



Land Use and Natural Resource Committee

Item #17-10-4
Information

September 28, 2017

2020 Metropolitan Transportation Plan/Sustainable Communities Strategy Update: Draft Regional Growth Projections

Issue: What are the draft regional growth projections for the Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) update?

Recommendation: None; this item is for information only.

Discussion: The development of regional growth projections is one of the first steps on the road to the 2020 MTP/SCS. The projections set population, employment, and household totals for the plan horizon year based on long-term growth trends in the region. All of these projections are regional totals only at this point. Subsequent steps in the MTP/SCS update allocate this regional total to cities, counties, and communities.

At the August committee meetings, the Board heard the key issues and engagement method for the growth projections update. During the October meetings, staff will present the numeric draft projections, explain the methodology behind the proposed projections, summarize feedback from industry forecasters and regional stakeholders, and convey next steps leading to the board's ultimate growth projection adoption.

Draft Regional Growth Projections

SACOG contracted with the Center for Continuing Study of the California Economy (CCSCE) to develop a low, baseline, and high growth projection for the region. The projections draw on numerous data and analysis, including how the region fits within larger long-term growth trends affecting the state and nation. The project team vetted these projections with industry forecasters, regional stakeholders and an expert panel (Attachment A lists the organizations engaged through the growth projections project). The team also conducted sensitivity, uncertainty and economic competitiveness analyses on the base projection. Staff worked with CCSCE to produce an updated draft growth projection for consideration that incorporates stakeholder feedback and the results of these analyses. Table 1 below reports the updated draft growth projection in absolute numbers, while Table 2 shows the projected regional cumulative growth compared to year 2016 levels.

Table 1. Draft Growth Projections for 6-County Sacramento Region:

	2016	2040	2050
Population	2.45 million	3.08 million	3.27 million
Jobs	1.08 million	1.35 million	1.46 million
Households	0.86 million	1.09 million	1.18 million

*Table 2. Draft Growth Projections for Six-County Sacramento Region:
Projected Cumulative Growth from 2016*

	2040	2050
Population	+628,000	+819,000
Jobs	+260,000	+372,000
Households	+233,000	+319,000

Policy assumptions, tradeoffs and other considerations

The assumptions underlying the currently adopted MTP/SCS have not been updated since before the recession. The proposed draft projections contained in this staff item instead rely on updated assumptions and analysis. As such, these new projections contain lower annual growth rates relative to the decade-old analysis embodied in the current plan. It is important to note that these changes stem largely from projected changes in larger growth trends such as retirement in the baby boomer generation or falling fertility rates, not a structural shift in regional competitive positioning. Indeed, the proposed growth projection represents a robust regional competitive position, and aligns with an economic prosperity framework for the plan update.

The proposed projection assumes a series of future policy drivers that support an economic prosperity framework. Examples include:

- Supporting the supply of housing at economical prices/rents, and in high amenity locations
- Expanded mega-region transportation infrastructure; and
- Strategic and focused economic development, such as regional alignment on industry cluster development, to capitalize on region competitive advantages

In weighing the proposed growth projections, the board considers the feasibility of such policy assumptions. The proposed growth projections also have implications outside the MTP/SCS update. The projections ultimately adopted by the board will inform the next Regional Housing Needs Allocation (RHNA), a state requirement to determine the number of housing units by income category that cities and counties must plan for in their housing element updates.

Next steps

Staff will compile and incorporate any feedback and board direction from the October committee meetings into a final growth projections staff recommendation. The board will act on the final growth projections as part of the MTP/SCS plan framework in November.

Approved by:

James Corless
Chief Executive Officer

JC:GBR:ck

Attachment

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Summary of Industry Forecaster and Regional Stakeholder Engagement

Center for the Continuing Study of the California Economy (project consultant)	Greater Sacramento Economic Council
Valley Vision	North State Building Industry Association
Sacramento Metropolitan Chamber of Commerce	New Economics and Advisory
Rental Housing Association of Sacramento Valley	University of the Pacific Center for Business and Policy Research
University of Southern California School of Policy, Planning, and Development	Bay Area Council Economic Institute
Economic Research Unit, California Department of Finance	Demographic Research Unit, California Department of Finance
Housing Policy Division, California Department of Housing and Community Development	California Economic Development Department
San Joaquin Council of Governments	Metropolitan Transportation Commission
Association of Bay Area Governments	Director of Research, SACOG (retired)
MTP/SCS Sounding Board (160 participants encompassing local Chambers of Commerce, community associations, business, environment and other stakeholder groups)	