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May 17, 2017

Steve Heminger  
Executive Director  
Metropolitan Transportation Commission  
375 Beale Street, Ste. 800  
San Francisco, CA 94105

Subject: CCTA Comments on MTC's Draft 2017 Regional Transportation Plan  
(RTP) – *Plan Bay Area 2040*

Dear Mr. Heminger,

The Contra Costa Transportation Authority (CCTA) appreciates the enormous effort that MTC has undertaken during the past two years to develop Draft *Plan Bay Area 2040 (PBA 2040)*, which responds to SB 375 as the Bay Region's first update of the Sustainable Communities Strategy (SCS) adopted in the 2013 RTP (*Plan Bay Area*). As one of nine Bay Area Congestion Management Agencies (CMAs), CCTA has enjoyed working with you through the Bay Area Partnership to help shape the draft Plan.

We take this opportunity to offer comments on Draft *PBA 2040*, specifically with regard to the transportation investments, the housing forecast, and the in-commute from San Joaquin.

### Transportation Investments

We concur with the financially constrained list of projects included in *PBA 2040*. We worked with your staff to develop this list beginning back in 2015. In the summer of 2016, the list was expanded to include new projects to be funded through Measure X, the half-percent sales tax measure proposed in Contra Costa for the November 2016 ballot. After the election, MTC staff said that they would only include funding for measures that passed. Therefore, Contra Costa's projects had to be removed.

Last December, we worked closely with your staff to remove some, but not all of the Measure X projects. We managed to keep a few in by trimming the budget for other projects. Consequently, *PBA 2040* includes a downsized (two-lane) connector road between Vasco Road and Byron Highway near Byron Airport (formerly the Airport Connector), and it includes a new transit center in Brentwood. These two projects are important for safety, mobility, and to support transit service to future PDAs in East County.

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While we would have liked to have kept all of the Measure X projects in the RTP, we understand that MTC must adhere to federal guidelines, and therefore cannot include those projects in the financially constrained scenario.

### **Land Use Projections**

Last December, we voiced concerns about the Draft Preferred Scenario, which assumed Contra Costa would remain housing rich and jobs poor. Your staff responded favorably by reducing the housing forecast, and increasing the number of jobs. One of the Authority's transportation strategies is to improve the jobs/housing balance in Contra Costa, by adding higher-wage jobs near housing, and bringing smart jobs into PDAs. GoMentum station in North Concord is a good example of our efforts to bring smart jobs to Contra Costa.

In draft *PBA 2040*, MTC proposes a housing forecast for Contra Costa that, when compared to the 2013 RTP, would increase the number of dwelling units (DUs) added between 2010 and 2040 from 89,000 to 100,000 DUs. We believe that this amount of growth is achievable. It would require annual production of about 3,000 DUs per year. We did not achieve that level of production during 2010 to 2015, when housing production averaged 1,800 DUs per year, well below this target. But with the strong economic recovery underway, we are, in 2016, back in the 3,000 DUs per year.

We are concerned that the goal of locating 70 percent of new homes in Priority Development Areas (PDAs) may not be realistic. ABAG's recent housing report for 2016 indicated that only 26 percent of new housing in Contra Costa was built in PDAs, and those units were mostly market rate. Only a very small fraction was affordable.

### **Regional Forecast for Housing Growth**

Turning now to the regional housing forecast found in draft *PBA 2040*, we question why MTC would assume that in the future, Bay Area housing production will outpace anything seen in the recent past. We also question whether building more housing will help to reduce traffic.

Draft *PBA 2040* assumes construction of 817,700 DUs between 2010 and 2040. [*Land Use Modeling Supplemental Report, March 2017, p. 13*]. According to ABAG staff, this forecast was developed using the UrbanSim model. Although we support ABAG's use of UrbanSim, we think that MTC and ABAG should be cautious about applying the direct outputs of that model without doing a thorough reality check.

Looking at past housing production, we find that it is far below the level that would be needed to achieve the *PBA 2040* forecast. Only 79,151 DUs were constructed in the Bay Region since 2010, for an average production rate of 15,830 DUs per year [*Caltrans Economic Analysis Branch, California County-level Economic Forecast, The California Economic Forecast, Oct. 2016*]. The remaining balance of 738,549 DUs would need to be constructed in the next 25 years at an average annual rate of 29,542 DUs, year in and year out. As shown in the attached table, housing production rates this high have not been seen in the Bay Region for a long time. There was the housing production boom of 1988, when 37,785 new units were constructed. Another peak occurred in 2000, when Bay Area production reached 28,652 DUs. Many believe that those peaks will not be seen again, even during an economic boom cycle, and are unlikely to be exceeded in the outer years of the forecast, as was suggested in the Final Regional Forecast memo.<sup>1</sup>

*Recent Trends, Economic Cycles, and Comparisons to State-level Forecast Data all Point to Lower Housing Growth in the Future*

Taking cyclical recessions into account – the last one bringing housing production to a new low of 7,205 units in 2009 – we feel compelled to question the new forecast. While no one wants to talk about another “Great Recession”, MTC should at least take into account, in its forecast, the economic cycles that have so strongly influenced housing production during the past three decades.

MTC’s housing forecast is also dramatically higher than the State’s. According to Caltrans, housing production in the Bay Region will peak at 22,428 in 2017, then slowly fade down to the 16,000’s by 2040. Caltrans’ forecasts total housing production at 552,851 between 2010 and 2040, 48 percent below the *PBA 2040* forecast. If you have access to the forthcoming, more aggressive housing forecast under preparation by the Department of Finance, please forward it to us.

The Bay Region’s historic “failure to keep pace with housing need” [Draft *PBA 2040*, p. 70] will not be addressed by assuming a high housing forecast. If past trends continue, with each passing year, our housing report card will show that *PBA 2040* production rates are unachievable.

We support MTC’s multi-pronged Action Plan [Section 5] for addressing housing affordability, and if asked, we will gladly serve on and support the Committee for Affordable and Sustainable Accommodations (CASA). But we are concerned

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<sup>1</sup> January 14, 2016, Memo from Cynthia Kroll to the ABAG Executive Board

about putting the Action Plan on shaky footing right out of the gate. In view of the information cited here, we ask that you add a caveat to *PBA 2040*, clearly stating that the housing forecast is a “control total,” rather than a forecast to be achieved in the timeframe of the RTP.

### **Stemming the Flow of In-commuters**

In response to SB 375, MTC is committed to “housing the region’s population” by providing more affordable housing so that workers of all incomes can live in the Bay Area. While this is a laudable goal, we are concerned that things might not be headed in that direction. Housing prices outside the region have always been, and will, in our view, continue to be softer than in the Bay Region. Newcomers to the region will, unfortunately, continue to “drive ‘til they qualify.” The lure of owning one’s own home, and having to suffer a long commute to afford it, is not going to go away anytime soon.

One major facility for in-commuting that is of particular interest to the Authority is I-580, where traffic over the Altamont Pass has been inching up at one percent per year between 2013 and 2016. This route now has two express lanes, where congestion-based pricing allows commuters to pay to enter the HOV lanes. Also, there are plans for a BART extension and an ACE train connection. We encourage MTC to partner with CCTA and ACTC in continuing to examine this corridor and develop strategies that will address the increase in single-occupant vehicles (SOVs) over the Altamont Pass.

In our view, at the mega-regional scale, transportation-oriented strategies might be more effective than land use to discourage single-occupant drivers. What would it take to stem the flow of SOVs and encourage carpooling and transit usage over the Altamont Pass? One strategy is open-road tolling; another is convenient transit and carpooling alternatives; a third is to support a public-private partnership to build the SR 239 freeway from Tracy to Brentwood as a toll facility that would divert traffic off of I-580.

These strategies could offer a more feasible alternative for containing the flow of cars into the region. Commuters would still be coming into the Bay Region to work, but the number of vehicles coming in could stop increasing.

### **Strengthening Our Partnership with MTC to Leverage Future Technologies**

The Authority is committed to playing a leading role in the advancement of innovative new technologies to address our transportation challenges. For example, our “*Innovate I-680*” initiative envisions in-vehicle ICM, bus on shoulder, and Shared Autonomous Vehicles (SAV) serving new Park and Ride Lots. Ultimately, we want to make the I-680 corridor in Contra Costa the foremost testing ground for Connected and Autonomous Vehicles.

We invite you to come to Bishop Ranch and take a ride in one of our SAVs that are currently in the beta-testing phase. Deployment of SAVs throughout the I-680 corridor can address the “first/last mile” transit challenge.

We hope that you will join our effort to model the future, by taking into account all of the new technologies that are in play today and hold great promise for tomorrow. We have met with your modeling staff and look forward to forging a new relationship that will result in a new modeling approach that both MTC and the CMAs can apply to predict the future.

\* \* \*

Thank you for this opportunity to comment on the Draft *Plan Bay Area 2040*. The Authority looks forward to working with MTC and ABAG as the new RTP is adopted and implemented.

Sincerely,



Randell H. Iwasaki  
Executive Director

Attach: Housing Table



File: 13.03.08.06

cc: Bay Area CMA Directors

**Attachment**

**SUMMARY OF HOUSING PRODUCTION FOR THE SAN FRANCISCO BAY REGION**

Source: Caltrans Economic Analysis Branch, *California County-Level Economic Forecast*, Report by the California Economic Forecast, Oct. 2016

<b>Year</b>	<b>Total BAY AREA</b>	<b>Years When Annual Average for PBA 2040 was Met or Exceeded*</b>
1988	37,785	
1989	35,616	
1990	21,976	
1991	17,007	
1992	15,878	
1993	15,074	
1994	17,496	
1995	15,663	
1996	21,709	
1997	26,675	
1998	28,637	
1999	27,283	
2000	28,652	
2001	24,013	
2002	22,573	
2003	28,169	
2004	27,072	
2005	26,901	
2006	24,308	
2007	18,288	
2008	12,583	
		<b>Cumulative Total:</b>
2009	7,205	<b>2010 to 2014</b>
2010	10,188	10,188
2011	10,385	20,573
2012	15,532	36,105
2013	22,018	58,123
2014	21,028	<b>79,151</b>
2015	24,603	
Total 1988 to 2015	604,317	
Annual Average	22,382	

\*Annual average housing production for *PBA 2040* is 29,542 per year from 2016 to 2040 based on a forecast of 817,000 new DUs from 2010 to 2039, and past production of 79,193 DUs from 2010 to 2014.