



Land Use & Natural Resources Committee

November 23, 2016

Request for Proposals and Contract for Regional Growth Projections

Issue: Should SACOG issue a Request for Proposals (RFP) for contractual support on the agency's Regional Growth Projections project?

Recommendation: That the Land Use & Natural Resources (LUNR) Committee recommend that the SACOG Board of Directors authorize the SACOG Chief Executive Officer to release an RFP for contractor support on the Regional Growth Projections project, and that the SACOG Board of Directors authorize the SACOG Chief Executive Officer to negotiate and execute a contract with the selected vendor.

Discussion: The regional growth projections are one of the first steps in the road to the 2020 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS). The projections start with regional employment growth in the context of the national and state economic projections. The number of jobs leads to the population projections for the region. Finally, the dwelling unit projections are developed to accommodate the population growth. All of these projections are regional totals only at this point. The allocation to cities, counties, and communities is done throughout the MTP/SCS process.

During the October LUNR cycle staff briefed the committee on the framework of the regional growth projections update, including project schedule, topical areas and proposed partnerships. As in projection updates in prior plans, staff highlighted the need for contractual support to conduct a comprehensive assessment of the factors influencing regional employment, population and housing growth.

Staff has prepared a scope of work, included as Attachment A, that documents the various tasks needed from a contractor to conduct this full and comprehensive growth assessment. Staff requests authorization to release an RFP for this scope of work, and to convene a panel of internal experts to evaluate submissions, review qualifications, interview applicants, and select a vendor in accordance with SACOG's standard procurement procedure. The total budget for this contractual work is up to \$100,000 and spans two fiscal years. Half of that total is available in the current fiscal year's work program; the remainder, less any rollover from the prior fiscal year, will be funded in the subsequent fiscal year. The final scope of work and total budget for this contract will be negotiated and executed by the SACOG Chief Executive Officer.

Approved by:

Mike McKeever
Chief Executive Officer

MM:GG:ts
Attachment

Key Staff: Kacey Lizon, Planning Manager, (916) 340-6265
Gordon Garry, Research Manager, (916) 340-6230
Garett Ballard-Rosa, Associate Analyst, (916) 319-5183

Scope of Work

Budget: Not to exceed \$100,000

Task 1. Extend horizon year of currently adopted projections

SACOG's Board of Directors has adopted regional growth projections for employment, population and housing through the year 2036. Task 1 of this project will create region-wide employment, population and housing projections at five year intervals through 2050, drawing on the adopted projections as the primary reference point. Task 1 will begin with an employment projection based on U.S. and California job growth, followed by a population projection based on projected job growth and finally the household projections. This initial task is focused on updating and extending the adopted projections in the context of state and national growth. Subsequent tasks will refine these initial estimates based on the project's investigation of the region's competitive positioning in capturing a share of national and state projections, and other internal factors.

Task 2. Identify and explore trends and factors affecting Sacramento region's competitive position

While the first task focused on larger state and national projections, this task delves into factors internal to the Sacramento region. In this second task the selected contractor will work with SACOG and regional partners in first identifying and then exploring trends and factors that could affect the Sacramento region's ability to capture a share of national and state job growth, as well as influences on population growth and household formation. This analysis should include a look at the region's economic development plans, strategies and priorities as one such influence on growth trends, and should also consider how the Sacramento region fits within a larger Northern California mega-region (with the San Francisco Bay Area and northern San Joaquin Valley).

The table below provides an example of possible factors to be considered.

Employment	Population	Housing
Growth Sectors	Aging	Detached & Attached
Salary	Ethnicity	Lot size
Work from home/ project based	Household income	Market rate (luxury & workforce) and subsidized
Work space	Worker export/import to adjacent regions	

Task 3. Conduct sensitivity/stress test for factors on initial growth projections

In this task the selected contractor will conduct a sensitivity analysis on the factors analyzed under Task 2, as well as the exogenous factors from Task 1, to show the effect of varying assumptions on the initial growth projections. The work will show a range of possible future growth scenarios, instead of simply extending a past trend line into the future. The results of the work will be a matrix documenting low and high estimate assumptions relative to the initial projections.

Task 4. Propose revised growth projections based on region's competitive position

Building off the review of the region's competitive position within state and national growth and sensitivity analysis, the selected contractor will propose an updated regional growth projection in the interim and horizon years for the three growth categories (employment, population, housing) by five year intervals. The selected contractor will report a range from these proposed projections and document the factors underlying these projections and range.

In addition to the aggregate measure, this next iteration in the projections will include further detail at the five-year intervals: The employment projection will be developed at the major industry level, the population projections will include age, ethnicity and income detail, and the housing projection will include dwelling units, households and vacancy rate.

Task 5. Vet projections with stakeholders in the region

Developing growth projections for the MTP/SCS is an iterative process that draws on a range of regional partnerships. With a revised growth projection, the selected contractor will direct locally-based outside industry experts that track regional growth in a reasonableness assessment of the refined projections. This reasonableness vetting should target groups such as the following:

- Regional economic development entities
- Builder and realtor groups
- University experts
- State of California departments

The selected contractor will also convene a workshop retreat for the SACOG Board of Directors as a firm deliverable for this project task.

Task 6. Synthesize stakeholder feedback into final projections

The project will culminate in a final iteration of the growth projections to present to the SACOG Board of Directors. The final projections will draw on the research, analysis, and feedback pursued during the course of the project. The projections will be at five year intervals through 2050. The employment projection will be developed at the major industry level. The population projections will include age, ethnicity and income detail. The housing projection will include dwelling units, households and vacancy rate. The final projections will incorporate the project's assessment of a range of possible growth parameters by adding an additional temporal indicator that estimates when the final aggregate projected growth levels would be reached given changing assumptions to internal and exogenous variables.

Task 7. Project Management

Ongoing project management including coordination with SACOG staff and stakeholders.