



Staff Report

Date: October 13, 2016

To: Mayor Hoertkorn and Council Members

From: Heidi Scoble, Planning Manager

Subject: Report on Association of Bay Area Governments (ABAG) and Metropolitan Transportation Commission (MTC) Plan Bay Area 2040 Draft Preferred Scenario

Recommendation

Accept report and direct staff to forward comments on the Plan Bay Area 2040 Preferred Scenario projections to ABAG and MTC.

Summary

ABAG and MTC have released their four-year update to Plan Bay Area 2040 and have requested comments from local jurisdictions by October 14, 2016. This update contains revised employment and household growth projections for the Plan's draft "Preferred Scenario." The housing projections for the Town of Ross have been increased since the adopted 2013 Plan Bay Area, while the jobs projections have been reduced despite the significant increase in the projections for the Bay Area as a whole. This round of growth projections is not tied to the state-mandated "Regional Housing Needs Allocation" (RHNA) numbers. RHNA operates on an eight-year cycle, with the next iteration not due until 2022. Because RHNA numbers are not included in this Plan update, ABAG/MTC have stated that these projections are meant to be a limited and focused study, given the recent economic surge the Bay Area has experienced. Staff is requesting that the City Council review and discuss the staff comments and direct staff to submit written comments to ABAG/MTC.

Background

Plan Bay Area Plan Bay Area (Plan) is a long-range, regional housing and transportation plan through 2040 for the San Francisco Bay Area. On July 18, 2013, the Plan was adopted jointly by the Association of Bay Area Governments (ABAG) Executive Board and by the Metropolitan Transportation Commission (MTC).

Plan Bay Area marks the nine-county region's first long-range plan to meet the requirements of Assembly Bill 32 (AB 32), the California Global Warming Solutions Act of 2006. That bill

established a statewide requirement for reduction in greenhouse gas (GHG) emissions to 1990 levels by 2020. In 2008 the State of California passed Senate Bill 375, which calls on each of the State's 18 metropolitan areas to develop a "Sustainable Communities Strategy" (SCS) to accommodate future population growth and reduce greenhouse gas emissions from cars and light trucks. Working in collaboration with cities and counties throughout the Bay Area, the Plan advances initiatives to expand housing and transportation choices, create healthier communities, and build a stronger regional economy. It focuses development toward "Priority Development Areas" (PDAs) — neighborhoods that are close to public transit and identified by local jurisdictions as being appropriate for smart, compact development. Lastly, it confines growth throughout the Bay Area to established communities, rather than sprawl, and protects the Bay Area's vast and varied open space.

Bay Area Regional Planning and Transportation (ABAG & MTC)

The Bay Area is served by a number of regional agencies, including ABAG and MTC. ABAG and MTC manage, administer and oversee regional planning and transportation matters. Since the early 1970's, ABAG has served as the Bay Area's "Council of Governments" (COG). As a COG, ABAG: a) projects and monitors jobs and housing growth for the region; and b) administers the State-mandated "Regional Housing Need Allocation" (RHNA). These roles are described as follows:

1. Since 1978, ABAG has been responsible for developing and publishing jobs and housing growth projections for the region. The projections are based, in part on the growth and development projections of local general plans, input from local agencies and trends in the economy. Historically, ABAG published the jobs and housing projections every two to four years. Local jurisdictions are not bound by or required to comply with the jobs/housing projections, but they are often used by local jurisdictions as a base for forecasting build-out in local general plans. The jobs and housing projections were historically separate from the RHNA requirements.
2. The RHNA is the housing needs allocation that is set and determined for each region (e.g., the SF Bay region) by the State of California Department of Housing and Community Development (HCD). Required by State law since 1981, RHNA represents a target number for planning and accommodating new housing units for a broad range of affordability levels. For the Bay Area region, ABAG is provided this RHNA for the Bay Area region from HCD and it is the role of ABAG, in coordination with the nine Bay Area counties and respective cities/towns, to distribute this allocation to each community. Each county and local municipality must take its share of the allocation and incorporate it into their respective General Plan Housing Elements. The Housing Element must demonstrate how the local allocation can be met or achieved through zoning for housing and supportive General Plan implementation measures. While RHNA does not require municipalities to build housing to meet this allocation, the Housing Element must demonstrate, to the satisfaction of HCD, that the local municipality zoning and property inventory can accommodate the allocation.

MTC oversees and manages transportation planning and coordination for the Bay Area region. MTC is responsible for developing a regional transportation plan (RTP) which sets the long-term transportation needs (transportation improvements) for the region and the funding to implement these needs. In addition, MTC is responsible for coordinating with the State Department of Transportation (Caltrans) on transportation projects for the region, and administering funds and grants received from the State and Federal level. MTC is responsible for allocating and distributing the Federal and State funds and grants to the congestion management agencies throughout the nine Bay Area counties. Transportation Authority of Marin (TAM) serves as the congestion management agency for Marin County.

In late May 2016, the MTC and ABAG Executive Boards, along with the ABAG General Assembly, voted to merge ABAG and MTC into one agency in an attempt to increase collaboration between land use and transportation.

Priority Development Areas

The establishment of “Priority Development Areas” (PDA) is the key tool to achieving concentrated growth and reducing vehicle trips. A PDA is a geographic area that is close to, along, or within transit nodes and connections that can be earmarked for concentrated growth, particularly housing growth. ABAG established a process by which a local jurisdiction can designate a PDA. This designation applies a higher percentage of projected growth for the PDA, but it also comes with incentives. The incentives for a PDA include, among others: a) the potential for reduced requirements for and/or an exemption from CEQA review for future development in these areas; and b) greater grant and funding opportunities for planning, transportation and infrastructure.

Approximately 200 PDAs are designated in the nine Bay Area counties. At present, Marin County has two designated PDAs; one in San Rafael (Downtown) and one in unincorporated Marin County (Marin City).

Draft Preferred Scenario for Plan Bay Area 2040 – August 2016

In late August 2016, ABAG/MTC published the “Draft Preferred Scenario” for the Plan update. The Draft Preferred Scenario still maintains the same primary goals as the Plan presented in 2013, specifically: a) reducing the region's GHG emissions by 15% by 2035 (per AB 32); and b) housing 100% of the projected growth for the region by 2040.

This update to the Plan is the first since the Plan was adopted in July 2013. The primary changes in the Draft Preferred Scenario include a change in forecasting methodology. The prior methodology used in the 2013 adopted Plan combined a land use allocation process based on observed historic growth patterns with local jurisdiction expectations described in the local planning documents (e.g., Ross General Plan). For the current Plan update, the modeling program (UrbanSim land use model) also incorporates zoning tools, in addition to household, business, and developer choice models. The UrbanSim land use model utilizes a baseline year of 2010 with household information taken from the 2010 US Census. The agencies ran the model hundreds of

times, testing how different, regional strategies influence the distribution of housing and employment growth.

Throughout the entire Bay Area, the revised Plan represents a 15% increase in the projected employment growth and a 25% increase in projected household growth, from the 2013 adopted Plan. This change is, in part, due to the recent surge in economic growth throughout the region (post Great Recession). County-wide, the revised projections have increased the number of households by 3,160 and decreased the employment projection by 1,600 jobs. The table below shows the revised projections (from the 2013 projections) for the region, by county.

The following tables show the revised projections for Marin County in comparison to the Adopted Plan Bay Area projections (2013).

HOUSEHOLDS	2040 Households - 2013 Final Forecast	2040 Households - Main Streets May 2016	2040 Households - Connected Neighborhoods May 2016	2040 Households - Big Cities May 2016	2010 (base year) - Proposed Preferred Scenario (August 2016)	2040 Households - Draft Preferred Scenario August 2016	change from 2013 final forecast
Jurisdiction							
Belvedere	970	1000	1000	1000	900	1000	30
Corte Madera	4080	4500	4400	4300	3900	4350	270
Fairfax	3620	3800	3500	3500	3400	3550	-70
Larkspur	6450	6500	6300	6200	5850	6300	-150
Mill Valley	6540	7300	6800	6200	5900	8150	1610
Novato	21450	21800	21600	20900	20150	21350	-100
Ross	860	1100	900	900	800	900	40
San Anselmo	5530	5700	5400	5400	5200	5450	-80
San Rafael	26490	25100	27500	23700	22550	25950	-540
** Civic Center/North Rafael	2950	0	0	0	0	0	-2950
**Downtown	3830	2100	4600	1900	1650	2750	-1080
Sausalito	4470	4500	4500	4500	4150	4500	30
Tiburon	4000	3900	3800	3800	3600	3850	-150
Marin County Unincorporated	27580	30300	31100	29900	27450	30600	3020
** Urbanized 101 Corridor	4810	1900	2000	1700	1500	2050	-2760

For Marin County, and as shown in the above Table, the 2016 projections for Ross show an increase in 40 households from the 2013 Plan projections. As shown in the Table on the next page, the 2016 projections for Ross show a reduction of 190 jobs from the 2013 Plan projections. This decrease in jobs from the prior projection is due to staff's correspondence with ABAG/MTC staff regarding zoning and built environment constraints relative to where jobs could be located within the Town.

JOB Jurisdiction	2040 Jobs - 2013 Final Forecast	2040 Jobs - Main Streets May 2016	2040 Jobs - Connected Neighborhoods May 2016	2040 Jobs - Big Cities May 2016	2010 (base year) - Proposed Preferred Scenario (August 2016)	2040 Jobs - Draft Preferred Scenario August 2016	change from 2013 final forecast
Belvedere	480	300	300	300	300	300	-180
Corte Madera	8260	7900	7800	7800	6650	7450	-810
Fairfax	1820	1800	1900	1800	1550	1700	-120
Larkspur	7810	9700	9500	9400	7450	8800	990
Mill Valley	6790	7100	7000	6900	6000	6600	-190
Novato	24390	33900	33700	33800	26400	29500	5110
Ross	590	600	600	600	350	400	-190
San Anselmo	4360	4000	4000	4000	3300	3650	-710
San Rafael	44960	55600	55000	55500	43300	49100	4140
** Civic Center/North Rafael	6860	0	0	0	0	0	-6860
**Downtown	10480	1200	11600	12200	9000	10100	-380
Sausalito	7640	6200	6200	6100	5200	5800	-1840
Tiburon	2690	2900	2800	2800	2850	2900	210
Marin County Unincorporated	19360	22400	2300	22300	17500	21350	1990
** Urbanized 101 Corridor	2960	700	700	800	650	750	-2210

Analysis and Comments on the Draft Plan Bay Area 2040

The Town staff has closely monitored the Plan Bay Area update process, which has included contacting ABAG/MTC staff, communicating with other local jurisdictions and reviewing all projections that have been published. Staff presents the following comments on the latest Draft Plan (relative to Ross):

1. The latest draft projections show an increase in housing growth of 40 households since the 2013 projections. The 2013 projections for the Plan show a total of 860 total households for Ross. The housing projections for Ross in 2013 were high, but reasonable given the following the following:
 - a. 2010 Census showed the Town having 798 households
 - b. 2009-2014 Housing Element RHNA required the Town to plan for 27 Units
 - c. 2015-2023 Housing Element RHNA required the Town to plan for 18 Units

Based on the existing households, and the two Housing Element cycles the projected increase in households would be 843 units. Although still a bit high given the physical and environmental constraints of the Town, it would not be unreasonable that by 2040 there could be an increase in 17 units for a maximum total of 860 households.

The Town's concern with the 2016 projection relative to households is that while 860 units can be supported, the increase in 40 additional units is not reasonable, again due to the physical and environmental constraints of the Town. Furthermore, the increase cannot be supported as the projections exceed those identified in the Town's Housing Element and General Plan.

It is important to note that the Town's mandated obligation for housing lies with our share of the Regional Housing Need Allocation (RHNA), which requires that the local municipality's zoning and property inventory can accommodate the allocation. This Plan update does not include RHNA.

2. The 2040 jobs projection has been significantly reduced from the Adopted 2013 Plan Bay Area (by approximately 32% or 190 jobs). The Town finds the reduction in numbers to be reasonable and has no further comment.

It is important to note that the job projections are not currently a requirement and are more of a measure of potential, as there are no specific requirements attached to them.

Staff recommends that the comments on the Draft Preferred Scenario be presented in a letter of comment to ABAG/MTC staff. A draft letter has been prepared, which is attached. If the Town Council concurs with or amends/supplements staff comments, the letter will be finalized for signature by the Mayor and submitted by the comment deadline date of October 14th.

Fiscal Impacts

The sole fiscal impact on the creation of this report is the staff time required to monitor and review the Plan Bay Area process and prepare this report.

Attachment

Draft letter to ABAG/MTC staff

ATTACHMENT 1



October 14, 2016

Bay Area Metro Center
ATTN: Miriam Chion and Ken Kirkey
375 Beale St Suite 800
San Francisco, CA 94105-2066

RE: Town of Ross Comments on Plan Bay Area 2040 Draft Preferred Scenario

Dear Miriam Chion and Ken Kirkey:

Thank you for the opportunity to provide comments on the Plan Bay Area 2040 Draft Preferred Scenario projections relative to households and jobs. The Town has been actively following the revisions to the plan, including the latest Draft Preferred Scenario projections that were published in late August 2016. During this process, the Town has reviewed the revisions and studies that have been released and have submitted comments to you. Accordingly, the Town appreciates the consideration you have taken to date regarding the jobs related scenarios.

On October 13, 2016, the Ross City Council reviewed a Staff Report on the August 2016 Draft Preferred Scenario projections and after consideration of this matter, the Town Council has directed the preparation of this letter with comments as follows:

Comments on Draft Preferred Scenario

The Household Projections

The latest draft projections show an increase in housing growth of 40 households since the 2013 projections. The 2013 projections for the Plan show a total of 860 total households for Ross. The housing projections for Ross in 2013 were high, but reasonable given the following the following:

- a. 2010 Census showed the Town having 798 households
- b. 2009-2014 Housing Element RHNA required the Town to plan for 27 Units
- c. 2015-2023 Housing Element RHNA required the Town to plan for 18 Units

Based on the existing households, and the two Housing Element cycles the projected increase in households would be 843 units. Although still a bit high given the physical and environmental constraints of the Town, it would not be unreasonable that by 2040 there could be an increase in 17 units for a maximum total of 860 households. The Town's concern with the 2016 projection relative to households is that while 860 units can be supported, the increase in 40 additional units

is not reasonable, again due to the physical and environmental constraints of the Town. Furthermore, the increase cannot be supported as the projections exceed those identified in the Town's Housing Element and General Plan. Therefore, the Town is requesting that the Household projection numbers be reduced to 860 households which is consistent with the 2013 approved Plan.

The Jobs Projections

Although the 2040 jobs projection will be challenging to meet given the building environments limited capacity of new commercial growth and parking infrastructure, the Town accepts the projected number of 400 new jobs and has no further comment.

We appreciate the opportunity to review and comment on the Draft Preferred Scenario plan. We look forward to a response to our comments. Should you have any questions regarding the information in this letter please feel free to contact Heidi Scoble, our Planning Manager at (415) 453-1453 Ext. 121 or email at hscoble@townofross.org.

Sincerely,

Kathleen Hoertkorn
Mayor

Cc: Town Council
Town Manager
Town Attorney