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**TO:** Commissioners, Alternates and Interested Parties

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**SUBJECT: Briefing on Plan Bay Area, the Region's Sustainable Communities Strategy**  
(For Commission consideration on May 3, 2012)

### Summary

The Joint Policy Committee (JPC) requested the Commission's review and comment on *Plan Bay Area*, the Bay Area's Sustainable Communities Strategy (SCS) project, prior to its formal consideration by the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) and the JPC. The Commission will consider a briefing on the proposed SCS and the issues it may raise with regard to the Commission's management program for the San Francisco Bay and its shoreline. The staff has summarized two issues for Commission consideration.

### Staff Report and Recommendation

**Background.** On January 20, 2011, the staff briefed the Commission on the ongoing efforts to prepare a sustainable communities strategy in the region, consistent with the requirements of SB 375 and described the possible roles that the Commission could play in developing the strategy. Staff summarized AB 32, which establishes a cap and trade program for greenhouse gas emissions and sets greenhouse gas emissions standards for each sector, and SB 375, the legislation that requires the sustainable communities strategy, a companion bill that articulates how the land use component of the transportation sector's greenhouse gas reduction requirements should be met.

On September 23, 2010, the California Air Resources Board (ARB) adopted greenhouse gas (GHG) reduction targets for regions across California, as mandated by SB 375. For the San Francisco Bay Area, the Board followed the recommendation adopted by MTC in July 2010—a seven percent per capita reduction target for 2020 and 15 percent per capita reduction target for 2035, relative to 2005 levels. The targets are widely regarded as aggressive. The targets do not include reductions that the state will be achieving through vehicle emission standards and alternative fuels. The targets only apply to GHG reductions pertaining to automobiles and light trucks.

SB 375 requires the Bay Area and each of the 17 other California metropolitan areas to produce a sustainable communities strategy (SCS) for inclusion in their federally-mandated regional transportation plans. The Bay Area's SCS, entitled *Plan Bay Area*, integrates MTC's regional transportation plan and ABAG's projections and regional housing needs allocations to achieve, to the extent practicable, targeted reductions in greenhouse gas emissions from personal vehicles. In the nine-County Bay Area, responsibility for preparing the sustainable communities strategy rests jointly



with two regional agencies, MTC and ABAG. The Bay Area Air Quality Management District and BCDC staffs are participating in and supporting the development of the SCS, but are not directly responsible for developing the strategy.

*Plan Bay Area* is intended to achieve three principal objectives:

1. Identify areas to accommodate all the region's population associated with Bay Area economic growth, including all income groups, through 2040;
2. Develop a Regional Transportation Plan (RTP) that meets the needs of the region; and
3. Reduce greenhouse-gas emissions from automobiles and light trucks.

The SCS is adopted as part of the regional transportation plan (RTP) and is required by federal law to be internally consistent; therefore, it cannot contain transportation investments that are inconsistent with the strategy.

**Current Status of the Project.** At the Joint MTC Planning and ABAG Administrative Committees meeting on March 9, 2012, *Plan Bay Area* staff presented the Plan Bay Area "Draft Jobs-Housing Connection Scenario." The draft scenario includes projected jobs, population and housing distributions by 2040 for the region, counties, cities and priority development areas. It provides an overview of past and projected trends: how the region grew over the past thirty years and expected economic and demographic trends; housing access and production challenges; and the relationship of housing, employment centers and transportation infrastructure. This draft scenario has been developed to demonstrate how the Bay Area's diversity of communities and natural resource areas can retain and enhance their unique qualities and characteristics supported by a strong, globally competitive economy with housing opportunities located in proximity to job centers and transit services.

On April 13, 2012, staff presented its recommendation for the Draft Plan Bay Area transportation investment strategy to a joint meeting of the ABAG Administrative Committee and the MTC Planning Committee. The proposed draft transportation investment strategy includes six strategies that address the economic, equity and environmental objectives for the SCS. Each strategy includes a number of detailed approaches for implementing the strategy and meeting the project objectives of promoting sustainability by addressing equity, the environment and the economy. The first five of these strategies, together with the Draft Jobs-Housing Connection Scenario are projected to realize roughly a nine percent reduction in per capita GHG emissions, leaving a six percent gap in achieving the 15 percent target for 2035. The strategies include:

- **Fix-it-First.** Proposed investments call for 88% of Plan revenues directed to operating and maintaining our existing road and transit networks.
- **Apply the One Bay Area Grant Framework.** Reward jurisdictions that plan and build more housing, particularly affordable housing, with transportation dollars.
- **Fund High Performing Projects.** Furthers MTC Resolution 3434 delivery and supports region's next generation of rail and bus rapid transit priorities based on rigorous performance assessment, and identifies a funding plan to deliver them. Proposed investments call for increased transit frequency and transit expansions serving established communities, job centers, Priority Development Areas, and communities of concern
- **Get More Efficiency from Our Existing System.** Includes regional express lanes network; San Francisco congestion pricing program; and the freeway performance Initiative
- **Make the Transit System Sustainable.** Proposed investments fund service improvements aimed at increased speed and reliability on major bus and light-rail corridors
- **Close the GHG Gap.** To close the GHG Gap, staff has developed scenarios for the Committees to consider, including Option A, which incorporates implementation of innovative policy

initiatives that reduce GHG emissions from cars and light trucks, reduce per capita vehicle miles traveled and increase the non-auto mode share. Staff is also proposing a mix of strategies to promote the purchase and use of clean vehicles and to promote smart driving. These strategies together are projected to close the six percent GHG gap.

Next steps for completing the *Plan Bay Area* SCS include:

- Seek ABAG/MTC approval on preferred land use/transportation strategy on May 17
- Present alternatives to be evaluated in Plan Bay Area EIR on June 8
- Release draft Plan Bay Area and EIR in December 2012
- Adopt final Plan Bay Area and certify final EIR in April 2013

**The Commission's Role in Plan Bay Area.** At its January 2011 briefing on the SCS, the Commission supported several possible ways to support the SCS, including:

- The Commission's recently adopted Bay Plan climate change policies exempts infill development in already urbanized areas from the requirements to prepare risk assessments and meet mid-century resilience requirements, on the premise that these areas will likely be protected as part of a larger strategy that will protect the entire area, not just the incremental infill project. This can facilitate implementation of the SCS.
- The Commission can provide its expertise on sea level rise vulnerabilities to help frame the issue in the SCS. The Commission staff has monitored the formulation of the SCS and is advising the authors of the Commission's concerns. The Commission can work with the JPC to produce guidance for adaptation planning as part of an integrated regional adaptation assistance package.
- The Commission's policies encourage innovative approaches and require adaptive management of future fills and shoreline protection to address risks from sea level rise for projects in the Commission's jurisdiction.
- BCDC can leverage its partnerships with other agencies to help frame the SCS and facilitate its implementation.
- The Commission can ensure that large mixed-use projects it authorizes in low-lying areas within its Bay, salt pond and managed wetlands jurisdictions, help meet regional goals, such as providing transit service for employees and residents so that they can help us achieve our GHG reduction goals and have a definitive, adaptable strategy for adapting to sea level rise.

**Issues for Commission Consideration.** Staff has identified two issues for the Commission to consider during its review of the Draft *Plan Bay Area* SCS, including: (1) consistency of priority development areas (PDAs) with the Commission's land use policies for PDAs and uses on Bay fill; and (2) potential vulnerabilities of priority development areas, and planned transportation investments to storm flooding and sea level rise, both within and outside of the Commission's jurisdiction. The SCS is at a final draft stage, and the Commission's comments are important now so that refinements to the final drafts can be made before the SCS enters the environmental review and formal adoption process.

**Priority Use Areas and Uses on Piers.** PDAs are a critical component of the Plan Bay Area SCS. While most of the PDAs are in upland areas remote from the Bay shoreline, a small percentage of PDAs are located at least partially within the Commission's jurisdiction, including eighteen that overlap with Bay Plan water-oriented priority use areas. Twelve PDAs include some portion of waterfront park priority use areas. Staff will work with the Plan Bay Area staff to ensure that these designations do not compromise park use or to determine whether implementation of the PDAs would conflict with park use. Any unresolved conflicts could necessitate changes to the Bay Plan or to the PDAs.

Six PDAs designate portions of port or water-related industry priority use areas for mixed-use development. The Commission designates these areas to ensure that future fill in the Bay is not necessary to accommodate these priority uses. It is possible that not all of the area within a PDA is needed to implement the SCS and the PDA, but staff will need to work with the Plan Bay Area staff to determine whether these overlapping designations would compromise the Commission's Bay Plan land use designations, whether the boundaries of the PDAs can be changed to exclude the overlapping areas, or whether other approaches to address the potential conflict are needed.

Finally, several piers on the San Francisco waterfront are designated as part of a PDA, including some priority use areas that were discussed above. The Bay Plan and the San Francisco Waterfront Special Area Plan (SAP) require that uses on some piers be water-oriented uses as defined in the McAteer-Petris Act. In the Northeast Waterfront geographic area, the Bay Plan and SAP require that uses be consistent with the Public Trust. Residential use and many commercial uses are not water-oriented uses or trust-consistent, and could not be approved as part of pier rehabilitation projects. However, the State Lands Commission has allowed some non-trust commercial uses on rehabilitated piers, if the overall project includes trust uses and helps advance public trust purposes. Any PDA development on piers would have to be consistent with the applicable use requirements of the McAteer-Petris Act, the Bay Plan and the SAP.

**Potential Vulnerability to Storms and Sea Level Rise.** An important consideration for developing new or expanding existing job centers and neighborhoods is public safety. The potential for sea level rise and storms to cause flooding in developed areas around the edge of San Francisco Bay is growing in the face of climate change. Working with the Plan Bay Area staff, BCDC staff has identified portions of 54 PDAs that may be vulnerable to a 16-inch or mid-century sea level rise scenario. Staff has also found that portions of three other PDAs may be vulnerable to a 55-inch or end-of-century scenario. Most of the potentially vulnerable PDAs are outside of the Commission's jurisdiction. However 26 potentially vulnerable PDAs are within the Commission's jurisdiction. GIS data for proposed transportation investments is not yet available, so staff was unable to assess whether any of these proposed facilities would be vulnerable to sea level rise or which of them would be within the Commission's jurisdiction.

Plan Bay Area staff are proposing to assess vulnerability of PDAs and proposed transportation investments over the life of the SCS or through 2040. The assessment would be based on a projection of 15 inches of sea level rise. This is very similar to the mid-century projection of 16 inches used by BCDC in its regional vulnerability assessment. The regional agencies preparing the SCS may want to prioritize funding to support development of those PDAs or proposed transportation investments that are not vulnerable, as well as those that are vulnerable, but have a viable strategy for addressing any potential vulnerabilities to sea level rise and storms over those that do not.

The Commission could advise its partner agencies preparing the Plan Bay Area SCS that Plan Bay Area Grants to cities or counties with PDAs potentially vulnerable to sea level rise as well as vulnerable transportation investments be conditioned, in part, to require that the implementation of the PDA or transportation project be done in a way that ensures that the flood risks from sea level rise are addressed and that the project will be resilient over time. The Commission could also advise that the subsequent SCS include criteria related to shoreline flooding from storms and sea level rise for evaluation of future transportation investments, or infill development proposals to ensure that they incorporate strategies that ensure they will be resilient to projected future flood risks.