

MEMO

To: FOCUS Working Group
From: Paul Fassinger, ABAG Research Director
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Date: March 26, 2008
Subject: Projections 2009: Draft Performance Targets

Background

Since 2003, ABAG's Projections have been a "policy-based" population, household and jobs forecast, as opposed to a traditional "trend-based" forecast. Policy is reflected in the Projections through land use assumptions about the location and density of future growth. These assumptions are based on the broad policy statements adopted by ABAG's Executive Board in 2002, at the completion of the *Smart Growth Strategy Livability Footprint Project*.

As policy-based projections, the land-use forecast is the most complete and detailed expression of the region's land-use policies. While the assumptions that make Projections policy-based do reflect regional policies, the broad nature of the policies, i.e. increase housing choices and affordability, makes developing, explaining and evaluating the efficacy of the region's preferred land-use pattern against regional policies ambiguous.

As part of its Regional Transportation Plan update, MTC adopted a series of performance targets. These targets included reducing vehicle miles traveled (VMT) and congestion, and improving air quality and social equity. Sensitivity analyses were then performed to determine how land use and transportation pricing, in combination with various transportation infrastructure investments, could perform against the targets. To test the power of the land-use component, ABAG staff constructed a hypothetical land-use alternative which redirected virtually all new household and job growth to existing communities and transit stations.

The land-use sensitivity analysis clearly demonstrated the impact that land use has on region-wide VMT, air quality, congestion and social equity. The analysis also showed that we may need to re-consider the efficacy of our existing land-use assumptions in Projections. This is because the alternative land use used in the RTP analysis had to be highly aggressive in order to make any measurable difference on the performance targets.

On March 20, 2008, ABAG's Executive Board adopted draft performance targets for use in developing Projections 2009. Staff asks that the FOCUS working group:

- 1) Comment on the draft performance targets;

Working group input would be taken to regional policy boards, including the Joint Policy Committee, the Regional Planning Committee and ABAG's Executive Board.

Draft Performance Targets

The following targets have been adopted as draft targets by ABAG's Executive Board. These targets are to be used in testing various regional land use assumptions and resulting land use scenarios. One of the scenarios would then be adopted as *Projections 2009*.

The targets are largely based on those used by MTC for the Transportation 2035 sensitivity analysis. Each target is intended to reflect the three E's – economy, environment, and equity. Some of the targets are also linked to existing state mandates, such as Assembly Bill 32. The VMT target is based on Senate Bill 375, currently in draft form. While we understand this bill may not be chaptered as originally drafted, the goal to reduce VMTs is consistent with regional policies to reduce auto-dependence and to develop alternative travel options. The actual numerical target, ie 10 percent VMT reduction, as well the others being considered, is a point of discussion for the working group and regional policy makers.

Two additional targets under "environment" have been added to directly measure projected land consumption. This additional target is taken from the Network of Neighborhoods land use pattern chosen by the regional agencies as part of the 2002 *Smart Growth Strategy Livability Footprint Project*.

Economy: Congestion

- Reduce person hours of delay by 20 percent below today's levels by 2035

Source: Governor's Strategic Growth Initiative

Environment: Carbon Dioxide (CO2) and Particulate Matter (PM) Emissions

- Reduce CO2 emissions by 40 percent below 1990 levels by 2035
- Reduce PM2.5 emissions by 10 percent below today's levels by 2035
- Reduce emissions of coarser particulate matter (PM10) by 45 percent under today's levels by 2035

Sources:

CO2 – California Global Warming Solutions Act of 2006 (AB32) and

Governor's Executive Order S-20-06

PM– State and national standards

Environment: Vehicle Miles Traveled (VMT)

- Reduce VMT per capita by 10 percent compared to today by 2035

Source: California SB 375 (Steinberg) (2007-08 Legislative Session), prior to amendment

Equity: Affordability of Housing and Transportation

- Decrease by 10 percent from today the share of household income consumed by housing and transportation costs for low and lower-middle income households

Source: Adapted from the Center for Housing Policy report A Heavy Load: The Combined Housing and Transportation Burdens of Working Families (October 2006)

Environment: Land Consumption

- Accommodate all housing demand generated by natural increase, immigration, and employment growth within the region

- Limit regional greenfield development to 900 acres a year

Source: 2002 *Smart Growth Strategy Livability Footprint Project*.

Next Steps

Develop Alternative Land Use Assumptions & Scenarios

Alternative land-use scenarios, each with varying land-use assumptions regarding the location and character of growth, will be developed and then tested against the performance targets. In addition to land use, ABAG staff would develop assumptions regarding multi-family housing, travel behavior and telecommuting.

At least initially, we would make some simple extrapolations from work performed for the Regional Transportation Plan to determine how the assumptions and resulting land use scenarios perform against the targets. We would begin by looking at a land use alternative that does not assume any changes to the transportation system, no new transportation pricing mechanisms, and no changes to behavioral assumptions for transportation.

Next, we would work with MTC to develop assumptions regarding transportation pricing and use of alternative fuels.

Conduct Review

The complete package of land use and transportation assumptions and how they perform against the targets would be vetted through the working group. We would ask for recommendations regarding which alternative ought to be considered for Projections. In addition to review by the working group, there would also be local review of the targets and the land use alternatives. It is hoped that this review process aides the regional agencies in conveying to local governments the policy assumptions behind the projections and how those assumptions result in land use data, especially housing estimates, which at times departs from current local plans.

Adopt Alternative as Projections 2009

Upon completion of the selection of performance targets, development and testing of alternative scenarios and regional and local review, ABAG staff will draft the recommended alternative as draft Projections 2009. The alternative land use scenario will be brought before ABAG's Executive Board for adoption as Projections 2009. This would occur at the Executive Board's November 2009 meeting.