

Metropolitan Transportation Commission and Association of Bay Area Governments
MTC Planning Committee and ABAG Administrative Committee

October 11, 2024

Agenda Item 10a

Plan Bay Area 2050+: Final Blueprint Initial Recommendations

Subject:

Progress update on the Plan Bay Area 2050+ Final Blueprint, including final needs & revenue forecasts and potential strategy revisions, prior to envisioned action at the beginning of 2025.

Background:

In June 2024, staff provided an update to the MTC Planning Committee and ABAG Administrative Committee regarding the Plan Bay Area 2050+ Draft Blueprint, a “first draft” of the long-range regional plan. Although this first draft demonstrated notable successes in advancing the Plan Bay Area vision of an affordable, connected, diverse, healthy, and vibrant Bay Area for all, several key policy areas were identified as requiring additional focus during the plan’s Final Blueprint phase over the remainder of 2024 and into early 2025. These included:

- Identifying cost-effective transportation investments given more limited transportation expansion revenues while further optimizing pricing strategies;
- Refining housing strategies to integrate development cost reduction approaches and refining economy strategies to better align future jobs with the region’s transit network;
- Integrating updated cost assumptions related to sea level rise projects, as well as additional urban parks & accessibility upgrades into the plan’s environment strategies;
- Meeting the plan’s statutorily-required GHG emissions reduction goal through targeted investments and equitable strategies.

In July 2024, staff released the Draft Network from the parallel Transit 2050+ process. Transit 2050+ has been advancing in close coordination with operators, undertaking a comprehensive update to transit strategies to support connectivity, ridership recovery, reliability, and more.

Round 2 Engagement:

After sharing a proposed approach with committees in early summer, engagement activities to inform the development of the Plan Bay Area 2050+ Final Blueprint began in August 2024, with public engagement activities concluding in September and partner/stakeholder activities

continuing through October. Engagement activities sought to share outcomes from the Draft Blueprint, as well as initial recommendations from the parallel Transit 2050+ effort. Staff also sought feedback on Final Blueprint focus areas and near-term implementation priorities.

Round 2 engagement included a wide variety of touchpoints for members of the public as well as partners and stakeholders, including two pop-up workshops in each of the nine Bay Area counties, online activities, community-based organization partnerships, webinars, partner and stakeholder workshops, and a comment period, among others. Staff will provide committees with a more detailed update on Round 2 key engagement findings next month.

Plan Bay Area 2050+ Final Needs and Revenue Forecasts:

The Plan Bay Area 2050+ Draft Blueprint, approved for further study by the MTC Planning and ABAG Administrative Committee in January 2024, included draft needs and revenue forecasts for the plan's Transportation, Housing, and Environment elements. The Draft Blueprint also included a draft assessment of needs for the plan's Economy strategies, although economic development revenues were not inventoried as part of the plan. These forecasts and assessments have been updated with the latest assumptions, as reflected in the table below and summarized in **Attachment A**.

The long-term financial picture for the Transportation Element remains challenging. At \$380 billion, the plan's Transportation Element features similar needs compared to Plan Bay Area 2050. Although the transportation revenue forecast has improved modestly, available funding for system expansion and enhancement is greatly reduced compared to the previous long-range plan, as summarized in **Attachment B**.

Meanwhile, despite a meaningful reduction in estimated affordable housing production costs – further described in the Housing Needs and Revenue Forecast in **Attachment C** – there is a wide gap between needs and revenues within the plan's Housing Element. A similar financial situation exists for the plan's Environment Element, further described in **Attachment D**. As a reminder, only the plan's Transportation Element is required to be fiscally constrained; the other plan elements are instead more visionary forecasts of “what it would take” to achieve key regional goals.

Plan Element Category	Plan Bay Area 2050+ Draft Blueprint	Plan Bay Area 2050+ Final Blueprint	Change
Transportation Needs	\$382 billion	\$380 billion	(\$2 billion)
Transportation Revenues	\$496 billion	\$515 billion	\$19 billion
Housing Needs	\$566 billion	\$489 billion	(\$77 billion)
Housing Revenues	\$159 billion	\$161 billion	\$2 billion
Environment Needs	\$225 billion	\$228 billion	\$3 billion
Environment Revenues	\$30 billion	\$30 billion	-
Economy Needs	\$226 billion	\$235 billion	\$9 billion
Economy Revenues	n/a	n/a	n/a

Plan Bay Area 2050+ Proposed Final Blueprint Strategy Refinements:

The Draft Blueprint included various refinements to Plan Bay Area 2050’s 35 strategies, reflecting Plan Bay Area 2050 implementation progress, the post-pandemic planning context, and insights gathered during Round 1 engagement. Based on the findings from the Draft Blueprint analysis described in the “Background” section above, as well as the recommendations from the parallel Transit 2050+ effort, staff are proposing additional refinements for Final Blueprint strategies, as follows:

- Transportation strategy refinements focused on integrating Transit 2050+ recommendations; refining non-transit strategies to align with fiscal and climate realities; and further optimizing the plan’s pricing approach;
- Housing strategy refinements focused on scaling up innovative approaches to affordable housing design, construction, and project financing in order to reduce projected affordable housing development costs, as well as expanding housing opportunities;
- Economy strategy refinements focused on better aligning the location of future jobs with the region’s existing and planned transit network; and
- Environment strategy refinements focusing on supporting accessibility enhancements to homes and parks, as well as greater investments in urban parks and sea level rise adaptation.

Attachment E contains a more detailed summary on proposed Final Blueprint strategy refinements. Staff will detail how these strategies have been further refined in response to public, partner/stakeholder, and policymaker feedback when Final Blueprint strategies are presented for approval in January.

Meeting the Plan's Statutory Climate Target:

As a reminder, the Plan Bay Area 2050+ Draft Blueprint was short of the plan's statutorily required 19% per-capita greenhouse gas (GHG) emissions reduction target by approximately three points. Taken as a suite of policies and investments, the Final Blueprint strategy refinements are anticipated to drive further GHG reduction. Subsequent analysis in early 2025 will determine whether or not the Final Blueprint has succeeded in achieving the target.

Next Steps:

Staff will return to committees in November 2024 to provide a more detailed update on Round 2 engagement findings. The MTC Planning Committee and ABAG Administrative Committee are anticipated to consider approval of Final Blueprint strategies in January 2025, to be followed by action by the Commission and ABAG Executive Board. Following this approval, staff will conduct further modeling and analysis of Final Blueprint outcomes, returning to policymakers in late winter or early spring 2025 with Final Blueprint outcomes prior to advancing to the environmental phase (CEQA).

Issues:

As noted above, the Plan Bay Area 2050+ Final Blueprint is being crafted in close collaboration with the public and with partners, including county transportation agencies, local jurisdictions, transit operators, and non-profit organizations, among others. Further refinements are anticipated later this fall, both in terms of strategies and projects, which will be further detailed in the January 2025 action item. The January 2025 item will also include any final technical corrections to the plan's needs and revenue forecasts.

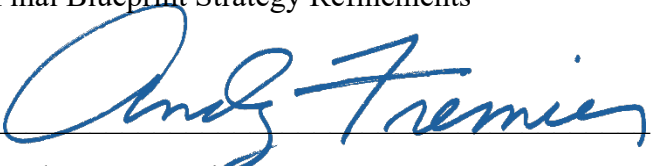
Attachments:

- Attachment A: Presentation
- Attachment B: Plan Bay Area 2050+ Final Blueprint: Final Transportation Needs and Revenues Forecast

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- Attachment C: Plan Bay Area 2050+ Final Blueprint: Housing Needs and Revenue Forecast
- Attachment D: Plan Bay Area 2050+ Final Blueprint: Environment Needs and Revenues Forecast
- Attachment E: Plan Bay Area 2050+ Final Blueprint Strategy Refinements



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