CITY OF OAKLAND

AGENDA REPORT

TO: Office of the City Administrator
ATTN: Deanna J. Santana
FROM: Community and Economic Development Agency
DATE: February 14, 2011

RE: An Informational Report To Provide An Update On The Development Of The Regional Sustainable Communities Strategy (SCS) Pursuant To California Senate Bill 375, Including Alternative Land Use And Transportation Scenarios, The OneBayArea Grant Program, Results Of The Performance Targets and Equity Analyses, And Key Considerations For The City Of Oakland

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SUMMARY

California's Senate Bill 375 (Sustainable Communities and Climate Protection Act) requires that each region in the stale develop a Sustainable Communities Strategy (SCS) as part of its Regional Transportation Plan (RTP). SB 375 mandates that each region, through the RTP/SCS process, integrate land use planning with transportation planning and investments in order to achieve the greenhouse gas emissions reduction targets set by the California Air Resources Board. The law further requires that each region identify areas to house the region's projected population growth, at all income levels, over the next 25 years.

In the San Francisco Bay Area, the RTP/SCS process is administered by the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAC), with participation and input from local governments. In March 2011 ABAC and MTC released an Initial Vision Scenario, with the goal to begin to articulate the region's vision of future land uses and to test how that vision performs relative to targets for greenhouse gas emissions reduction, housing, and other quality of life indicators. The most recent products of the SCS process, the detailed Alternative Scenarios for land use and corresponding transportation networks, were released in December 2011. After receiving and incorporating comments from local governments and the general public, ABAC and MTC will develop a Draft Preferred Scenario, to be released in March 2012.

This report summarizes the Alternative Scenarios, the allocations for household and employment growth for the region and for Oakland under each scenario, and key policy considerations for Oakland related to the SCS. Staff is seeking comments from Council, to be relayed to the regional agencies, on the SCS in general as well as on the Alternative Scenarios and their implications for Oakland. Specifically, staff requests direction from Council on which scenario is the most favorable in terms of consistency with Oakland's policy objectives for land use and transportation.

Item: _____
CED Committee
February 14, 2012

FISCAL IMPACT

Since this report is informational only, there are no immediate fiscal impacts. The development of the SCS does not require any additional budget allocation at this time; thus far, staff has incorporated participation in the SCS process into their current workload.

Implementation of the SCS may have some fiscal benefits for the City. Each of the land use scenarios, and ultimately the Preferred Scenario that will be adopted as part of the SCS, seek to channel new growth into Priority Development Areas (PDAs). Accordingly, changes are being proposed to the way in which federal transportation funds are distributed through MTC to transportation projects in the Bay Area. Through the creation of a new OneBayArea Grant program, to be administered locally by County Congestion Management Agencies (CMAs), 70% of the funds set aside for this grant would be restricted to designated PDAs. Oakland has six (6) designated PDAs (see map, ***Attachment B***) and thus when the SCS and One Bay Area Grant program are implemented, the City will be eligible to apply for and receive funds for transportation projects located within, or adjacent to and supporting, our PDAs. More information about the OneBayArea Grant is provided on pages 6-7.

However, under the current SCS and OneBayArea Grant proposals, there is no direct and binding relationship between the growth allocations and funding for transportation improvements. Consequently, implementation of the SCS in the long term may have a negative fiscal impact on the City by creating an expectation for rapid development of new housing in Oakland without the guarantee of adequate funding for transportation and infrastructure to support this growth.

BACKGROUND

SB 375 was enacted in 2008, and the Bay Area's Sustainable Communities Strategy process was initiated in the spring of 2010. Since the law requires that each region's RTP/SCS be consistent with the Regional Housing Needs Allocation (RHNA), which forms the basis for each jurisdiction's Housing Element, ABAG and MTC are coordinating the development of the SCS with the state-mandated RHNA update. ***Attachment A*** provides a detailed timeline (revised in October 2011) illustrating the relationship between the SCS, RHNA, and regional transportation planning processes.

Staff from the City of Oakland's Community and Economic Development Agency (Housing and Planning Divisions) and Public Works Agency (Infrastructure Plans and Programming Division) have been participating in the development of the SCS, Regional Transportation Plan, and the Regional Housing Needs Allocation (RHNA) process over the past 18 months, including attendance at monthly meetings convened by ABAG (the Regional Advisory Working Group and the Housing Methodology Committee).

One of the first steps in the SCS process was identification of local places throughout the region that are most appropriate for accommodating growth and infill development. To this end, local jurisdictions worked with ABAG to define and designate Priority Development Areas (PDAs). Generally, in order to qualify for PDA designadon, an area must (1) have good access to frequent transit service (such as a BART station, Caltrain station, or multiple local or regional bus lines), and (2) have completed a planning process for future growth and change, such as a Specific Plan or Station Area Plan.

Oakland has six designated PDAs, which were adopted by Oakland City Council in February 2010. They are: MacArthur BART, Fruitvale BART, West Oakland BART, Coliseum BART, Downtown BART Stations (12th and 19th Streets), and Eastmont Town Center (see ***Attachment B***).

Another concept that ABAG has developed for the purpose of identifying potential places for new growth is that of Growth Opportunity Areas (GOAs). GOAs are areas that may be appropriate locations for fumre growth and infill development, but are not yet ready for designation as PDAs (i.e. detailed planning work has not been done). There are no GOAs in Oakland.

In September 2010 the California Air Resources Board set the greenhouse gas emissions (GHG) reduction target for the Bay Area region as 15% below 2005 levels by 2035. In January 2011 ABAG and MTC adopted performance targets for the SCS – indicators related to quality of life factors in the areas of economy, environment and equity, against which the various land use scenarios will be evaluated (see ***Attachment C***).

Staff provided Council with an overview of SB 375 and the SCS policy framework and process in February 2011. At that time staff requested comments from Council which were then passed on to ABAG and MTC.

In early 2011 ABAG began developing a framework for an equity analysis for the SCS. The goal of the equity framework is to evaluate the impacts of the different scenarios, both in terms of benefits and burdens, on "populations of concern" (defined by ABAG as minority residents, low-income residents, people who don't speak English well or at all, households with no car, seniors 75 and over, people with disabilities, single-parent households, and over-burdened renters). ABAG convened an Equity Working Group, which developed a set of equity measures to be used in the scenario assessments (see ***Attachment D***).

In response to concerns raised during the development of the Initial Vision Scenario and Alternative Scenarios, in the summer of 2011 City of Oakland staff formed a "Big Cities" partnership with housing, planning and transportation staff from the City of San Jose, the City and County of San Francisco, the San Francisco County Transportation Authority (SFCTA), the Bay Area Rapid Transit District (BART), the Alameda-Contra Costa Transit District (AC

Transit), and the Santa Clara Valley Transit Authority (SCVTA). This staff group is working to advocate for our common urban cities' interests in the RTP/SCS process, which are discussed in detail in the "Big Cities Issues" section on pages 9-10.

It should be emphasized that neither the SCS nor the RHNA requires the City to build anything. The SCS is a regional plan whose purpose is to lay out a land use footprint that becomes the basis for both transportation funding and for the RHNA. The RHNA (and by extension the Housing Element) does not require cities to build housing – it simply requires them to ensure that there are sufficient sites with adequate zoning to accommodate the RHNA allocations. There are no penalties per se if the City does not actually produce its full RHNA allocations, although some funding awards are based on how well cities have done in meeting their RHNA goals.

KEY ISSUES AND IMPACTS

As discussed above, the overarching goal of the SCS is to reduce greenhouse gas emissions from automobiles and light trucks by better aligning land use and transportation in order to decrease the need for driving. Due to Oakland's central location in the region and good access to public transportation (including eight BART stations and numerous AC Transit bus lines), the city has been allocated high levels of growth in each of the different land use scenarios under the SCS. Oakland's existing land use policy and regulations are generally consistent with the vision that is being put forward in the SCS – the City's General Plan and zoning already allow for medium to high density development in the city center, along major corridors, and around transit stations. In addition, as compared to many of the smaller jurisdictions in the Bay Area, Oakland has historically been very accommodating of growth and new development.

The key concerns for Oakland and the other members of the "Big Cities" group related to the SCS are to ensure that (1) sufficient funding for transportation and infrastructure improvements will be available to support the high levels of growth allocated to the city; (2) the SCS will include changes to the environmental review process under the California Environmental Quality Act (CEQA) to address the current challenges to infill development; (3) the distribution of growth throughout the region is carried out in an equitable manner, with every local jurisdiction taking on its fair share of regional growth and not just those that have voluntarily elected to plan and designate Priority Development Areas for new growth; and (4) the forthcoming RHNA allocations do not serve to exacerbate the existing concentration of affordable housing in the three largest cities (Oakland, San Francisco and San Jose).

PROGRAM DESCRIPTION

The following is a summary of the most recent developments in the SCS process, focusing on the Alternative Scenarios, the current proposal for the OneBayArea Grant Program, and related issues for the "Big Cities" and for Oakland specifically.

Total Regional Growth Projections – Adjustments Since Initial Vision Scenario

The projections for growth of households and jobs in the region for 2010-2040 have been adjusted downward from the numbers that were used to formulate the Initial Vision Scenario, due to lowered forecasts of national economic and job growth and significant decreases in levels of immigration to California from both within and outside the U.S. The Alternative Scenarios assume employment growth in the region of approximately 998,500 jobs from 2010-2040 (down 30.6% from the Initial Vision Scenario) and household growth of 770,000 housing units (down 29.6% from the Initial Vision Scenario).

The regional growth forecasts compared with current numbers of households and jobs (based on the 2010 Census) are summarized in the following table:

Households			Jobs		
Existing 2010	Growth 2010-2040	% Increase 2010-2040	Existing 2010	Growth 2010-2040	% Increase 2010-2040
2,608,023	770,817	29.6%	3,268,229	998,500	30.6%

Alternative Scenario Land Use Patterns and Transportation Networks

In July 2011 ABAG and MTC approved a framework for five Alternative Scenarios for land use and transportation (including the previously released Initial Vision Scenario) for testing to evaluate how the region can achieve the 15% GHG reduction target and other performance targets related to the environment, economy, and social equity.

Scenarios 1 and 2 are "unconstrained," i.e. they assume very strong employment growth and unprecedented funding to support housing affordability. Scenarios 3, 4, and 5 are "constrained," i.e. they are based on a more realistic assessment of economic growth, financial feasibility, and reasonable planning strategies. A brief description is provided for each scenario:

1. *Initial Vision Scenario*: Accommodates 97 percent of new households within the existing urban footprint. Priority Development Areas and Growth Opportunity Areas contain about 70 percent of the total growth.

2. *Core Concentration Unconstrained Scenario*: Provides a more concentrated development pattern in locations with frequent transit service and within a short transit commute of major job centers.

3. *Focused Growth Scenario:* Recognizes the potential of Priority Development Areas and Growth Opportunity Areas across the region with an emphasis on housing and job growth along major transit corridors.

4. *Core Concentration Growth Scenario:* Concentrates housing and job growth at selected Priority Development Areas in the Inner Bay Area along the region's core transit network.

5. *Outer Bay Area Growth Scenario:* Projects higher levels of growth in the Outer Bay Area and is closer to previous development trends than the previous two (constrained) scenarios.

Each of the five land use scenarios has been paired with one of two transportation networks – the Transportation 2035 Network and the Core Capacity Transit Network.

1. *Transportation 2035 Network*: The transit and roadway network and investment strategy contained in the current Regional Transportation Plan, Transportation 2035, maintains the transit network adopted in 2009 and keeps investments in maintenance and expansion at similar levels.

2. *Core Capacity Transit Network*: Reduces roadway expansion and boosts core transit service and frequency (this benefits Oakland).

The Initial Vision and Outward Growth Scenarios are paired with the Transportation 2035 Network, and the Core Concentration, Focused Growth and Constrained Core Concentration Scenarios are paired with the Core Capacity Transit Network. Additional details about the land use scenarios and transportation networks are provided in ***Attachment E***.

OneBayArea Grant Program

The OneBayArea Grant Program (OBAG) represents a change to the way federal transportation funds are distributed to transportadon projects in the region. It proposes an alternative to the Metropolitan Transportation Commission (MTC)'s current framework for the allocation of federal transportation funding provided to the Bay Area (Surface Transportation Program (STP) and Congestion Mitigation and Air Quality (CMAQ) funds). As currently proposed by MTC, the OBAG framework better integrates the region's federal transportation program with land-use and housing policies by providing incentives for the production of housing with supportive transportation investments.

Program Highlights:

- $250 million will be dedicated to the OneBayArea Grant Program for a three-year period (Cycle 2 of the current federal transportation act).
- Greater responsibility for funding decisions is shifted to County Congestion Management Agencies (CMAs), allowing for more local control.

- Several previous transportation grant programs (Bicycle, Local Streets and Roads Rehabilitation, Transportation for Livable Communities, Safe Routes to Schools) are merged into a single, flexible grant program.
- Formula for distribution of OneBayArea Grant funding to coundes: 50% population, 12.5% overall RHNA allocation, 12.5% low-income RHNA allocation, 12.5% actual housing production overall, 12.5% actual low-income housing production. This results in approximately $4 million potentially available to Oakland for transportation projects (but not staff).
- At least 70% of the program funding must be spent on projects in Priority Development Areas.
- In order to be eligible for funding through the OneBayArea Grant Program, a local jurisdiction must have an approved Housing Element (Oakland has an adopted plan) and have an adopted Complete Streets Policy (staff is currently working to ascertain if the policy Oakland has in place in the Land Use and Transportation Element of the 1998 General Plan meets this requirement).

Growth Allocations for Oakland for each Scenario

The tables in ***Attachment F*** show the employment and household growth allocations for Oakland for the period 2010 to 2040 under each of the three constrained Alternative Scenarios (3, 4 and 5), broken down by Priority Development Area (PDA). The growth allocations for the entire city of Oakland and for the Bay Area region as a whole are also included. Table 1 shows the actual 2010 numbers of jobs and households and the raw numbers for new jobs and households allocated to each PDA and citywide. Table 2 shows the percent increase in jobs and households for each area.

In summary, the number of new households (i.e. housing units) allocated to Oakland ranges from 46,210 to 58,720 for the three scenarios – a 30.0% to 38.2% increase over the next 30 years. This represents roughly a 6.0% to 7.6% share of the projected growth for the entire region. The number of new jobs allocated to Oakland ranges from 57,160 to 64,390 for the three scenarios – a 29.1% to 32.8% increase over the next 30 years, which represents about a 5.7% to 6.4% share of the region's projected employment growth.

Results of Performance Targets Analysis and Equity Analysis

The five land use scenarios were assessed to determine how well they achieve the state-mandated goals for reducing GHG emissions and housing projected regional growth, as well as to their impacts on the Bay Area's transportation systems, economy, and other quality of life factors. The "Targets Scorecard" and "Equity Analysis Scorecard" in ***Attachment G*** show how each scenario performs with respect to the adopted GHG reduction target, performance targets, and equity measures. Highlights of the Performance Targets and Equity Analyses are summarized below.

- State-Mandated Target – Reduce Greenhouse Gases

  Greenhouse gas (GHG) reduction target = 15%
  Performance of alternative scenarios = 8 to 9 %

None of the scenarios achieves the regional 15% GHG reduction target; all five scenarios result in GHG reductions in the range of 8% to 9%. Further policies, strategies, and funding to implement these actions will be needed in order to further reduce GHG and achieve the target.

- State-Mandated Target – Provide Housing for Projected Population Growth

  Housing target - Provide housing for 100% of the region's projected 25-year growth, at all income levels
  Performance of alternative scenarios = 98 to 100%

Assuming appropriate housing policies and investments, the two unconstrained scenarios achieve the goal of housing 100% of the region's projected population growth, while the three constrained scenarios come very close (98%) to providing housing for projected regional growth.

- ABAG-adopted Performance Target – Advance Bay Area's Economic Growth

  Economic target – Increase Gross Regional Product by 90%
  Performance of alternative scenarios = 113 to 134%

All five scenarios significantly exceed the performance target for increasing Gross Regional Product.

- ABAG-adopted Performance Target – Address Equity Challenges related to Affordability and Accessibility

  Equitable Access Target – Reduce Housing and Transportation Costs for low-income households by 10%
  Performance of Alternative Scenarios = Increase by 8 to 9%

All of the scenarios would actually result in an increase in combined housing and transportation costs for "populations of concern," (minority residents, low-income residents, people who don't speak English well or at all, households with no car, seniors 75 and over, people with disabilities, single-parent households, and over-burdened renters). Significant attention will need to be given to developing policies and strategies that will help ameliorate the negative impacts of focused growth on vulnerable populations.

"Big Cities" Issues

San Francisco, Oakland, and San Jose currently account for half of the region's affordable housing, and their transit systems (SF Muni, AC Transit, and Santa Clara Valley Transportation Authority), along with BART and Caltrain operating within and between the three cities, carry the vast majority of the region's transit trips. These "Big Cities" and large transit operators are working together to collectively articulate and advance our urban interests in the development of the RTP/SCS.

Highlights of the "Big Cities" staff positions:

1. *Include Growth Opportunity Areas and "PDA-Like Areas" in the development of the regional Preferred Land Use Scenario.*

"PDA-Like Areas," as identified by the Big Cities, are areas along the regional transit corridors that have potential for additional growth, but have no official status in the SCS. Typically these are instances in which local jurisdictions have not voluntarily stepped up to take on their fair share of regional growth allocations. In particular, many jurisdictions have identified one small PDA, but may have additional areas appropriate for growth beyond the site identified. The Big Cities want to ensure that individual jurisdictions are prevented from "opting out" of meeting a fair share of the region's growth needs.

2. *Promote the goal of greater income diversity across the region as an alternative to the existing concentration of affordable housing*

In the past through the RHNA process, Oakland, San Jose and San Francisco have been assigned unfeasibly large low-income housing allocations. Even though the percentage of new housing need allocated to low and moderate income has been reduced in cities with large concentrations of these populations, the tremendous increase in the total number of housing units needed in the Big Cities has resulted in an increase in the number of affordable housing units that those cities must accommodate in their Housing Elements (primarily through higher density zoning). The Big Cities recognize that it is important for all communities throughout the region to provide housing for a mix of income levels, both inside and outside of PDAs. The SCS should incorporate measures to reverse the existing trend of concentration of affordable housing in the region's largest cities.

3. *Encourage increased placement of job growth along the regional core transit network connecting the Big 3 Cities.*

There has been limited discussion on how to guide job growth to desired locations in the region. The regional transit operators have the capacity to carry significantly more passengers to job centers other than San Francisco, particularly the downtowns of Oakland and San Jose, thereby

maximizing the efficiency of existing transit systems. Job growth should be encouraged in additional transit-served employment centers which are sufficiently central within the Bay Area so that employment growth in them will not stimulate peripheral residential development. At the same time, it has been noted that there are relatively few tools available to redirect job growth within the region. The Big Cities encourage MTC and ABAG to identify best practices and propose policy tools to achieve the desired regional job distribution.

However, at this point in the process, job growth has been split 50-50 between the urban centers and suburbs of the Bay Area. Staff feels that this is not an appropriate assignment of jobs, particularly when Oakland, with eight BART stations, is expected to take considerable housing growth in these and other "transit-oriented development areas," without additional job growth in these areas.

4. *Insist that linkages between land use and transportation investment are applied throughout the transportation investment policy, not just limited to the OneBayArea Grant Program.*

The OneBayArea Grant Program represents only about 3% of the regional discretionary funds. Transportation investment is the only incentive controlled by MTC (and not ABAG) to guide good land use policy. The Big Cities and large transit operators will help identify and support new revenue sources, particularly for transit, to help meet the region's RTP/SCS goals. However, this is not just a regional issue, but a state and national issue.

5. *Develop a Transit Performance Initiative that can identify strategic investments that provide operational efficiency savings and passenger travel time and reliability benefits.*

The Big Cities have proposed to partner with the regional agencies, key CMAs, and transit operators to explore ideas for generating transit operating cost savings that can be re-invested in the transit system. These range from lower-cost measures to larger spot or segment infrastructure projects and are intended to reduce bottlenecks and conflicts, while increasing operational flexibility (e.g. passing tracks, grade-separations, turn-backs, bus rapid transit projects).

Other Key Concerns for Oakland

Unfeasibility of growth levels assigned to PDAs

Although the reduced growth projections that were used to formulate the Ahemative Scenarios are a step in the right direction, staff continues to be concerned that the levels of household growth assigned to many PDAs are not realistic or feasible, particularly in the Focused Growth and Core Concentration scenarios. The growth allocations for most of Oakland's PDAs are higher than what the market can realistically be expected to support. For example, a recent housing market analysis conducted by Conley Consulting Group as part of the West Oakland

Specific Plan concluded that the market in West Oakland will support the creation of about 100 housing units per year. By contrast, household growth allocations to the West Oakland PDA in the SCS land use scenarios range from 190 to 210 units per year over the next 30 years. In addition, growth allocations to all of Oakland's PDAs are still much higher than the historical rate of housing production, even during the development boom of the early and mid-2000s.

CEQA issues and challenges to infill development in urbanized areas

One significant impact resulting from these high growth allocations is that Oakland's local transportation project analysis as required by CEQA, which is based on these future land use projections, will predict very high levels of vehicle traffic. While these levels of traffic are not realistic, they are nevertheless the basis on which transportation mitigations are assigned to private development and City bikeway projects.

These transportation analyses will result in developers being asked to accept paying for improvements that may not be needed for the next 30-40 years, if at all (given that the basis for the study results is such high growth). City Capital Projects are similarly constrained, because accommodations for high traffic levels often preclude inclusion of bike and pedestrian improvements.

Every Environmental Impact Report (EIR) on a private development or City Capital Project, in order to be certified, will then require that City Council adopt a Statement of Overriding Considerations to permit private development or Capital Projects to proceed without making these long-range commitments to improvements. While this would become even a more time consuming and therefore costly process for all involved, it will also set out an unrealistic assessment of the true impacts of growth on transportation, which is often the basis for CEQA challenges.

On the positive side, if transportation funding to be made available in commensurate amounts with the growth projected, those dollars would be substantial. However, this is very unlikely to occur, and is not within ABAG's power to commit.

SB 375 does contain some CEQA provisions. If the SCS meets the GHG reduction targets, then for residential or mixed use development projects that are consistent with the SCS and incorporate any mitigation measures from a prior EIR, the environmental review would not have to consider growth inducing impacts, cumulative impacts from traffic on global warming or the regional transportation network, or substituting a lower density development. Certain "transit priority projects" would have reduced CEQA requirements or be exempt.

Staff emphasizes that it is essential that the SCS be accompanied by changes to Statewide CEQA guidelines that will allow for simplified and expedited environmental review for infill development, such as a new statutory or categorical exemption for infill projects, as well as

exemptions for linear roadway improvements that do not include widening. Current CEQA guidelines for traffic impacts and GHG emissions result in the requirement for lengthy and expensive environmental review for even moderately sized development projects in existing urban areas, which tends to discourage infill development in Oakland and the other Big Cities, while incentivizing suburban sprawl-type patterns in undeveloped areas at the region's edge.

Once a Preferred Scenario for land use for the SCS has been defined, an EIR will be prepared for the RTP/SCS. ABAG and MTC have suggested that this EIR might assist local jurisdictions in streamlining the CEQA environmental review process for development projects that are consistent with the SCS. To date, however, there have not been any specific CEQA streamlining proposals associated with the SCS. Additionally, ABAG and MTC have no jurisdictional power to make these changes, as the CEQA regulations are the in purview of the State.

SUSTAINABLE OPPORTUNITIES

The central purpose of the SCS is to coordinate land use and transportation in order to achieve a more sustainable region. As noted above, MTC and ABAG have adopted Performance Targets and Equity Measures that are being used to assess the impacts of the Alternative Scenarios in the areas of economy, environment, and social equity.

Economic: Analysis of the land use and transportation scenarios indicated that all five scenarios would result in substantial increases to Gross Regional Product, illustrating that focused regional growth would boost the economic vitality of the Bay Area.

In Oakland, successful implementation of the SCS could help provide incentives for new housing development and the creation of jobs in the central city, in proximity to transit stations and hubs, and along major corridors. Housing also tends to have "spillover" economic benefits by catalyzing the establishment of new retail businesses, restaurants, and services for new residents. However, as previously noted, implementation of the SCS may create a significant economic burden for Oakland if adequate funding is not available for transportation and infrastructure improvements to support new growth.

Environmental: The scenario analysis demonstrates a number of environmental benefits for the region that would result from each of the Alternative Scenarios, including reduction of GHG emissions, reduction of particulate emissions (air pollutants), and preservation of open space and agricultural land. The SCS framework is consistent with Oakland's goals for improving environmental quality by promoting a compact land use pattern that is accessible by walking, bicycling, and use of public transportation.

Social Equity: Although the SCS process has incorporated a detailed methodology for promoting equity and attempting to minimize adverse impacts of growth and development on

vulnerable populations such as low-income, minority, and non-English speaking residents, the scenario analysis showed less favorable results in the area of social equity. For example, four out of the five scenarios result in an 8%-9% increase in the share of low-income households' budget that is spent on housing and transportation costs, and all five scenarios result in a 30%-40% increase in the risk of displacement for vulnerable populations. These effects would have an even greater adverse impact on Oakland than on the region as a whole, since Oakland has a higher percentage of low-income and minority residents than the regional average.

DISABILITY AND SENIOR CITIZEN ACCESS

Some of the key elements of the SCS would benefit senior cifizens and persons with disabilities, including improved transportation access and adequate housing to support the region's population growth, as well as related benefits such as reduced air pollution. However, seniors and the disabled are among the vulnerable populations discussed in the "Social Equity" section above that would be negatively impacted in many ways by the land use and transportation changes proposed through the SCS.

RECOMMENDATION(S) AND RATIONALE

While the SCS provides a potential opportunity for Oakland to advance local goals as expressed in the City's General Plan (Land Use and Transportation Element, Bicycle and Pedestrian Master Plans, and Housing Element) as part of a coordinated regional framework, there are also concerns that could hinder Oakland's potential to benefit from the implementation of the SCS. The major concerns expressed in this report are summarized below:

- There is currently no guarantee that funding for transportation and infrastructure would be commensurate with the growth allocations assigned to the city.

- It is uncertain whether the SCS will provide adequate relief from CEQA requirements to alleviate the burden of very high growth projections on individual private development projects and City capital projects in urbanized areas.

- ABAG's current methodology for allocation of growth to local jurisdictions is based largely on designated Priority Development Areas, and does not give equal consideration to other areas (Growth Opportunity Areas and "PDA-like areas") that are appropriate locations for growth but do not have any official status in the SCS. This results in an inequitable distribution of growth across the region, since those local jurisdictions with few or no designated PDAs are essentially allowed to forgo their fair share of regional housing need.

At this time ABAG and MTC are requesting feedback from local elected officials on the Alternative Scenarios, which will be taken into account in formulating the Draft Preferred Scenario. Staff recommends that Council provide comments to the regional agencies on the SCS work to date, the land use scenarios, and other elements outlined in this report, including feedback on which scenario is best aligned with Oakland's goals and policies.

ACTION REQUESTED OF THE CITY COUNCIL

Staff requests that the Council accept this informational report.

Respectfully submitted,

Fred Blackwell, Assistant City Administrator
Community and Economic Development Agency

Reviewed by:
Eric Angstadt, Deputy Director

Prepared by:
Holly Pearson, Planner I
Strategic Planning Division

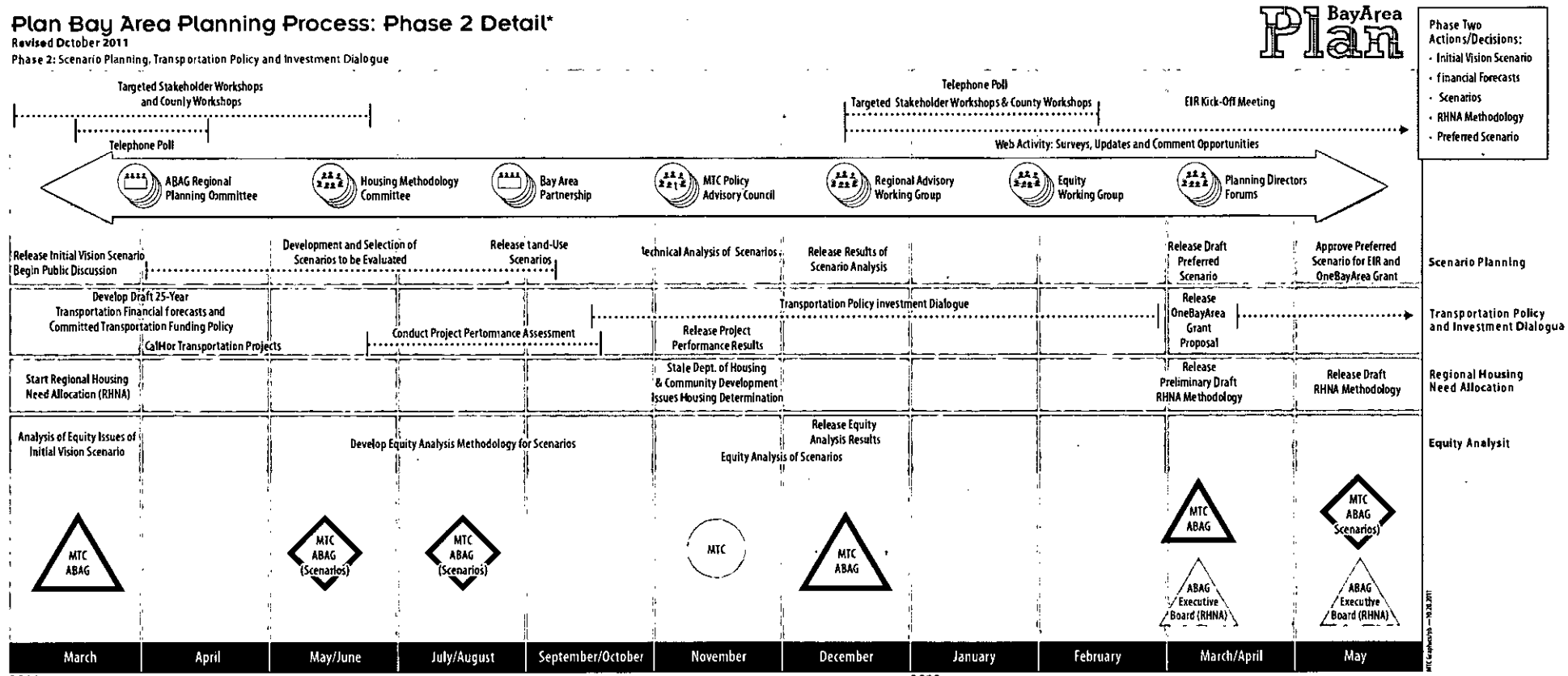
APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE:

Office of the City Administrator

Plan Bay Area Planning Process: Phase 2 Detail*

Revised October 2011

Phase 2: Scenario Planning, Transportation Policy and Investment Dialogue



Phase Two Actions/Decisions:
- Initial Vision Scenario
- financial Forecasts
- Scenarios
- RHNA Methodology
- Preferred Scenario

*Subject to change

Policy Board Actions

- Meeting for Discussion/ Public Comment
- JOINT meeting of the ABAG Administrative Committee and the MTC Planning Committee for Discussion/Public Comment
- Decision
- Document Release
- JOINT document release by ABAG and MTC

ABAG - ABAG Administrative Commmee
MTC - MTC Planning Committee

For more information on key actions and decisions and how to get involved, visit OneBayArea.org

ATTACHMENT A

Plan Bay Area Planning Process: Phases 3 & 4 Details for 2012–2013*

Revised October 2011

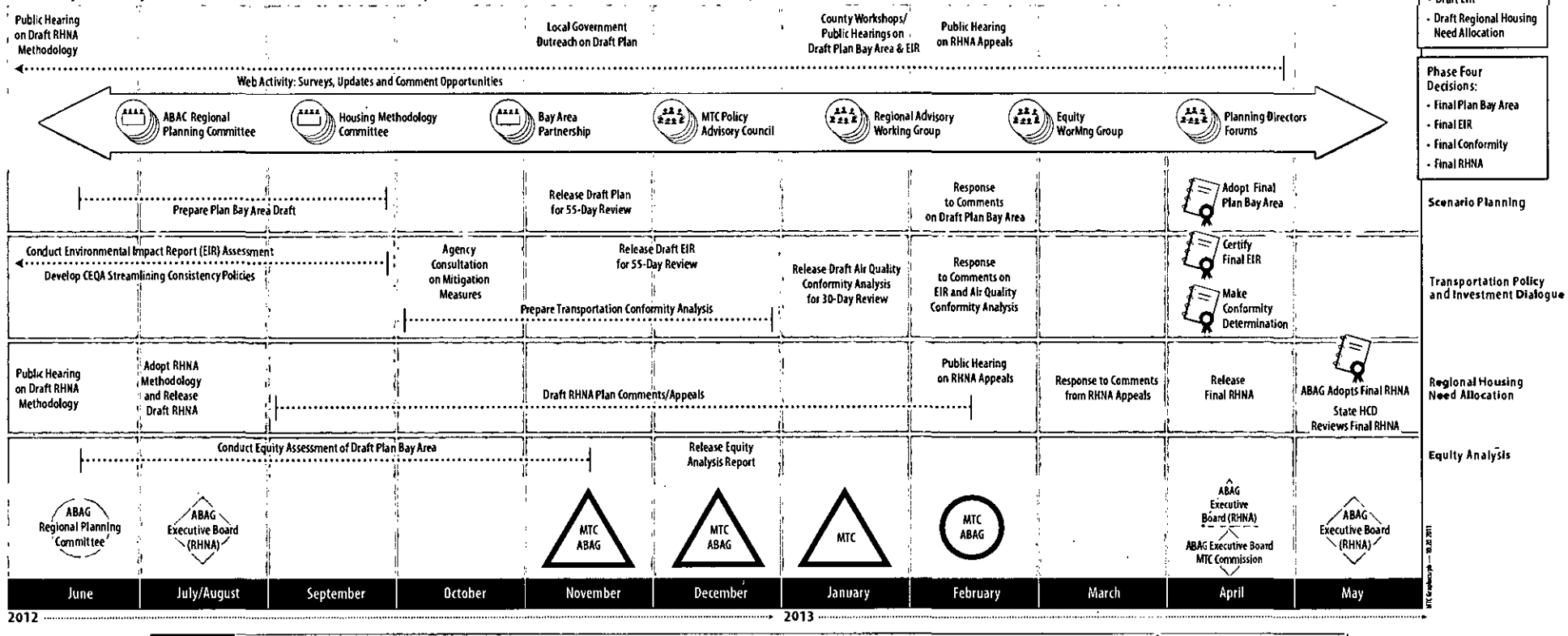
Phase 3: Regional Housing Need Allocation (RHNA), Environmental/Technical Analyses and Draft Plans

Phase 4: Plan Adoption

Plan BayArea

Phase Three Actions/Decisions:
- Draft Plan Bay Area
- Draft EIR
- Draft Regional Housing Need Allocation

Phase Four Decisions:
- Final Plan Bay Area
- Final EIR
- Final Conformity
- Final RHNA



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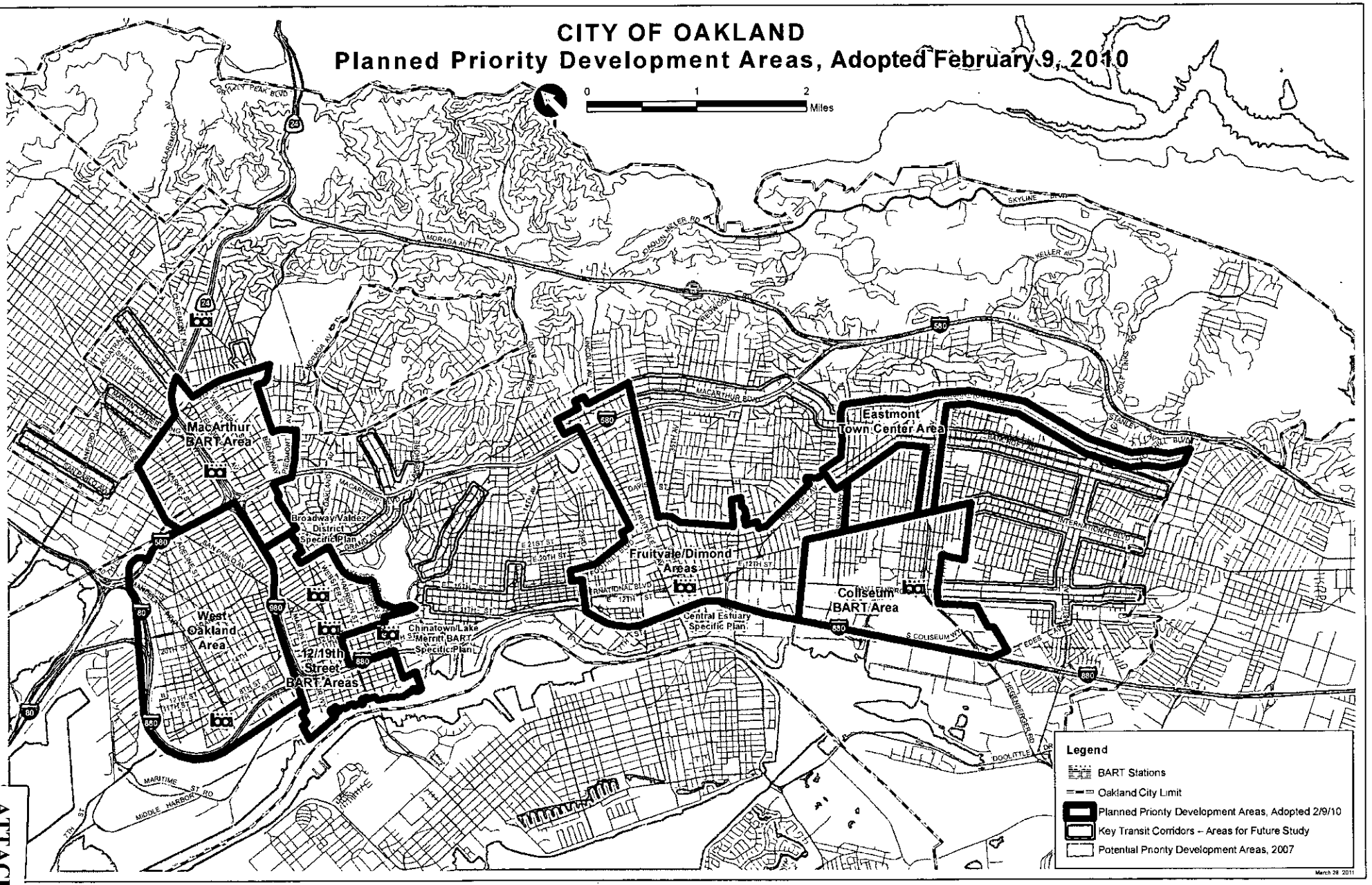
ABAC - ABAG Administrative Committee
MTC- MTC Planning Committee

For more information on key actions and decisions and how to get involved, visit OneBayArea.org

CITY OF OAKLAND
Planned Priority Development Areas, Adopted February 9, 2010



ATTACHMENT B

Plan Bay Area Performance Targets

(Adopted by MTC/ABAG in January 2011)

GOAL: CLIMATE PROTECTION	
Target #1:	Reduce per-capita CO_2 emissions from cars and light-duty trucks by 15%
GOAL: ADEQUATE HOUSING	
Target #2:	House 100% of the region's projected 25-year growth by income level (very-low, low, moderate, above-moderate) without displacing current low-income residents
GOAL: HEALTHY AND SAFE COMMUNITIES	
Target #3:	Reduce premature deaths from exposure to particulate emissions: • Reduce premature deaths from exposure to fine particulates (PM2.5) by 10% • Reduce coarse particulate emissions (PM10) by 30% • Achieve greater reductions in highly impacted areas Associated Indicators * • Incidence of asthma attributable to particulate emissions • Diesel particulate emissions *MTC, ABAG and the BAAQMD will monitor the indicators by collecting data on actual conditions over time. These are distinguished from the targets, which will be forecast for the scenarios in 2011 using regional land use, travel and air quality models.
Target #4:	Reduce by 50% the number of injuries and fatalities from all collisions (including bike and pedestrian)
Target #5:	Increase the average daily time walking or biking per person for transportation by 60% (for an average of 15 minutes per person per day)
GOAL: OPEN SPACE AND AGRICULTURAL PRESERVATION	
Target #6:	Direct all non-agricultural development within the urban footprint (existing urban development and urban growth boundaries)
GOAL: EQUITABLE ACCESS	
Target #7:	Decrease by 10% the share of low-income and lower-middle income residents' household income consumed by transportation and housing
GOAL: ECONOMIC VITALITY	
Target #8:	Increase gross regional product (GRP) by 90% – an average annual growth rate of approximately 2% (in current dollars)
GOAL: TRANSPORTATION SYSTEM EFFECTIVENESS	
Target #9:	• Decrease average per-trip travel time by 10% for non-auto modes • Decrease automobile vehicle miles traveled per capita by 10%
Target #10:	Maintain the transportation system in a state of good repair: • Increase local road pavement condition index (PCI) to 75 or better • Decrease distressed lane-miles of state highways to less than 10% of total lane-miles • Reduce average transit asset age to 50% of useful life

ATTACHMENT C

Equity Measures for Alternative Scenarios
(approved by MTC in October 2011)

Measure/Theme	Key Questions Addressed	Target Population Breakout
Theme: Affordable Housing and Transportation Choices		
1. Housing + Transportation Affordability	• *What is the extent of any current and future-year disparity between target and non-target populations?* • *Which scenario(s) reduce the share of income spent on housing and transportation by the greatest amount for the target population?* • *Which scenario(s) provide similar or better results for the target population compared to the rest of the population?*	• Low-income households (all) vs. all other households
Theme: Growing Equitably		
2. Displacement Risk	• *Which scenario(s) result in the least displacement risk for low-income households?* • *Which scenario(s) accommodate the greatest number of low-income households?*	• Communities of concern vs. all other communities • Low-income households (all)
Theme: Making the Jobs/Housing Connection		
3. Commute Travel Time	• *What is the extent of any current and future-year disparity between target and non-target populations?* • *Which scenario(s) reduce commute travel time by the greatest amount for the target populations?* • *Which scenario(s) provide similar or better results for the target population compared to the rest of the population?*	• Communities of concern vs. all other communities • Low-income households (all)
Theme: Healthy Communities		
4.VMT Density	• *What is the extent of any current and future-year disparity between target and non-target populations?* • *Which scenario(s) reduce VMT Density by the greatest amount for the target population?* • *Which scenario(s) provide similar or better results for the target population compared to the rest of the population?*	• Communities of concern vs. all other communities
Theme: Equitable Mobility		
5. Non-commute Travel Time	• *What is the extent of any current and future-year disparity between target and non-target populations?* • *Which scenario(s) reduce average trip time for non-mandatory travel by the greatest amount for the target populations?* • *Which scenario(s) provide similar or better results for the target populations compared to the rest of the population?*	• Communities of concern vs. all other communities • Low-income households (all)

Plan BayArea SCENARIO ANALYSIS

HOW WERE THE SCENARIOS DEFINED AND HOW DO THEY DIFFER?

In June 2011, MTC and ABAG approved five alternative Plan Bay Area land use and transportation scenarios for evaluation and testing to demonstrate how the region might achieve a set of performance targets for the environment, the economy and social equity (see inside for details).

These scenarios place varying degrees of growth in Priority Development Areas (PDAs), which are defined as land near public transit that local officials have determined to be most suitable for development. Likewise, the scenarios recognize Priority Conservation Areas, places local officials have deemed worth keeping undeveloped for farm land, parks or open space. The first two scenarios assume stronger economic growth and financial resources, along with a higher level of housing growth to meet forecasted demand. The remaining three scenarios fall somewhat short of meeting future housing demand but reflect input received from local jurisdictions on the level of growth they think can reasonably be accommodated.

SCENARIOS	LAND USE PATTERN	TRANSPORTATION NETWORK
1 Initial Vision	Housing and job growth is concentrated in the PDAs, based on local land use priorities, available transit service, and access to jobs. The scenario is based on input from local jurisdictions on the level of growth they can reasonably accommodate given resources, local plans, and community support. 70 percent of the housing would be accommodated in PDAs. More than half of job growth is expected to occur in the region's 10 largest cities.	Transportation **2035 Plan Network** – Investment strategy in MTC's adopted long-range transportation plan.
2 Core Concentration	Housing and job growth is concentrated in locations that are served by frequent transit services and within a 45-minute transit commute of Oakland, San Francisco, and San Jose. Also identifies several "game changers," or places with capacity for a high level of growth if coupled with supportive policies and resources. These areas include the Tasman Corridor in Santa Clara County, lands east of Oakland Airport to the Coliseum, the Concord Naval Weapons Station, and the San Francisco Eastern Waterfront, among others. Overall, 72 percent of the housing and 61 percent of the job growth is expected within the PDAs.	**Core Capacity Transit Network** – Increases transit service frequency along the core transit network
3 Focused Growth	Distributes growth most evenly throughout the region's transit corridors and job centers, focusing most household and job growth within the PDAs. 70 percent of the housing production and around 55 percent of the employment growth would be accommodated within PDAs. Provides more housing near transit stations and more local services in existing downtown areas and neighborhood centers.	**Core Capacity Transit Network** – See description above.
4 Constrained Core Concentration	Places more household and job growth in those PDAs situated along several transit corridors ringing the Bay in San Francisco, San Mateo and Santa Clara counties, and in portions of Alameda and Contra Costa counties. Some 79 percent of the housing production and 58 percent of the employment growth would be accommodated within PDAs. By concentrating more growth in the major downtowns and along key transit corridors, this scenario goes even further than the Focused Growth scenario in trying to maximize the use of the core transit network and provide access to jobs and services to most of the population.	**Core Capacity Transit Network** – See description above.
5 Outward Growth	Closer to recent development trends, places more growth in the cities and PDAs in the inland areas away from the Bay than those considered in the Focused Growth or the Constrained Core Concentration scenarios. Most housing and employment growth would still be accommodated in areas closest to the Bay, but with clusters of jobs and housing in key transit-served locations in the inland areas away from the Bay. Some 67 percent of housing production and 53 percent of employment growth would be in PDAs. While increased use of public transit would be limited in inland areas, some shorter commutes could be expected as jobs are created closer to residential communities.	Transportation **2035 Plan Network** – See description above.

ATTACHMENT E

Transportation 2035 Network

- Starts with 2010 transit and roadway network as the base network
- Keeps investment levels for maintenance, transit and roadway expansion, and bike/pedestrian at roughly same levels as in T2035
- Tests T2035 projects proposed to be carried over into Plan Bay Area
- Considers project performance assessment results

Examples of Significant Projects Tested

Roads

- Regional Express Lanes Network
- Freeway Performance Initiative
- San Mateo and Santa Clara ITS
- Premont-Union City East-West Connector
- I-680/Rt 4 Interchange Impvts. + SR-4 Widening
- Marin-Sonoma Narrows Stage 2
- Jameson Canyon Impvts. Phase 2
- SR-29 HOV Lanes + BRT
- New SR-152 Alignment
- I-80 Auxiliary Lanes (Airbase to I-680)

Transit

- AC Transit Grand Mac-Arthur BRT
- Irvington BART Infill Station
- Alameda-Oakland BRT + Transit Access Impvts.
- AC Transit East Bay BRT
- I-680 Express Bus Frequency Impvts.
- Caltrain 6-Train Service + Electrification (SF to Tamien)
- Van Ness Ave. BRT
- SMART (San Rafael-Larkspur)
- BART Extension from Berryessa to San Jose/Santa Clara
- Fairfield/Vacaville Capitol Corridor Station

Plan BayArea

Core Capacity Transit Network

- Starts with 2010 transit and roadway network as the base network
- Keeps T2035 investment levels for maintenance and bike/pedestrian, but reduces roadway expansion and boosts core capacity transit service
- Tests most T2035 Network projects and includes a 46 percent increase in transit frequency impvts. from 2010 network (at a total 28-year operating and capital cost of $53 billion)
- Not financially constrained due to cost of transit frequency impvts. exceeding available revenue
  - Only $15 billion of the needed $53 billion is available ($10 billion in operating efficiencies per TSP and $5 billion in new revenue)
- Considers project performance assessment results

Plan Bay Area

Examples of Significant Projects Tested (includes most T2035 Network projects)

Roads

- SR-84/I-680 Interchange Impvts + SR-84 Widening
- Bay Bridge Contraflow Lane
- US-101 HOV Lanes (Whipple Ave to Cesar Chavez St)

Transit

- BART Metro Program
- Dumbarton Corridor Express Bus
- BART Bay Fair Connection
- BART to Livermore Phase 1
- Golden Gate Ferry Service Frequency Impvts.
- SFMTA Transit Effectiveness
- Better Market Street
- Geneva Ave BRT and Southern Intermodal Terminal
- Parkmerced Light Rail Corridor
- Oakdale Caltrain Station
- SamTrans El Camino BRT
- VTA El Camino BRT
- Service Frequency Impvts. on AC Transit, Muni, ferries, BART, and Caltrain

Pricing

- Congestion Pricing Pilot
- Treasure Island Congestion Pricing

Job and Household Growth Allocations for Oakland
SCS Alternative Scenarios

	HOUSEHOLDS				JOBS			
		Alternative Scenarios				Alternative Scenarios		
PDA/GOA Name	2010 *Total HH*	Core-Constrained 2010-2040 HH growth	Focused 2010-2040 HH growth	Outer Bay Area 2010-2040 HH growth	2010 *Total Jobs*	Core-Constrained 2010-2040 jobs growth	Focused 2010-2040 jobs growth	Outer Bay Area 2010-2040 jobs growth
Oakland								
Coliseum BART Station Area (PDA)	3,440	2,510	2,250	2,130	5,450	1,520	1,610	1,680
Downtown & Jack London Square (PDA)	10,630	10,650	9,490	9,490	92,180	34,070	35,210	26,080
Eastmont Town Center (PDA)	5,960	2,460	2,250	1,100	3,570	1,270	1,130	790
Fruitvale & Dimond Area (PDA)	12,840	7,080	6,350	4,930	8,490	2,920	2,690	2,190
MacArthur Transit Village (PDA)	8,030	4,140	3,710	3,370	10,460	3,270	3,110	2,570
Transit Oriented Development Corridors (PDA)	60,970	22,640	20,470	14,620	33,650	12,620	11,540	10,960
West Oakland (PDA)	9,030	6,300	5,720	5,720	7,570	2,370	2,390	2,660
Remainder of City	42,890	2,940	7,480	4,850	35,230	6,350	1,250	10,230
Citywide Total - Oakland	153,790	58,720	57,720	46,210	196,600	64,390	58,930	57,160
Countywide Total - Alameda County	545,130	167,770	172,990	164,300	689,730	203,760	203,670	216,330
Regional Total - Nine-County Bay Area	2,608,023	770, 817	770, 817	770, 817	3,268,229	998,500	998,500	998,500

ATTACHMENT F

Job and Household Growth for Oakland - Percent Increase Above Existing
SCS Alternative Scenarios

	HOUSEHOLDS			JOBS		
	Alternative Scenarios			Alternative Scenarios		
PDA/GOA Name	Core-Constrained 2010-2040 % Increase	Focused Growth 2010-2040 % Increase	Outer Bay Area Growth 2010-2040 % Increase	Core-Constrained 2010-2040 % Increase	Focused Growth 2010-2040 % Increase	Outer Bay Area Growth 2010-2040 % Increase
Oakland						
Coliseum BART Station Area (PDA)	73.0%	65.4%	61.9%	27.9%	29.5%	30.8%
Downtown & Jack London Square (PDA)	100.2%	89.3%	89.3%	37.0%	38.2%	28.3%
Eastmont Town Center (PDA)	41.3%	37.8%	18.5%	35.6%	31.7%	22.1%
Fruitvale & Dimond Area (PDA)	55.1%	49.5%	38.4%	34.4%	31.7%	25.8%
MacArthur Transit Village (PDA)	51.6%	46.2%	42.0%	31.3%	29.7%	24.6%
Transit Oriented Development Corridors (PDA)	37.1%	33.6%	24.0%	37.5%	34.3%	32.6%
West Oakland (PDA)	69.8%	63.3%	63.3%	31.3%	31.6%	35.1%
Remainder of City	6.9%	17.4%	11.3%	18.0%	3.5%	29.0%
Citywide Total - Oakland	38.2%	37.5%	30.0%	32.8%	30.0%	29.1%
Countywide Total - Alameda County	30.8%	31.7%	30.1%	29.5%	29.5%	31.4%
Regional Total - Nine-County Bay Area	29.6%	29.6%	29.6%	30.6%	30.6%	30.6%

Plan BayArea TARGETS SCORECARD

DECEMBER 2011

Scenarios were assessed to determine their impacts on the Bay Area. This table shows how each scenario performs with regard to the adopted Plan Bay Area performance targets.

TARGETS ▼	CLIMATE PROTECTION	ADEQUATE HOUSING	HEALTHY & SAFE COMMUNITIES					OPEN SPACE & AGRICULTURAL PRESERVATION	EQUITABLE ACCESS	ECONOMIC VITALITY	TRANSPORTATION SYSTEM EFFECTIVENESS				
	1 Reduce CO_2 emissions per person from cars and light-duty trucks	2 House projected regional growth	3E Reduce premature deaths from exposure to fine particulate emissions	3E Reduce coarse particulate emissions	3E Achieve greater particulate emissions reduction in highly-impacted areas	3E Reduce injuries and fatalities from all collisions	5 Increase the average daily time walking or biking per person	6 Direct new non-agricultural development within urban footprint	7 Reduce housing and transportation costs as share of low-income households' budgets	8 Increase Gross Regional Product (GRP)	9a** Increase non-auto mode share	9b Reduce vehicle miles traveled (VMT) per person	10a Improve local road pavement condition index (PCI)	10b Reduce share of distressed state highway lane-miles	10c** Reduce share of transit assets exceeding their useful life
NUMERIC GOALS* ▶	-15%	100%	-10%	-30%	Yes	-50%	+70%	100%	-10%	+90%	26%	-10%	+19%	-63%	-100%
SCENARIOS ▼	-15% ⟷ 0	0 ⟷ 100%	-40% ⟷ 0	-30% ⟷ 0		-50% ⟷ +50%	0 ⟷ 70%	0 ⟷ 100%	-10% ⟷ +10%	0 ⟷ +140%	0 ⟷ 26%	-10% ⟷ 0	0 ⟷ +19%	-63% ⟷ +63%	-100% ⟷ +150%
1 Initial Vision	-8%	100%	-23%	-6%		+26%	+15%	98%	-4%	131%	19%	-6%	+5%	+30%	+138%
2 Core Concentration	-8%	100%	-27%	-9%		+23%	+20%	92%	+8%	134%	20%	-6%	+5%	+30%	+138%
3 Focused Growth	-9%	98%	-32%	-13%		+19%	+14%	92%	+9%	113%	19%	-6%	+5%	+30%	+138%
4 Constrained Core Concentration	-9%	98%	-32%	-13%		+18%	+15%	92%	+9%	113%	19%	-7%	+5%	+30%	+138%
5 Outward Growth	-8%	98%	-31%	-11%		+20%	+10%	90%	+9%	113%	18%	-5%	+5%	+30%	+138%

* Percent changes reflect differences between 2005 and 2035 conditions. ** Alternate target used. Target results shown with white stripes signify that result is going in the wrong direction with respect to the adopted target.

ATTACHMENT G

Plan BayArea EQUITY ANALYSIS SCORECARD

DECEMBER 2011-REV. 12/9/11

Scenarios were assessed for equity based on five measures chosen to reflect key regional equity issues. This table shows how each scenario performs for both the region's communities of concern and the rest of the region.

MEASURES ▼	1 HOUSING AND TRANSPORTATION AFFORDABILITY Share of income spent on housing and transportation costs		2 DISPLACEMENT RISK Share of today's overburdened-renter households at risk for displacement based on future growth patterns		3 VMT DENSITY Average daily miles of vehicle travel per square kilometer in residential and commercial areas near major roadways*		4 NON-COMMUTE TRAVEL TIME Average travel time in minutes for shopping, visiting, recreation, etc.		5 COMMUTE TIME Average commute travel time in minutes	
	Households less than $38K/year (2010$)	*Households more than $38K/year (2010$)*	*Communities of Concern*	*Remainder of Region*	*Communities of Concern*	*Remainder of Region*	*Communities of Concern*	*Remainder of Region*	*Communities of Concern*	*Remainder of Region*
BASE YEAR ▷	77%	41%	n/a	n/a	n/a	n/a	12.2	12.5	25.4	27.1
SCENARIOS ▼	10% ---- 100%	10% ---- 100%	0% -------- 50%	0% -------- 50%	0 --------- 3,200	0 --------- 3,200	0 ----------15	0 ----------15	0 ----------30	0 ----------30
1 Initial Vision	77%**	43%	38%	10%	2,900	1,000	12.8	13.1	28.5	28.7
2 Core Concentration	84%	44%	40%	10%	3,100	1,000	12.9	13.1	27.6	28.7
3 Focused Growth	85%	44%	35%	7%	2,900	1,000	12.7	12.9	27.3	27.7
4 Constrained Core Concentration	85%	44%	35%	7%	3,000	1,000	12.7	12.9	27.4	27.8
5 Outward Growth	85%	44%	30%	7%	2,800	1,100	12.5	12.8	27.3	27.8

* The location of "major roadways" is based on 2035 network volumes, so a base year comparison is not provided.

** ABAG revised the regional income forecast after completing the Initial Vision Scenario. Scenarios 2-5 have a greater number and share of low-income households.