFFETT FIELD' and '1015' is visible. A cyclist in a yellow jacket is riding across a crosswalk. The right side shows a street intersection with a crosswalk, green bollards, and a building corner. A street sign for 'San Fernando St' is visible.

PLAN BAY AREA 2050

YOUR TURN:
Where Should we Grow?

Report Back

PLAN BAY AREA 2050

PLAN BAY AREA 2050

TELL US WHAT YOU THINK.



I LIKE IT!

#5 esp. impact for persons w/ disabilities

#7 esp close to Freys & public transit

#3 fresh air good for environment

#3 reduces traffic & healthy people

⑤ Need housing that is affordable to middle-income families

⑦ fits with trend of declining inact and motor

#14 small business need encour to grow

① Publicly owned sites (in place of county admin building) is opportunity to provide more affordable housing

⑥ top priority

⑩ New tax credits for housing growth, solar, water, sustainable upgrades

⑧ qualified



NOT LIKING IT.

① road

⑥ Specific need for housing for unhoused residents

⑫ sub-sides that come in the form of tax breaks may not help families that are struggling today

③ need to require scooter traffic to be licensed for safety

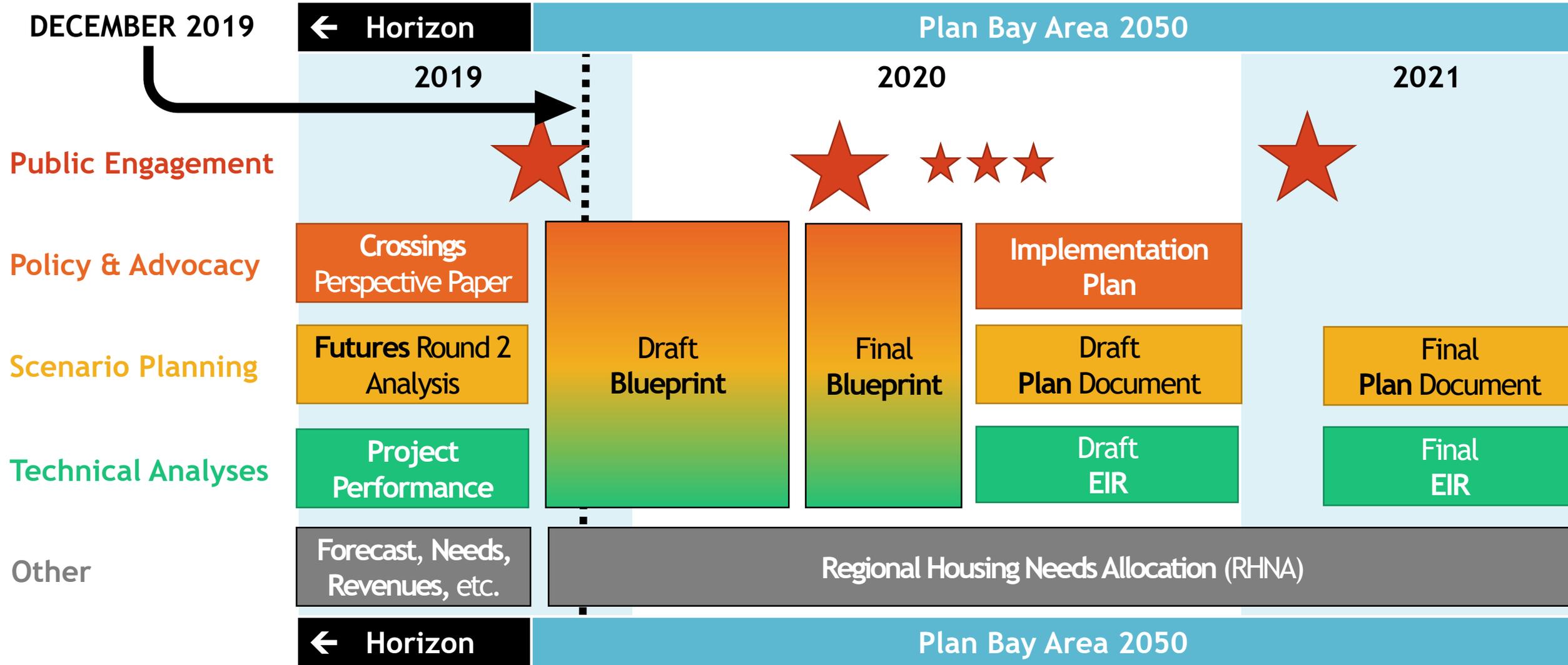
Plan Bay Area 2050 Public Engagement: Round 1 Results To-Date

Super RAWG Workshop - Housing/Jobs
December 10, 2019

Don't like top-down planning.

① need more on proper funding for teachers

Plan Bay Area 2050 Schedule



Phase I: Plan Bay Area 2050 Engagement

Focus Area

Prioritize high-performing Horizon strategies for consideration in Blueprint

Tactics

1. Pop-up Workshops: 37 locations across the Bay Area
2. Mayor of Bayville: Digital tool used to engage participants online
3. In-depth workshops with partners and stakeholders



Pop-up Workshops

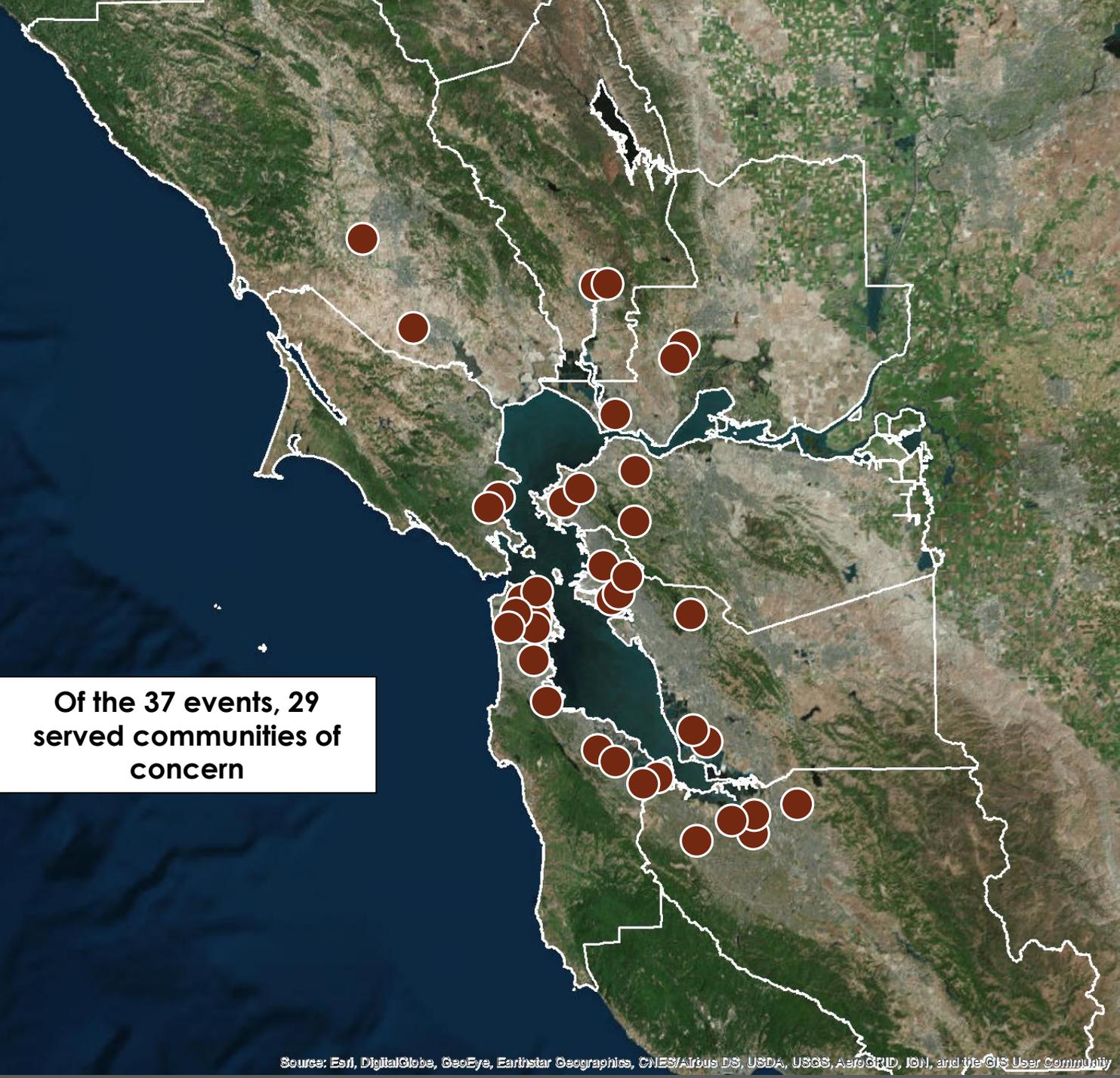
Held 37 pop-ups in six weeks:

- Held in all nine counties
- Focused on Communities of Concern
- 29 of the pop-ups were held in areas serving Communities of Concern
- Received over 3,000 comments



Pop-up Locations

Napa Farmer's Market	October 5
Alum Rock Farmer's Market	October 6
Richmond Library	October 10
Contra Costa College	October 10
Livermore Art Walk	October 12
Diwali Festival – Cupertino	October 12
Pittsburg Farmer's Market	October 12
San Francisco State University	October 16
East Palo Alto Farmer's Market	October 16
Luther Burbank Farmer's Market	October 16
Orinda Casual Carpool	October 17
Heart of the City Farmer's Market	October 18
Cherryland Fun Run (Oakland)	October 19
College of San Mateo Market	October 19
Sunday Streets – Excelsior	October 20
Dental Care Event in So. SF	October 20
Santa Clara Library	October 22
Vacaville Job Fair	October 23
Serramonte Farmer's Market	October 24
CBO pop-up (Fremont)	October 25
Lake Merritt	October 26
Vacaville Farmer's Market	October 26
Vallejo Farmer's Market	October 26
Transportation Museum (San Carlos)	October 27
San Jose Farmer's Market	November 1
Dia de los Muertos (Oakland)	November 2
CBO pop-up (SF Chinatown)	November 2
Fremont Farmer's Market	November 3
Pickleweed Library (San Rafael)	November 7
CBO pop-up (East Palo Alto)	November 9
Health and Harvest Fair (SF)	November 9
Petaluma Farmer's Market	November 12
CBO Pop-up (Oakland)	November 15
CBO pop-up (San Francisco)	November 16
Napa Farmer's Market	November 16
San Rafael Farmer's Market	November 17



**Of the 37 events, 29
served communities of
concern**

Feedback from Pop-ups: Most Popular Strategies



- 1. Modernize Public Transit**
 - Improve connections between transit agencies and between modes
 - Make services more reliable and frequent
 - Electrify regional rail systems



- 2. Build Affordable Housing**
 - Build working-class housing so people can live near where they work
 - Address homelessness
 - Ensure housing is located near high-quality schools (*nexus with high-resource area strategy*)



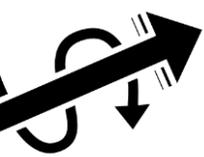
- 3. Encourage More Biking & Walking**
 - Improve safety of bike & pedestrian network
 - Expand bicycle infrastructure
 - Support connection between personal & environmental health



Feedback from Pop-ups: Least Popular Strategies

Relatively few people disliked the high-performing strategies from Horizon.

90% of comments were supportive of the high-performing strategies from Horizon.

-  **1. Increase Development Fees in Places that Generate Long Auto Trips**
 - Use incentives rather than disincentives to encourage shift in jobs
 - Jobs/housing balance is critical but strategy is confusing
-  **2. Simplify the Development Process to Encourage Housing**
 - Preserve local control
 - Keep and maintain existing properties





Housing/Jobs Take-aways

- Housing overview: Concern about affordable housing
 - Strategy #6 (Build affordable housing): 2nd most popular overall
 - Strategy #5 (Allow more housing development): 4th most popular overall
 - Take-aways:
 - Homelessness, housing for seniors and disabled were key concerns
 - Interested in TODs, mixed-use and higher density housing to reduce inaffordability
 - Interested in community amenities to create neighborhood feel
- Economy overview:
 - Strategy #13 (Increase development fees): Least popular.
 - Strategy #14 (Small business incubators): Highest percentage of positive vs. negative comments (97%).
 - Take-aways:
 - Childcare subsidies should be offered at even higher income levels (due to the unaffordability of the Bay Area)
 - Need to reword Strategy #13 as it was confusing for the public
 - Consider expanding small business support and retention to incubator strategy

Mayor of Bayville Digital Tool

Launched November 6, 2019:

- Uses gamification to get input from public
- Aimed at reaching a younger, less traditional audience
- Promoted via email, MTC/ABAG social media and targeted online advertising

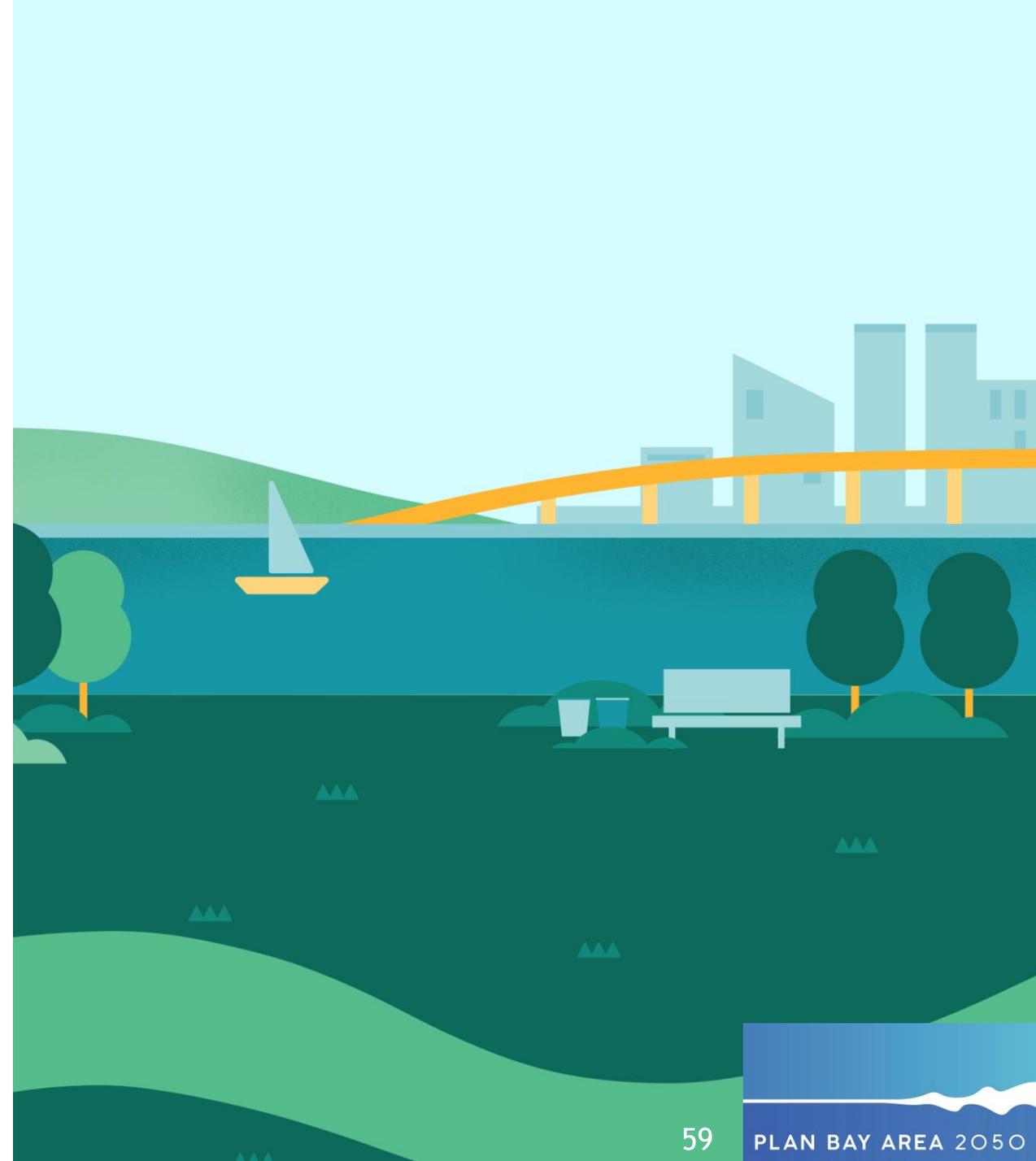
Tool asks participants to solve real-world problems:

- Each Plan element includes two or three challenges
- Participant selects from a list of strategies to challenge
- Once completed, participant sees how their results compare to others
- Encourage participants to complete all four elements



Mayor of Bayville: Feedback from Public

- We have received over 9,000 comments from over 2,500 participants through the tool; it will be live through December 16, 2019.
- The top strategies include:
 - Build a network of safe paths for bicycles, e-bikes, scooters, and pedestrians
 - Allow apartments and denser housing around transit stops
 - Require 10% - 20% of all new housing to be affordable
- The least popular strategies include:
 - Streamline development in areas that are locally prioritized for growth
 - Lower speed limits to reduce roadway injuries and fatalities



Questions?

Contact MTC/ABAG staff with any follow-up questions:

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Draft Needs & Revenue Assessments: Focus on Housing

Dave Vautin

Regional Planning

Needs and Revenue: Objectives & Definitions

Objectives: to understand the unconstrained financial needs related to critical expenditure categories for Plan Bay Area 2050, as well as baseline available revenues.

What do we mean by “financial needs”?

- *Transportation:* investment needed to operate and maintain the *existing* (publicly owned) transportation system
- *Resilience:* investment needed to protect existing infrastructure and communities from hazards
- *Housing:* investment needed to ensure all households have an affordable housing option

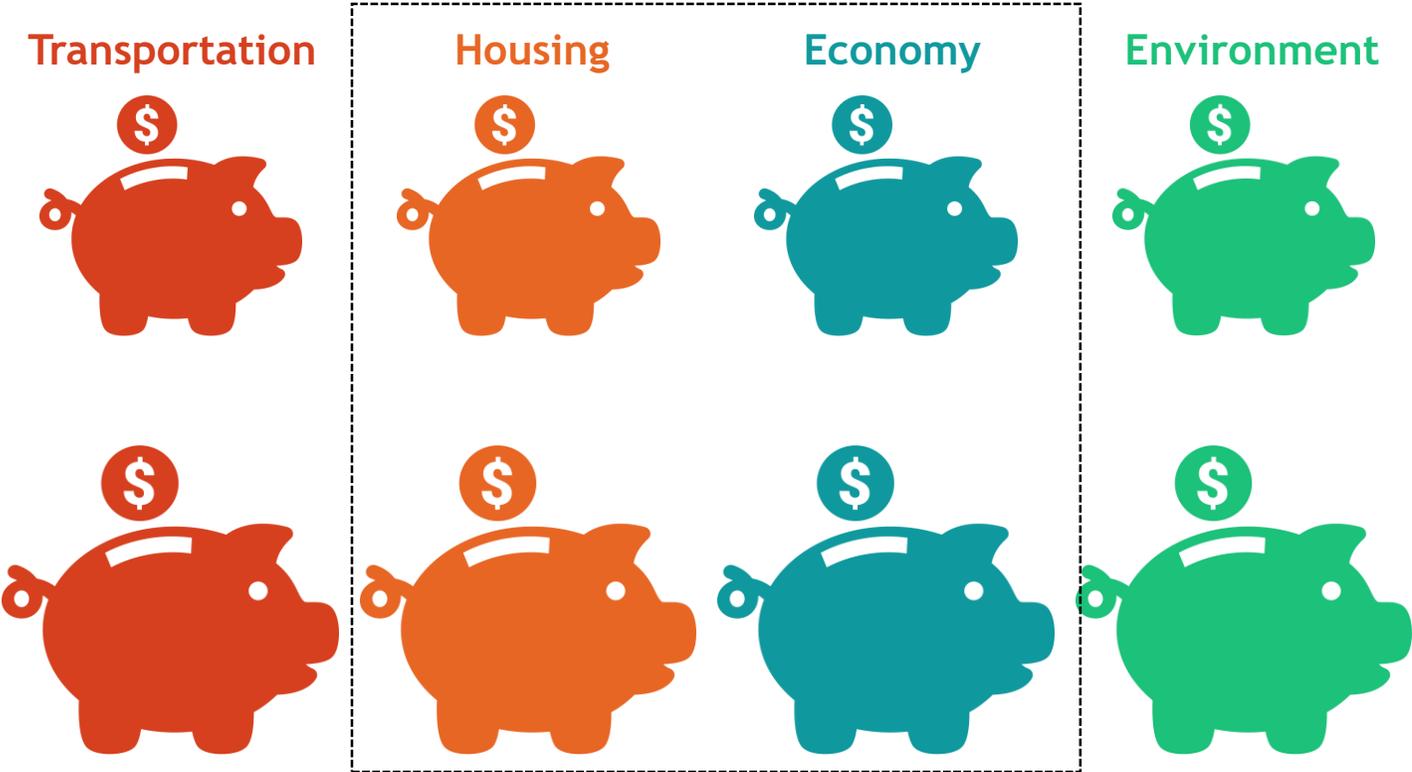
What do we mean by “baseline available revenues”?

- Revenue from local, regional, state, and federal sources that are reasonably expected to be available over the Plan period

Needs and Revenue: Scope of Work

- **No assessment of baseline needs and revenue will capture everything.** Not every critical investment is reflected here; for example, resilience investments go beyond preparing for sea level rise and earthquakes. That being said, we feel it is important to create a “version 1.0” for these critical topic areas.
- **The future is uncertain.** As explored in Horizon, future needs and revenues could be influenced by external forces beyond our control. Despite the uncertainty of the world today, we are doing our best to come up with a likely estimate based on information available today.
- **Consistency is key.** All needs and revenue data is shown in year-of-expenditure dollars with an escalation rate of 2.2%.

Needs and Revenue: The Role of “New Revenues”



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.



Important Caveat:
All needs and revenue estimates are in draft form at this early stage of Plan Bay Area 2050.

Needs and Revenue

Affordable Housing Overview



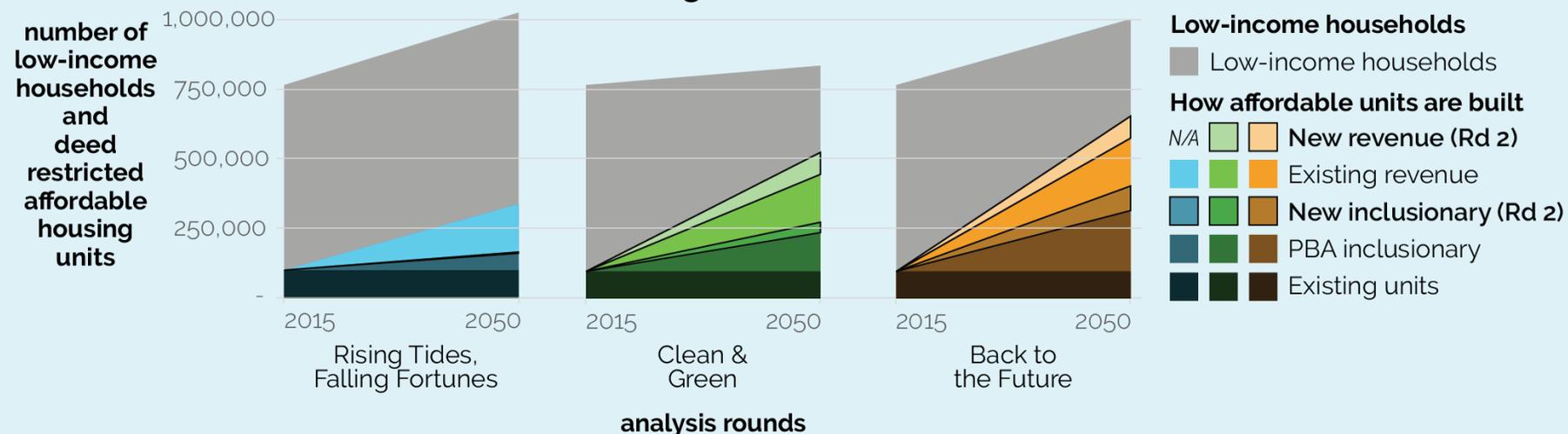
- **Key caveat:** this is the first time MTC/ABAG has conducted a Needs & Revenue Assessment for affordable housing; we expect these draft estimates to be further refined this cycle and in future cycles of the long-range plan.
- **Goal:** identify the gap between existing affordable housing and future needs for low-income households, building upon work from the CASA effort.
- **Note:** low-income households are defined as those earning less than \$45,000, who are least likely to be served by market-rate development.

Building Upon Work from...



Futures Analysis Rounds 1 & 2

Number of deed restricted affordable housing units and the number of low-income households



Affordable Housing Needs Methodology



- There are roughly **100,000 existing deed-restricted affordable housing units** in the Bay Area today. *(source: NPH/CHPC)*
- As of 2020, we expect there will be approximately 766,000 low-income households* in the Bay Area - **an existing gap** of 666,000 deed-restricted units.**
- Between 2020 and 2050, we expect there will be an additional 70,000 low-income households added to the Bay Area* - **yielding a combined gap of 736,000 deed-restricted units by 2050.**
- **A per-unit subsidy of \$450,000** - which could come from a variety of different existing and future revenue sources - was assumed to estimate associated financial needs. *(source: CASA)*

* The analysis uses the growth forecast for the Clean and Green Future from Horizon as a placeholder until the Draft Regional Forecast is released.

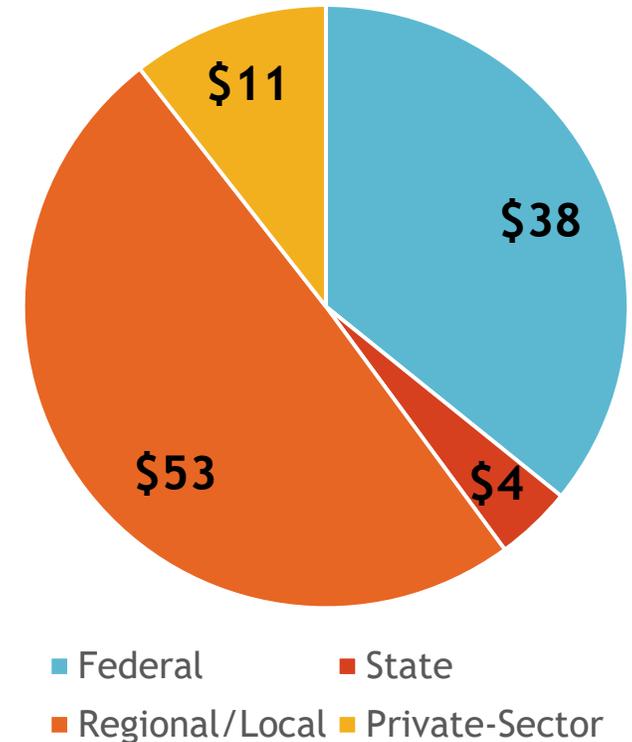
** Assuming that all low-income households live in a deed-restricted unit by 2050.

Affordable Hsg. Revenue Methodology



- **Sources integrated into the affordable housing revenue forecast include:**
 - **Federal:** Low-Income Housing Tax Credits, Housing Trust Fund, Section 8 Vouchers, Home Investment Partnership Program, Community Development Block Grants
 - **State:** Affordable Housing & Sustainable Communities Program, State Housing Bonds
 - **Regional/Local:** Bonds and Impact Fees; Transit-Oriented Affordable Housing Program; Bay Area Preservation Pilot
 - **Private-Sector:** Inclusionary Zoning; Funding from Major Employers
- While most funding sources were estimated to grow at the rate of inflation, federal housing programs were estimated to grow more slowly (at a rate of one percent per year), given recent relative uncertainty about federal support in the decades ahead.
- **Estimated affordable housing revenues total \$107 billion between 2021 and 2050, whereas estimated affordable housing needs total \$473 billion - a substantial funding gap that could be partially met through New Revenues to be generated on the state or regional levels.**

Existing Housing Revenues
(in billions of \$YOE through 2050; DRAFT)



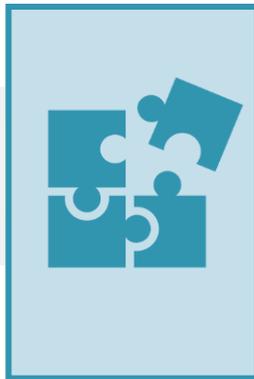
Defining the Blueprint: How Should we Grow?

Johnny Jaramillo & Mark Shorett
Regional Planning

Where should we grow?

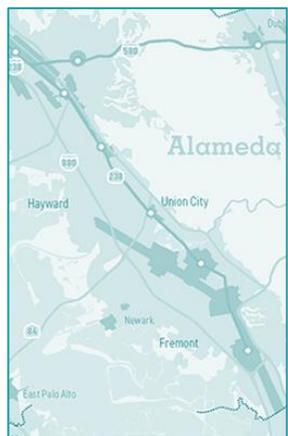
How should we grow?

Which strategies will get us there?



Strategies

What is a Strategy?



Geography
Transit-Rich Areas



Strategy

Allow a mix of housing types and densities in Transit-Rich Areas



Implementation Action

Fund local plans to update development codes in Transit-Rich Areas



Blueprint Housing Strategies Shortlist



Recommended to m
Plan Bay Area 2050

Allow a Greater Mix of Housing Types & Densities in Priority Development Areas (PDAs)

Streamline Development in All Growth Geographies



Recommended to m
with minor revisions

Allow a Greater Mix of Housing Types & Densities in High-Resource Areas (HRAs)

Transform Aging Malls and Office Parks into Neighborhoods

Fund Affordable Housing Preservation & Production

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



Not recommended t
unless major revisio

TBD: Allow a Greater Mix of Housing Types & Densities around All Major Transit Stops (Transit-rich Areas)

Integrated into Blueprint

Repurpose Public Land to Build Housing

Increase Renter Protections



Allow a Greater Mix of Housing Types & Densities in Priority Development Areas (PDAs)

Strategy:

Allow a mix of housing types at a variety of densities in all Priority Development Areas, if not already permitted in local plans.

(Types and densities vary by regional context)

Potential Impact:

- Focuses growth across all futures
- Increased likelihood of implementation

Challenges to address:

- Shared responsibility for solving the Bay Area's housing crisis.
- "Opt in" approach leaves out many areas that support equitable and sustainable outcomes.





Streamline Development in All Regional Growth Geographies

Strategy:

Increase feasibility of development in priority areas by assuming faster development approvals and reduced parking requirements.

Potential Impact:

- By itself, strategy achieves a focused growth pattern, with 90+% of new homes in priority areas
- Advances growth goals without financial incentives or public expenditures

Challenges to address:

- Alignment with community priorities





Allow a Greater Mix of Housing Types & Densities in High Resource Areas (HRAs) Served by Transit*

Strategy:

Allow a mix of housing types at a variety of densities in High Resource Areas served by transit.

(Types and densities vary by regional context)

Potential Impact:

- 100,000 additional homes in places with access to upward mobility.
- When combined with transit and affordability strategies, achieves both equity and GHG emission goals.

Challenges to address:

- Local opposition
- Varying VMT across HRAs

*Within ½ mile of transit stop that meets PDA criteria.





Transform Aging Malls and Office Parks into neighborhoods

Strategy:

Update development standards and provide incentives to reuse aging malls and office parks into mixed-income neighborhoods.

Potential Impact:

- 5,000-20,000 new homes/year
- Reduces potential for large “dead mall” sites in communities.

Challenges:

- Uncertain development timeline
- High VMT in some locations with limited transit



Fund Affordable Housing Preservation & Production

Strategy:

Raise \$1.5 billion in new annual revenues to leverage federal, state, and local sources to preserve existing and construct new affordable homes

Potential Impact:

- 100%-220% increase in share of low-income households with access to an affordable home.
- Existing local housing can funds can go further

Challenges to address:

- Does not fully close affordability gap
- Without new federal or state sources, increases region's burden for meeting its housing needs.





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

Strategy:

Require new housing to include at least 10%-20% of units to be affordable, based upon real estate market strength.

Potential Impact:

- 25%-200% increase in share of low-income households with access to a permanently affordable home.
- Does not require public subsidy

Challenge to address:

- Dependent on market-rate housing production





Allow a Greater Mix of Housing Types & Densities Around all Major Transit Stops

Strategy:

Allow a mix of housing types at a variety of densities in Transit-rich Areas.

(Types and densities vary by regional context)

Potential Impact:

- Increases share of housing growth around frequent transit by 20% by leveraging full transit network.
- Distributes regional responsibility for meeting housing needs.

Challenges to address:

- Implementation in areas not nominated by local jurisdictions
- Significant variation in VMT across station areas.





Blueprint Economy Strategies Shortlist



Recommended to move forward into Plan Bay Area 2050 Blueprint.

No economic strategies received this rating.



Recommended to move forward with minor revisions.

- 1. Assess a VMT-Based Fee on Office Development
- 2. Create Incubator Programs in Economically-Challenged Areas
- 3. Expand Childcare Support for Low-Income Families



Not recommended to move forward unless major revisions are made.

- Expand Construction Workforce Programs
- 4. TBD: Place Office Caps in Job-Rich Cities

Integrated into Blueprint

Provide Portable Benefits for Part-Time/Freelance Workers

Not explored as part of Futures Round 2 analysis, but will be explored as part of Plan Bay Area 2050 Blueprint.

5. Establish Priority Production Areas to Protect Industrial Lands

Blueprint Economy Strategies build on the Comprehensive Economic Development Strategy

Blueprint Strategy	Comprehensive Economic Development Strategy Goal			
	Business Climate	Workforce	Housing & Workplaces	Infrastructure
Assess a VMT-Based Fee on Office Development			✓	✓
Create Incubator Programs in Economically-Challenged Areas	✓	✓		
Expand Childcare Support for Low-Income Families		✓		
Establish Priority Production Areas to Protect Industrial Lands	✓		✓	✓



Assess a VMT-based fee on Office Development

Strategy:

Assess a fee on new office development in areas that have high employment-related vehicle miles traveled (VMT).

Potential Impact:

- 90%+ of new office jobs in low VMT areas
- Generates up to \$10B in funding for affordable housing near transit

Challenges to address:

- Regional jobs-housing balance





Expand Childcare Support for Low-Income Families

Strategy:

Provide 50% childcare subsidy to low-income households with children under 5

Potential Impact:

- Up to 2.5% increase in female labor-force participation rate
- 30%+ income increase for families with working parents
- 50%+ income for families with parent providing childcare

Challenges to address:

- Up to 2.5% increase in female labor-force participation rate





Create Incubator Programs in Economically-Challenged Areas

Strategy:

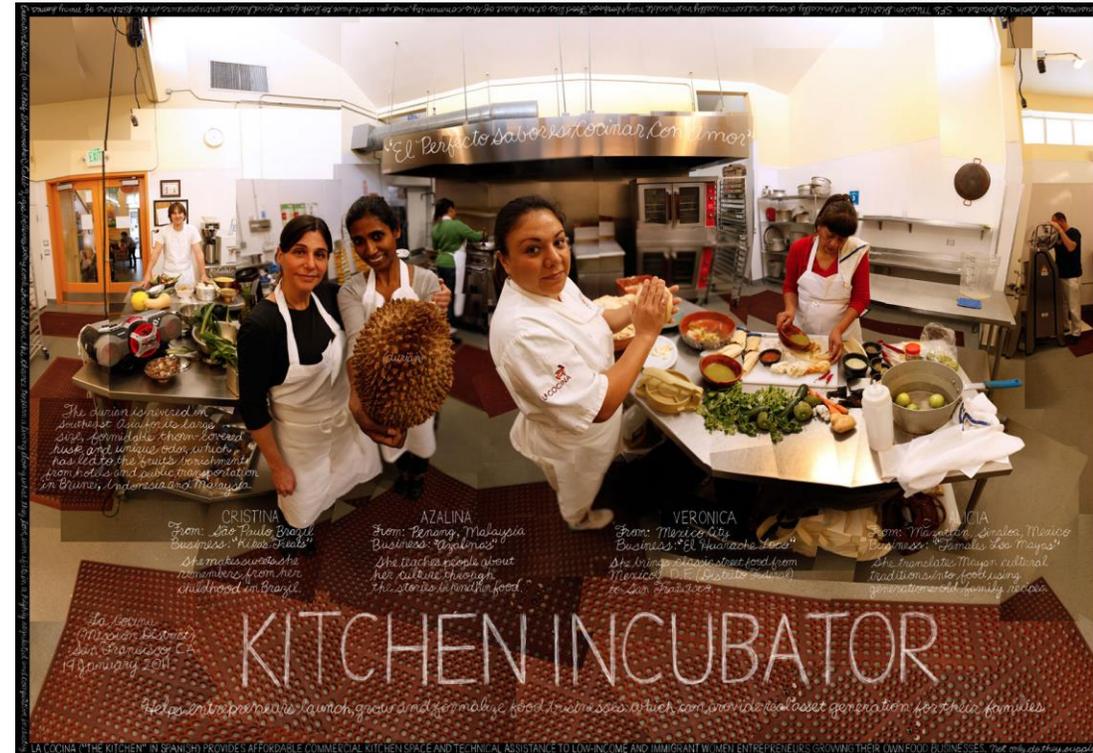
Fund pre-incubation services (technical assistance for establishing a new business), as well as access to workspaces, mentorship and financing in disadvantaged communities with lower jobs to housing ratios.

Potential Impact:

- Scale up successful incubator programs
- Extend benefits of Silicon Valley throughout region

Challenges to address:

- Incubators, like many new businesses, have a high rate of business failure





Place Office Caps in Jobs-Rich Cities

Strategy: Expand existing office development cap policies and strategies in San Francisco, Cupertino and Palo Alto to a set of nine additional cities to limit further job growth in cities with the highest jobs-to-housing ratios.

Potential Impact:

- Incremental improvement in sub-regional jobs balance
- 35,000-115,000 reduction of job growth in capped cities

Challenges to address:

- Potential loss of jobs to other regions
- Local opposition





Establish Priority Production Areas (PPAs) to Protect Industrial Lands

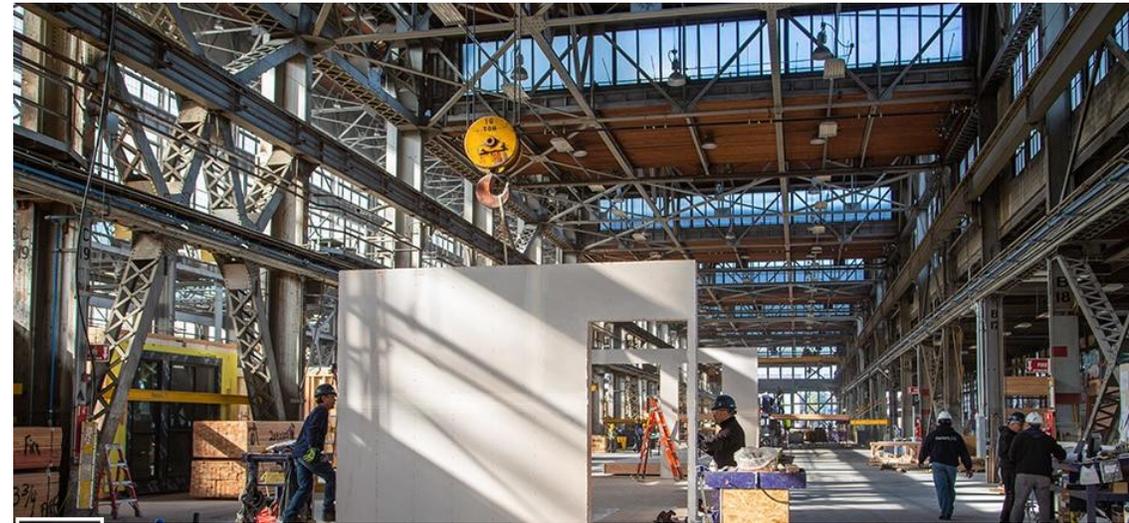
Strategy: Prioritize locally nominated industrial areas for preservation and promotion of middle-wage job growth

Potential Impact:

- Preserves areas critical to regional economy without compromising housing growth.
- Strong local support increases likelihood of implementation.

Challenges to address:

- Long-term viability of industries in PPAs
- Obstacles to creating middle-wage jobs



YOUR TURN:
How Should we Grow?

Table Activity



Part One: Deep Dive on one Strategy

Choose a table

screen

ONE:
Childcare
Subsidy for
Low-Income
Households

THREE:
Incubator
Programs in
Economically
Challenged
Communities

screen

FOUR:
Greater Mix of
Housing Types &
Densities in
Growth
Geographies

FIVE:
Streamline
Dev't in Areas
Designated for
Growth

atrium

TWO:
Regional
Office
Dev't
Impact
Fees

Staff

Staff

SIX:
Transform Aging
Malls & Office
Parks

EIGHT:
Require 10-20%
of New Housing
to be Affordable

SEVEN:
Fund Affordable
Housing
Preservation &
Production

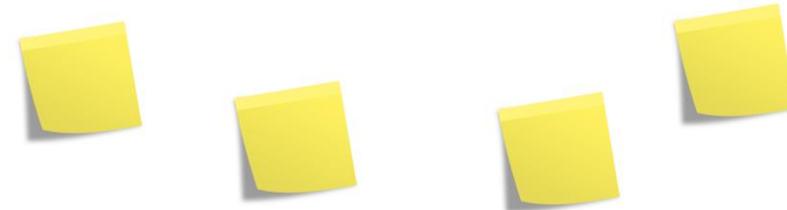
Part Two: Strengthen the strategies

Add your notes to 3+ strategy posters

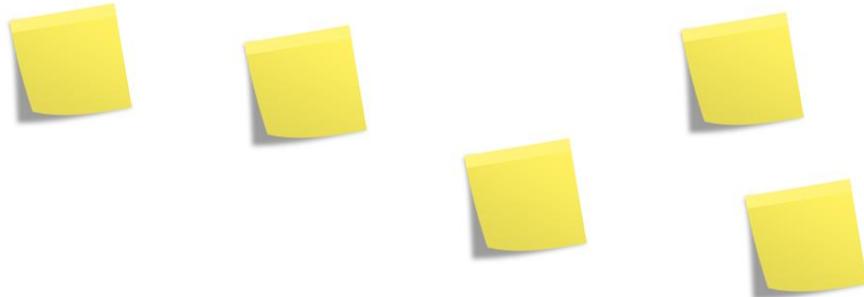
Important to Include



Better Without



Pair Strategy With



Success Means



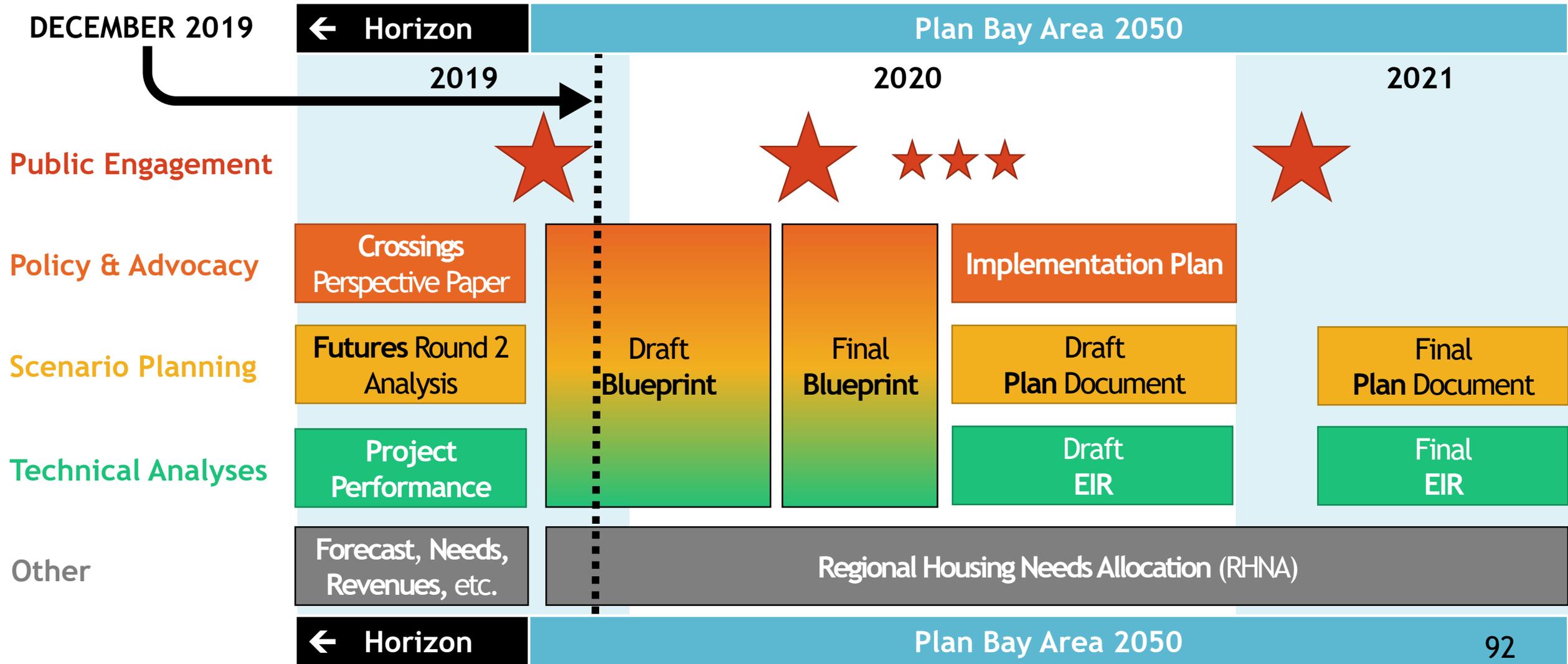
What actions should ABAG/MTC take to spur local implementation?



Next Steps

Dave Vautin, Horizon/PBA 2050 Project Manager
Regional Planning Program

Plan Bay Area 2050 Schedule





PLAN BAY AREA 2050

THANK YOU!

www.planbayarea.org