October 4, 2016

Marin County Board of Supervisors
3501 Civic Center Drive
San Rafael, CA 94903

SUBJECT: Comments on the Draft Preferred Scenario for Plan Bay Area Update 2017

Dear Board Members:

RECOMMENDATION: Authorize staff to submit attached comment letter to the Metropolitan Transportation Commission and Association of Bay Area Governments.

SUMMARY:
The Association of Bay Area Government (ABAG) and the Metropolitan Transportation Commission (MTC) have recently released the Draft Preferred Scenario, an updated regional forecast for household and employment growth by the year 2040. These growth projections will be used to prepare the next update of Plan Bay Area, originally adopted jointly by ABAG and MTC in July 2013 (referred to below as the "current Plan Bay Area"). The growth numbers are projections, and should not be viewed as targets or mandates. The update of Plan Bay Area is expected to commence in November 2016 and be completed before the end of 2017, consistent with the four-year update schedule. This four-year update cycle is not tied to the State's next Regional Housing Needs Allocation (RHNA). Staff is recommending that MTC and ABAG staff reconsider some of the draft projections in light of the comments provided in this report.

Legislative Background

Plan Bay Area represents the Bay Area’s regional growth plan (the Sustainable Communities Strategy) required to comply with Senate Bill 375 (2008) and by extension the greenhouse gas reduction mandates of Assembly Bill 32 (2006).

Senate Bill 375 can be viewed as an anti-sprawl and air pollution laws intended to stem urban encroachment into remaining open space and agricultural lands, reduce auto use and lower associated greenhouse gas emissions. The basic strategy for implementing these overarching goals is to focus future housing and employment growth in areas close to transit, services and amenities. The Bay Area’s long-range Regional Transportation Plan, which identifies transportation investment strategies administered regionally by MTC and locally by the Transportation Authority of Marin, is now integrated with ABAG’s Regional Housing Needs Allocation (RHNA) process that assigns housing targets to cities and counties.
While SB 375 and Plan Bay Area represent what may be the State Legislature's most concerted effort to date to create greater consistency between transportation funding and regional growth planning, the idea of focusing future development in a predetermined way is not new to Marin. For over 40 years, the County’s general plan (Marin Countywide Plan) has established a strong growth control strategy of directing future development to the more urbanized portion of the county where most development has occurred along Highway 101 and major arterial roadways such as Sir Francis Drake Boulevard (referred to as the City Center Corridor).

Relationship Between Current Plan Bay Area and Unincorporated Marin

The current Plan Bay Area directs most of the projected housing and jobs to the largest and most transit oriented employment centers in the Bay Area. Marin County as a whole has received approximately 1% of the Bay Area regional growth projection for future households.

The table below shows the current Plan Bay Area growth projections for jobs and households within the Unincorporated County between 2010 and 2040.

| Households | | | Employment | | |
|------------|------------|------------|
|            | 2010 | 2040 | Change | 2010 | 2040 | Change |
| Unincorp Co | 26,190 | 27,580 | 1,390 | 16,380 | 19,360 | 2,980 |
| Unincorp Co PDA | 4,290 | 4,810 | 520 | 2,260 | 2,960 | 700 |

The above data is aggregated to reflect MTC’s and ABAG’s forecast for total job and housing growth in the Unincorporated County as well as a subset of those numbers for the Unincorporated County Priority Development Area (PDA). (Priority Development Areas identify infill development opportunities consistent with local general plans and zoning.) The Unincorporated County PDA was reduced in size substantially on two separate occasions (July 9, 2013 and February 25, 2014) after approval of the first Plan Bay Area and is currently limited to a portion of the California Park area of unincorporated San Rafael and most of the Marin City community. (See Attachment 2).

Plan Bay Area 2040 Draft Preferred Scenario

The Draft Preferred Scenario was preceded by preliminary estimates of household and employment growth provided to planning officials throughout the region in late 2015 and informally to the public through a series of workshops (the Marin workshop was held in May 2016). The projections are derived from a computer model known as UrbanSim that analyzes a variety of transportation and land use regulation factors. Although UrbanSim is a sophisticated, state of the art modeling tool, it does not always provide a precise local forecast of future conditions.

The Draft Preferred Scenario released in August 2016 is shown in Table 2 and provides comparison to the current Plan Bay Area.
Table 2 Draft Preferred Scenario for Marin County

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<thead>
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<th>Households</th>
<th>Employment</th>
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<td>2040</td>
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Issues

Staff has identified the following issues regarding the above Draft Preferred Scenario projections for consideration as County comments to MTC and ABAG.

**Household Projection for Unincorporated County.** The Preferred Scenario projects 3,150 new households for the unincorporated county between 2010 and 20140, or an average of 105 new households per year. In contrast, review of the County’s annual Housing Element reports indicates that an average of 30 units of housing have actually been produced in the unincorporated county between 2010 and 2015. This annual average housing production number extrapolates to approximately 900 housing units over the 30 year (2010-2040) timeframe of Plan Bay Area. While expanding the supply of affordable housing is an important priority for the County, the recent post-recession trend of housing production suggests that the Draft Preferred Scenario projection for households in the Unincorporated County may outpace the actual number of new households developed in the Unincorporated County by 2040. For that reason, staff recommends retaining the projected number of new households for the unincorporated county (1,390) included in the current Plan Bay Area as opposed to the over 3,000 households presented in the Preferred Scenario.

**Households Projection for Unincorporated County PDA.** The Draft Preferred Scenario projects 550 new households for the Unincorporated County PDA, up from the 520 new households projected in the current Plan Bay Area. Although marginal, this upward adjustment does not on the surface correlate with a reduction in households one would expect to see with the substantial contraction of the PDA that occurred after the current Plan Bay Area was approved. Based on current land use plans and zoning for the PDA, staff recommends a lower household projection of 300 units, half of which are reflected by the Housing Overlay Designation for the Marin City Gateway Shopping Center. This comment does not address, nor would it affect, future plans for revitalization of the Golden Gate Village neighborhood.

**Job Growth for Unincorporated County.** Employment growth in the current Plan Bay area expands by 2,980 jobs for the Unincorporated County, from 27,450 to 30,600 jobs between 2010 and 20140. The employment projection increases to 3,850 new payroll and self-employed jobs in the Preferred Scenario. Staff examined the Draft Preferred Scenario through the local lens of information and data published in the Marin Economic Forum Economic Bulletin (2015). The Bulletin shows that Marin as a whole is projected to add roughly 8,000 new payroll jobs between 2015 and 2018 (this number excludes projected self-employed jobs). According to MEF, actual employment growth increased by 2,900 new jobs in 2015. Staff recommends that
MTC/AGAB staff consult with the Marin Economic Forum prior to finalizing the Preferred Scenario job growth projection.

**Job Growth for Unincorporated County PDA.** With respect to employment projections in the PDA, the 2010 base year figure of 650 jobs in the Preferred Scenario may not accurately reflect existing conditions. For example, the 2012 Economic Census of the United States indicates 321 employees in the Marin City Census Designated Place (staff is in the process of researching the availability of local data regarding the existing number of jobs in the Marin City community as a basis of comparison against the Draft Preferred Scenario and the Economic Census). While the PDA also includes California Park in unincorporated San Rafael, this particular area is primarily residential and does not have an employment base. Therefore, 650 base year jobs for the PDA appear to be excessive, which also calls into question the forecast for 750 jobs that are projected from the base year. However, the increment of 100 new jobs over the 30-year forecast period for Plan Bay Area appears more reasonable based on an optimistic assumption of economic growth in the Marin City community.

Overall, it is important to note that Marin's forecasted household and employment growth represents only 3.4 percent 2.9 percent, respectively, of the region's total growth at 2040. These figures are consistent with Marin's historical growth rate of approximately 1 percent per year.

**Next Steps**

MTC and ABAG expect to adopt a Revised Preferred Scenario this fall followed by the release of the Draft Plan Bay Area update and accompanying Draft Environmental Impact Report in the spring of 2017. Adoption of the final Update and certification of the EIR are scheduled for summer of 2017.

**FISCAL/STAFFING IMPACT:**
None.

**REVIEWED BY:**
- [ ] Auditor-Controller — N/A
- [x] County Counsel — N/A
- [ ] Human Resources — N/A

**SIGNATURE:**

Kristin Drumm  
Senior Planner

Brian C. Crawford  
Director

**Attachments:**

1. Draft comment letter to MTC and ABAG staff
2. Map of Unincorporated County Priority Development Area