



## Land Use & Natural Resources Committee

## Item #17-8-4 Information

July 27, 2017

### **2020 MTP/SCS Update: Regional Growth Projections: Project Report Out and Board Direction**

**Issue:** What economic prosperity factors will staff analyze in the MTP/SCS growth projections update, and how will this work provide a range of growth projections for Board consideration and eventual adoption?

**Recommendation:** None. This item is for information and discussion purposes only.

**Discussion:** The development of regional growth projections is one of the first steps on the road to the 2020 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS). The projections start with regional employment growth in the context of national and state economic projections. The number of jobs leads to the population projections for the region. Finally, staff develops dwelling unit projections that 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.

Work to date on the projections update has explored the effect of external factors on job, household, and population growth —such as national and global trends, labor force participation, household formation, and aging. Staff has also engaged a broad array of local economic experts and stakeholders to hone in on competitiveness factors unique to the region, considering economic development strategies and priorities, affordability and supply indicators, and the larger mega-region market as influences on regional growth.

Attachment A summarizes the driving issues identified in the initial round of exploration, and how such factors can either detract from or augment the region's ability to capture future growth. In the August Committee cycle staff is seeking Board input on these factors' relation to regional competitiveness, and what additional factors need be considered within an economic prosperity framework. Staff will use this input in a sensitivity analysis to create a range of low, medium, and high growth projections for a workshop during the September Board meeting. As demonstrated in Attachment B, the project's iterative stakeholder engagement and vetting of projections will culminate with the Board adopting updated growth projections in November 2017.

Approved by:

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Chief Executive Officer

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Attachment A: Examples of Regional Competitiveness Issue Exploration

Attachment B: Regional Growth Projections Project Calendar

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## Examples of Regional Competitiveness Issue Exploration

Regional Competitiveness		
Driver	Detract	Augment
Economic Clusters	<p>Over-reliance on few sectors</p> <p>Post-recession recovery looking different</p>	<p>Identified clusters of opportunity:</p> <ul style="list-style-type: none"> <li>-Ag and Food</li> <li>-Life Sciences</li> <li>-Advanced Manufacturing</li> <li>-Clean Energy</li> <li>-Education &amp; Knowledge</li> </ul>
Workforce	Growing income inequality	Demand-driven skill and occupational training
Development Potential	<p>Risk-taking reticence</p> <p>Few sites for business development</p> <p>Cyclical nature of key industries</p>	<p>Low industrial and commercial vacancy</p> <p>Rising rents, especially in central city</p> <p>Mega region connection</p>
Housing Affordability	<p>Rising rents and housing costs</p> <p>Cost challenge in building multi-family, and scarcity of skilled construction workers</p>	<p>Home price ½ of Bay Area</p> <p>Diversity of housing stock and place type</p>

### Regional Growth Projections Project Calendar

