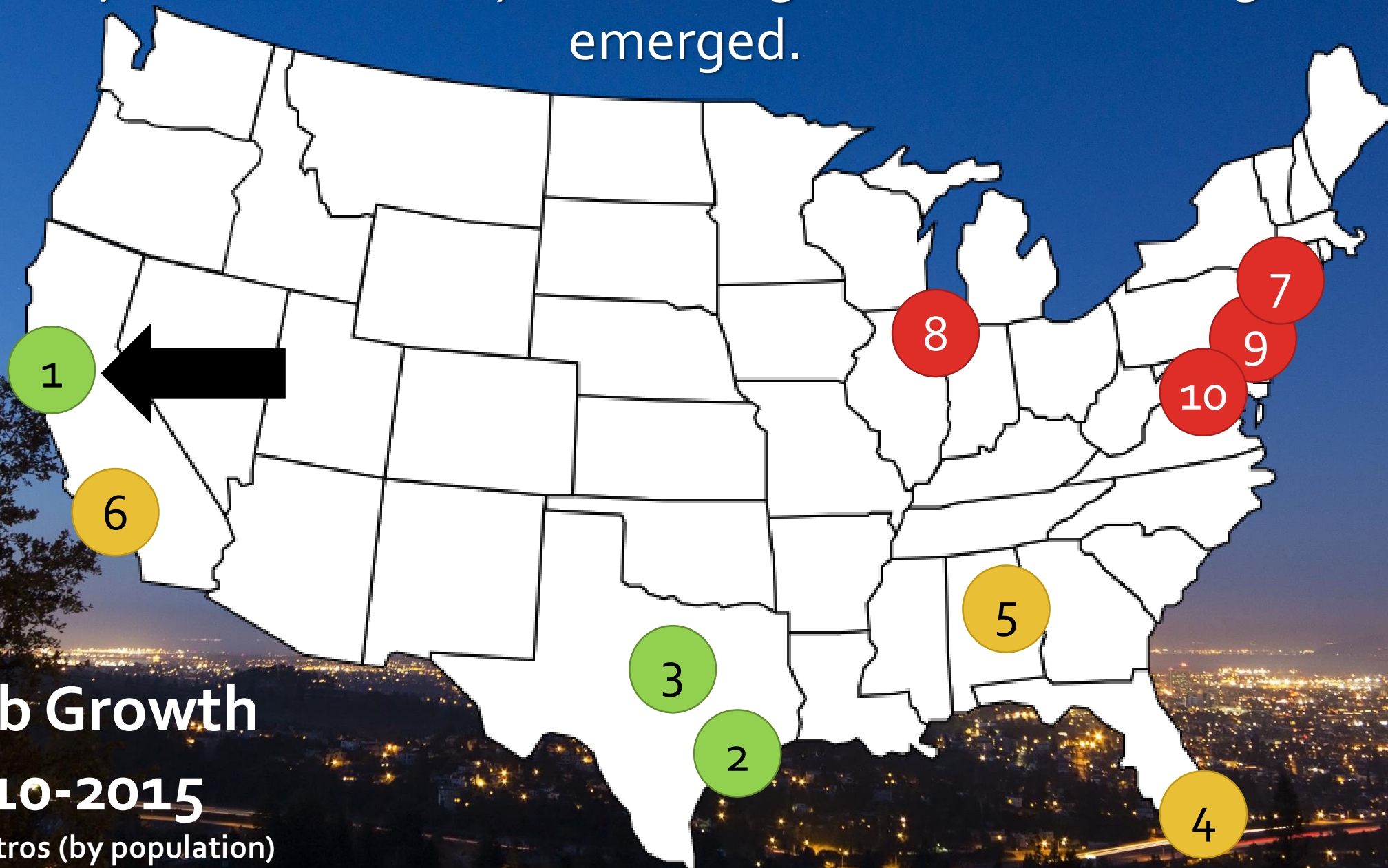


TWO STEPS FORWARD, ONE STEP BACK: IMPROVING ACCESS DURING AN ECONOMIC BOOM



Steve Heminger – Metropolitan Transportation Commission
TRB Annual Meeting – January 2017

The Bay Area's economy is booming – but new challenges have emerged.

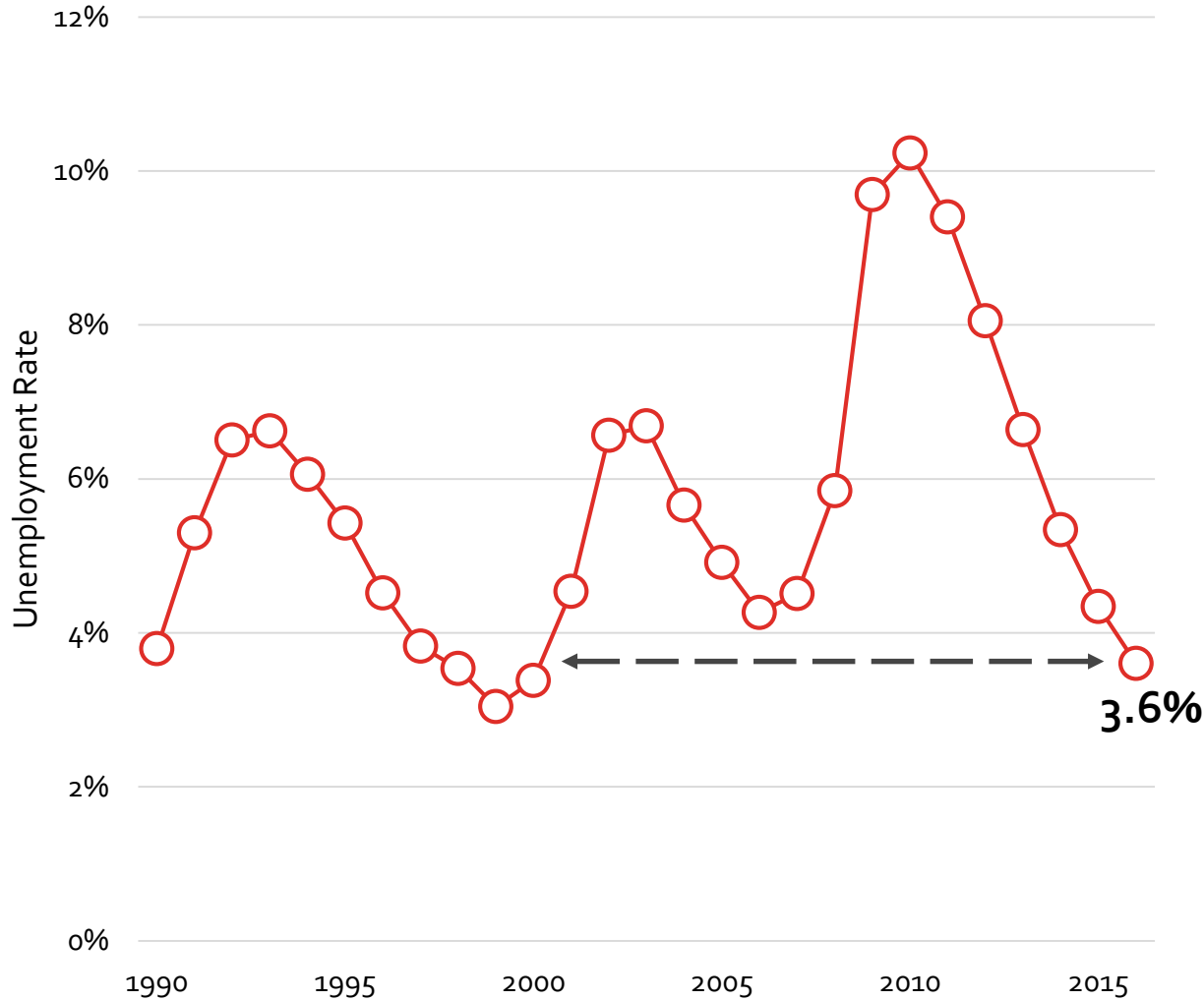


% Job Growth
2010-2015

Top 10 Metros (by population)

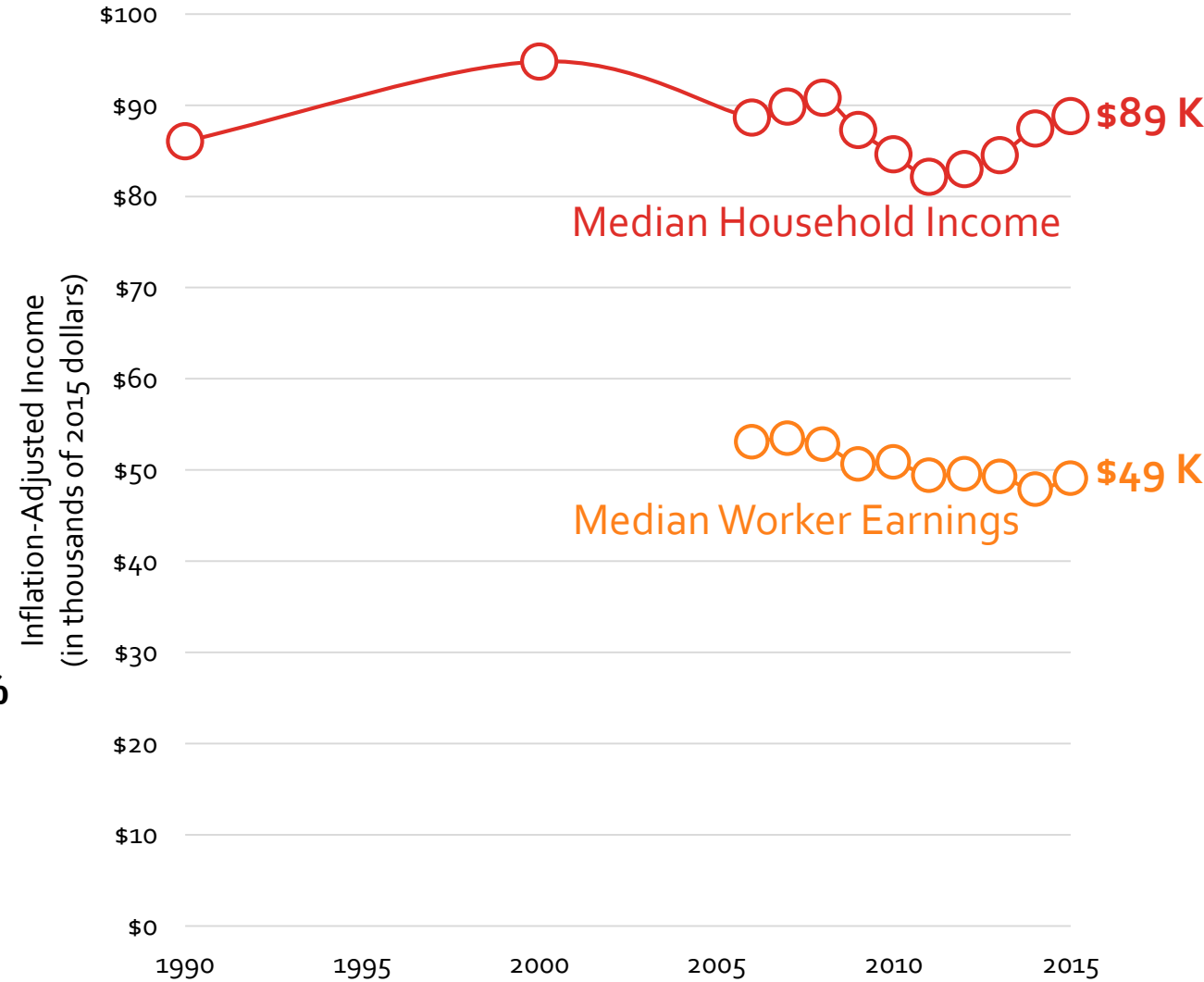
While unemployment is down and incomes are rising...

REGIONAL UNEMPLOYMENT



Source: Employment Development Department
Note: 2016 data is provisional (based on unadjusted November 2016 estimate)

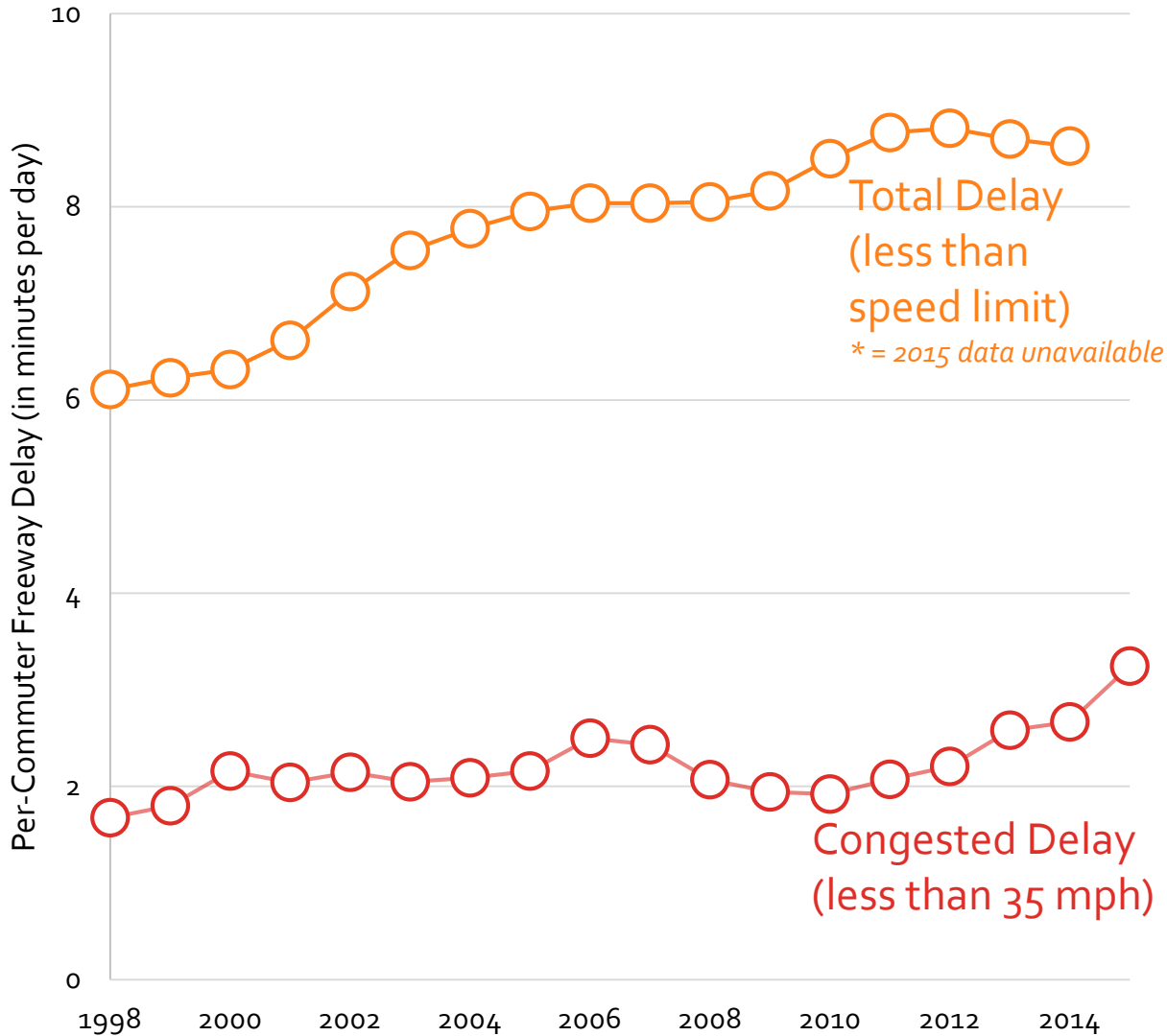
REGIONAL MEDIAN INCOME



Source: U.S. Census Bureau/American Community Survey; Bureau of Labor Statistics³
Note: inflation-adjusted to 2015 dollars

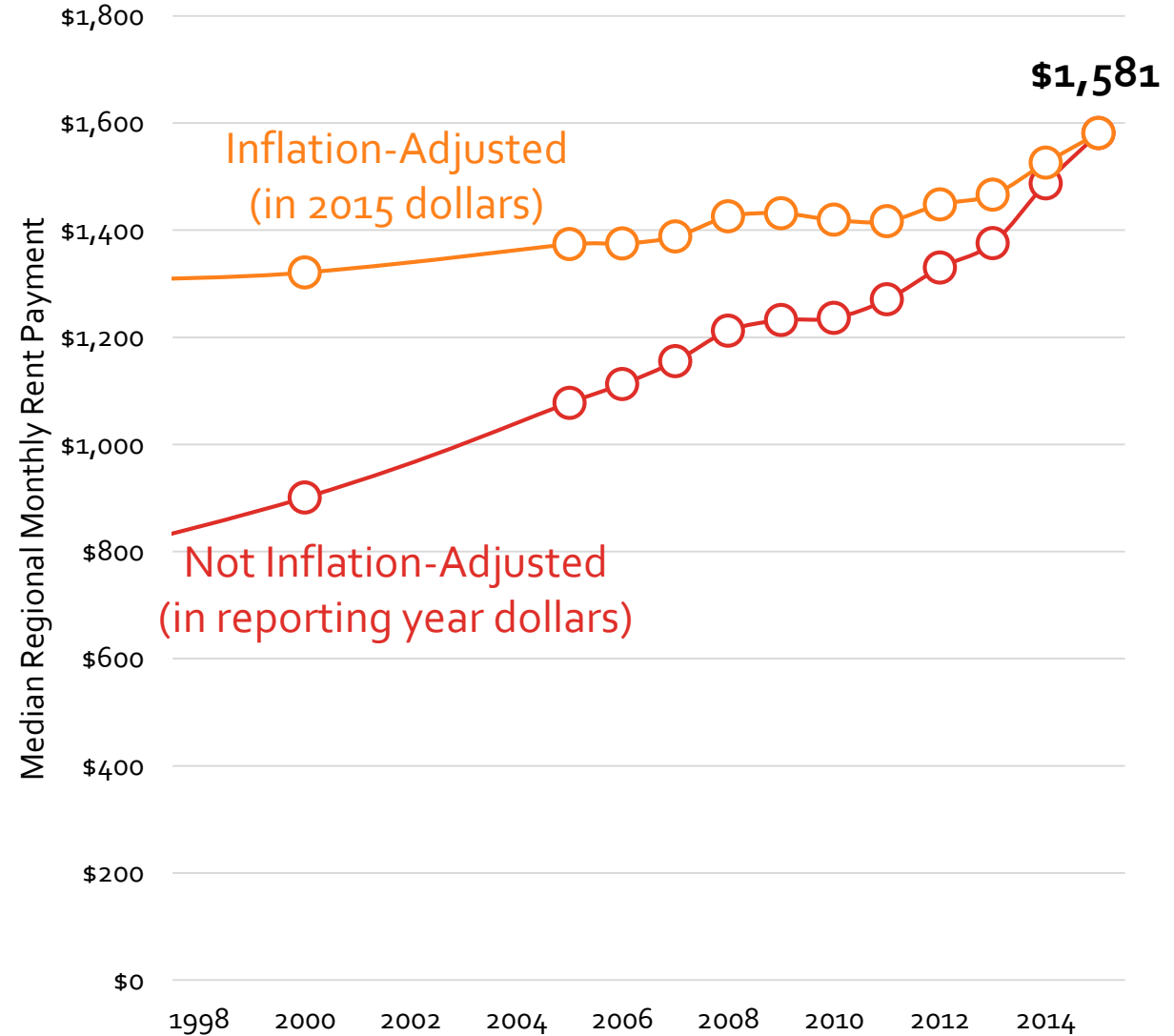
... traffic congestion and rent payments are at all-time highs.

PER-COMMUTER FREEWAY DELAY



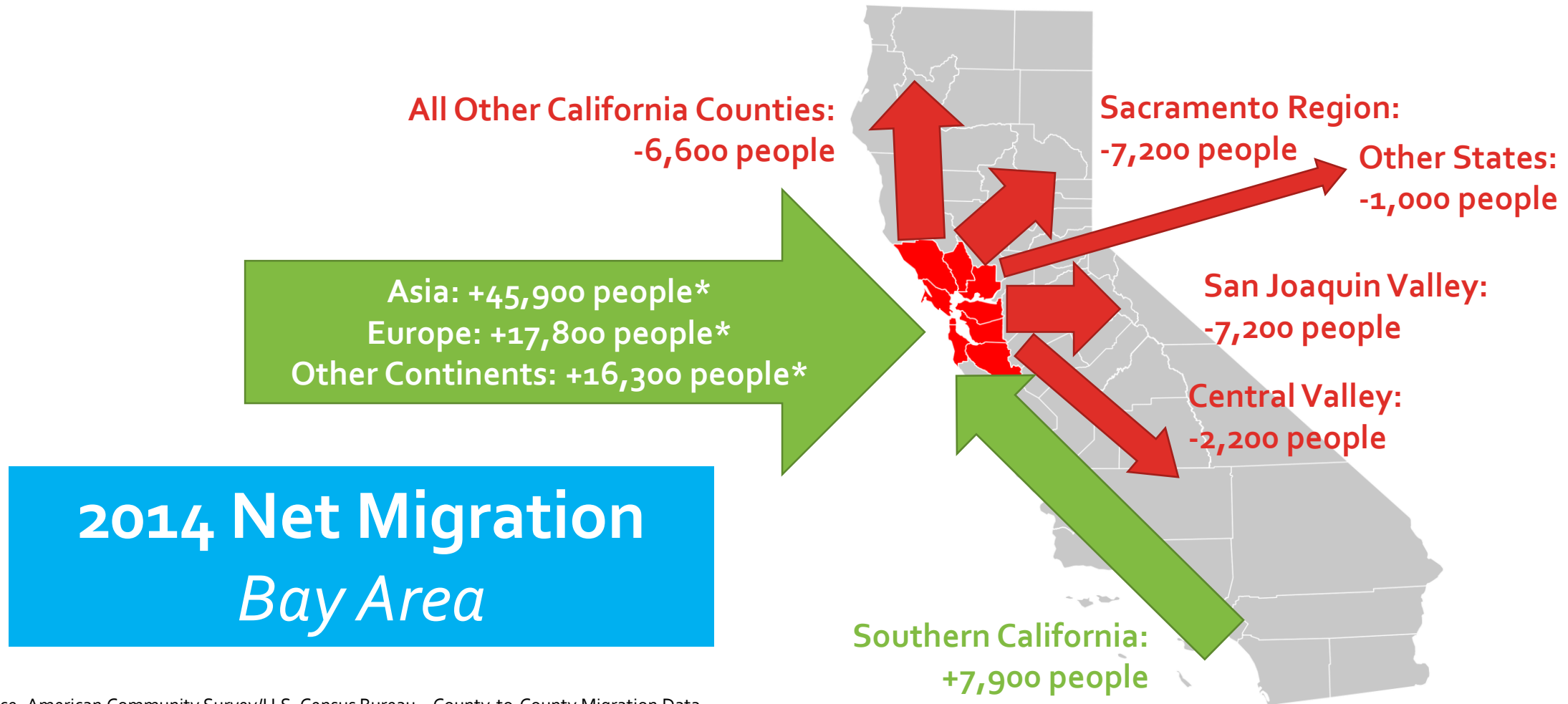
Source: INRIX/Iteris/MTC, 2015; Texas Transportation Institute, 2014
Note: reflects typical weekday conditions

REGIONAL MEDIAN RENT PAYMENTS



Source: U.S. Census Bureau/American Community Survey; Bureau of Labor Statistics⁴
Note: inflation-adjusted to 2015 dollars

Priced out of expensive San Francisco and Silicon Valley communities, existing residents have been displaced to less-accessible cities at the periphery of the region – or out of the region entirely.



Source: American Community Survey/U.S. Census Bureau – County-to-County Migration Data
Note: relies on 5-year rolling average data; * = data limitations exist with international migration, as emigration is not reflected

Priced out of expensive San Francisco and Silicon Valley communities, existing residents have been displaced to less-accessible cities at the periphery of the region – or out of the region entirely.

San Francisco County

Includes city of San Francisco

2014 Net Migration

Primary In-Migration Locations:

From Asia: +6,100 people*

From Europe: +3,800 people*

From So. California: +2,000 people

Primary Out-Migration Locations:

To Peninsula: -4,500 people

To East Bay: -7,300 people

Alameda County

Includes city of Oakland

2014 Net Migration

Primary In-Migration Locations:

From Asia: +10,200 people*

From San Francisco: +5,000 people

From Peninsula/S. Bay: +4,300 people

Primary Out-Migration Locations:

To San Joaquin Valley: -2,900 people

To East Bay: -6,500 people

Santa Clara County

Includes city of San Jose

2014 Net Migration

Primary In-Migration Locations:

From Asia: +19,900 people*

From Europe: +4,100 people*

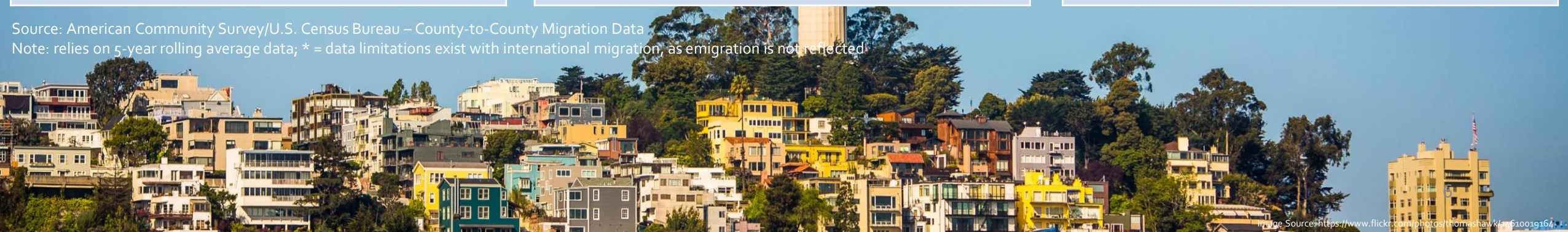
From Rest of USA: +2,400 people

Primary Out-Migration Locations:

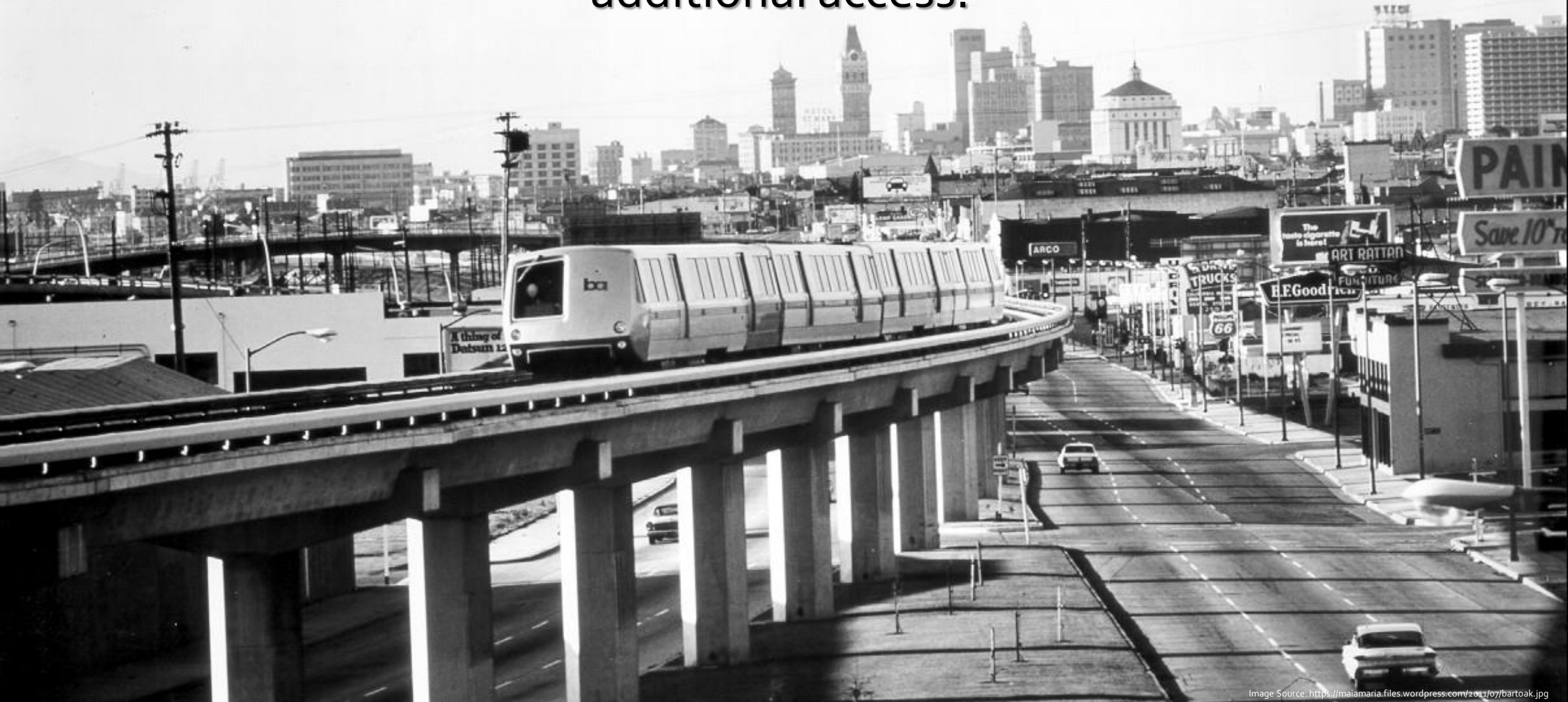
To Sacramento: -2,700 people

To East Bay: -3,400 people

Source: American Community Survey/U.S. Census Bureau – County-to-County Migration Data
Note: relies on 5-year rolling average data; * = data limitations exist with international migration, as emigration is not reflected



As transportation planners, our first inclination is to do what has worked in the past – **expand our transportation network** to provide additional access.



We've maxed out our state highway strategy. Our region has instead focused on modernization, pricing, and select transit expansion projects to improve access to booming job centers.

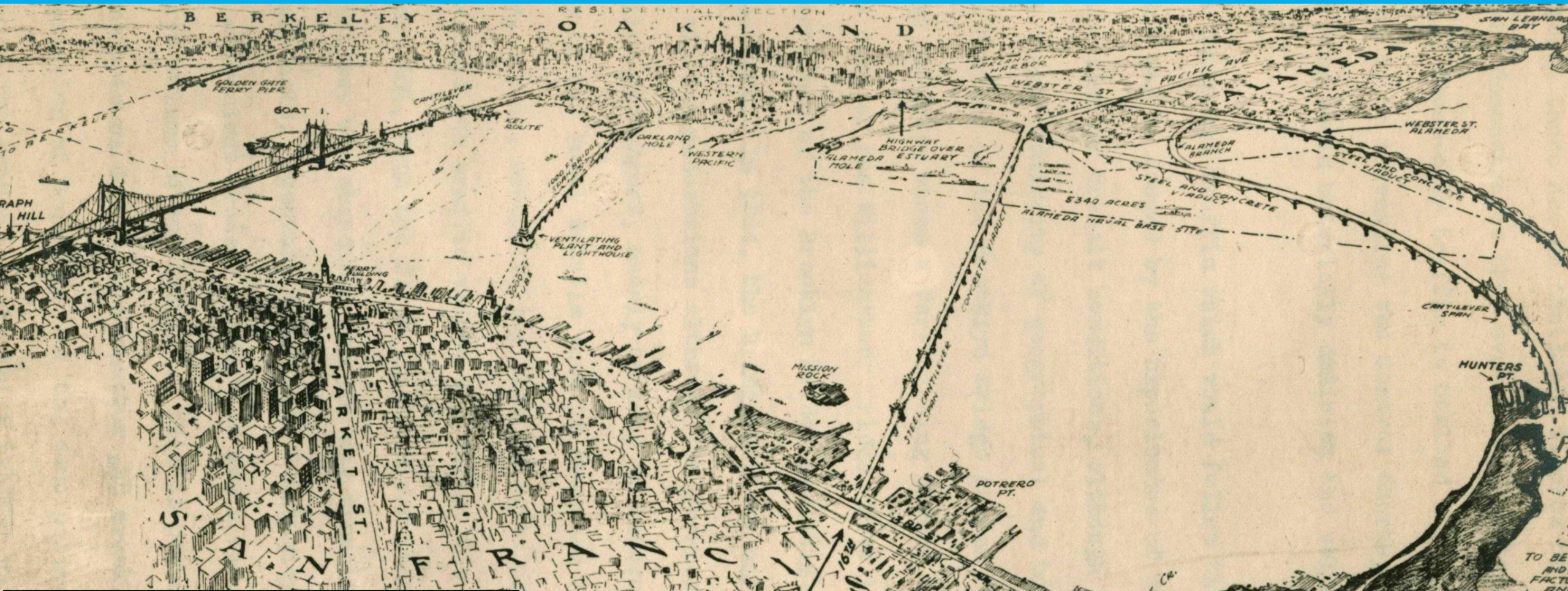


Fig. Perspective view of San Francisco Bay between San Francisco and Oakland showing five of the proposed bridges. Some 18 or more Bridge proposals have been seriously placed before the public. The 5 bridges shown on this illustration.

eBART – an extension of the BART regional rail system to still-affordable suburban communities – is a classic example of this strategy. While local benefits are **significant**, regional benefits are **limited**.

2015 BART Weekday Ridership: **433,000** boardings*

eBART Ridership Forecast: **4,000** boardings* (50% new to BART)

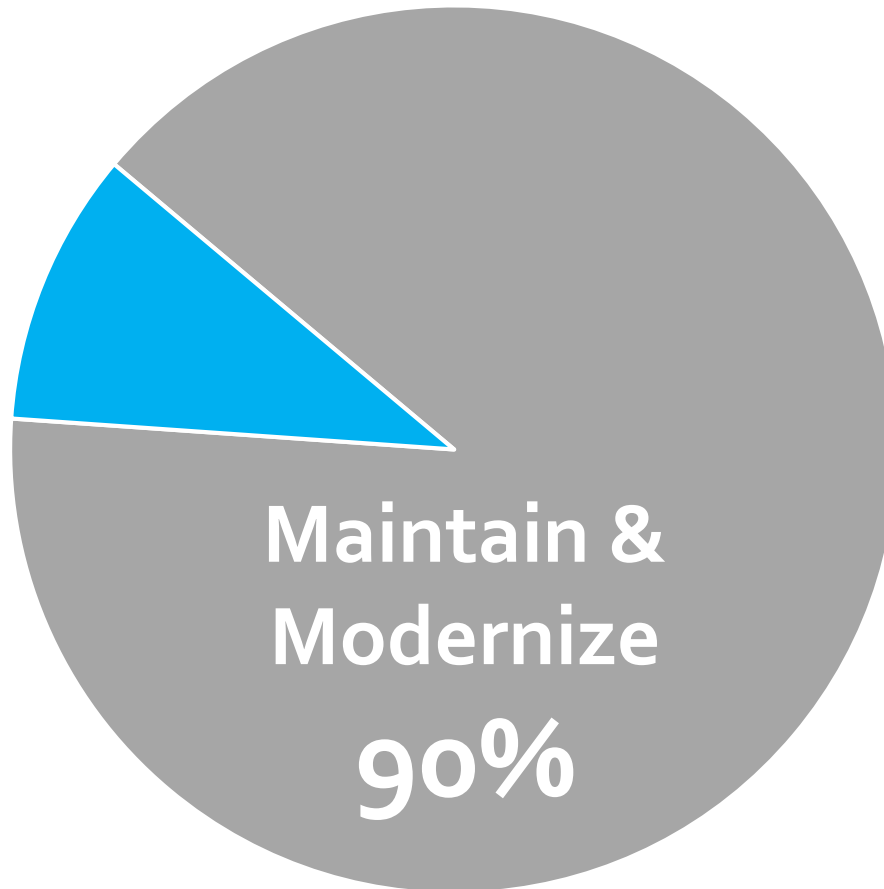
Net Ridership Gain: **+2,000** boardings (~+0.5% growth)

Example of diminishing marginal returns from expanding a mature system



Our maturing transportation system means “Fix It First” is a top priority. While maintenance projects yield significant benefits, limited funding is left over for expansion projects to boost access.

**Expand
10%**



**Plan
BayArea
2040**

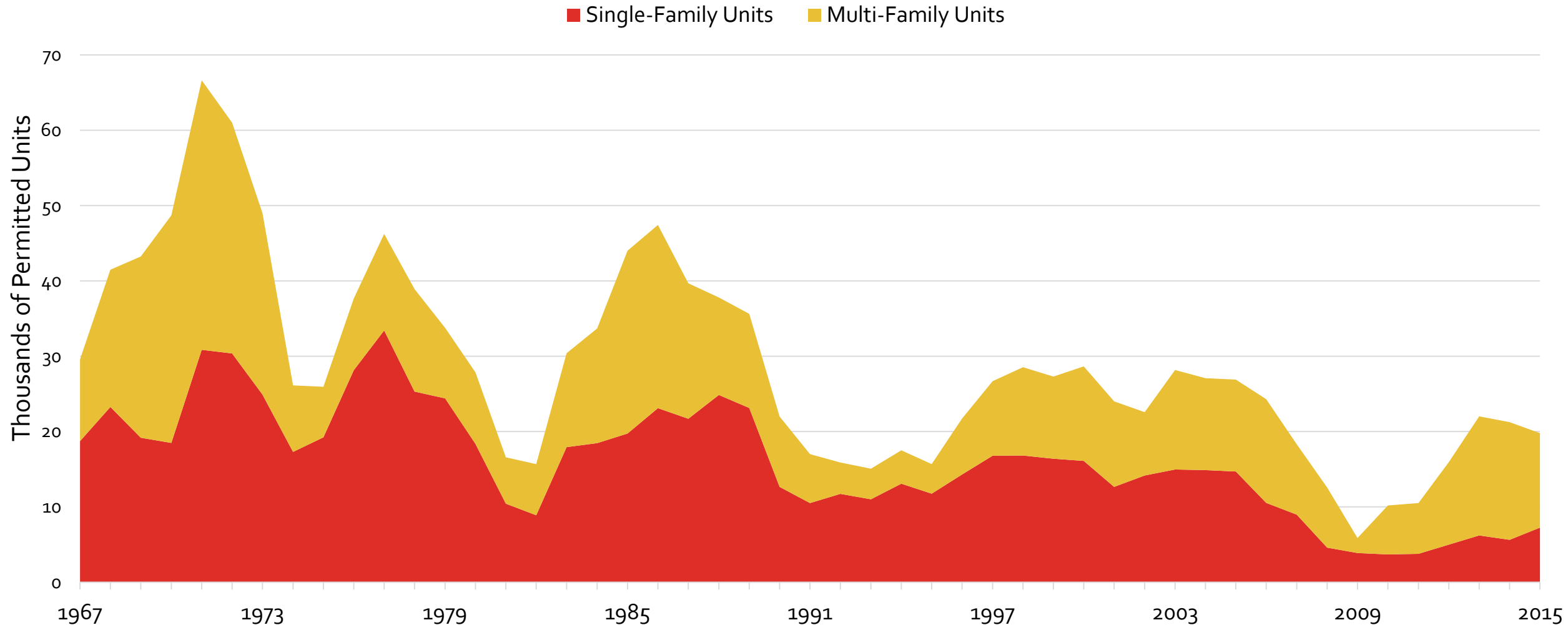


Accessibility is superior to mobility as a performance measure precisely because it incorporates origins and destinations into the mix – not just speed of travel. And in many cases, transportation is just a “**band aid**” **solution** to what is fundamentally a land use problem.



While the Bay Area has continued to invest more in transportation, housing production (especially in inner-ring suburbs) has declined.

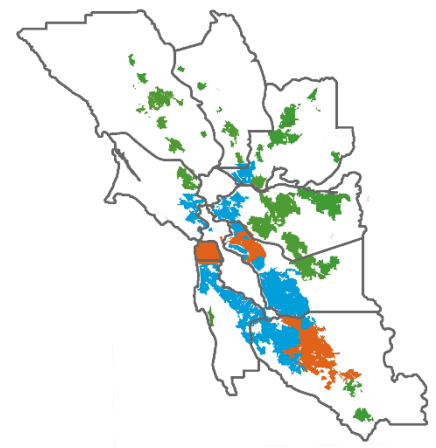
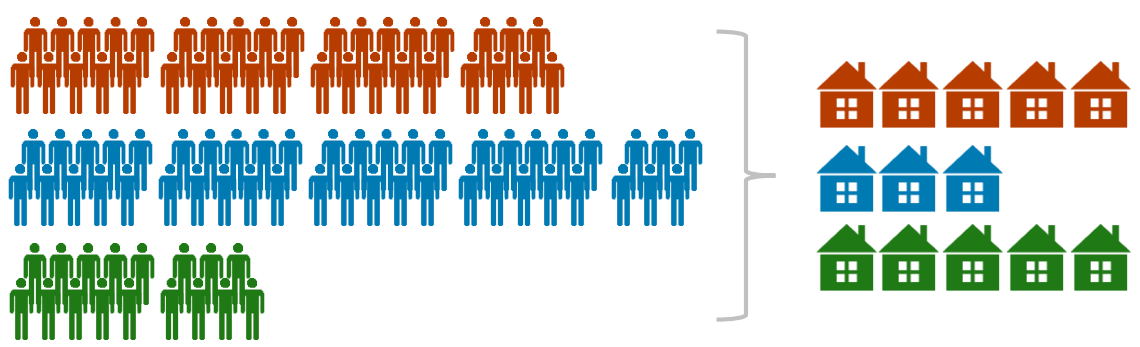
PERMITTED UNITS BY YEAR



And while jobs boom in Silicon Valley, limited housing has been built in Bayside cities – resulting in a severe jobs-housing imbalance.



Jobs added from 2011 through 2015: **501,000**
Housing units built from 2011 through 2015: **65,000**



Big 3 Cities:
1 housing unit built for every **7 jobs** created

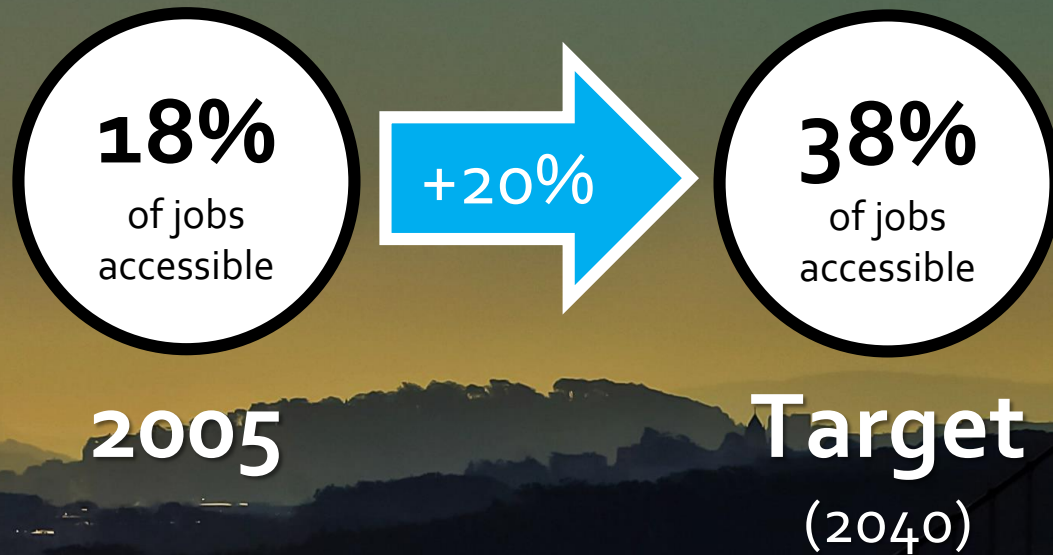
Bayside Cities and Towns:
1 housing unit built for every **15 jobs** created

Inland, Coastal, Delta Cities and Towns:
1 housing unit built for every **3 jobs** created

Regionally: 1 house was built for every 8 jobs created

Given the importance of accessibility for all modes in our region, we set an aggressive target for our latest **integrated land use & transportation plan**: to roughly **double the share of jobs accessible** within 30 minutes by car or 45 minutes by public transit.

Plan
BayArea
2040

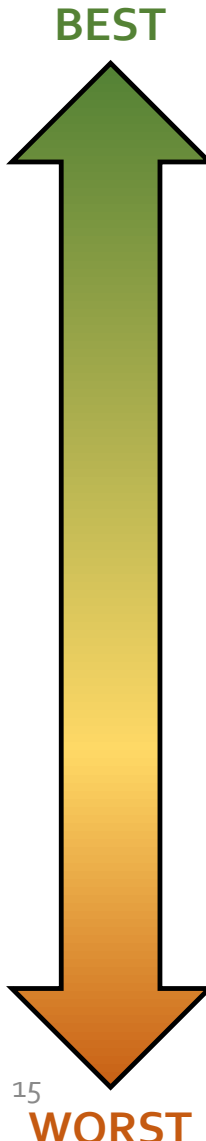


While Plan Bay Area 2040 is based on a revenue forecast of over \$300 billion, limited expansion funding meant minimal accessibility gains.

Plan Bay Area 2040

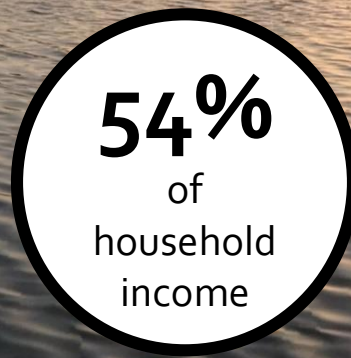
Performance target results for the Final Preferred Scenario are **ranked from best to worst**, depending on the degree to which performance exceeds (or underperforms) on a given target.

	<u>Goal</u>	<u>Final Preferred</u>
Goods Movement/Congestion Reduction	-20%	-29%
Climate Protection	-15%	-18%
Middle-Wage Job Creation	+38%	+43%
Open Space and Agricultural Preservation	100%	100%
Adequate Housing	100%	100%
Transit Maintenance	-100%	-78%
Non-Auto Mode Shift	+10%	+3%
Road Maintenance	-100%	-16%
Affordable Housing	+15%	+2%
Healthy and Safe Communities	-10%	-1%
Access to Jobs	+20%	-0%
Displacement Risk	+0%	+9%
Housing + Transportation Affordability	-10%	+13%

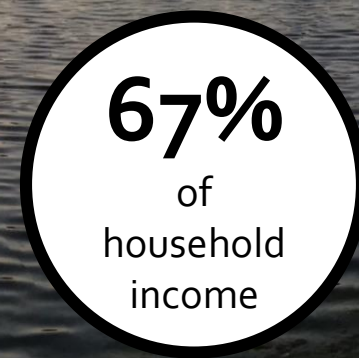
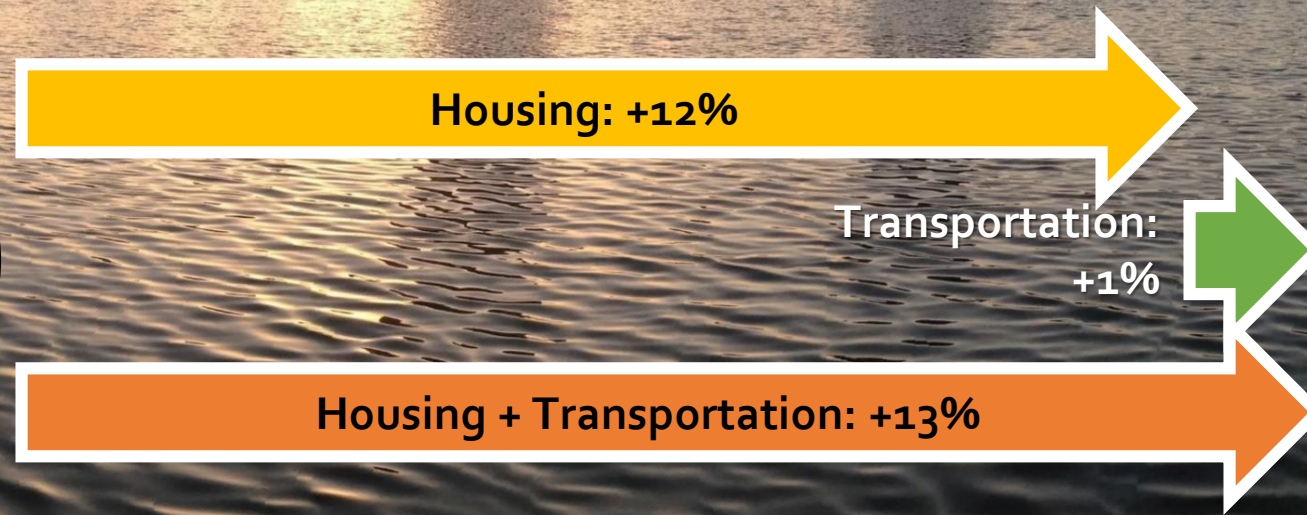


The results are **even more stark** when you look at affordability trends – it's not transportation that is limiting access to opportunity. Unless we deal with housing, all Bay Area residents (but especially those of lesser means) will be increasingly burdened.

Housing +
Transportation
Costs
(as a share of
income)*



2005



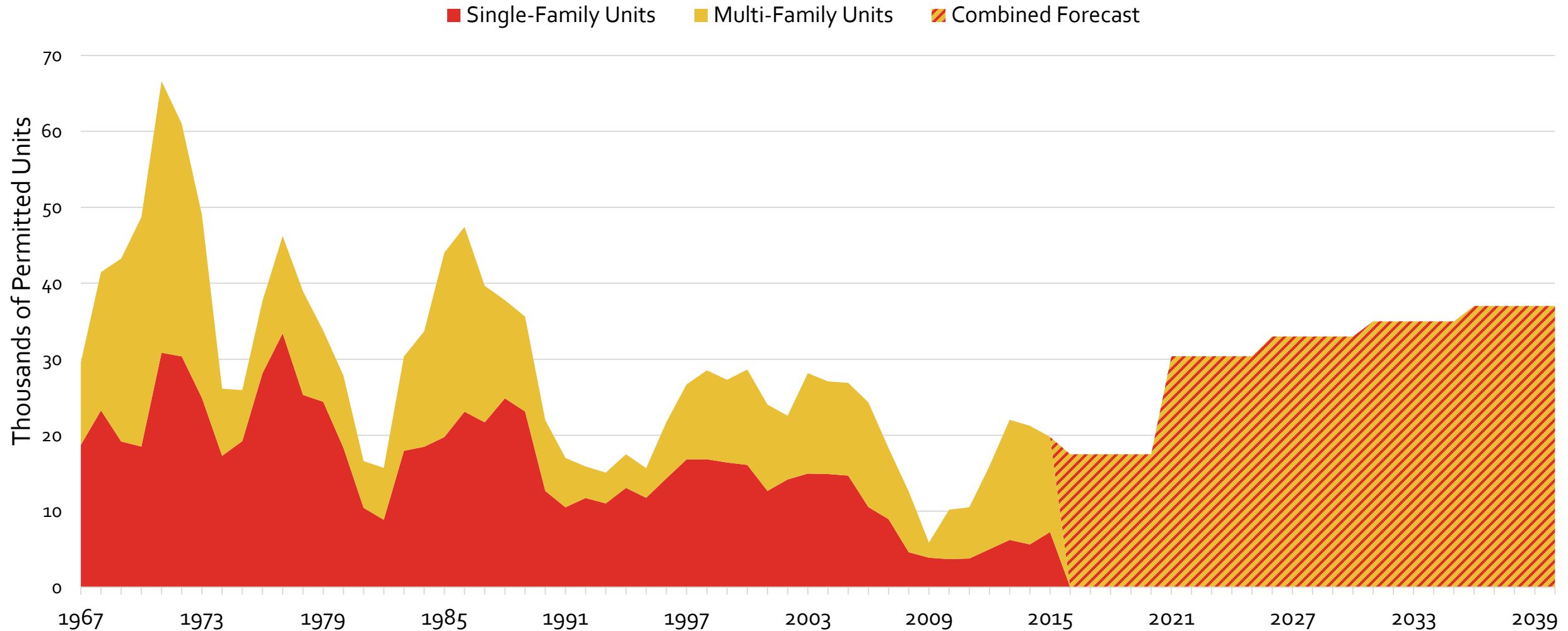
2040

* = for lower-income households

CAVEAT ALERT:

All of these results are contingent on housing production doubling.

PERMITTED UNITS – HISTORICAL TREND AND PLAN FORECAST



To encourage infill growth over the past half-century, our region made **significant transportation investments** to support the revitalization of urban centers.



But as we have improved our cities – and access to them for all modes – housing costs have skyrocketed, meaning that many of **yesterday's residents** aren't able to enjoy **today's benefits**.



“When faced with a choice
between two evils, I always
choose the one I haven’t
tried before.”

- Mae West



Displacement from existing affordable housing means downsizing, moving to far-flung exurbs, or relocating to another metro.



Fiscalization of land use, combined with **NIMBYism**, continues to disincentivize cities and towns close to regional job centers from building housing (both market-rate and affordable).



Even in a progressive region, there are plenty of residents who would prefer a no-growth policy – **“building a wall”** around the region.



One potential solution to the jobs-housing imbalance – **generate more local funds** to build affordable and working-class housing through housing bonds. This would mirror the self-help approach taken by the transportation sector in California.



Many of these problems are not limited to the Bay Area – they are a result of statewide laws and propositions (such as Proposition 13).

- CEQA Reform
- Prop 13 Reform
- Transportation Funding Incentives (OBAG)
- Affordable Housing Funding Boosts



Additionally, the Bay Area is moving forward with the **CASA initiative** in 2017.

Committee for Affordable and Sustainable Accommodations

- Blue ribbon multi-sector committee to identify **game-changing** solutions
- Build **regional consensus** on legislative, regulative, financial and market-related measures
- Identify **near- and medium-term** actions



QUESTIONS?



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