

Advancing the Regional Housing Agenda

Commission Workshop

April 27, 2016

Calling the Bay Area Home February 2016 Event

Approach Relies on Three Key Strategies

- Build market rate and affordable units
- Protect those at risk of displacement
- Advocate for self-help solutions

Calling the Bay Area Home Event (video)

- Housing Forum: “Calling the Bay Area Home: Tackling the Housing Affordability and Displacement Challenge” — February 20, 2016



[Play video](#)

Bay Area's Housing Crisis

- Since 2010: 500,000 new jobs/
50,000 new housing units

San Francisco Chronicle

FRIDAY, APRIL 8, 2016

Bay Area home prices now higher than before the recession

by David R. Baker

For some, it's a reason to celebrate. For others, a cause of despair.

Bay Area home prices are now even higher than they were before the recession, according to data released Friday by the State Board of Equalization. The Bay Area is the only region in California to claim that distinction.

The median price of an existing, detached, single-family house in the Bay Area hit \$1.25 million in 2015, 7 percent above the peak in 2006. The median throughout all of California last year reached \$473,995, about 15 percent below the 2006 level.

"It's great that housing prices have recovered, and then some," said Fiona Ma, the board's chairwoman.

"However, it also highlights a critical need to assure affordable housing options are available to working families in the Bay Area."

Median single-family home prices in the Los Angeles area remain 18 percent below the 2006 level. In the Inland Empire, they are still 24 percent below

San Jose Mercury News

APRIL 28, 2015

Skyrocketing rents prompt Lafayette council to consider emergency moratorium on increases

by Jennifer Modenessi

LAFAYETTE — Spurred by a group of tenants facing skyrocketing rents and forced evictions, city leaders are eyeing a possible emergency moratorium on rent increases.

Lawmakers will discuss May 11 a temporary halt of rent hikes in response to complaints from residents of three downtown apartment complexes recently purchased by San Francisco real estate investment firm Sack Properties.

Should Lafayette pass a moratorium, it would be the first Contra Costa city to do so after Richmond failed to pass one earlier this year. Concord is the only city in the county with rent control, although it only applies to mobile home parks.

Lafayette residents say the new owner is increasing the rents as much as 90 percent, and other tenants out of their one-, two- and three-bedroom apartment homes. Some residents have received 90-day eviction notices. A number of families have already left.

While astronomical rent increases and tenant displacement are common in large Bay Area cities such as San Francisco and Oakland, they're also on the rise in the suburbs, including smaller, affluent cities such as Lafayette, where more than 20 percent of residents rent their homes.

Higher rents mean more calls for rent control, said Dean Preston, executive director of Tenants Together, an Oakland-based

"Increasingly, there are bigger institutional investors that are buying up properties and are pushing up the rents very rapidly," Preston said. "When you have soaring rents, it is natural that tenants are going to demand rent control."

According to the state's Department of Housing and Community Development, which oversees housing growth, many local governments successfully use rent control to maintain and promote affordable workforce housing.

"We consider it one of the avenues cities and counties have in their toolbox for promoting affordability," Evan Gerberding, an HCD spokeswoman, said in an email.

Sack Properties sent out letters in February informing tenants of the ownership change. First notices of rent increases went out to a being "phased in" to select apartments undergoing repairs and improvements. Kirby Sack, president and CEO, wrote in an email. The improvements include deferred maintenance, exterior paint and upgraded amenities and interior.

While she denied that tenants have served eviction notices, Sack acknowledged that nonrenewal notices for units that must be sent. Rents for the more than 100 apartments known as "1038 at Lafayette"

Stanley Middle School teacher Jennifer Sutherland says a potential \$500 per month rent hike on the three-bedroom apartment she shares with her 8-year-old twins will price her out. For others, the hike is even more dramatic.

Longtime resident Danila Loupy said she was surprised to receive a notice last week raising her monthly rent 90 percent. Loupy told lawmakers she has been paying a 7 to 10 percent increase every two years.

"The rent increase and the manner in which they're dealing with it is immoral," she said.

Some lawmakers expressed concern about the large rent increases, while also acknowledging the city would not be able to craft a rent control ordinance before some rent hikes and evictions take place.

"That seems completely beyond the pale to me. That's crazy," said Councilman Mike Anderson.

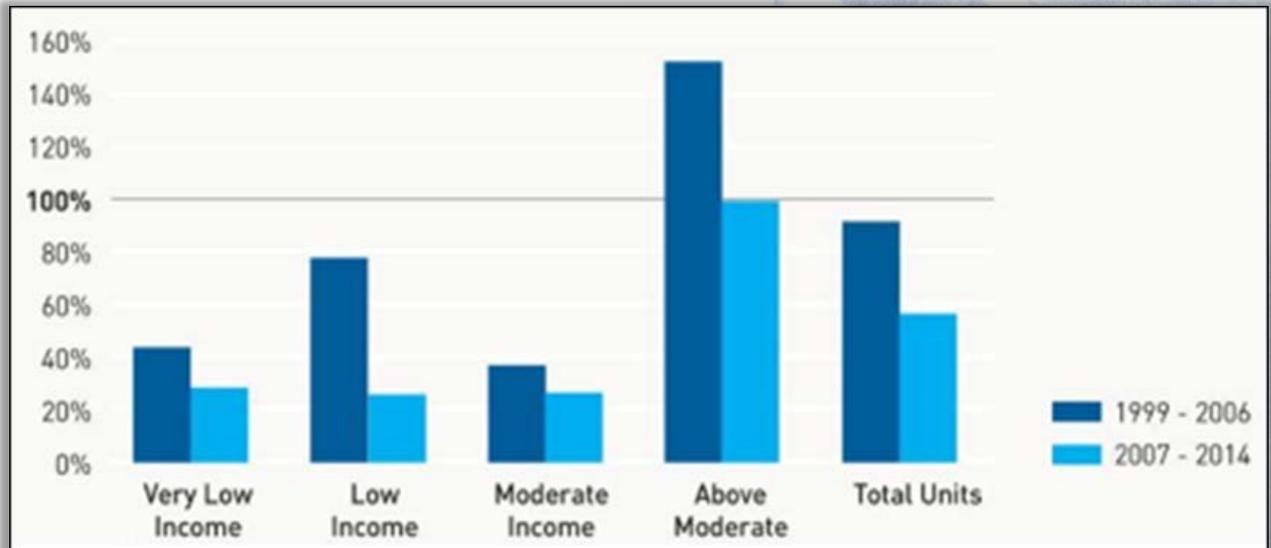
Councilman Don Torzini called for the emergency ordinance and asked city officials to meet with the property owner, whom residents say has refused to discuss the rent increases.

Landlords of smaller complexes also aired their views, asking the city not to penalize them for what they called an



Lagging Supply

- 35% of low & moderate homes permitted since 1999



- 125,000 low & moderate homes that were not permitted

Nation's highest hurdles for new construction

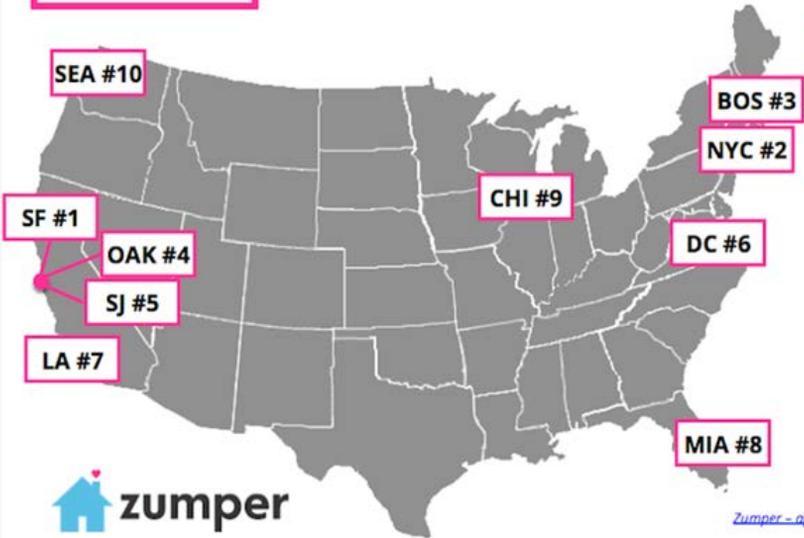
- Barriers to by-right development
- Loss of redevelopment funding
- CEQA used to impede infill development
- Extreme disconnect between location of jobs-housing



High Rents Put Tenants at Risk of Displacement

Top 10

1 Bedroom Median Rents – April 2016



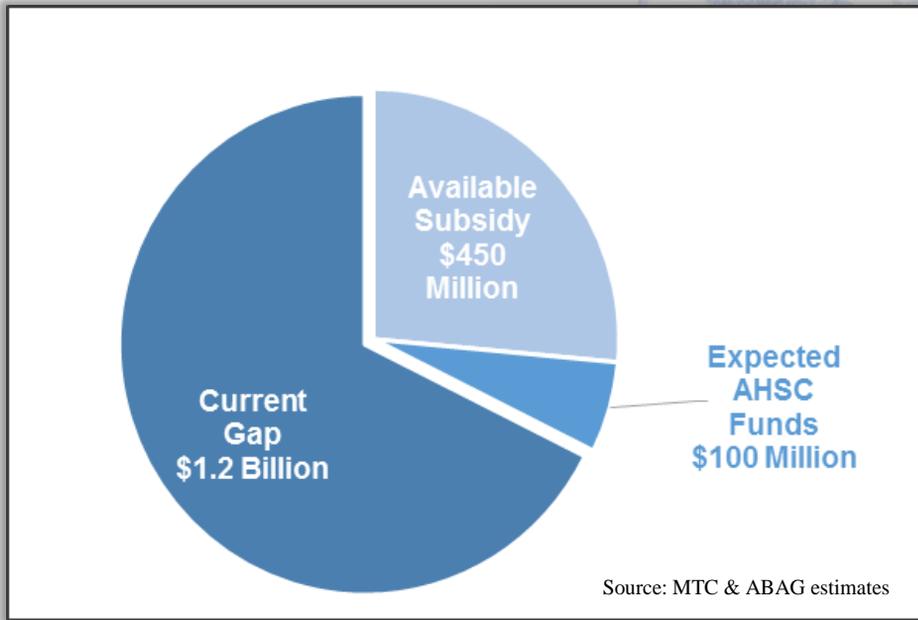
City	1 Bed Rent
San Francisco, CA	\$3,590
New York, NY	\$3,340
Boston, MA	\$2,310
Oakland, CA	\$2,280
San Jose, CA	\$2,270
Washington, DC	\$2,200
Los Angeles, CA	\$1,970
Miami, FL	\$1,900
Chicago, IL	\$1,790
Seattle, WA	\$1,750



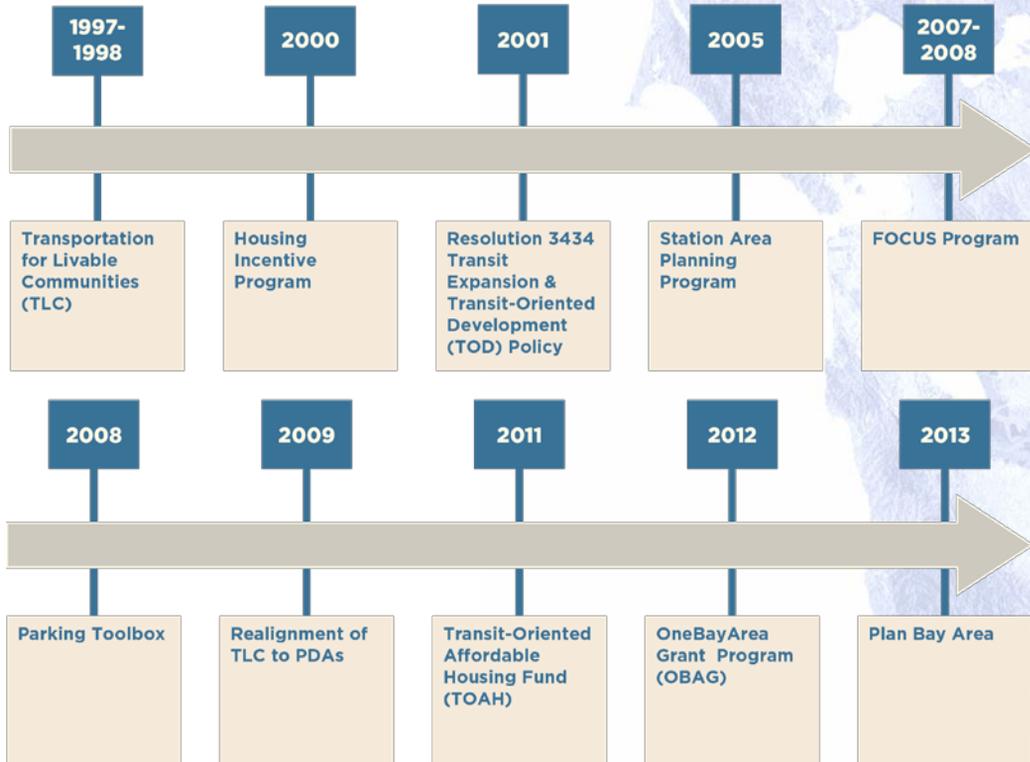
Zumper – apartment rental data. Median rents for all homes available or vacant in March 2016. Ranking based on median price of a 1 bedroom unit.

Housing's Funding Shortfall

Reflects loss of RDA and 80% of federal funding



MTC's Historic Housing Role: Focused but growing



Self – Help for Housing?

- Bay Area Self – Help for Transportation
 - 1990 - \$0 annually
 - 2016 - \$1 billion annually
 - County Sales Taxes & Vehicle License Fees
 - Regional Measure 2
- County Housing Bonds – One Time Funding
 - \$300 million – San Francisco (adopted)
 - \$500 million – Alameda (anticipated ballot fall 2016)
 - \$50 million – Oakland (anticipated fall ballot 2016)
- Should MTC develop a self-help housing strategy?



SHORT TERM OPPORTUNITIES COMMISSION FOLLOW-UP

Program Status

November 18, 2015

OBAG 2 adopted

MTC Resolution No. 4202

- Placeholder for potential affordable housing policies
- County CMA process delayed accordingly

December 4, 2015

FAST Act signed

New 5-year authorization



\$72 million in additional program revenues

June 2016

OBAG 2 Revisions

(tentative)

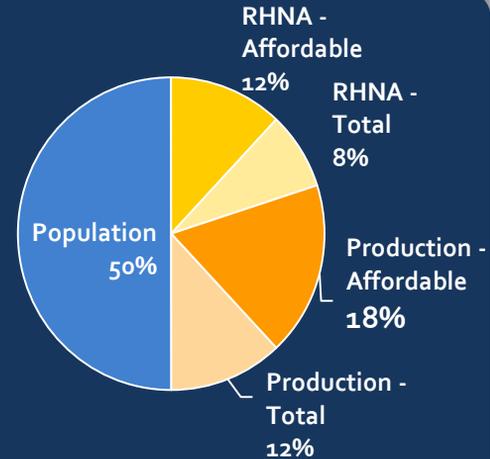
- Potential housing policies
- Distribution of FAST revenues
- Revise deadlines for County CMA process

OBAG 2 Overview

Program Funding

	OBAG 1	OBAG 2*
Regional Planning Activities	\$8	\$10
Pavement Management Program	\$9	\$9
Regional PDA Planning	\$20	\$20
Climate Initiatives Program	\$22	\$22
Priority Conservation Area (PCA)	\$10	\$16
Regional Operations Programs	\$184	\$170
Transit Priorities Program	\$201	\$189
County CMA Program	\$372	\$354
Regional Subtotal	\$454	\$436
County CMA Subtotal	\$372	\$354
Total OBAG Program	\$827	\$790

County Distribution



* As adopted on November 18, 2015.

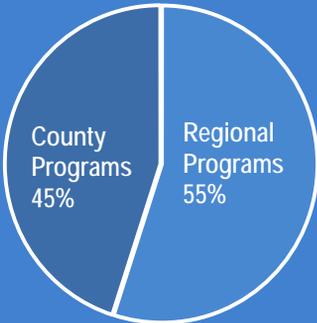
Millions \$, rounded

Additional FAST Revenue — \$72 million: Distribution Options

OBAG Framework

Stay the Course (Not Recommended)

Distribute \$72 million by
OBAG 2 framework



Option A.
Transportation Focus
Bay Bridge Corridor Capacity

Direct a portion of
\$72 million to address
core capacity constraints



Option B.
Housing Focus

Direct all
\$72 million to
support housing



A. Transportation Focus

Bay Bridge Core Capacity

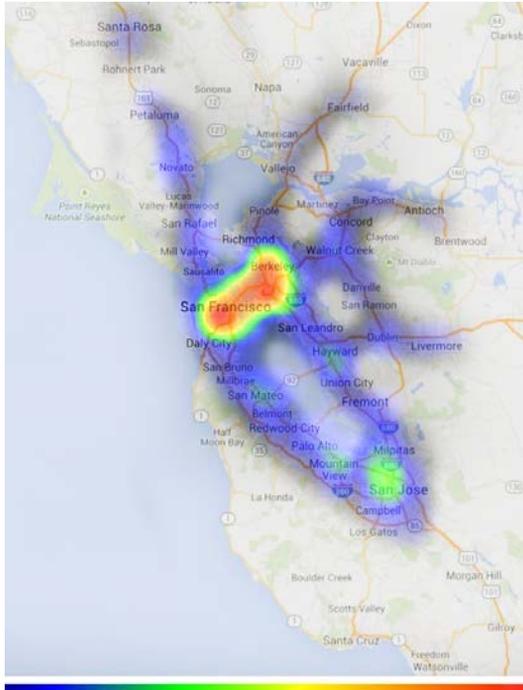
- ▶ Bridge is at maximum vehicle capacity in peak hours, but increasing vehicle occupancy can address growing demand
- ▶ Goal to increase *person* throughput [move more people in fewer cars]
 - **HOV improvements**
 - **Transit core improvements**
 - **Shared mobility services**
- ▶ Tie-in with Core Capacity Transit Study, Bay Area Express Lanes Network, All Electronic Tolling Study



Photo: Noah Berger

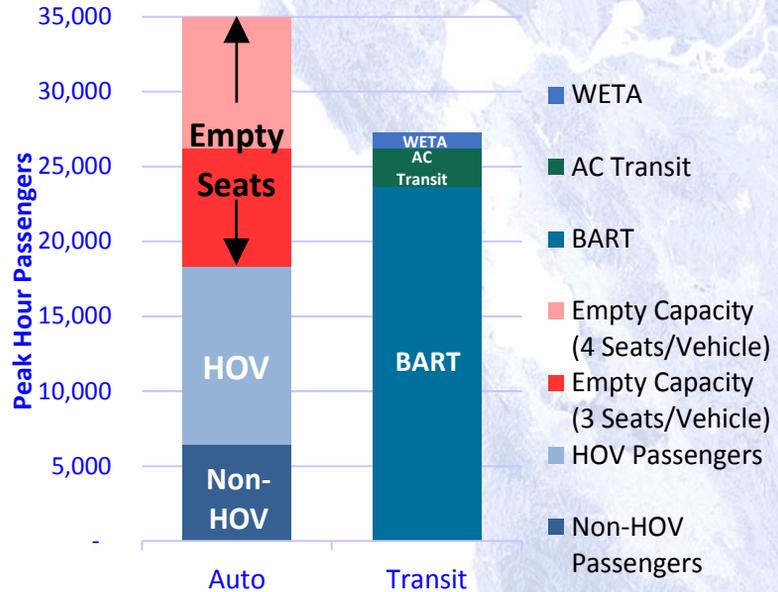
Opportunity: Utilize Empty Seats

Where do Bay Area residents experience the most traffic frustration?



Source: 2015 Bay Area Council Poll

Transbay WB Peak Hour



4 seats/vehicle → 48% seats are empty

16,000+ empty seats/hour = 70% of BART Tube Capacity

Source: BATA 2015, Caltrans 2014, MTC 2015

Bay Bridge Core Capacity Project

\$40 Million Near-Term Strategies

	Cost (\$M)*
Operational	\$20
1 West Grand HOV/Bus Only Lane	
2 Sterling St On-Ramp Express Lane	
3 Casual Carpooling	
4 Bridge Corridor Management Technologies	
Transit Core	\$19
5 Higher-Capacity Express Bus Fleets	
6 Pilot Express Bus Routes	
7 Transit-Focused Arterial	
8 Operational Improvements	
8 Commuter Parking	
Shared Mobility	\$1
9 Vanpooling	
10 Flexible, On-Demand Transit	
11 Shared Mobility (not shown)	
Total: \$40 M	

Existing Transbay Routes

*Preliminary estimate subject to further refinement



B. Housing Focus

Conceptual Approaches

- ▶ **Reward Jurisdictions**
Bonus for cities/counties (2015 – 2019)
- ▶ **Direct Investment**
Pilot preservation loan fund
- ▶ **Regulatory Approach**
Additional funds conditioned on adopted housing policies, affordable housing production, and/or current affordability



Photo: Bridge Housing, Armstrong Place

Moving Forward – OBAG 2 & Short-term

June 2016 (tentative)

Adopt OBAG 2 program revisions:

- Distribute additional FAST revenues (\$72 million)
- Address placeholder for affordable housing policies

Option A.
Transportation Focus
Bay Bridge Corridor Capacity



Option B.
Housing Focus



Decision on
Conceptual Approaches

- ▶ Reward/bonus for jurisdictions
- ▶ Direct investment (preservation fund)
- ▶ Regulatory Approach (condition funds on affordability factors)



MEDIUM TERM INITIATIVES WITHIN EXISTING AUTHORITY

Infrastructure Finance Fund

- Use BATA's approved investment policy
- Provide low interest infrastructure loans to support Infill projects consistent with Plan Bay Area





MEDIUM TERM INITIATIVES OUTSIDE EXISTING AUTHORITY

Regional Jobs-Housing Linkage Fee

- Establishes a fee on location inefficient commercial development
 - One time
 - Employer threshold TBD
- Fund affordable housing for low- and moderate- income households
- Fund TDM programs



Regional Housing Bond/Fee and Trust Fund

- Establish a Regional Housing Trust Fund
- Funding from Regional Housing Bond or Fee
- Provide a regional funding vehicle for new initiatives e.g. Jobs-Housing Linkage Fee



mechanisms and fund sources



1

Set Up an
Implementing
Mechanism

Regional
Housing
Trust Fund

Infrastructure
Financing
Fund



2

Identify Fund
Sources

Regional
Housing
Bond/
Fee

Local
Impact
Fees

Jobs-
Housing
Linkage
Fees

BATA
\$



3

Build Infrastructure
and Housing



Moving Forward — Medium-term

Potential Regional Housing Strategies	Potential Impact	Timeframe
Within MTC's Existing Authority		
Infrastructure Finance Fund	Medium	1 – 3 years
Outside MTC's Existing Authority: State Legislation and Voter Approval		
Regional Jobs-Housing Linkage Fee	High	2 – 5 years
Regional Housing Bond/Fee Program and Trust Fund	Medium	2 – 4 years

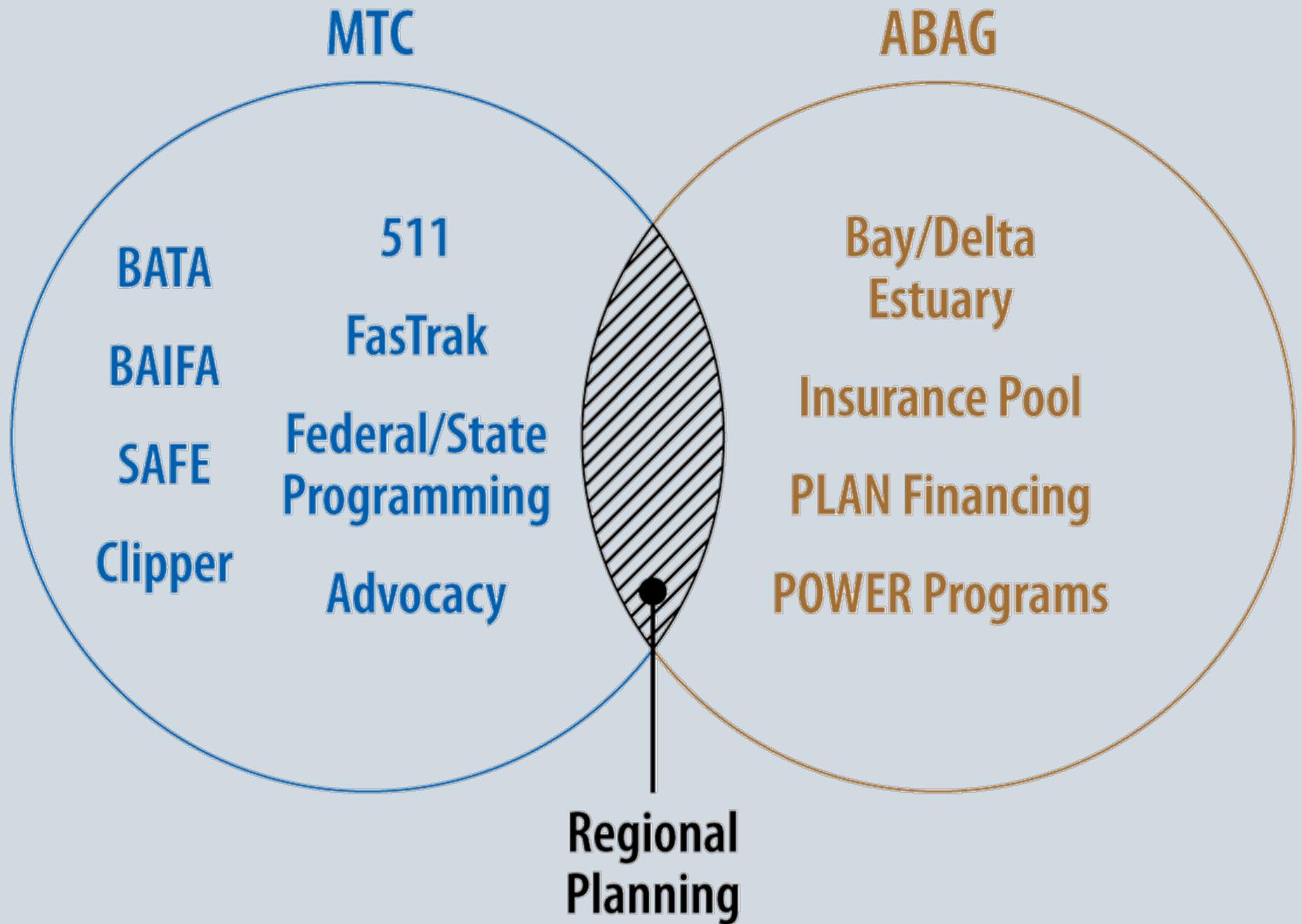


MTC/ABAG Merger Study

COMMISSION WORKSHOP

APRIL 27, 2016

Regional Planning Overlap



Three Problems – identified by consultant

1. Preparation of the region's sustainable community strategy to reduce greenhouse gases is statutorily split between two regional agencies.
2. Two agencies responsible for regional land use and transportation planning and associated services and programs are not formally linked by an integrated management, leadership, or policy structure.
3. ABAG's ongoing ability to implement its mission is compromised by its dependence on discretionary funding that will challenge its fiscal sustainability over the long run.

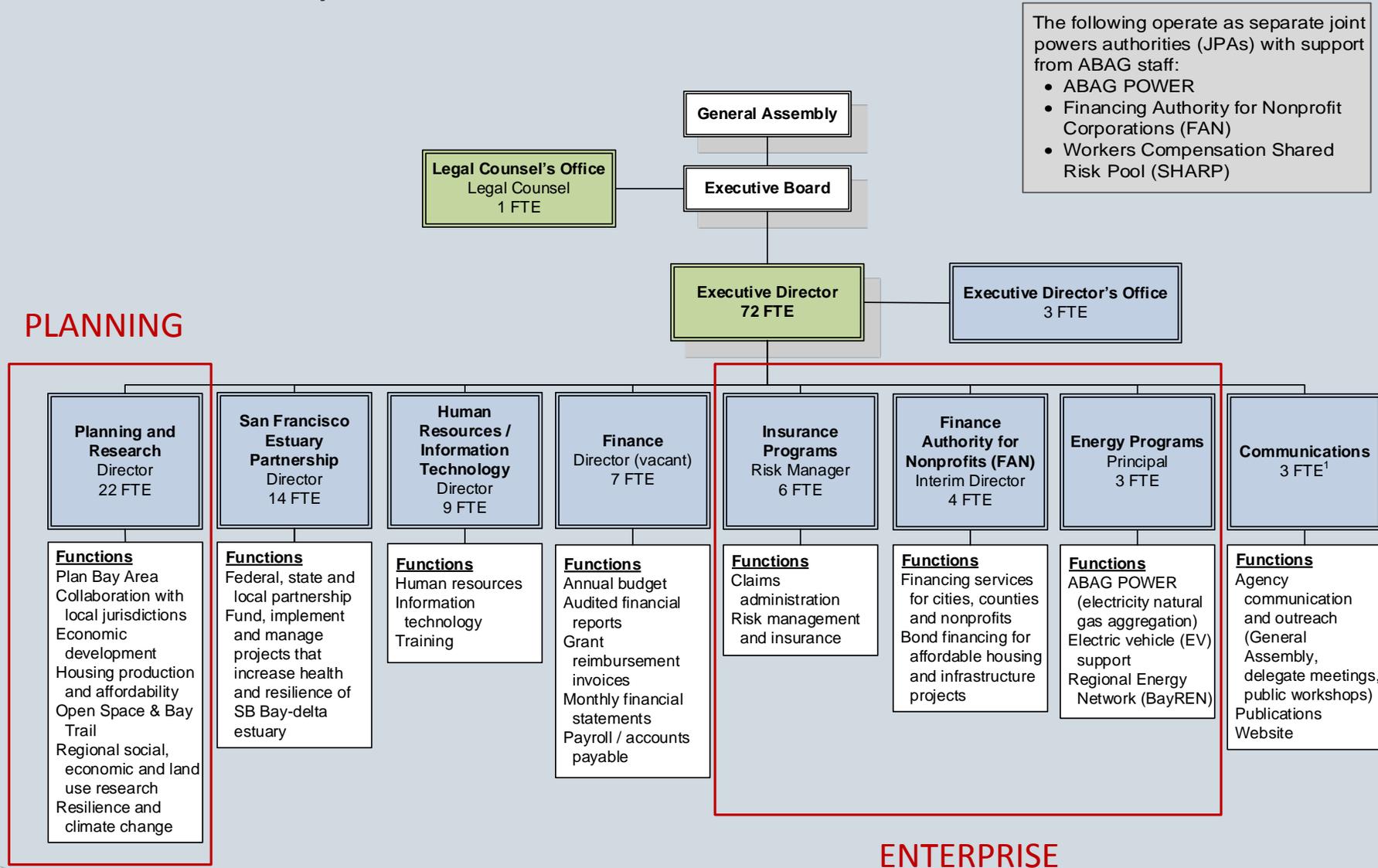
Overall Rankings

	Operational Effectiveness and Accountability	Transparency in Policy Decision Making	Core Service Delivery and Financial Sustainability	Ease of Implementation	Implementation Support
MTC Res 4210	7	5	3	10	4
Option 1. No structural change	3	3	7	10	5
Option 2. Independent planning director	6	5	6	10	5
Option 3. New JPA	6	5	6	6	5
Option 4. Create new agency	9	10	10	4	9
Option 5. Pursue comprehensive agency	9	10	10	1	9
Option 6. Consolidate all planning staff and create new agency	10	10	10	4	9
Option 7. Consolidate all staff and pursue new governance options	10	7	10	4	8

Caveats

- Rough cut – needs further analysis
- Reflects only limited involvement by ABAG staff
- Financial issues only – organizational, labor, other issues to follow

Functional Organization Chart: Association of Bay Area Governments

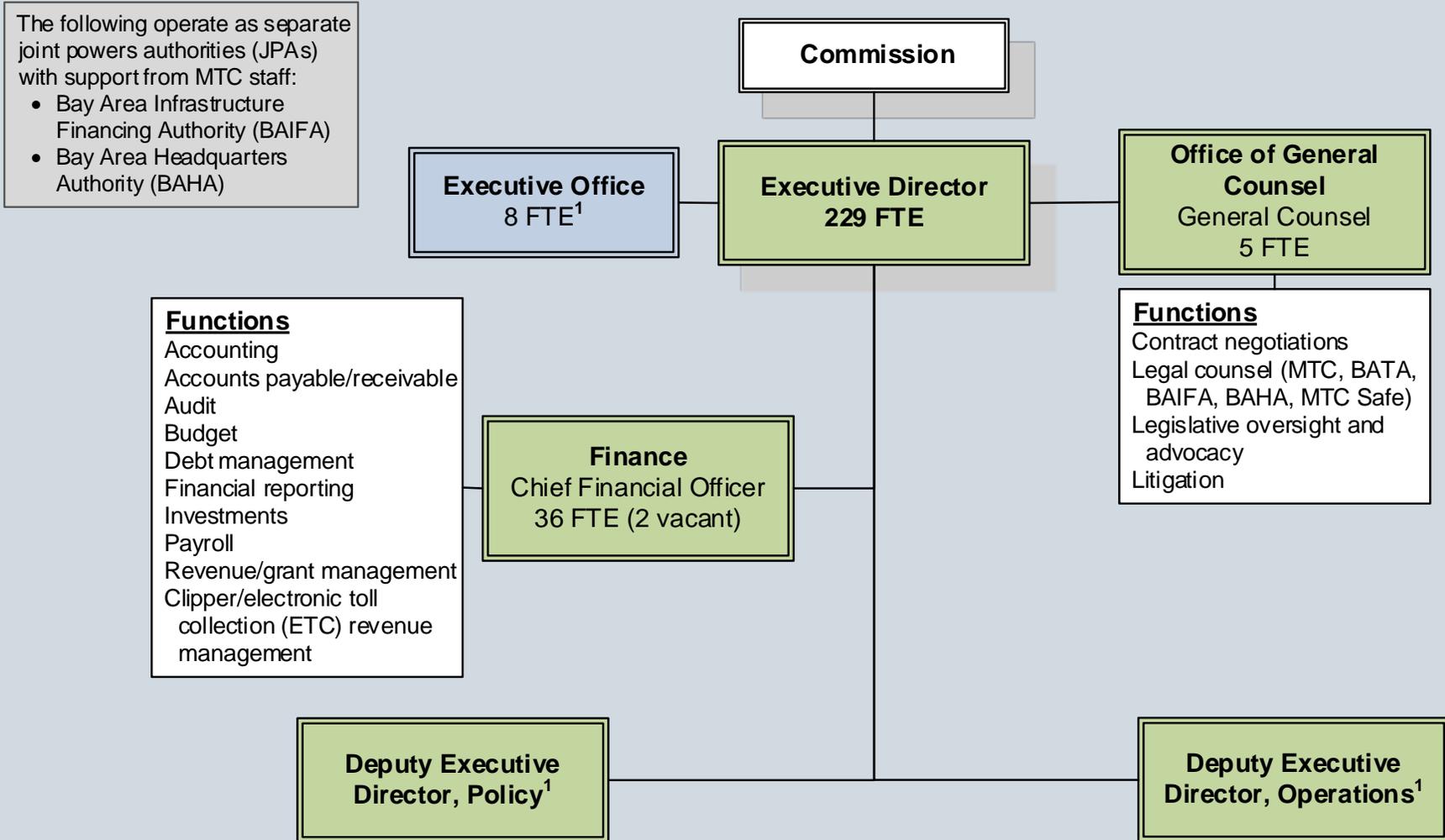


The following operate as separate joint powers authorities (JPAs) with support from ABAG staff:

- ABAG POWER
- Financing Authority for Nonprofit Corporations (FAN)
- Workers Compensation Shared Risk Pool (SHARP)

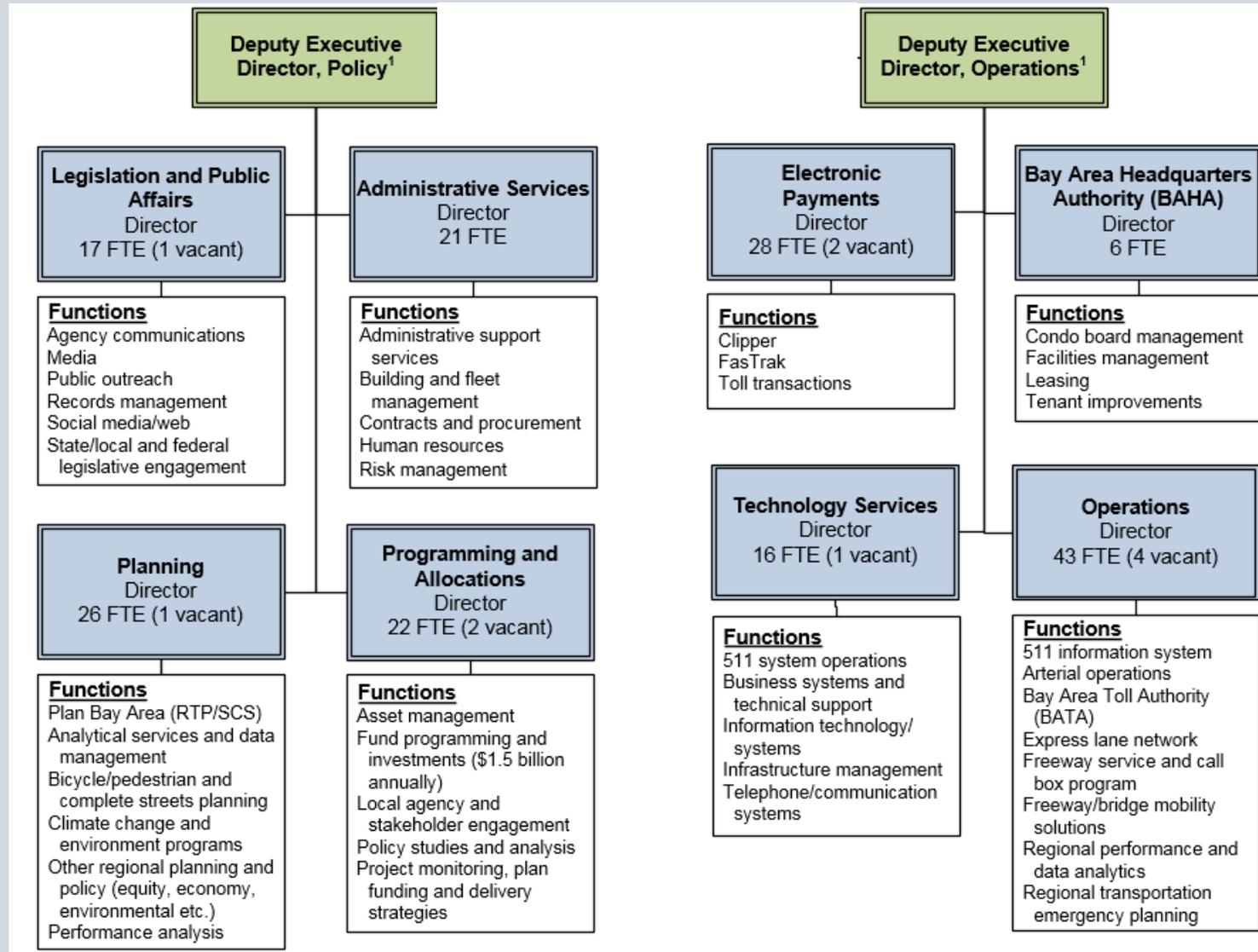
¹The Deputy Executive Director position is allocated to the Executive Director's Office, but supervises the Communications team (3 FTE)

Functional Organization Review: Metropolitan Transportation Commission



¹Both Deputy Director positions are included in the total FTE count for the Executive Office

Functional Organization Review: Metropolitan Transportation Commission (continued)



¹Both Deputy Director positions are included in the total FTE count for the Executive Office

2014 Funding Framework

Manageable Structural Shortfall

(\$ in millions)

ABAG Revenues:	<u>14-15</u>	<u>15-16</u>	<u>16-17</u>	<u>17-18</u>	<u>18-19</u>	<u>19-20</u>	<u>20-21</u>	<u>21-22</u>
Total MTC Revenues	4.32	4.44	5.07	5.19	5.27	5.34	5.41	4.89
Other Revenues	33.71	22.71	53.15	54.21	55.30	56.40	57.53	58.68
Total	38.03	27.16	58.22	59.40	60.56	61.74	62.94	63.57
ABAG Expenses:								
Planning & Research	5.01	5.13	5.51	5.69	5.86	6.02	6.15	6.27
Other Programs	32.18	21.97	52.71	53.90	55.01	56.13	57.25	57.78
Total	37.19	27.11	58.22	59.59	60.87	62.15	63.39	64.05
Personnel (Direct+Indirect)	11.37	11.59	11.83	12.24	12.58	12.91	13.18	13.44
Consultant Services	14.16	10.78	28.25	28.81	29.39	29.97	30.57	31.18
Pass-Through	9.48	2.45	15.76	16.12	16.43	16.74	17.07	16.79
Other Expense	2.17	2.29	2.38	2.43	2.48	2.53	2.58	2.63
Total	37.19	27.11	58.22	59.59	60.87	62.15	63.39	64.05
ABAG Balance:								
Net Revenue (Expense)	0.85	0.05	-	(0.19)	(0.31)	(0.41)	(0.45)	(0.48)
Available Fund Balance	1.84	1.89	1.89	1.71	1.40	0.99	0.54	0.06
GASB 68 Pension Liability	(11.83)	(11.43)	(11.04)	(10.65)	(10.25)	(9.86)	(9.46)	(9.07)
Avail Balance After GASB 68	(9.98)	(9.54)	(9.15)	(8.94)	(8.85)	(8.87)	(8.93)	(9.01)

- GASB 68 does not affect cash; reflects present value of unfunded pension liability; assumes liability amortized over 30 years

MTC Resolution 4210

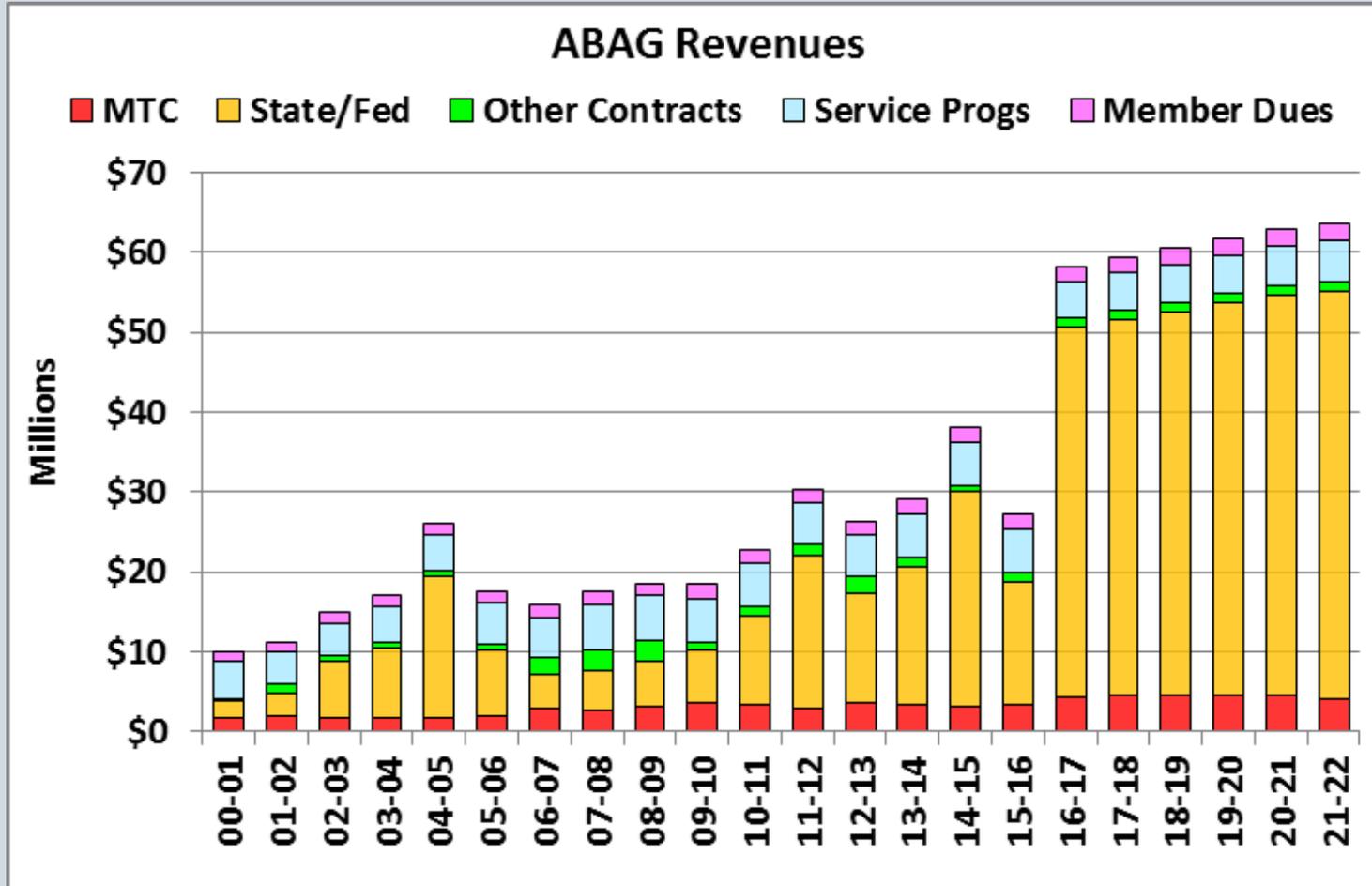
Balance Decline Accelerates, Deficit in 4 Years

	(\$ in millions)							
	<u>14-15</u>	<u>15-16</u>	<u>16-17</u>	<u>17-18</u>	<u>18-19</u>	<u>19-20</u>	<u>20-21</u>	<u>21-22</u>
ABAG Revenues:								
Total MTC Revenues	4.32	4.44	2.47	2.54	2.55	2.57	2.58	0.80
Other Revenues	33.71	22.71	53.15	54.21	55.30	56.40	57.53	58.68
Total	38.03	27.16	55.62	56.75	57.85	58.97	60.11	59.48
ABAG Expenses:								
Planning & Research	5.01	5.13	3.35	3.49	3.61	3.73	3.82	3.91
Other Programs	32.18	21.97	52.71	53.90	55.01	56.13	57.25	57.78
Total	37.19	27.11	56.06	57.38	58.62	59.87	61.07	61.68
Personnel (Direct+Indirect)	11.37	11.59	9.76	10.12	10.43	10.72	10.95	11.18
Consultant Services	14.16	10.78	28.25	28.81	29.39	29.97	30.57	31.18
Pass-Through	9.48	2.45	15.76	16.12	16.43	16.74	17.07	16.79
Other Expense	2.17	2.29	2.29	2.33	2.38	2.43	2.48	2.52
Total	37.19	27.11	56.06	57.38	58.62	59.87	61.07	61.68
ABAG Balance:								
Net Revenue (Expense)	0.85	0.05	(0.44)	(0.63)	(0.77)	(0.90)	(0.95)	(2.20)
Available Fund Balance	1.84	1.89	1.46	0.82	0.05	(0.84)	(1.80)	(4.00)
GASB 68 Pension Liability	(11.83)	(11.43)	(11.04)	(10.65)	(10.25)	(9.86)	(9.46)	(9.07)
Avail Balance After GASB 68	(9.98)	(9.54)	(9.58)	(9.82)	(10.20)	(10.70)	(11.26)	(13.07)

- GASB 68 does not affect cash; reflects present value of unfunded pension liability; assumes liability amortized over 30 years

2014 Funding Framework

ABAG Revenue Structure



- Major growth in state/federal grants (estuary and energy grants); assumes continuation for several years
- Much of these grants are consultant costs and pass-through, but also support various staff

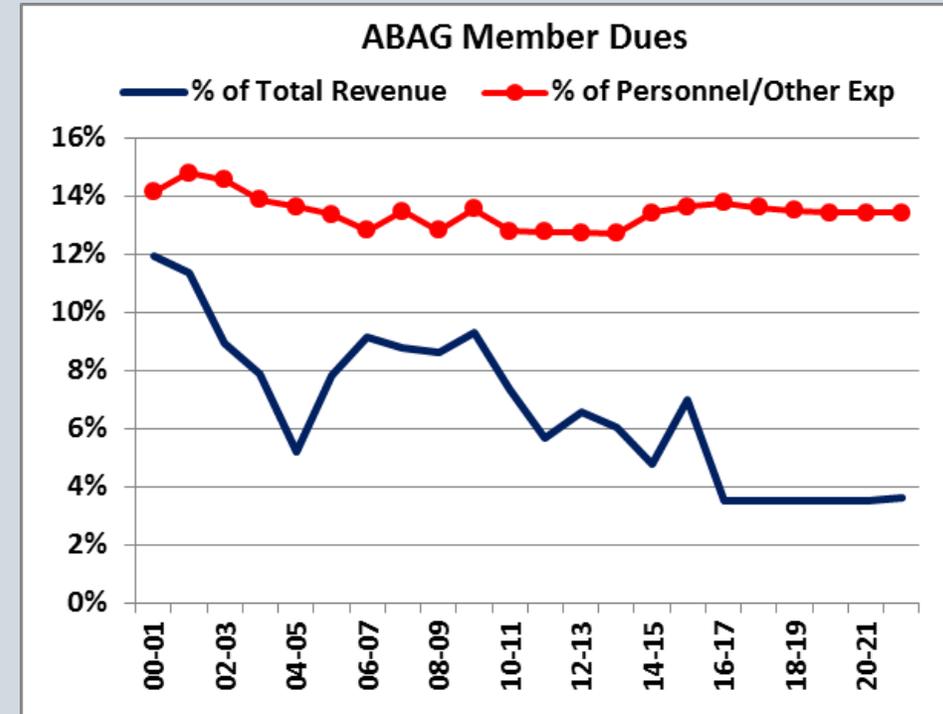
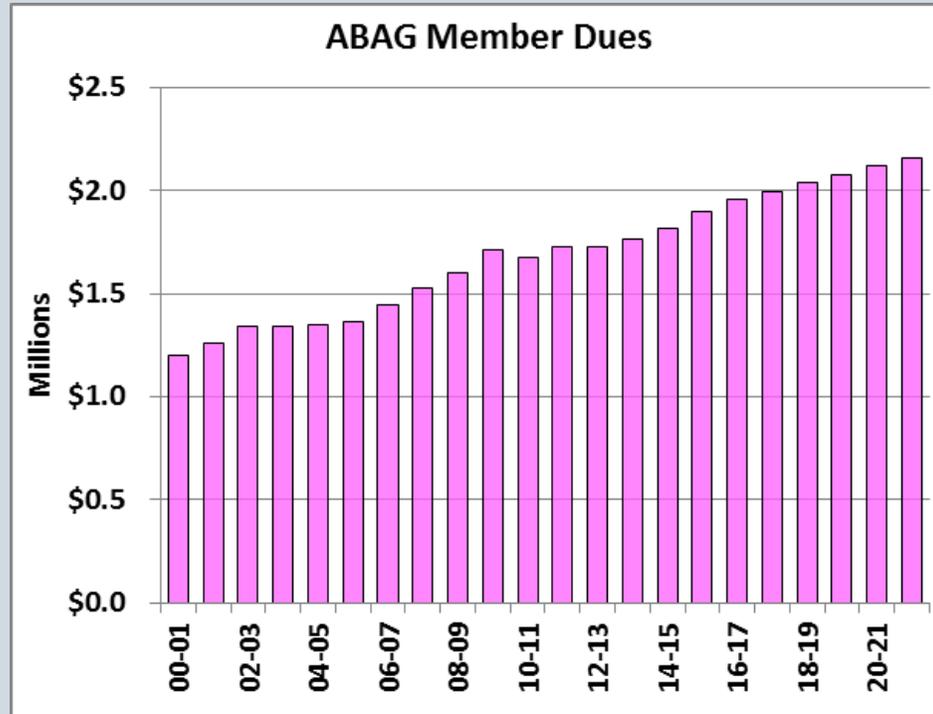
2014 Funding Framework

Total Cost and Funding of ABAG Planning Function

	(\$ in millions)							
ABAG Planning Function:	<u>14-15</u>	<u>15-16</u>	<u>16-17</u>	<u>17-18</u>	<u>18-19</u>	<u>19-20</u>	<u>20-21</u>	<u>21-22</u>
Total Planners (22 FTE)	3.36	3.45	3.70	3.82	3.93	4.04	4.13	4.21
Other Costs @4%	0.13	0.14	0.15	0.15	0.16	0.16	0.17	0.17
Subtotal	3.50	3.58	3.85	3.98	4.09	4.20	4.29	4.38
Indirect Costs @44.95%	1.51	1.55	1.66	1.72	1.77	1.82	1.86	1.89
Total	5.01	5.13	5.51	5.69	5.86	6.02	6.15	6.27
Planning Revenue Sources:								
MTC Sources	3.69	3.74	3.80	3.86	3.91	3.97	4.03	4.09
Other Revenue Sources	1.32	1.39	1.72	1.84	1.95	2.05	2.12	2.18
Total Sources	5.01	5.13	5.51	5.69	5.86	6.02	6.15	6.27
MTC Share of Funding	74%	73%	69%	68%	67%	66%	66%	65%

- MTC covers most, but not all, of ABAG planners' costs
- Planners charge time to various projects

Relative Importance of Dues



- Current dues plan increases rates annually by CPI
- Revising plan would require vote of ABAG Assembly (majority of a majority of 110 members voting)
- Dues lower as % of total revenues, but steady at 13% of personnel/ other expense

Near-Term MTC Budget Impact: Resolution 4210

Financial Considerations	Annual Cost/Revenue (in Million \$s)
EXPENSE	
Salary Increase	2.3
Annual OPEB Increase	0.3
Supplies/Equipment	0.1
Transition Payment*	1.2
ABAG TIs*	0.6
Subtotal	4.4
REVENUE	
MTC Funding Framework Commitment**	3.8
Gain/(Loss)	(0.6)

* Through
FY2020-21

** \$0.6M Prop. 84
eliminated

Near-Term MTC Budget Impact: Option 7

Financial Considerations	Annual Cost/Revenue (in Million \$s)
EXPENSE*	
Salary Base	11.4
Salary Increase	1.1
Annual OPEB Increase	1.0
Supplies/Equipment	0.1
Subtotal	13.6
REVENUE*	
Funding Framework	3.8
BATA Bay Trail	0.8
Member Dues	1.9
OH Reimbursement	3.2
Other Staff Grants (est.)	1.8
Subtotal	11.5
Gain/(Loss)	(2.1)

- Financial mitigations could offset near-term annual deficit

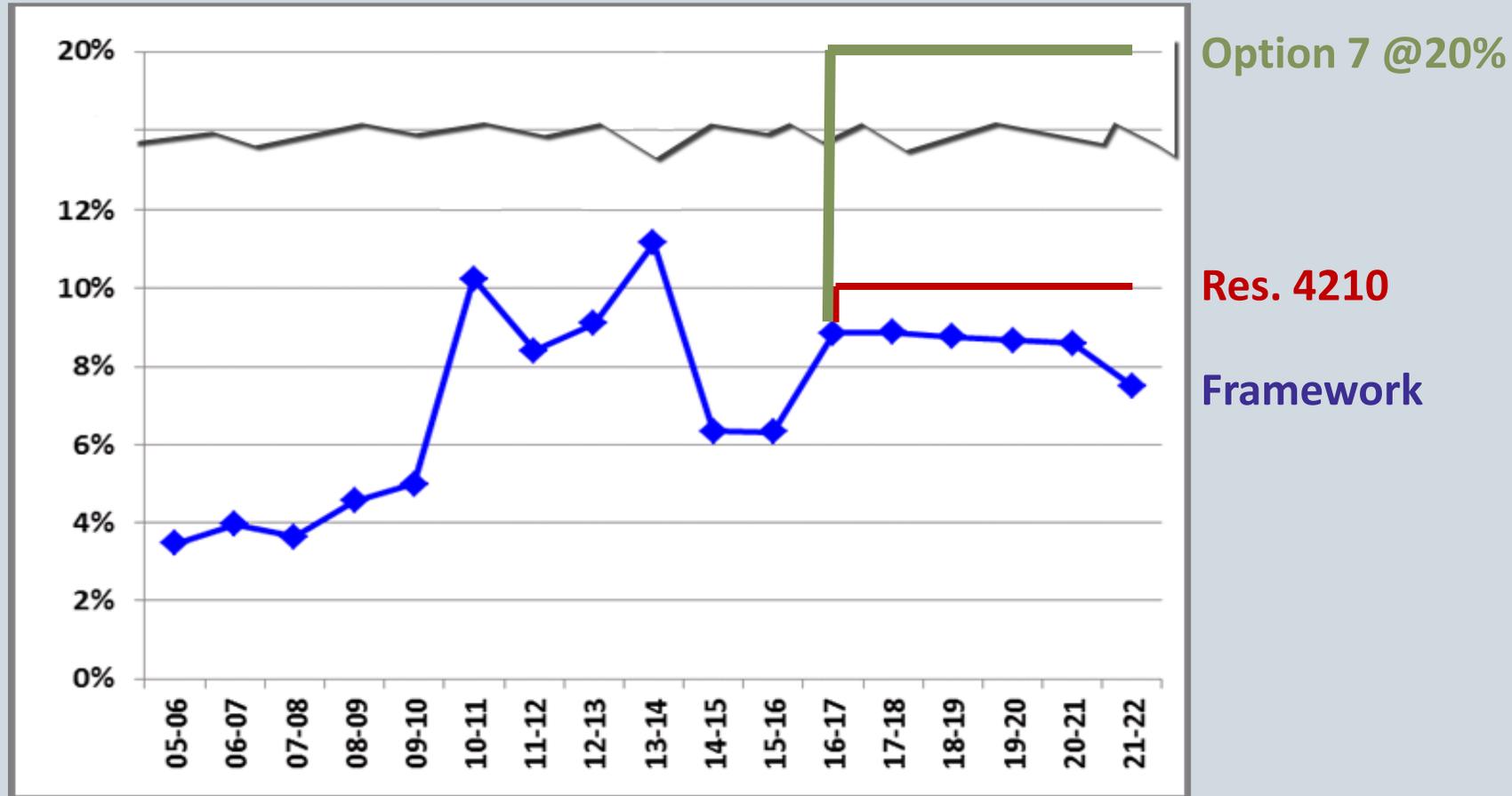
* Assumes TI obligation to BATA is forgiven

Long-Term MTC Liabilities: PERS and OPEB Considerations

- From a modest increase to a full transfer of pension and retiree health benefit costs

Liability	Resolution 4210		Option 7	
	ABAG	MTC	ABAG	MTC
PERS	\$11,357,673	—	(\$11,357,673)	\$11,357,673
OPEB	(888,514)	888,514	(\$4,921,000)	\$4,921,000
MARA to OPEB	—	2,207,735	—	\$6,113,728
TOTAL BALANCE SHEET CHANGE	\$10,469,159	\$3,096,249	(\$16,278,673)	\$22,392,401
% FUNDED	66%	76%	N/A	68%
Annualized Change		400,978		2,762,000

ABAG Cost as % of MTC Total Expense



- ABAG costs (planning & tenant improvements) average around 8% of total MTC expense in recent years

Option 7 Risks

- Dues revenues
- Grant funding
- Undisclosed/unforeseen liabilities

Recommended Next Steps

- Comprehensive Financial Review:
 - Supplement joint staff analysis with an independent integration audit
- ABAG Action Plan:
 - ABAG develops and recommends plan to avoid imposing undue costs on MTC

Plan
Bay Area
2040

PROJECT PERFORMANCE ASSESSMENT: DRAFT RESULTS & KEY FINDINGS

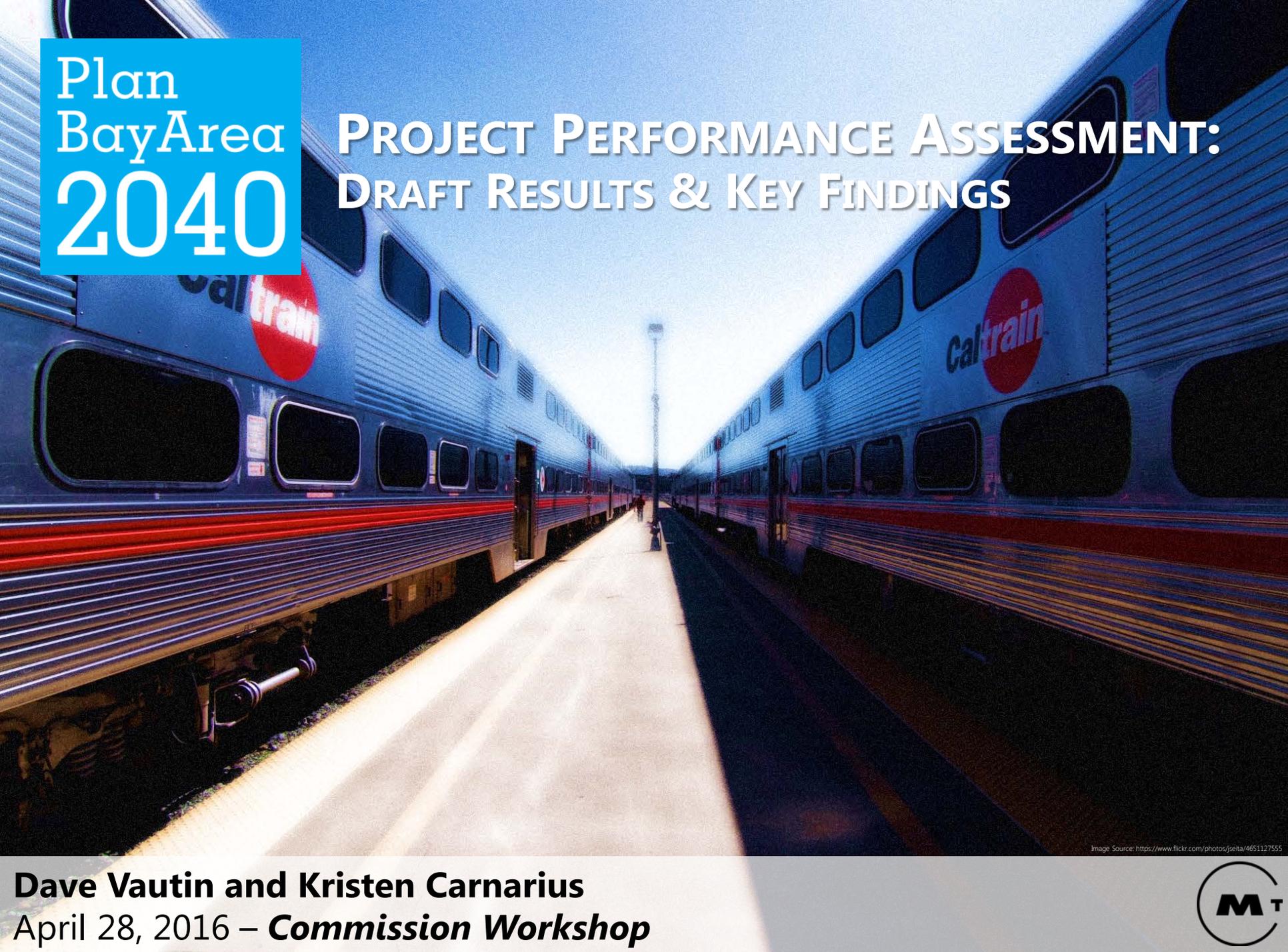


Image Source: <https://www.flickr.com/photos/jetta/4651127555>

Dave Vautin and Kristen Carnarius
April 28, 2016 – ***Commission Workshop***



What's the role of project performance?

Plan
BayArea
2040

To inform a robust dialogue about regional priorities and trade-offs in a fiscally-constrained environment

To evaluate proposed transportation investments on **a level playing field** using the same methodologies

To understand how specific projects support – or adversely impact – **targets adopted by the Commission**



The Big Picture

Plan
BayArea
2040

**MAJOR CAPITAL PROJECTS
PERFORMANCE ASSESSMENT**

**STATE OF GOOD REPAIR
PERFORMANCE ASSESSMENT**

**Regional Transportation Plan
INVESTMENT STRATEGY**

**SCENARIO
PERFORMANCE ASSESSMENT**

NEEDS ASSESSMENTS

COUNTY PRIORITIES

How do we evaluate projects?

Rely upon the framework established in Plan Bay Area.

- 1 Consistently evaluate uncommitted major transportation investments
- 2 Identify **outliers** in performance
- 3 Prioritize funding for high-performing projects



Which projects?

Does the project...

- ✔ Need regional funding AND
- ✔ Cost more than \$100M AND
- ✔ Increase capacity or address state of good repair?

If so, then the project is evaluated as part of the performance assessment!



Road Efficiency



Transit Efficiency

Transit Expansion



Road Expansion



Regional Transit Maintenance

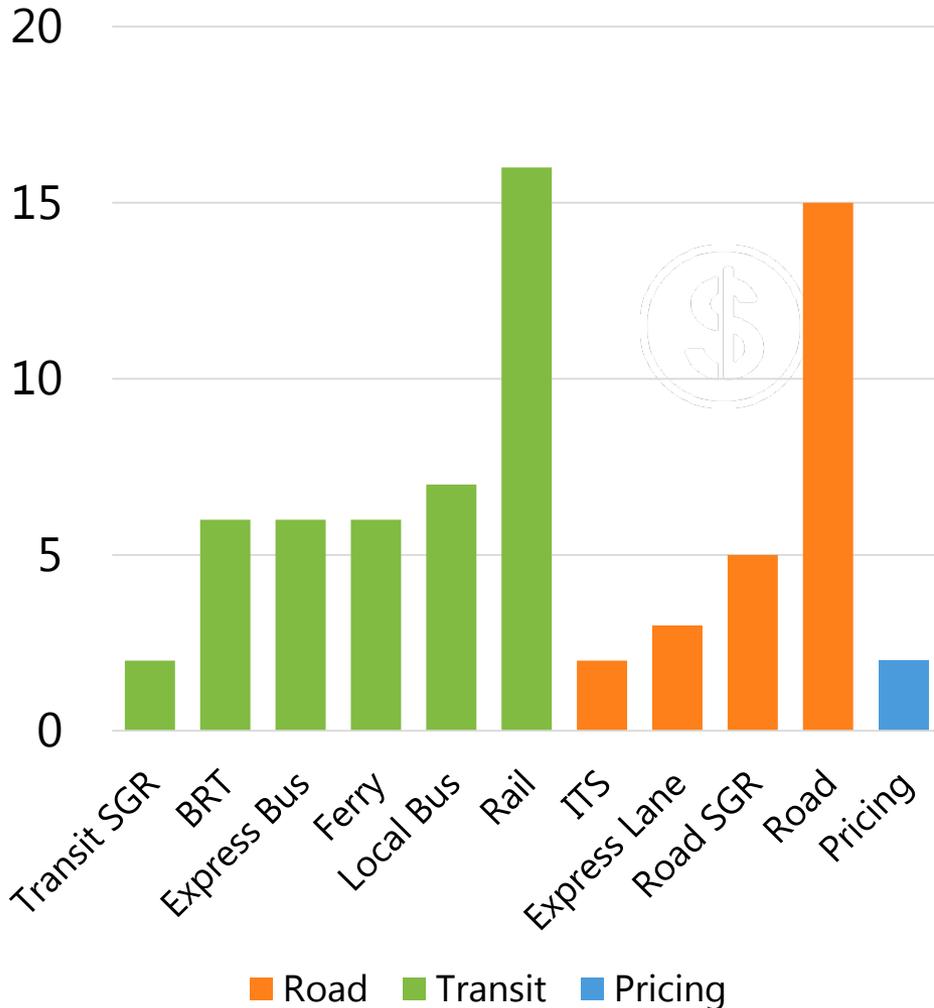


Regional Road Maintenance

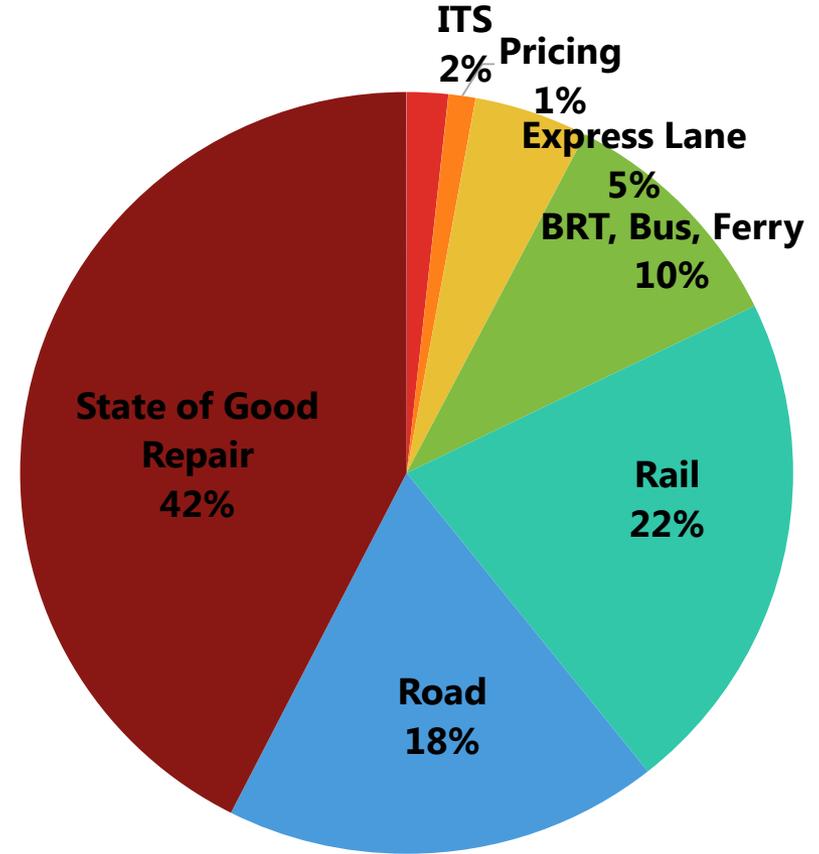


Project Performance List

Number of Projects by Type
(total ~ 70)



Project Cost by Type



Total Cost = \$115 billion



TARGETS ASSESSMENT

*Assessed qualitatively using
targets scores*

Determine impact on adopted
targets

BENEFIT-COST ASSESSMENT

*Assessed quantitatively using
MTC Travel Model*

Evaluate relative cost-
effectiveness



TARGETS ASSESSMENT

Assessed qualitatively using target scores



Climate Protection



Affordable Housing



Non-Auto Mode Share



Adequate Housing



Displacement Risk



Road State of Good Repair



Healthy & Safe Communities



Access to Jobs



Transit State of Good Repair



Open Space & Agricultural Preservation



Job Creation



Housing & Transportation Costs



Goods Movement

Maximum score:

13

if the project supports all 13 targets strongly



BENEFIT – COST ASSESSMENT

Assessed quantitatively using MTC Travel Model One

Plan
BayArea
2040

Benefits (\$)

Travel time + cost

Emissions

Collisions

Health

Costs (\$)

Capital

Net operating & maintenance

Key Assumptions:

- Baseline transportation network ~ 2018
- Adopted 2040 land pattern from Plan Bay Area

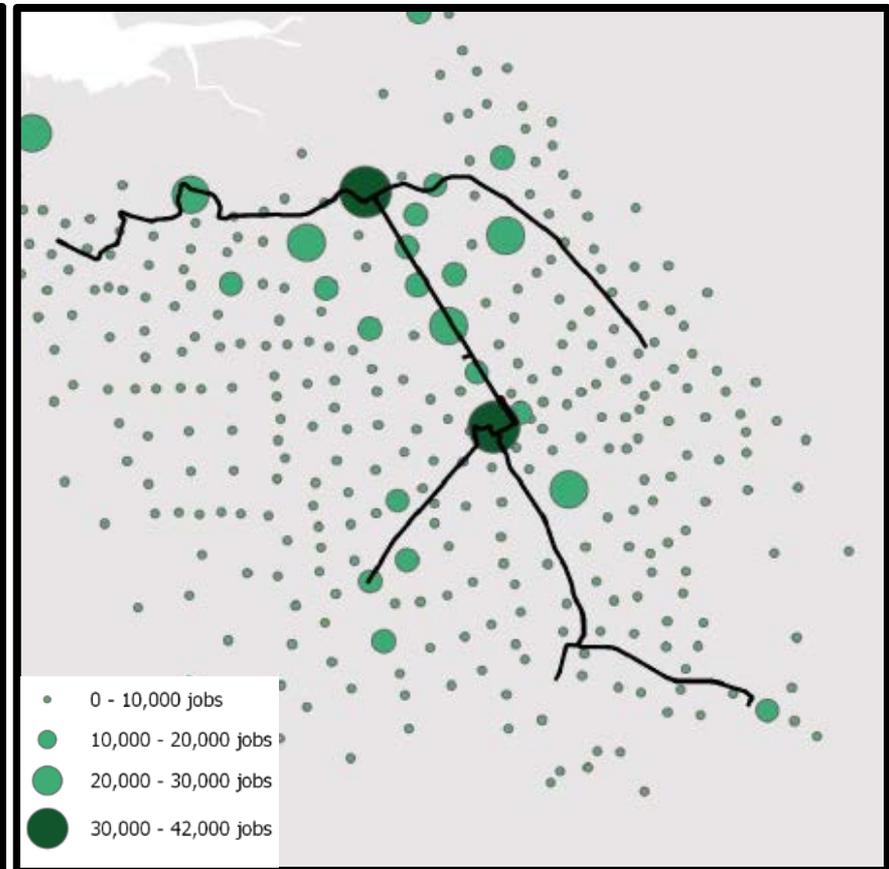
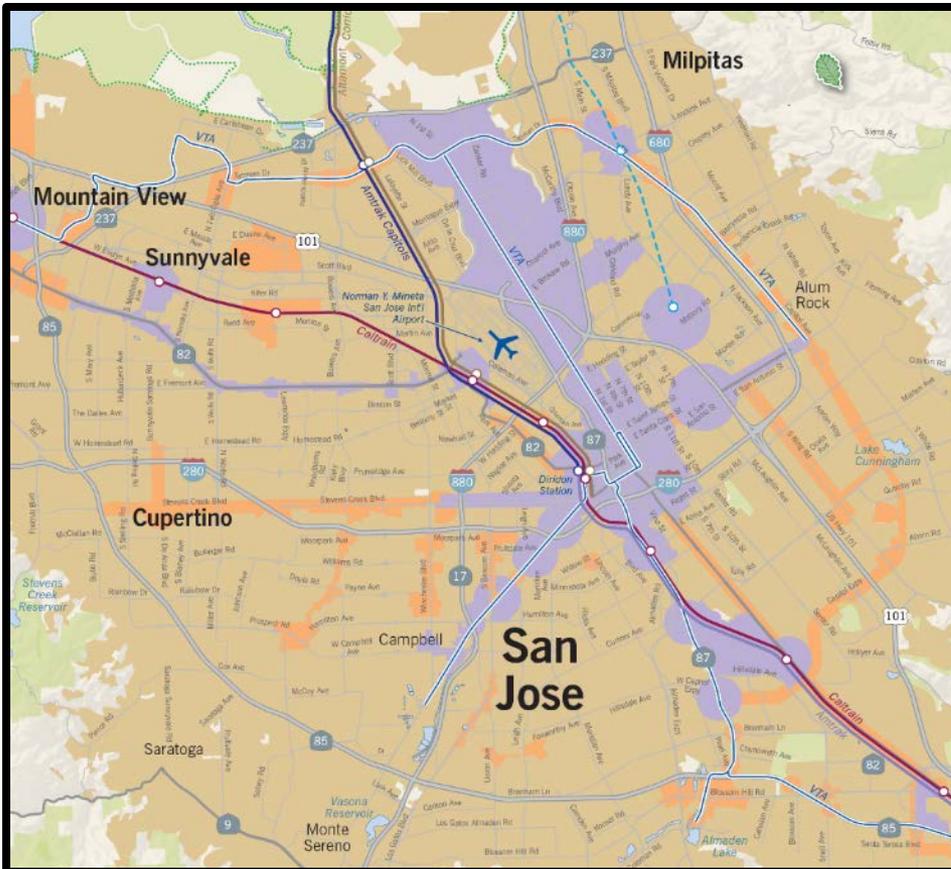


The Bay Area in 2040

From Plan Bay Area:

Almost **40%** of the **jobs** and **housing units** added from 2010 to 2040 will be in the region's 3 largest cities: **San Jose, San Francisco, and Oakland**

San Jose job distribution in year 2040



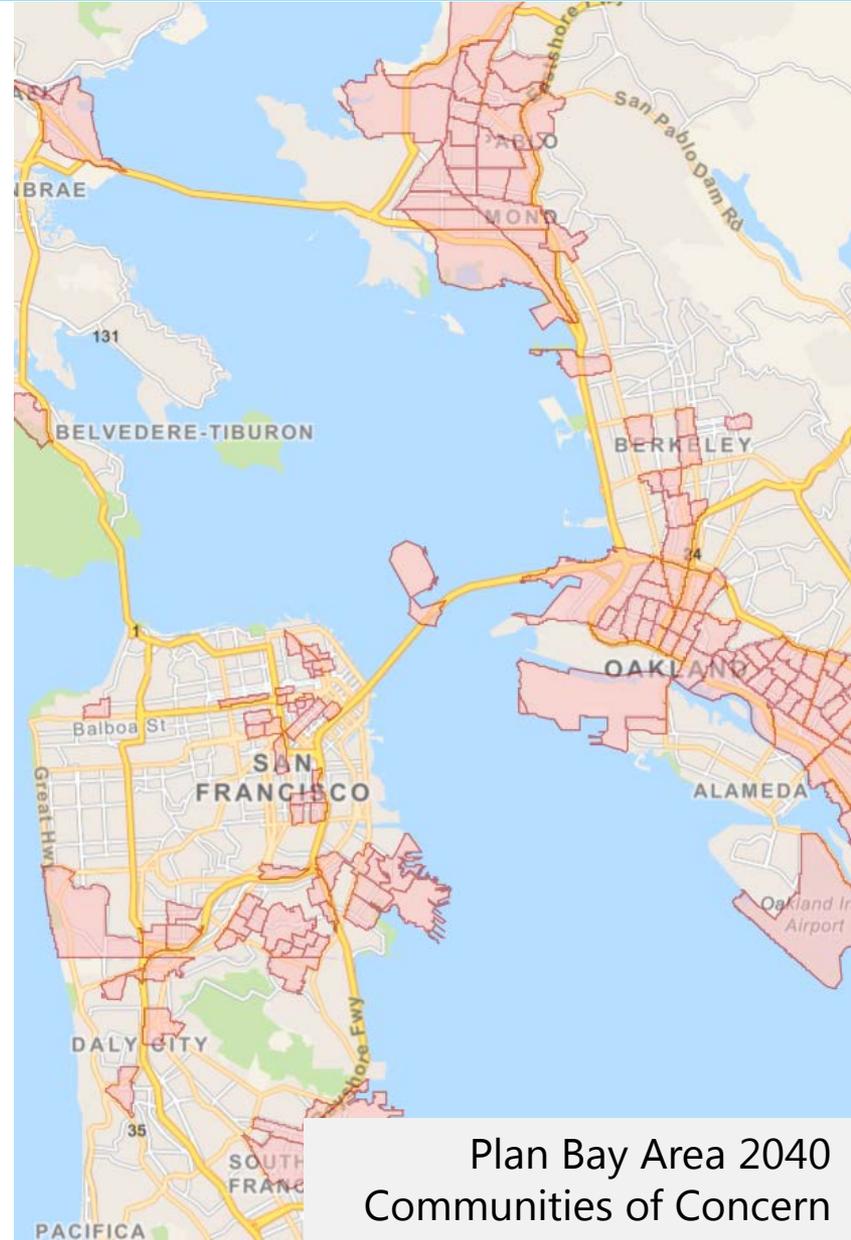


Project-Level Equity Assessment

- Equity Targets Score
- Relationship to Communities of Concern

Benefit-Cost Supplemental Assessments

- Sensitivity Testing (*testing input assumptions*)
- Confidence Assessment (*disclosing limitations*)



Plan Bay Area 2040
Communities of Concern

Key Findings

1

Maintaining regional transit infrastructure ranks as the **top priority**, given its high level of cost-effectiveness and strong support of adopted targets.



2

Land use matters – projects that support Plan Bay Area growth patterns showed strong performance.



Key Findings

3

Highly-used highways and transit systems remain the **backbone of the region** – both efficiency and maintenance investments prove highly cost-effective.



4

Projects in **chronically congested corridors** generally provide the biggest bang per buck.



Key Findings

5

In general, road efficiency projects **outperform road expansion projects**, reflecting lower costs and fewer environmental impacts.



Source: Flickr/Michael Munaz

6

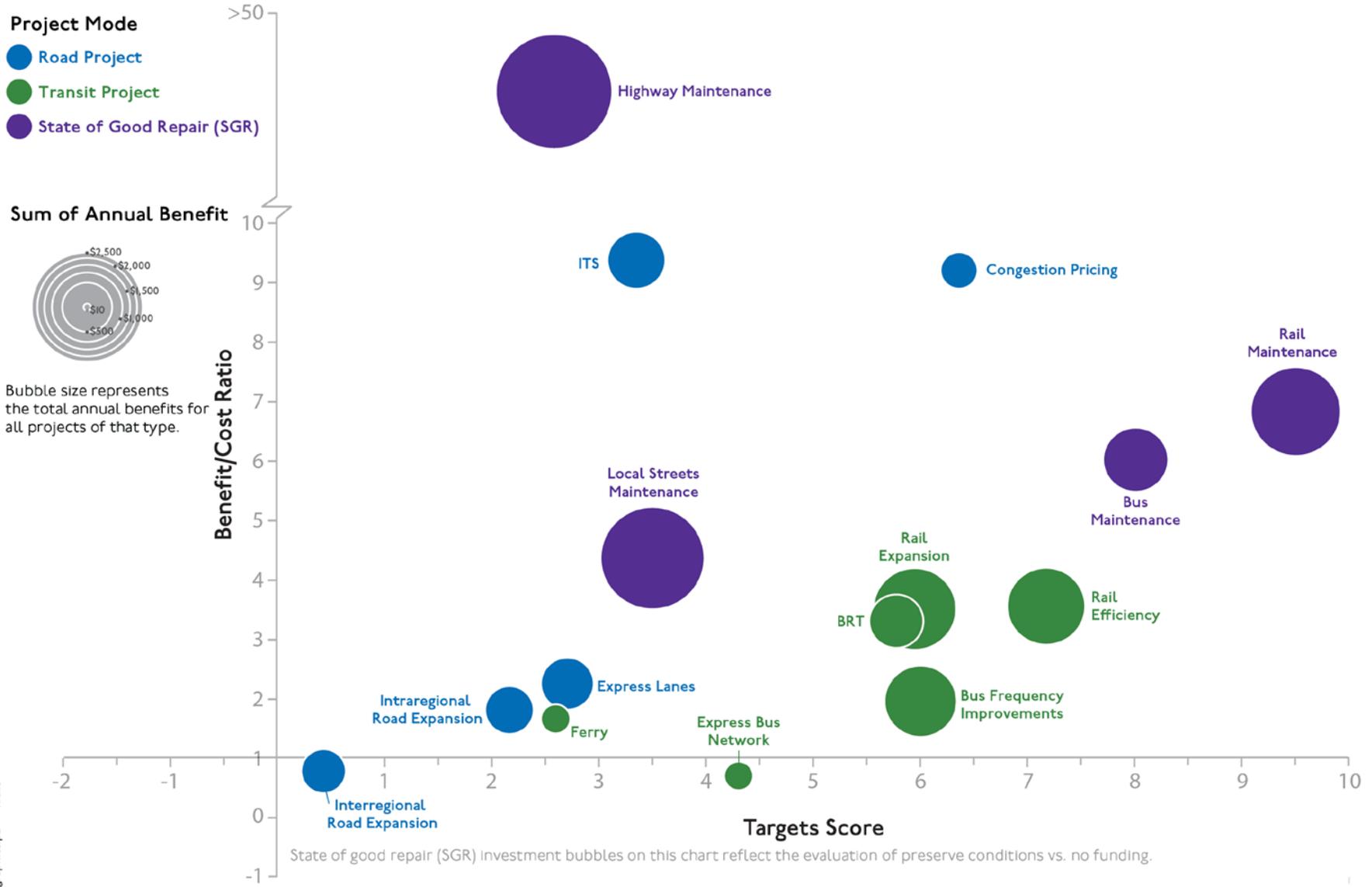
All of the region's highest-performing projects **increase access to Communities of Concern.**



Source: Santa Rosa City Bus

Plan Bay Area 2040

Project Performance Assessment: Overall Draft Results by Project Type



Plan Bay Area 2040

Project Performance Assessment: Draft Results for Road Projects



Project Mode

- Road Project
- Transit Project
- State of Good Repair (SGR)

Sum of Annual Benefit

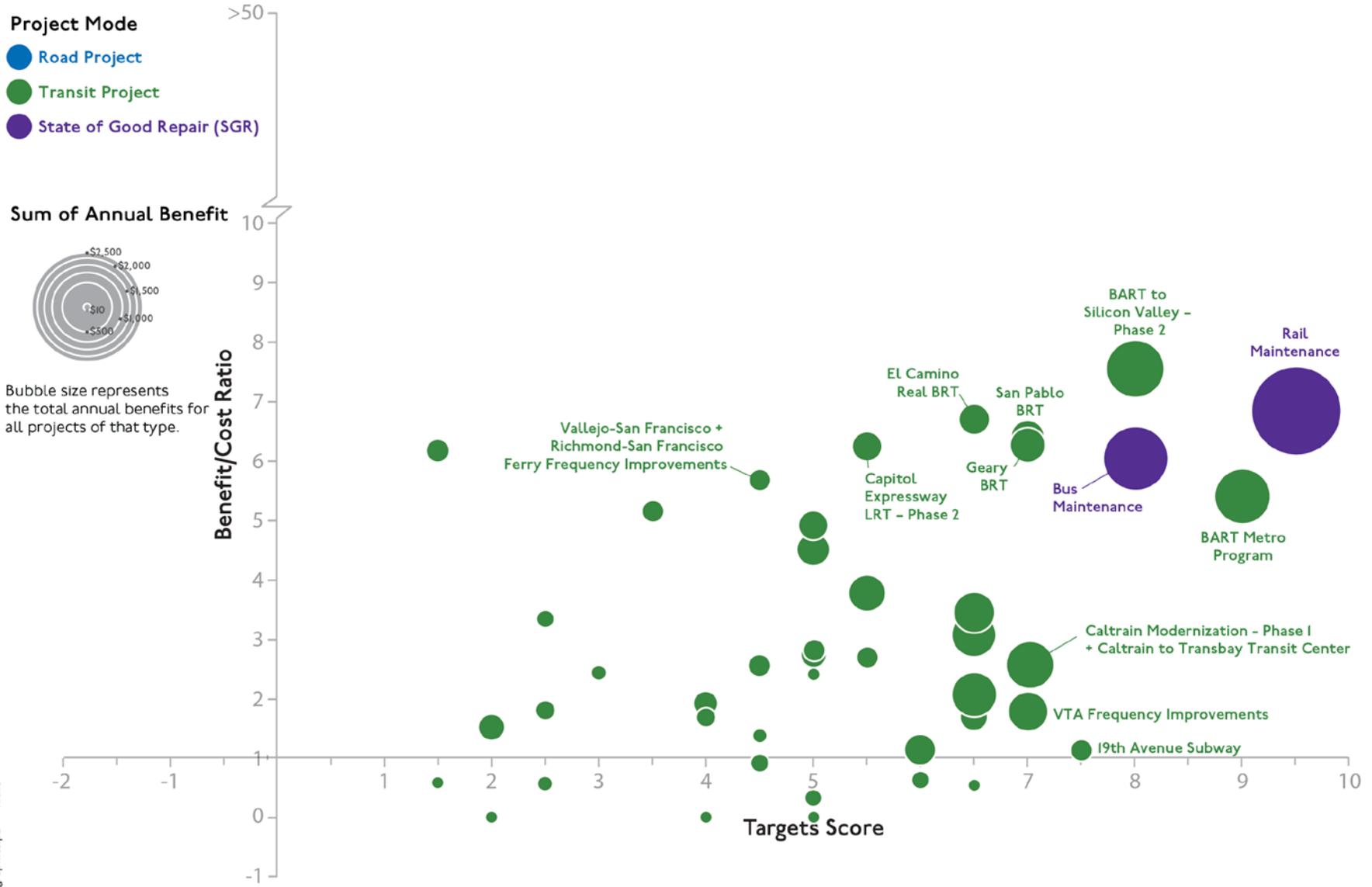


Bubble size represents the total annual benefits for the project.



Plan Bay Area 2040

Project Performance Assessment: Draft Results for Transit Projects



What have we heard from sponsors?

1. Generally, **there is broad support for the six overarching findings** of the assessment.
2. Some stakeholders recommend weighting **benefit-cost ratio** more than **targets score**, while others think that targets score should be the primary definition of performance.
3. The **benefit-cost assessment has limitations**, mostly due to the application of a single tool to assess all investments.
4. Targets score criteria have caught the attention of stakeholders across the region; in particular, scores for **displacement risk** and **middle-wage jobs** have spurred conversation about how to appropriately assess projects.

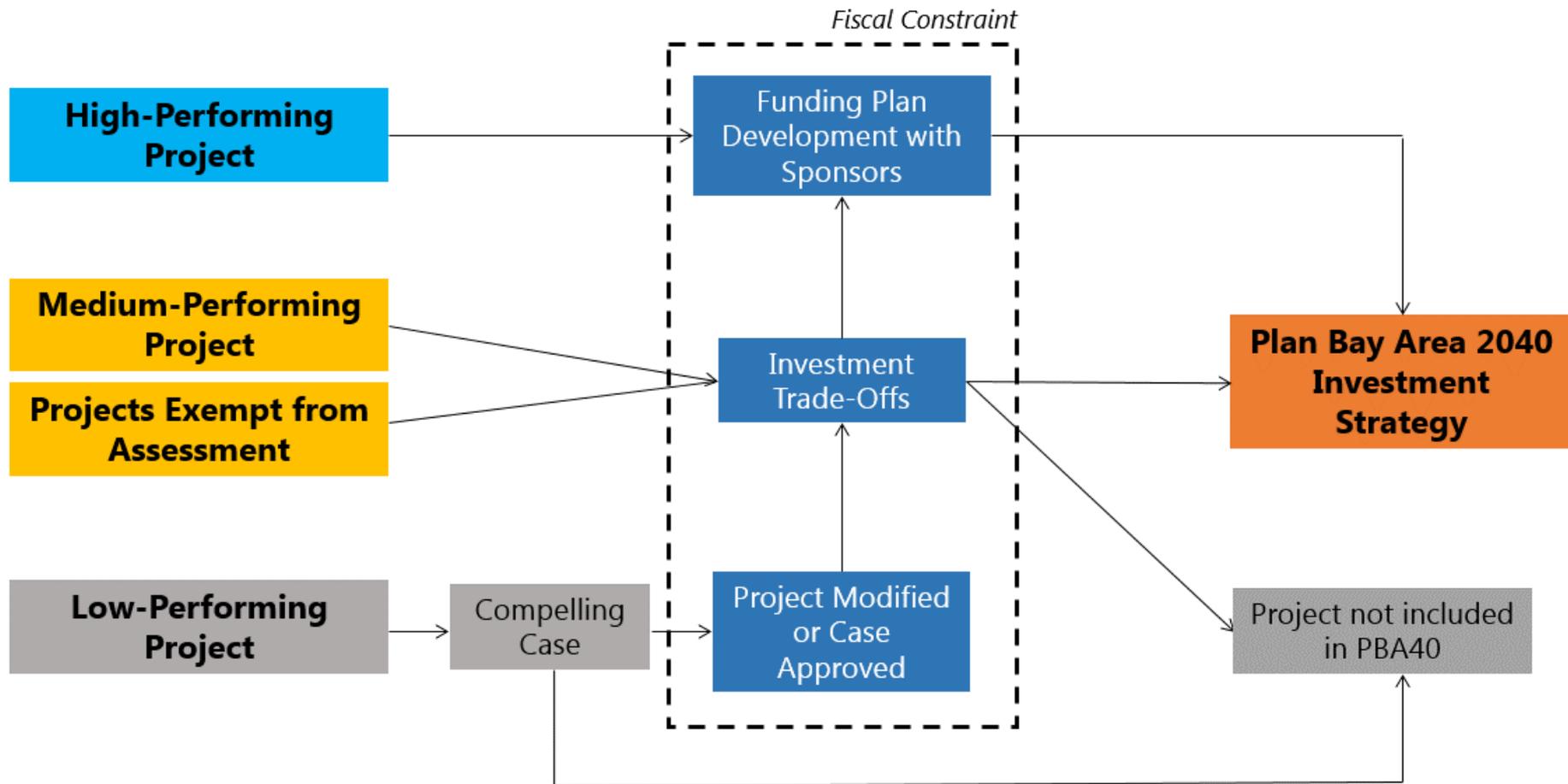


What's Next?

At May
Planning
Committee:

How do we define a **“high-performing”** project?

How do we define a **“low-performing”** project?



What's Next?

MAY

Final performance results and staff recommendation for high- and low-performer thresholds to the MTC Planning Committee

JUNE

Deadline for low-performing project sponsors to submit compelling case to MTC staff

JULY

Staff recommendation for final actions on project performance assessment to the MTC Planning Committee

SEPTEMBER

Preferred scenario for Plan Bay Area 2040 slated for adoption by MTC and ABAG, incorporating outcomes of the performance assessment

Metropolitan Transportation Commission 2016 Voter Survey – Preliminary Findings

April 28, 2016

By: Corey, Canapary & Galanis Research

Project Background

Respondents Surveyed

- Conducted among voters in all nine Bay Area counties

Key objectives

- Assess perception of factors relevant to Plan Bay Area 2040.
- Gauge support for a regional gas tax measure

Survey Methodology

- Telephone survey
- Sample size: 2,048
- Margin of error: +/-2.2%
- Fieldwork conducted: March/April 2016
- Surveys conducted in English, Spanish and Chinese
- Conducted among Bay Area registered voters

Survey Details

- This presentation is a **first look** at the results. Fieldwork was just completed last Sunday (April 24)
- Questionnaire was 44 questions in total
- Average respondent took between 14 -18 minutes to complete
- Detailed report is currently being prepared

Current Perception of Bay Area

% rating as excellent or good

Issue	% excellent/good
Preservation of open spaces and parks	58%
Economic growth and prosperity	54%
Air quality	54%
Quality of public transit services	29%
Upkeep and repair of Bay Area freeways	23%
Upkeep and repair of local roads	18%
Availability of affordable housing	6%



Plan Bay Area 2040

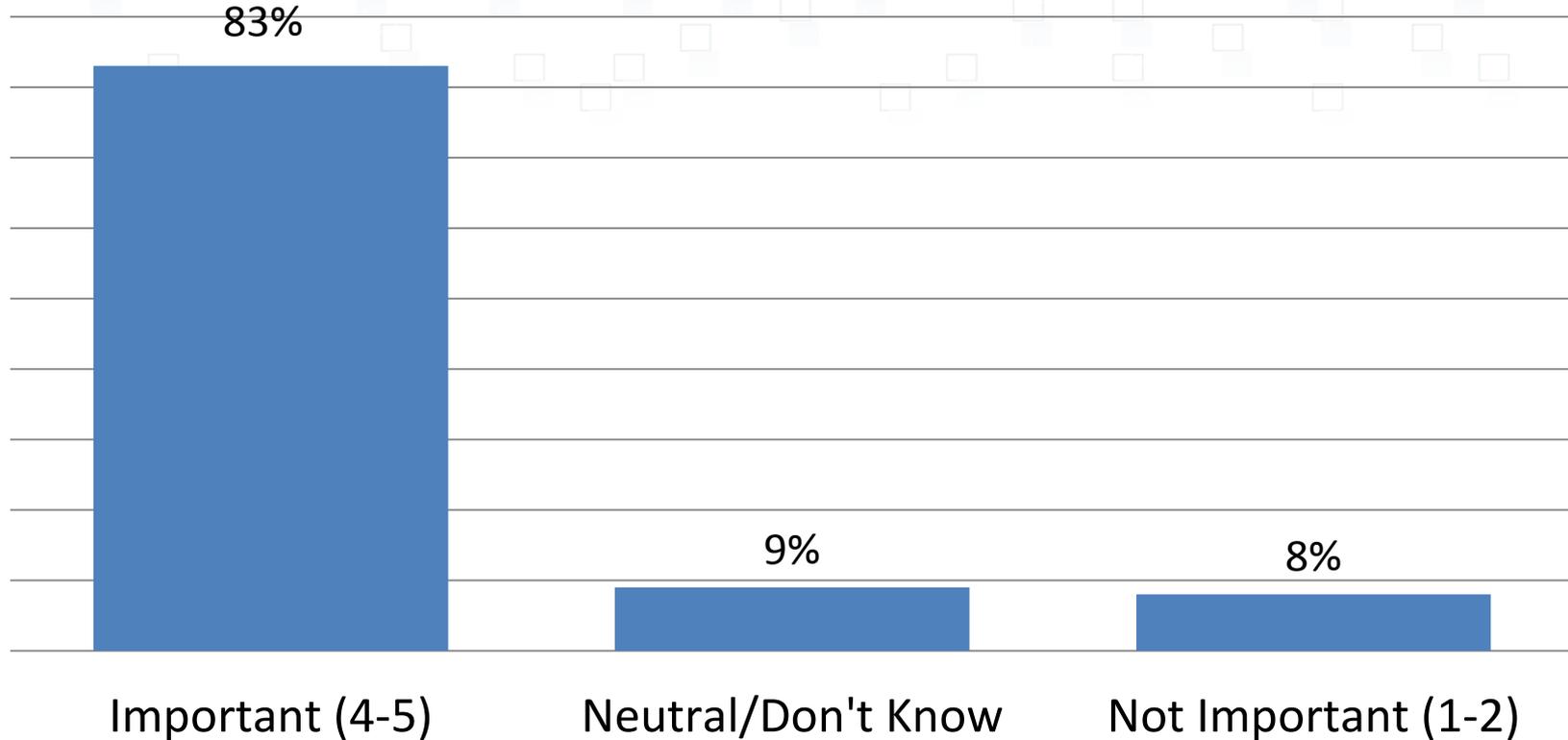
Importance of Plan Bay Area 2040

A long-term strategy for the entire Bay Area is currently being developed. . . . This plan is focused on: improving the local economy, reducing driving and greenhouse gases, and providing access to housing and transportation for everyone who needs it.

- **In general, how important do you think it is to establish this type of a regional plan?**

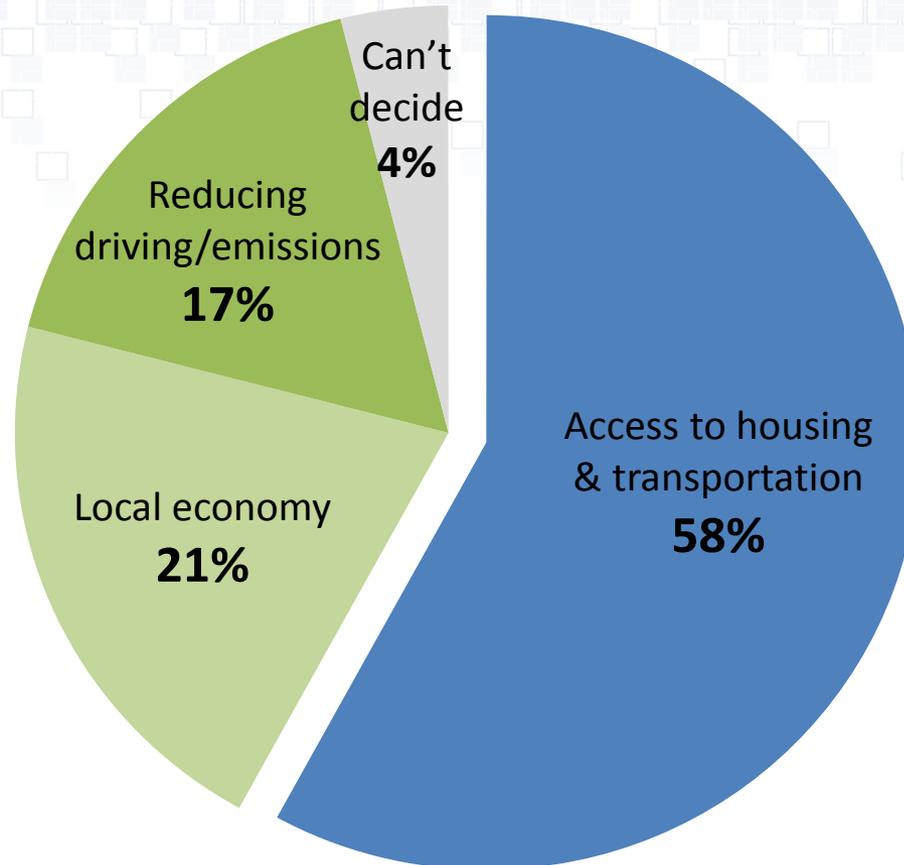
Importance of Plan Bay Area 2040

When asked for an initial assessment, 83% of voters believe a regional plan like Plan Bay Area 2040 is important



Most Important Component

Which part of the plan is most important to the Bay Area's future...



Full text read to respondents:

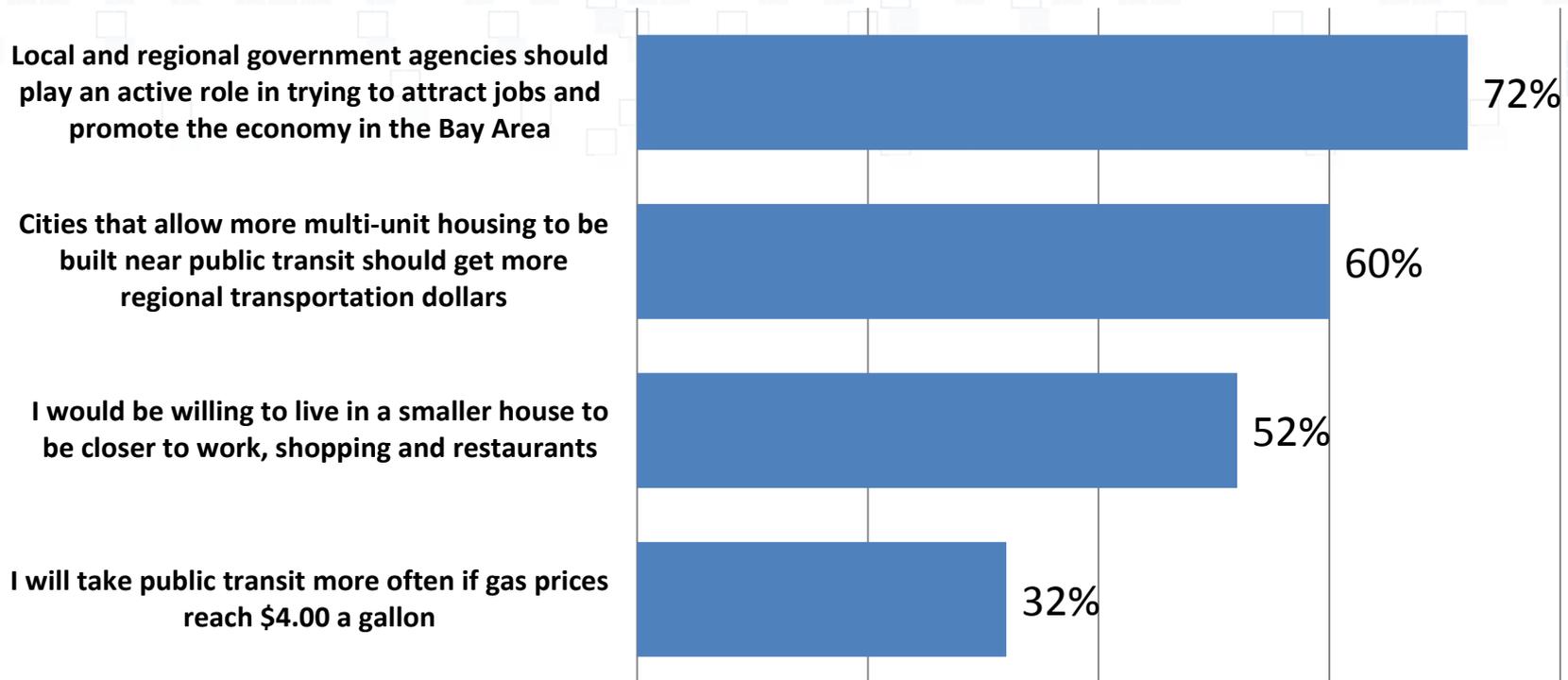
Access to housing and transportation = "Providing access to housing and transportation for everyone"

Local economy = "Improving the local economy"

Reducing driving/emissions = "Reducing driving and greenhouse gas emissions"

Attitudinal Statements

Share who agree strongly or somewhat with each statement...





Bay Area Gas Tax

Bay Area Gas Tax

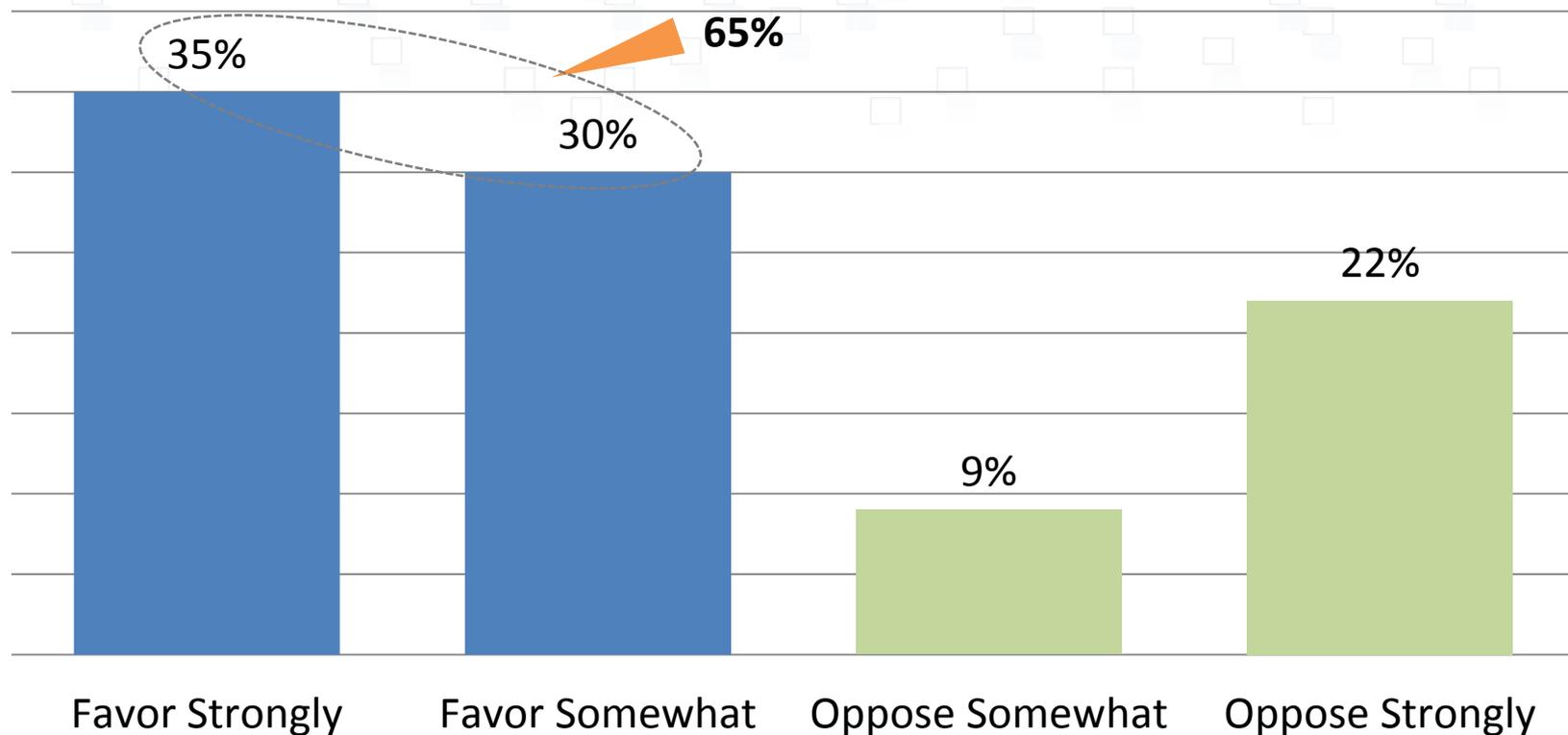
A ballot measure is being proposed to establish a gas tax which would increase the cost of gasoline by _____* per gallon in all Bay Area counties. The revenue would directly fund local road repairs, as well as improvements for bicycle and pedestrian routes.

- **Overall, do you favor or oppose this measure? Is that strongly or somewhat?**

*question was asked at 5 cents and 10 cents per gallon

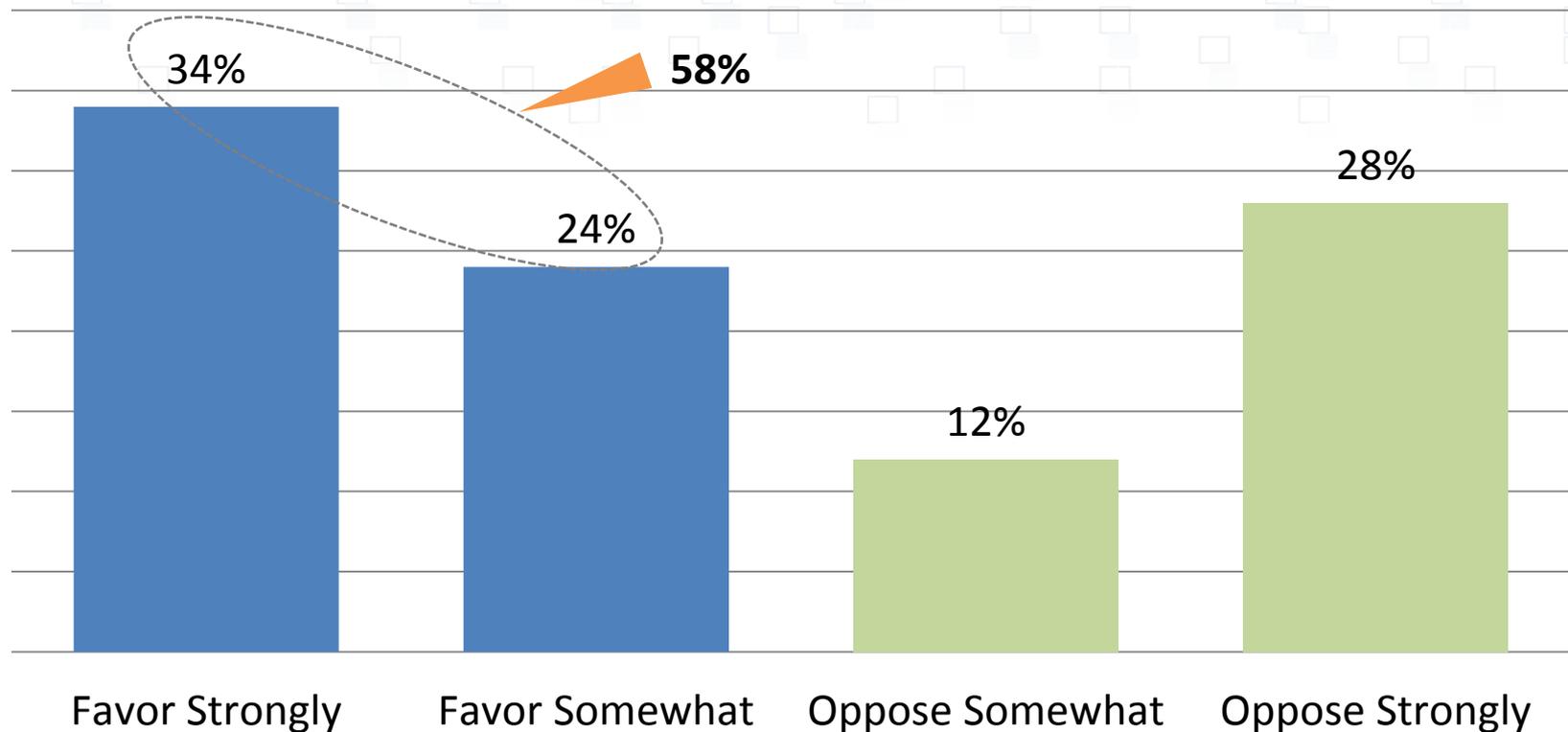
Bay Area Gas Tax – 5 cents/gallon

If this tax increased the cost of gasoline by 5 cents per gallon, rather than 10 cents, would you favor or oppose this measure?



Bay Area Gas Tax – 10 cents/gallon

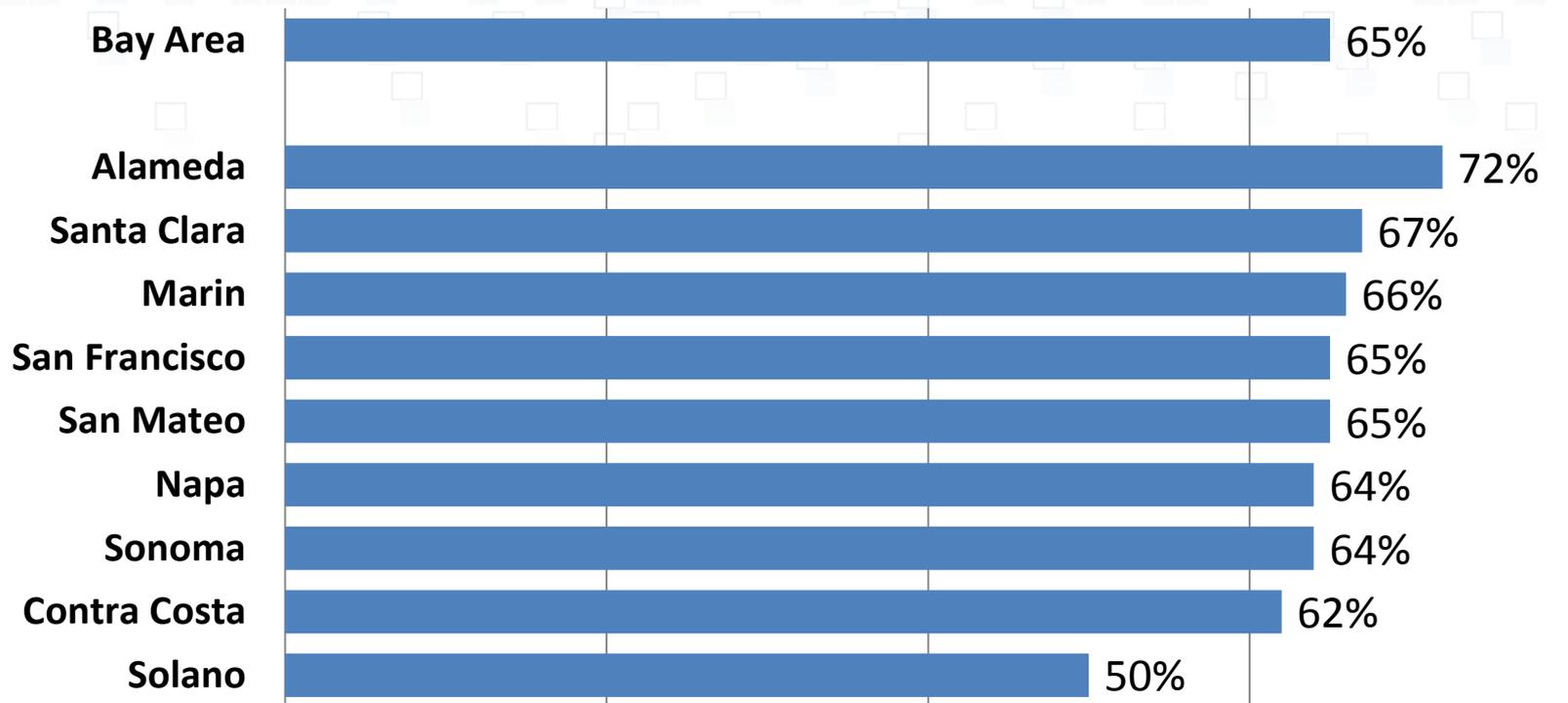
Overall, do you favor or oppose this measure?...Is that strongly or somewhat?



Percentages above do not include don't know responses (2% of total)

Support by County – 5 cents/gal

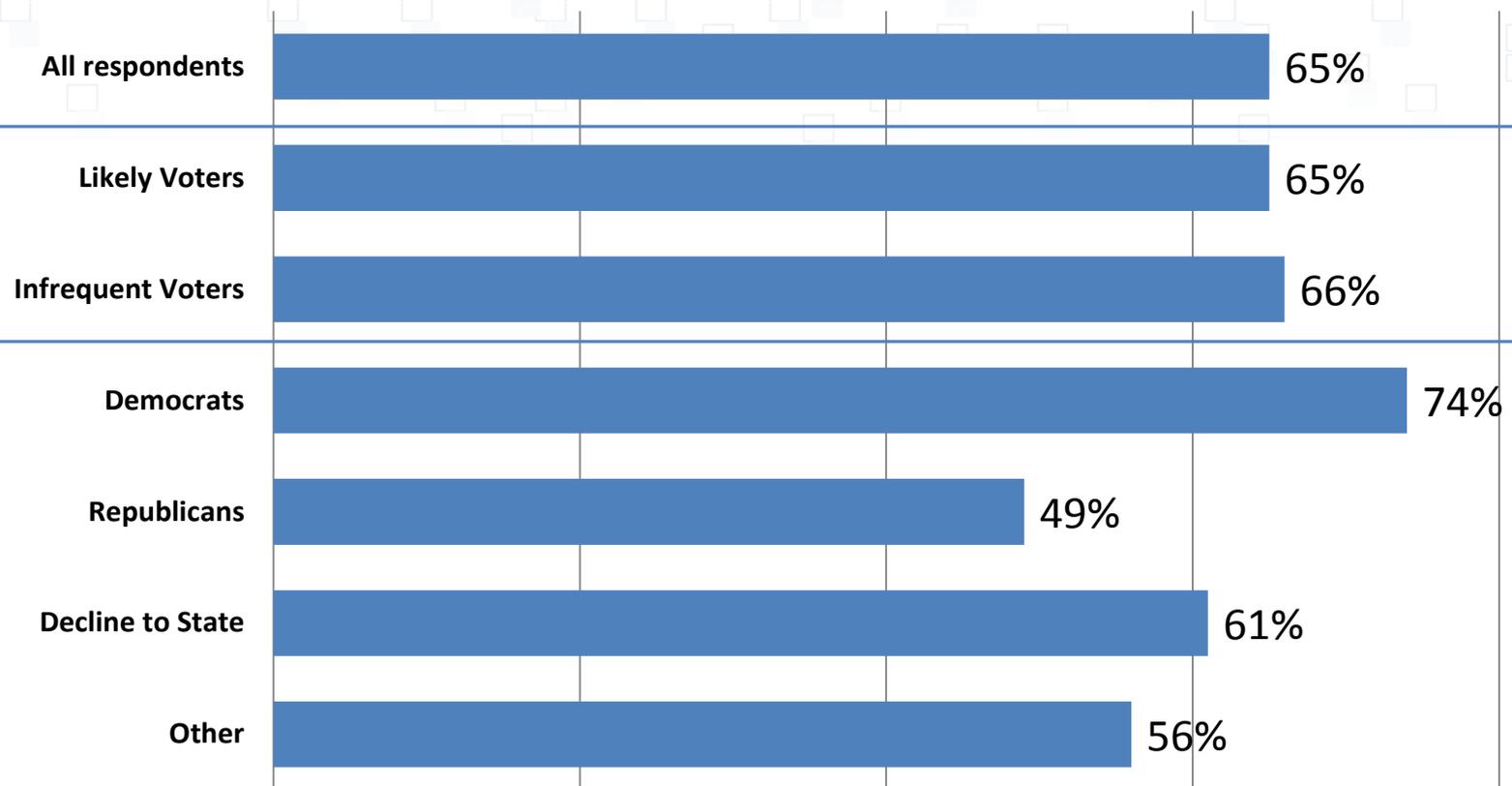
Share who support gas tax strongly or somewhat...



Margin of error for Bay Area is +/-2.2%. Margin of error by county ranges from +/- 5.1% to +/-8.0%.

Support for Gas Tax – 5 cents/gal

Share who favor strongly or somewhat ...



Statements and Impact

- Following initial gas tax question (at 10 cents), voters were read statements in favor and opposed to measure.
- Some statements resonated more than others with voters.
- However, there was no change in overall support for measure when voters were re-asked the measure (at 10 cents) after hearing statements.
- Support DID increase when asked about a 5 cent gas tax

Arguments in Favor

% who indicate statement is strong argument in favor of measure

Statement	%
This is a local measure, and the revenue raised can <u>only</u> be used here in the Bay Area to repair our roads. None of the funding can be used by politicians in Sacramento or Washington DC	80%
At least 95% of the taxes each county raises will go directly back to their community for road improvements in their area	78%
State funding for local roads has not kept pace with our needs. We need to fund these repairs now or the cost will continue to increase	78%
A key benefit of this measure is it will get more people out of their cars with improved bicycle and pedestrian routes	48%

Note: Arguments tested assuming 10 cents per gallon tax

Arguments Against

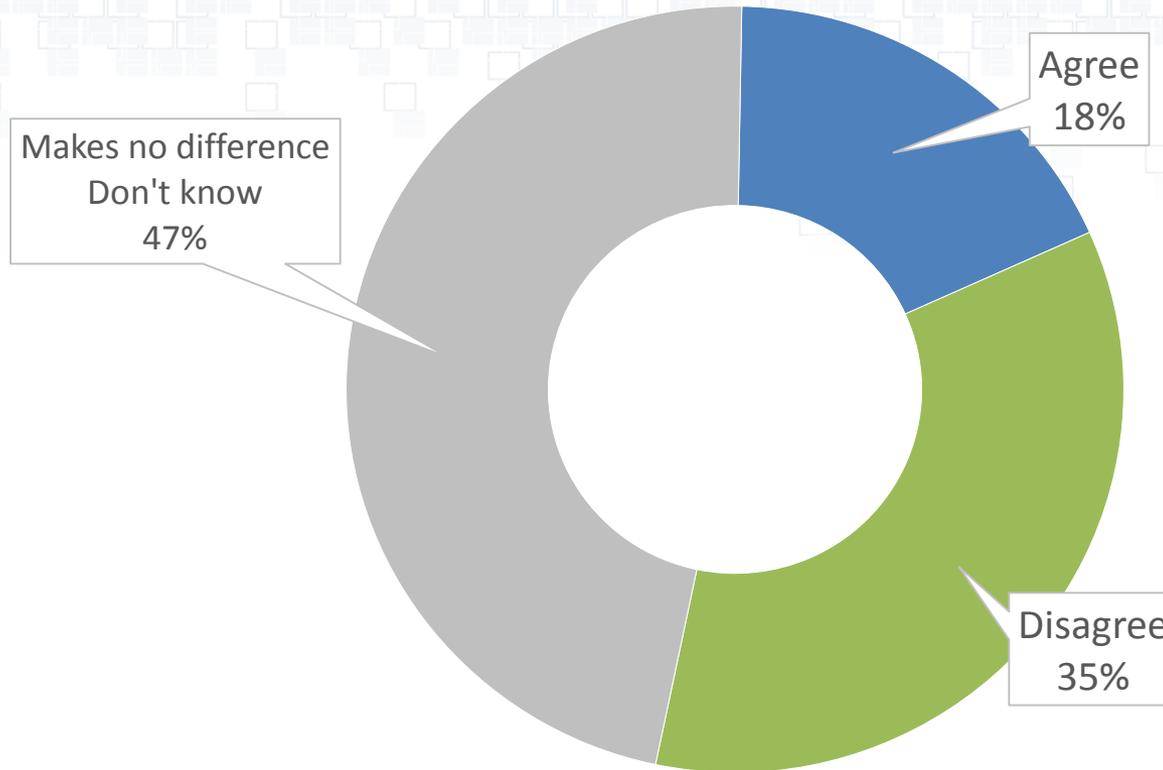
% who indicate statement is strong argument against the measure

Statement	%
This tax is unnecessary, our current taxes should be used for improvements to roads	58%
This is an unfair measure because it will hurt the poor in our area the most	51%
It's unfair for drivers to cover the cost of bicycle and pedestrian route improvements in the Bay Area	37%
A local tax like this will have a negative impact on our Bay Area economy	35%

Note: Arguments tested assuming 10 cents per gallon tax

Local Roads or Freeways

This would be a stronger ballot measure if it funded repairs to Bay Area freeways, rather than local roads. Do you agree, disagree, or does it make no difference?



In Summary...

- Majority support for gas tax measure among Bay Area voters
- Two-thirds supermajority may be possible at 5 cents based on survey results
- Arguments for and against don't seem to change voters opinion about measure
- Lower tax amount (5 cents compared to 10 cents) does have an impact on voter opinion

Thank you...

