TO: Joint MTC Planning Committee with the ABAG Administrative Committee

DATE: November 6, 2015

FR: ABAG Executive Director and MTC Executive Director

RE: Staff Recommendation for Remaining Performance Targets (MTC Resolution No. 4204, Revised)

This memorandum presents the staff recommendation for the four remaining performance targets for Plan Bay Area 2040. In September 2015, MTC and ABAG approved the Plan goals, as well as nine of the thirteen performance targets. Over the past two months, staff has sought feedback from jurisdictions and stakeholders to develop a recommendation for the remaining four targets. Staff is seeking action by the committees to refer the remaining Plan Bay Area 2040 targets for approval by the MTC Commission on November 18 and by the ABAG Executive Board on November 19.

Background

Performance-based planning is a central element of the long-range planning process for MTC and ABAG. In 2013, Plan Bay Area included a set of ten performance targets that were used to evaluate over a dozen different scenarios and hundreds of transportation projects. Plan Bay Area 2040 carries over the goals from the last Plan, as well as performance targets related to greenhouse gas emissions, open space & agricultural preservation, affordability and non-auto mode share. In total, thirteen performance targets will be used to compare scenarios, highlight tradeoffs between goals, analyze proposed investments and flag issue areas where the Plan may fall short. Performance targets will guide Plan development and will be supplemented in the future by required federal performance measures.

In September, MTC and ABAG adopted the goals and nine of the thirteen performance targets (refer to **Attachment A** for more detail). At that time, policymakers also directed staff to identify four more performance targets for consideration this month; these targets relate to adequate housing, displacement risk, jobs/wages and goods movement. This memorandum highlights the staff recommendation developed in response to this direction, which is being reviewed by the Regional Advisory Working Group, Regional Equity Working Group, MTC Policy Advisory Council, and MTC Planning / ABAG Administrative Committees this month.

Development Process for Staff Recommendation

Staff received clear direction from policymakers in September regarding the issue areas for each of the four remaining performance targets. However, for each issue area, there are a number of potential performance targets, each with their own strengths and weaknesses. To narrow down the field to the most promising candidates, staff scored potential targets' viability using the standard targets criteria identified in **Attachment B**. Stakeholder input was then sought at an October 6 meeting, at which point staff discussed options for the remaining performance targets. Staff received valuable feedback from approximately 50 attendees, ranging from local governments & congestion management agencies to non-governmental organizations representing equity, economic, and environmental interests.

The four proposed performance targets are highlighted in **Attachment A**, with specific methodologies included in **Attachment C**. The remainder of this memorandum discusses the rationale behind the staff recommendation for each performance target.

Proposed Target #2: Adequate Housing

ABAG and MTC staff have reached consensus on the Adequate Housing target language and are recommending using MTC's proposed language with inclusion of the explanation below. The Adequate Housing target relates to a Regional Housing Control Total per the settlement agreement signed with the Building Industry Association (BIA), which increases the housing forecast by the housing equivalent to in-commute growth. The forecast of households, jobs, population, and in-commute will remain as established by the approved forecast methodology and best practices.

Proposed Target #7: Equitable Access - Displacement Risk

The proposed performance target for risk of displacement seeks to eliminate displacement risk for low- and moderate-income renter households who live in one or more of the following geographies: Priority Development Areas (PDAs – the building blocks for Plan Bay Area 2040), Transit Priority Areas (TPAs – transit-rich areas defined by Senate Bill 375), or high-opportunity areas (as defined by the Kirwan Institute). This target aligns with adopted target #6, which emphasizes affordable housing production and preservation in these very same geographies.

Proposed Target #9: Economic Vitality - Jobs/Wages

Over the past few months, there has been significant discussion with stakeholders about the issue of middle-wage jobs. Middle-wage jobs have been declining in the Bay Area, impacting the region's economic diversity and stability. The challenge related to creating a middle-wage job performance target has been that many potential performance targets do not meet the criteria established for the Plan Bay Area 2040 process. However, given the significance of this issue, staff is recommending including a performance target related to middle-wage job creation despite the fact that it will not vary between scenarios. This modeling limitation is a result of the control total framework, which does not allow for any variance in the total number or type of jobs across the scenarios. The proposed target sets a goal of growing the Bay Area's middle-wage jobs at the same rate as overall regional job growth.

Proposed Target #10: Economic Vitality - Goods Movement

The proposed performance target for goods movement was designed to reflect concerns raised at the September joint committee meeting related to goods movement and traffic congestion. Given ongoing work with the Regional Goods Movement Plan, the proposed target focuses specifically on highway corridors identified as the Regional Freight Network[1] in that planning effort. It prominently reintroduces the issue of highway delay into Plan Bay Area 2040 by relying upon a revised version of a performance target last included in *Transportation 2035*.

Next Steps

- **November 18, 2015:** Seek ABAG Executive Board approval of all four remaining Plan Bay Area 2040 performance targets
- **November 19, 2015:** Seek MTC Commission approval of all four remaining Plan Bay Area 2040 performance targets
- **January 2016:** Release project performance assessment results for public review
- **Spring 2016:** Release scenario performance assessment results for public review

Ezra Rapport

Steve Heminger

ER / SH: pg / dv

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[1] The Regional Freight Network includes segments along the following highway corridors: I-880, I-80, I-580, US-101, I-680, SR-12/SR-37, SR-152 and SR-4; it was finalized earlier this year as part of the Goods Movement Plan.

ATTACHMENT A: STAFF RECOMMENDATION FOR REMAINING PLAN BAY AREA 2040 PERFORMANCE TARGETS

Goal	#	Proposed Target*	Same Target as PBA?
Climate Protection	**1**	Reduce per-capita CO_2 emissions from cars and light-duty trucks by **15%**	✓
Adequate Housing	**2**	**House 100% of the region's projected growth by income level without displacing current low-income residents and with no increase in in-commuters over the Plan baseline year**	
Healthy and Safe Communities	**3**	Reduce adverse health impacts associated with air quality, road safety, and physical inactivity by **10%**	
Open Space and Agricultural Preservation	**4**	Direct **all** non-agricultural development within the urban footprint (existing urban development and UGBs)	✓
Equitable Access	**5**	Decrease the share of lower-income residents' household income consumed by transportation and housing by **10%**	✓
	6	Increase the share of affordable housing in PDAs, TPAs, or high-opportunity areas by **15%**	
	7	**Reduce the share of low- and moderate-income renter households in PDAs, TPAs, or high-opportunity areas that are at an increased risk of displacement to 0%**	
Economic Vitality	**8**	Increase by **20%** the share of jobs accessible within 30 minutes by auto or within 45 minutes by transit in congested conditions	
	9	**Increase by 35%** the number of jobs in predominantly middle-wage industries**	
	10	**Reduce per-capita delay on the Regional Freight Network by 20%**	
Transportation System Effectiveness	**11**	Increase non-auto mode share by **10%**	✓
	12	Reduce vehicle operating and maintenance costs due to pavement conditions by **100%**	
	13	Reduce per-rider transit delay due to aged infrastructure by **100%**	

* = **text marked in blue** highlights staff recommendation for four remaining performance targets
** = the numeric target for #9 will be revised later based on the final ABAG forecast for overall job growth

ATTACHMENT B: PRIMARY TECHNICAL CRITERIA FOR SELECTING PERFORMANCE TARGETS

#	Criterion for an Individual Performance Target
1	**Targets should be able to be forecasted well.** A target must be able to be forecasted reasonably well using MTC's and ABAG's models for transportation and land use, respectively. This means that the target must be something that can be predicted with reasonable accuracy into future conditions, as opposed to an indicator that can only be observed.
2	**Targets should be able to be influenced by regional agencies in cooperation with local agencies.** A target must be able to be affected or influenced by policies or practices of ABAG, MTC, BAAQMD and BCDC, in conjunction with local agencies. For example, MTC and ABAG policies can have a significant effect on accessibility of residents to jobs by virtue of their adopted policies on transportation investment and housing requirements.
3	**Targets should be easy to understand.** A target should be a concept to which the general public can readily relate and should be represented in terms that are easy for the general public to understand.
4	**Targets should address multiple areas of interest.** Ideally, a target should address more than one of the three "E's" – economy, environment, and equity. By influencing more than one of these factors, the target will better recognize the interactions between these goals. Additionally, by selecting targets that address multiple areas of interest, we can keep the total number of targets smaller.
5	**Targets should have some existing basis for the long-term numeric goal.** The numeric goal associated with the target should have some basis in research literature or technical analysis performed by MTC or another organization, rather than being an arbitrarily determined value.

#	Criterion for the Set of Performance Targets
A	**The total number of targets selected should be relatively small.** Targets should be selected carefully to make technical analysis feasible within the project timeline and to ensure that scenario comparison can be performed without overwhelming decision-makers with redundant quantitative data.
B	**Each of the targets should measure distinct criteria.** Once a set of targets is created, it is necessary to verify that each of the targets in the set is measuring something unique, as having multiple targets with the same goal unnecessarily complicates scenario assessment and comparison.
C	**The set of targets should provide some quantifiable metric for each of the identified goals.** For each of the seven goals identified, the set of performance measures should provide some level of quantification for each to ensure that that particular goal is being met. Multiple goals may be measured with a single target, resulting in a smaller set of targets while still providing a metric for each of the goals.

ATTACHMENT C: PROPOSED PERFORMANCE TARGETS – BACKGROUND INFORMATION & METHODOLOGIES

Performance Target #2: Adequate Housing
House 100% of the region's projected growth by income level without displacing current low-income residents and with no increase in in-commuters over the Plan baseline year

Background Information

Similar to the greenhouse gas reduction target, California Senate Bill 375 requires Plan Bay Area to house all of the region's growth. This is an important regional issue given that long interregional trips – which typically have above-average emission impacts – can be reduced by planning for sufficient housing in the region.

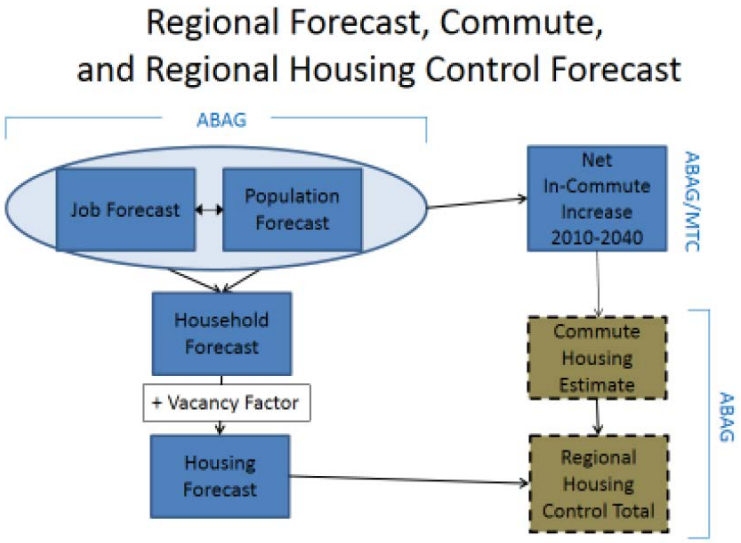
ABAG and MTC staff have reached consensus on the Adequate Housing target language and are recommending using MTC's proposed language with inclusion of the explanation below. The Adequate Housing target relates to a Regional Housing Control Total per the settlement agreement signed with the Building Industry Association (BIA) which increases the housing forecast by the housing equivalent to in-commute growth. The forecast of households, jobs, population, and in-commute will remain as established by the approved forecast methodology and best practices.

Past Experience

A similar version of this target was included in Plan Bay Area adopted in 2013, although the proposal for Plan Bay Area 2040 incorporates language clarifying how the regional housing control total will be calculated as agreed to by MTC, ABAG, and the Building Industry Association as part of a 2014 legal settlement. In 2013 Plan Bay Area housed 100% of the region's projected growth as defined under the adopted language from 2011.

Evaluation Methodology

Evaluation of this performance target will utilize the methodology relating to the Regional Forecast agreed to by both agencies. The regional housing control total will estimate the total number of units needed to accommodate all of the residents in the region plus the number of housing units that correspond to the in-commute increase. The number of units will include a reasonable vacancy level for circulation of units among movers. The figure below diagrams the overall regional forecast process that leads to a regional housing control total.



Performance Target #7: Equitable Access (Displacement Risk)
Proposed Target Language: Reduce the share of low- and moderate-income renter households in PDAs, TPAs, or high-opportunity areas that are at an increased risk of displacement to 0%

Background Information

Displacement has consistently been identified as a major concern for low-and-moderate-income households, who are most vulnerable to rising costs in the Bay Area's housing market. As households relocate to more affordable areas within and outside the region, they may lose not only their homes but also their social networks and support systems. The scale of displacement across the Bay Area has triggered major concerns among the region's elected officials who requested that displacement be directly addressed in Plan Bay Area.

The region's strong economy has brought many benefits such as employment growth, innovative technologies, and tax revenues for infrastructure improvements and public services. However, since housing production usually lags job creation, especially in a booming economy, there has been upward pressure on housing costs which is most keenly felt by households with the least resources. The working definition of displacement in this document is: *Displacement occurs when a household is forced to move from its place of residence due to conditions beyond its ability to control. These conditions may include unjust-cause eviction, rapid rent increase, or relocation due to repairs of demolition, among others.*

While there is currently no precise tool available to predict which and what number of households would be displaced from a given neighborhood, current research allows planners to measure existing and future displacement risk. According to the Regional Early Warning System for Displacement (REWS) study by the Center for Community Innovation at UC Berkeley (www.urbandisplacement.org), areas that are experiencing losses of low-income residents and affordable units are home to about 750,000 people. In general, areas of displacement and displacement risk are concentrated around high capacity transit corridors such as Caltrain on the Peninsula, BART in the East Bay, and in the region's three largest cities.
It is important to note that this approach highlights areas where low-income households are potentially vulnerable to displacement, however this study does not "predict" which specific neighborhoods will experience displacement, or how many households will be displaced in the future.

With a numeric target for displacement risk of 0%, ABAG and MTC are signaling the importance of this issue at the regional level. At the same time, regional agencies and stakeholders recognize that more specific local strategies will be needed beyond the scope of the Plan. The broader trend of risk is a function of job growth and wage disparities without an equal or greater expansion of adequate affordable housing at all income levels.

The performance target relies upon a consistent geography as target #6 (affordable housing), emphasizing minimization of displacement risk for low- and middle-income renters who live in PDAs, TPAs (transit priority areas, per Senate Bill 375), or high-opportunity areas (as defined under target #6). This ensures consistency between the region's goals for affordable housing and minimization of displacement risk.

Past Experience

This target is not new to Plan Bay Area 2040, although it represents a more refined version of a displacement risk measure that was based on overburdened renters in Plan Bay Area 2013 Equity Analysis. Overburdened renters served as a proxy for vulnerable populations. Using this methodology, the 2013 Equity Analysis estimated that the Plan increased the risk of displacement on Communities of Concern by 36% and 8% everywhere else. Current estimates from the REWS study suggest that this

methodology may have significantly underestimated the risk of displacement on lower-income households.

Evaluation Methodology

Regional agencies propose to measure displacement risk by measuring the decline of low and moderate-income households in PDAs, TPAs, or high-opportunity areas between the target baseline year and 2040.

In order to forecast the risk of displacement in 2040 relative to conditions in the baseline year, the analysis will compare the following three data points *[note that "lower-income" is defined as including both low- and moderate-income households]*:

- Number of lower-income renter households in the target baseline year in each census tract or TAZ;
- Number of lower-income households in 2040 as projected by ABAG through its demographic forecast; and
- Number of lower-income renter households in each census tract or TAZ in 2040 through UrbanSim, the land use model.

Working under the assumption that UrbanSim will be used for forecasting future renter household location patterns, the analysis will estimate which zones (e.g., census tracts or TAZs) gained or lost the total number and share of lower-income households – "projected" vs. "actual". Zones designated as PDAs, TPAs, or high-opportunity areas that lost lower-income households (beyond 2 standard deviations from the regional mean to account for margin of error) would be defined as areas where there is risk of displacement. The share of lower-income households at risk of displacement would be calculated by dividing the number of lower-income households living in census tracts flagged as PDAs, TPAs, or high-opportunity areas with an increased risk of displacement by the total number of lower-income households living in census tracts flagged as PDAs, TPAs, or high-opportunity areas in 2040.

The relative risk of displacement for each Plan scenario will be estimated using this methodology. Relative risk is expected to vary between scenarios, since each scenario will allocate households across the region based on different growth patterns. A comparison of these relative risks will determine which scenario maximizes benefits or adverse impacts on lower-income households.

Performance Target #9: Economic Vitality (Jobs/Wages)
Proposed Target Language: Increase by 35% the number of jobs in predominantly middle-wage industries*

** = indicates that the numeric target will be revised based on the final ABAG forecast for overall job growth*

Background Information

As home to some of the world's most innovative and successful businesses, the Bay Area boasted a gross regional product of $631 billion in 2013, making it one of the world's largest economies. However, the region's economic prosperity is unevenly felt, as 36% of the region's 1.1 million workers earn less than $18 per hour with the majority of those earning even less than $12 per hour. As the Bay Area's cost of living (particularly housing costs) continues to skyrocket, a decent quality of life is becoming increasingly out of reach for hundreds of thousands of workers, particularly those without higher education.

The proposed performance target acknowledges the importance of middle-wage jobs in the Bay Area's economy. The numeric target is based on a goal to preserve the target baseline year share of middle-wage jobs - by growing middle-wage jobs at the same rate as the region's overall growth in total jobs.

The exact numeric target will be updated in early 2016 to make it fully consistent with the overall job growth rate forecast from the finalized control totals.

Past Experience

This target is new to Plan Bay Area 2040, as the issue of middle-wage jobs was not specifically addressed in Plan Bay Area.

Evaluation Methodology

The number of jobs in predominantly middle-wage industries would be forecast using ABAG's Forecast of Housing, Population and Jobs. This target expects a proportional growth of jobs in predominantly middle-wage industries to the region's overall growth in jobs; preliminary forecasts show overall job growth of approximately 35% between the target baseline year and 2040.

Given that some industries have a higher proportion of middle-wage jobs than others, ABAG will use the number of jobs in predominantly middle-wage industries as a proxy for the number of middle-wage jobs. Presently, forecasting limitations do not allow us to project the number of jobs in individual occupations (i.e., how many nurses there will be in 2040); however, ABAG can project the sectoral makeup of jobs within different industries. The share of middle-wage jobs within each industry will be identified using baseline data for wage breakdowns by industry; the share of middle-wage jobs in a given industry today will be assumed to be the same in 2040 for the purpose of target forecasting.

Notably, this target will not differ between scenarios, typically a requirement for performance targets. All regional forecast totals are held constant throughout the Plan process in order to focus on the Plan's different transportation investments and land use patterns and to assure consistency within the EIR analysis. In this sense, this performance target is more of an aspirational target, rather than a measure that can be compared across scenarios.

Performance Target #10: Economic Vitality (Goods Movement)
Proposed Target Language: Reduce per-capita delay on the Regional Freight Network by 20%

Background Information

This target reflects the importance of goods movement as a component of the region's overall economy. In addition to ensuring access to and from the Port of Oakland – a major economic engine for the Bay Area – goods movement is critical in supporting agricultural and industrial sectors in the region. This proposed target focuses specifically on how trucks – the primary mode for goods movement – are affected by traffic congestion. While truck traffic cannot be forecasted with a high level of precision, this performance target captures the delay on high-volume truck corridors already identified by the Regional Goods Movement Plan.

The numeric target, reflecting a goal of reducing per-capita delay on these corridors by 20 percent, was based on *Transportation 2035* (adopted in 2009). That plan was the most recent long-range regional plan to incorporate a delay target, as Plan Bay Area did not have a specific target related to goods movement. While *Transportation 2035* focused on delay across the entire network, this performance target is slightly refined to focus in on goods movement corridors under the overarching goal of Economic Vitality.

Past Experience

This target is similar to a performance target used in *Transportation 2035*; however, no targets related to congestion reduction or goods movement were included in Plan Bay Area. In *Transportation 2035*, per-capita congestion increased as a result of capacity-constrained infrastructure (combined with robust pre-recession employment forecasts). Plan Bay Area congestion forecasts, included in the Environmental Impact Report (EIR), also showed a significant increase in congestion between baseline year and horizon year conditions.

Evaluation Methodology

In addition to calculating total delay, Travel Model One can output vehicle hours of delay for specific corridors. To calculate this target, the appropriate corridors will be flagged for analysis based on the Regional Freight Network from the ongoing goods movement plan; these include segments of the following highway corridors: I-880, I-80, I-580, US-101, I-680, SR-12/SR-37, SR-152 and SR-4. Vehicle hours of delay on this network will be calculated for a typical weekday and will be based on the differential between forecasted and free-flow speeds. The total vehicle hours of delay accrued on the network identified above will then be divided by the regional population to calculate the per-capita delay along these freeway segments. Note that rail freight delay – which is a relatively small component of both overall goods movement and goods movement delay in the Bay Area – is not reflected in the target due to travel model limitations.

Date: September 23, 2015
W.I.: 1212
Referred by: Planning Committee
Revised: 11/18/15-C

ABSTRACT

Resolution No. 4204, Revised

This resolution adopts the goals and performance targets for Plan Bay Area 2040.

This resolution was amended on November 18, 2015 to reflect the selection of the four remaining performance targets for Plan Bay Area 2040, previously included as placeholders in September 2015.

Further discussion of this action is contained in the MTC Executive Director's Memoranda to the Planning Committee dated September 4, 2015 and November 6, 2015 and to the Commission dated September 16, 2015 and November 11, 2015.

Date: September 23, 2015
W.I.: 1212
Referred by: Planning Committee

Re: Adoption of Goals and Performance Targets for Plan Bay Area 2040

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4204

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code Sections 66500 et seq.; and

WHEREAS, SB 375, Chapter 728, Statutes of 2008, amended Sections 65080, 65400, 65583, 65584.01, 65584.02, 65584.04, 65587, and 65588 of, and added Sections 14522.1, 14522.2, and 65080.01 to, the Government Code, and amended Section 21061.3 of, to add Section 21159.28 to, and to add Chapter 4.2 (commencing with Section 21155) to Division 13 of, the Public Resources Code, relating to environmental quality; and

WHEREAS, SB 375 requires MTC and Association of Bay Area Governments ("ABAG") to adopt a Sustainable Communities Strategy (SCS), referred to as Plan Bay Area 2040 ("the Plan"); and

WHEREAS, SB 375 specifies how MTC and the ABAG are to collaborate in the preparation of the Plan; and

WHEREAS, MTC and ABAG may elect to set performance targets for the purpose of evaluating land use and transportation scenarios to help inform selection of a draft and final Plan; and

WHEREAS, goals and performance targets adopted by MTC and ABAG will be applied in the planning process at the regional level and do not constitute standards, policies or restrictions that apply to decisions under the jurisdiction of local governments; and

WHEREAS, MTC and ABAG have solicited extensive input from local governments, partner transportation agencies, the MTC Policy Advisory Council, the Regional Equity Working Group, and other regional stakeholders on goals and performance targets; and

WHEREAS, Attachment A to this resolution, attached hereto and incorporated herein as though set forth at length, lists a set of goals and performance targets representing environmental, economic and equity outcomes MTC and ABAG hope to achieve through the Plan; and

WHEREAS, the goals and performance targets in Attachment A provide a framework for both quantitative and qualitative assessment of potential transportation projects to inform decisions about the projects to be included in the financially constrained element of the Plan; and

WHEREAS, MTC and ABAG will periodically measure progress toward the performance targets in order to assess the impacts of regional and local policies and investments, modify or adjust programs or policies, modify or adjust performance targets, or inform development of future Plan updates, now, therefore be it

RESOLVED, MTC adopts the goals and performance targets set forth in Attachment A.

METROPOLITAN TRANSPORTATION COMMISSION

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David Cortese, Chair

The above resolution was entered into by the
Metropolitan Transportation Commission
at a regular meeting of the Commission held in
Oakland, California, on September 23, 2015.

Goals and Performance Targets for Plan Bay Area 2040

Goal	#	Performance Target
Climate Protection	**1**	Reduce per-capita CO_2 emissions from cars and light-duty trucks by **15%**
Adequate Housing	**2**	House **100%** of the region's projected growth by income level without displacing current low-income residents and with no increase in in-commuters over the Plan baseline year
Healthy and Safe Communities	**3**	Reduce adverse health impacts associated with air quality, road safety, and physical inactivity by **10%**
Open Space and Agricultural Preservation	**4**	Direct **all** non-agricultural development within the urban footprint (existing urban development and UGBs)
Equitable Access	**5**	Decrease the share of lower-income residents' household income consumed by transportation and housing by **10%**
	6	Increase the share of affordable housing in PDAs, TPAs, or high-opportunity areas by **15%**
	7	Reduce the share of low- and moderate-income renter households in PDAs, TPAs, or high-opportunity areas that are at an increased risk of displacement to **0%**
Economic Vitality	**8**	Increase by **20%** the share of jobs accessible within 30 minutes by auto or within 45 minutes by transit in congested conditions
	9	Increase by **35%*** the number of jobs in predominantly middle-wage industries
	10	Reduce per-capita delay on the Regional Freight Network by **20%**
Transportation System Effectiveness	**11**	Increase non-auto mode share by **10%**
	12	Reduce vehicle operating and maintenance costs due to pavement conditions by **100%**
	13	Reduce per-rider transit delay due to aged infrastructure by **100%**

** = the numeric target for #9 will be revised later based on the final ABAG forecast for overall job growth*

October 16, 2015

Dave Vautin
Metropolitan Transportation Commission
101 8th Street
Oakland, CA 94607
dvautin@mtc.ca.gov

Re: Feedback on proposed Plan Bay Area Performance Target #9 (Jobs/Wages)

Dear Mr. Vautin:

Thank you for all your work on the Jobs/Wages Performance Target (Target #9) for Plan Bay Area. As members and supporters of the Bay Area Quality Jobs Network of the 6 Wins, we would like to offer the following comments on the proposed Options #1 and #2 (as provided in the "Remaining Targets" memo dated Oct. 6, 2015):

Proposed Option #1 Focuses on the Bay Area's Biggest Economic Challenge

Of the two options proposed for Target #9, we strongly support Option #1, "Increase by 35%* the number of jobs in predominantly middle-wage industries."

This target focuses directly on the primary problem: the growth of wage inequality and the rapidly shrinking share of middle-wage, family-supporting jobs accessible to Bay Area residents.

Land use and transportation planning and investment plays a significant role in shaping economic development. With appropriate economic development goals the Plan Bay Area 2040 and its implementing projects can reflect an intent to retain and create more middle- wage jobs and make those jobs accessible to Bay Area's lower-income residents. We understand that Plan Bay Area is certainly not the only factor affecting the jobs mix. But neither is it the only factor affecting the housing market (Target #2), pavement conditions (Target #12), or residents' levels of physical activity (Target #3). In the same vein, Option #1 will open up a space in Plan Bay Area to focus on the ways in which regional and local growth patterns and decision-making do impact the jobs mix, and to do our share to address this challenge.

In contrast, Option #2, "Increase by 35%* the number of jobs in predominantly middle-wage industries accessible within 30 minutes by auto or 45 minutes by transit in congested conditions," does not address the primary problem, and furthermore, is a near-duplicate of the already adopted Target #8 (Reso. No. 4204, adopted 9/23/15). Ensuring a robust transportation network that links people to jobs is certainly important. But there is no obvious reason to create a second target that measures the same metric for middle-wage jobs only. We have not seen any data suggesting that existing middle-wage workers have substantially *more* difficulty getting to work than do existing low-wage workers.

Increasing transportation access to middle-wage jobs without also working to increase the number and share of jobs which are middle-wage is likely to have little impact, since we already have too many people chasing after far too few middle-wage jobs.

The Bay Area Needs to Both *Preserve* and *Expand* Middle-Wage Jobs

We understand that the benchmark for this target (currently 35%) is proposed to set a goal of keeping the share of middle-wage jobs stable, rather than targeting an increased share. While we strongly believe that the Bay Area needs to not just maintain, but increase its share of middle-wage jobs, stopping the bleeding is the first step.

If the final adopted target remains at a level consonant with preserving rather than increasing middle-wage jobs, we urge MTC and ABAG to simultaneously adopt a strong statement committing to revisit the topic between now and the next update of Plan Bay Area to work towards strategies that would enable us to set and reach a more ambitious goal for PBA 2022.

Modeling Constraints Should Not Dictate Our Region's Goals

We understand that the model used to analyze alternative scenarios for Plan Bay Area (UrbanSim) does not currently have the capacity to forecast the impacts of different scenarios or programs on the jobs mix, and that as a consequence, the model output would show no difference between varied scenarios with respect to performance on Option #1.

While it would certainly be ideal to be able to model this target, the model limitations should not lead us to avoid setting goals on critical issues impacting the region. Rather, let's acknowledge that we do not currently have the technical capacity to accurately forecast it, and instead focus on gaining good understanding of current conditions as a baseline, and use those to inform planning, program and policy approaches.

We would further suggest a long-term goal to work towards being able to incorporate these indicators into the modelling methodology in time for the next update of Plan Bay Area.

We Need to Measure Wages Accurately to Reflect Geographic Differences and Recognize that Labor Markets Can Change

The formulation "predominantly middle-wage industries", used in both options for the Jobs/Wages Performance Target, is problematic. Using industries as a proxy for wages embeds at least two assumptions: that the wage distribution in an industry is the same everywhere in the Bay Area, and that the wage distribution stays the same over time. These assumptions fail to acknowledge the ability of policies or strategies that change industry dynamics to bring low-wage jobs up to a livable wage; or conversely, to push wages downward in formerly middle-wage industries.

In short: Wage distribution is not an inherent or immutable characteristic of an industry.

- It varies over time.
- It varies by geography. A single industry, like food manufacturing, might be considered low-wage in one part of the Bay Area but middle-wage in another part.
- It varies widely within an industry sector. For example, retail is overall one of the biggest low-wage sectors; but there are middle-wage retailers. And health care is considered a middle-wage sector, but there are some health care industries that are almost entirely low-wage, such as home health care.
- Finally, it varies depending on a wide range of public policies. Some of those, like trade and immigration, are outside of the region's ability to impact. But there are others that can be influenced locally and in which many local governments are already engaged: minimum wages, zoning requirements, local, targeted or first source hiring, business attraction/retention strategies, and more.

Following are two possible approaches which might help the regional agencies to obtain an accurate picture of current conditions:

1) If we cannot get accurate data on wages for individual jobs (as opposed to using industry averages as a proxy), consider looking at people instead (i.e., household rather than establishment data): average weekly wages for full-time workers, or annual earnings from work. This doesn't translate directly to an hourly wage rate, but it gives a more holistic picture of workers' pay that includes the impacts of underemployment.

– OR –

2) If the regional agencies prefer to maintain the industry approach, use detailed industries – ideally 6-digit NAICS[i] – and differentiate by geography at least down to the county level. We cannot assume that the middle-wage industries in San Francisco (for example) are the same as the middle-wage industries in Napa.

Thank you for the opportunity to provide input on this critical priority for the Bay Area.

Sincerely,

Angela Glover Blackwell, President and CEO, PolicyLink

Belén Seara, Director of Community Relations, San Mateo County Union Community Alliance

Bob Allen, Urban Habitat

David Zisser, Public Advocates

Louise Auerhahn, Director of Economic & Workforce Policy, Working Partnerships USA

Rev. Earl W. Koteen, Sunflower Alliance

Rick Auerbach, Staff, West Berkeley Artisans & Industrial Companies

Tim Frank, Director, Center for Sustainable Neighborhoods

[i] Higher-level NAICS codes hide major variation between detailed industries. For example, here are average weekly wages for a few selected industries in Alameda County:

Industries within NAICS 5617:

6-digit industry	Average weekly wage
NAICS 561710 Exterminating and pest control services	$989
NAICS 561720 Janitorial services	$442
NAICS 561730 Landscaping services	$688
NAICS 561740 Carpet and upholstery cleaning services	$556
NAICS 561790 Other services to buildings and dwellings	$702

Industries within NAICS 33441:

6-digit industry	Average weekly wage
NAICS 334412 Bare printed circuit board manufacturing	$1,114
NAICS 334413 Semiconductors and related device mfg.	$2,098
NAICS 334416 Capacitor, transformer, and inductor mfg.	$1,453
NAICS 334417 Electronic connector manufacturing	$1,829
NAICS 334418 Printed circuit assembly manufacturing	$1,216
NAICS 334419 Other electronic component manufacturing	$960

Industries within NAICS 54151:

6-digit industry	Average weekly wage
NAICS 541511 Custom computer programming services	$3,375
NAICS 541512 Computer systems design services	$2,047
NAICS 541513 Computer facilities management services	$5,968
NAICS 541519 Other computer related services	$1,162

(Source: Quarterly Census of Employment and Wages - Bureau of Labor Statistics, 2014Q1)

Plan BayArea 2040

Staff Recommendation for Remaining Performance Targets

Image Source: https://www.flickr.com/photos/warzauwynn/2596160235

Joint MTC Planning Committee with the ABAG Administrative Committee

November 13, 2015

Plan BayArea 2040

Plan goals, along with nine of the thirteen performance targets, were approved by MTC and ABAG in September.

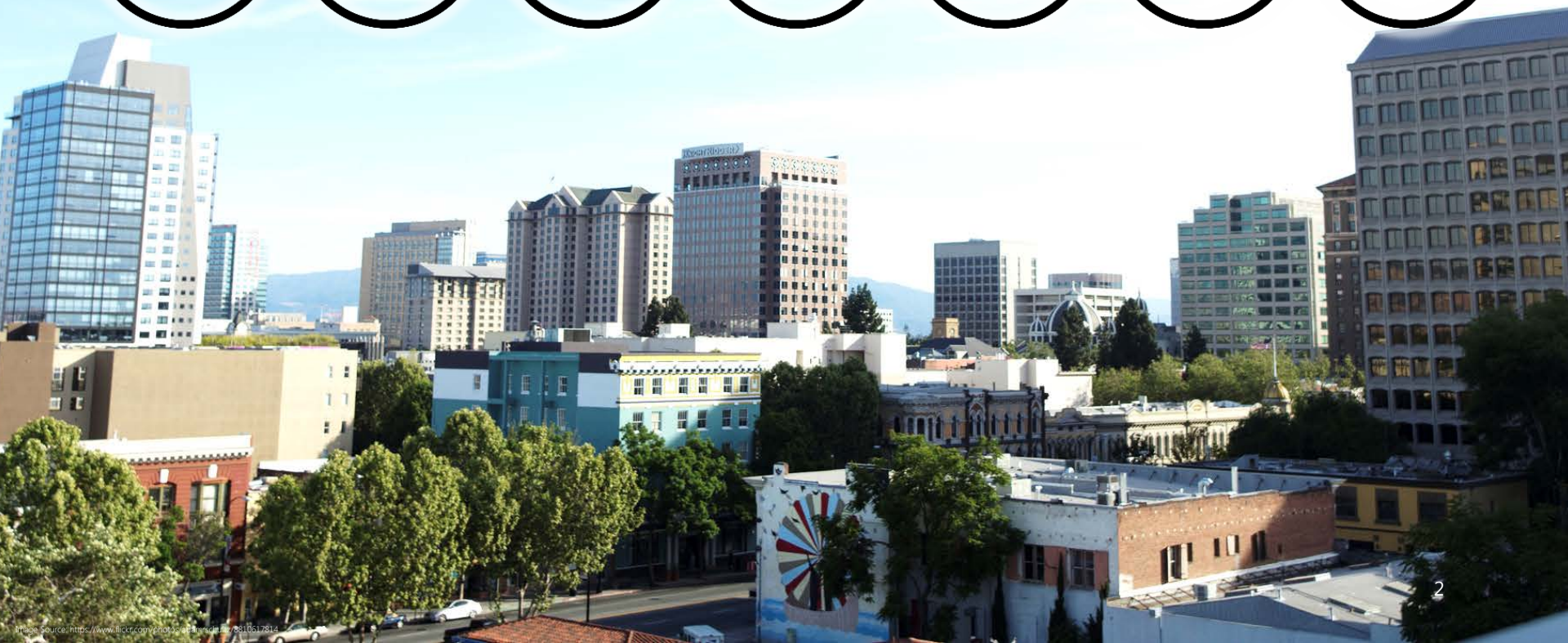


Image Source: https://www.flickr.com/photos/eastern-chris/3810617814

Goals & Performance Targets *(adopted in September)*

Plan BayArea 2040

Climate Protection	1	Reduce per-capita CO_2 emissions from cars and light-duty trucks by **15%**
Adequate Housing	2	------- ***Placeholder*** -------
Healthy and Safe Communities	3	Reduce adverse health impacts associated with air quality, road safety, and physical inactivity by **10%**
Open Space and Agricultural Preservation	4	Direct **all** non-agricultural development within the urban footprint (existing urban development and UGBs)
Equitable Access	5	Decrease the share of lower-income residents' household income consumed by transportation and housing by **10%**
	6	Increase the share of affordable housing in PDAs, TPAs, or high-opportunity areas by **15%**
	7	------- ***Placeholder*** -------

Goals & Performance Targets *(adopted in September)*

Plan BayArea 2040

Economic Vitality

8 Increase by **20%** the share of jobs accessible within 30 minutes by auto or within 45 minutes by transit in congested conditions

9 ***------- Placeholder -------***

10 ***------- Placeholder -------***

Transportation System Effectiveness

11 Increase non-auto mode share by **10%****

12 Reduce vehicle operating and maintenance costs due to pavement conditions by **100%**

13 Reduce per-rider transit delay due to aged infrastructure by **100%**

Proposed Target #2:
Adequate Housing

Plan BayArea 2040

House 100% of the region's projected growth by income level without displacing current low-income residents and with no increase in in-commuters over the Plan baseline year

Proposed target language aligns with MTC recommendation from September 2015 meeting. ABAG and MTC now reached consensus on target language listed above.

Image Source: https://www.flickr.com/photos/michaelpatrick/2627027306

Proposed Target #7:
Equitable Access – Displacement Risk

Plan BayArea 2040

Reduce the share of low- and moderate-income renter households in PDAs, TPAs, or high-opportunity areas that are at an increased risk of displacement to 0%

Why was this target selected as the staff recommendation?

- Emphasizes ensuring no increase in risk of displacement compared to 2010 *(land use forecast baseline)*

Image Source: https://www.flickr.com/photos/kurafire/8501175681

Proposed Target #9:
Economic Vitality – Jobs/Wages

Plan BayArea 2040

Increase by 35%* the number of jobs in predominantly middle-wage industries

** = numeric target will be revised later based on final ABAG overall job growth forecast*

Why was this target selected as the staff recommendation?

- Most responsive option available for responding to stakeholder concerns about living-wage job growth
- Simple and easy to understand (i.e., preserve the year 2010 share of jobs in middle-wage industries)

Image Source: https://www.flickr.com/photos/omaromar/14192278427

Proposed Target #10:
Economic Vitality – Goods Movement

Plan BayArea 2040

Reduce per-capita delay on the Regional Freight Network by 20%

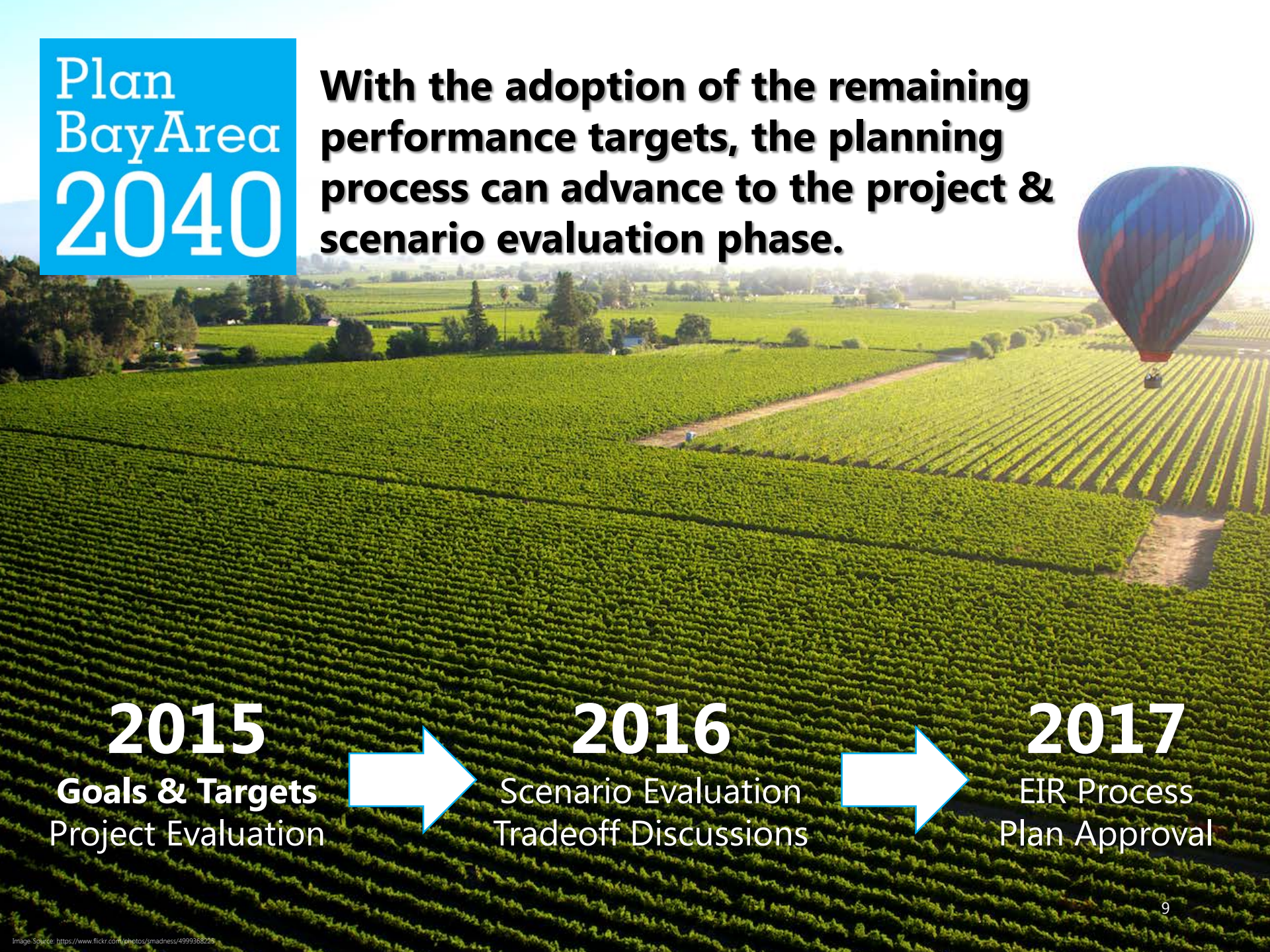
Why was this target selected as the staff recommendation?

- Reflects concerns amongst stakeholders about nexus between traffic congestion and goods movement
- Focuses specifically on corridors with high truck volumes identified in the Regional Goods Movement Plan
- Restores delay target from *Transportation 2035*

Image Source: https://www.flickr.com/photos/thomashawk/15420679781

Plan BayArea 2040

With the adoption of the remaining performance targets, the planning process can advance to the project & scenario evaluation phase.



2015
Goals & Targets
Project Evaluation

2016
Scenario Evaluation
Tradeoff Discussions

2017
EIR Process
Plan Approval

Image Source: https://www.flickr.com/photos/smadness/4999368225