




BUILDING INDUSTRY ASSOCIATION

1350 Treat Blvd, Suite 140

pcampos@biabayarea.org

To: MTC Planning Committee
ABAG Administrative Committee

From: Paul Campos, BIA Bay Area 

Date: October 13, 2016

Re: **Joint MTC/ABAG Meeting October 14, 2016: Agenda Item 5.a**

Dear Committee Members:

BIA Bay Area appreciates the opportunity to comment on the Draft Preferred Scenario. We hope to draw your attention to an important issue that has not received adequate discussion as the scenario development process has proceeded: the extent to which the region will offer the prospect of economic security and opportunity through home ownership.

While the amount and general location of the region's new housing have been widely discussed during the scenario development process, the relative share of the new housing that is for-sale vs. rental has not. The Draft Preferred Scenario targets 82% of the 820,000 new units needed through 2040 as rental units, with only 18% targeted as for-sale (both attached and detached). The No Project Scenario, by contrast, is projected to have just over 50% of the new units as for-sale, with rental slightly below 50%. Importantly, the No Project Scenario is based on local general plans and projects the future housing mix that would likely occur if Plan Bay Area and its policy interventions are not adopted. In other words, the dramatic decrease in future homeownership opportunities in the Bay Area appears to reflect a policy choice in the Draft Preferred Scenario.

This policy choice has profound implications for the region's ability to reduce the kind of regional/middle-class displacement that has seen so many households and families move to other regions and other states to find affordable home ownership opportunities. A Bay Area that adds precious little to the stock of ownership housing in the region is likely to see that trend accelerate rather than reverse.

The Bay Area needs as many new rental units as feasible through 2040. But the region should not, through discretionary policy choices, significantly reduce the prospect of economic security and opportunity offered by home ownership. It should be possible for the region to approve significantly more ownership housing through 2040 inside existing urban growth boundaries than the Draft Preferred Scenario targets. Failure to do so not only will accelerate the hollowing out of the region's middle-class, but also the resulting increase in per-capita GHG emissions as these households move to outer regions and other states in search of more affordable ownership opportunities.