



October 26, 2017

2020 Metropolitan Transportation Plan (MTP)/ Sustainable Communities Strategy (SCS) Update: Policy Framework and Regional Growth Projections

Issue: Should the 2020 MTP/SCS be based on a Policy Framework that focuses on economic prosperity and includes growth projections for a horizon year of 2040?

Recommendation: The Transportation Committee is taking action on this item; it has been forwarded to the Land Use and Natural Resources Committee as information only.

Discussion: SACOG's Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) is a revenue constrained, regional plan that identifies where and what future transportation investments should be made in the region to support the region's population and economy. The update of the MTP/SCS occurs every four years and is a core function of SACOG. The Policy Framework, included as Attachment A, represents an initial step in the development of the 2020 MTP/SCS. It establishes the policy priorities for the plan and identifies the horizon year and associated growth projections upon which the plan is based.

Policy Priorities for the 2020 MTP/SCS

Since June, 2017, the Board has explored a range of policy issues for the 2020 MTP/SCS. In October, 2017, the Board reviewed a draft policy framework that focused on three main policy areas related to: (1) future uncertainties; (2) economic development and opportunity; and (3) a performance-based investment strategy. This framework was also vetted through the MTP/SCS Stakeholder Sounding Board and member agency staff.

In the October, 2017, policy committee meetings, Board members generally agreed with the substance of the Draft Policy Framework, providing the following comments that are included in the final draft:

- Make sure to focus on, and determine how best to support, infill development.
- Incorporate goods movement more meaningfully to ensure we are competitive for future federal funding targeted at goods movement.
- Consider another way of describing the first policy category titled "Disruptive Change."

Horizon Year and Regional Growth Projections for the 2020 MTP/SCS

In addition to the Policy Framework, the Board also reviewed draft projections for population, housing, and employment growth. SACOG will use these projections to develop the land use pattern forecast that underpins the transportation system and services of the 2020 MTP/SCS, and help develop the revenue forecast for transportation funding. The regional growth projections reflect a slower growth rate for the region compared with the last several updates of the MTP/SCS. Attachment B provides more detail on the growth projections and background on how forecasts from prior plans have tracked with actual growth in the region. For further

reading, a series of memos from SACOG's consultant, The Center for Continuing Study of the California Economy, describing the growth projections and underlying assumptions are available on the 2020 MTP/SCS page of SACOG's website (bit.ly/2h2rgNw).

The final version of the Policy Framework incorporates these population, housing, and employment projections for a horizon year of 2040. While the draft projections included estimates for both 2040 and 2050, the Board committees expressed support for the staff recommendation to use 2040 as the end year for the plan. The 2040 horizon year meets the minimum planning period required for the MTP/SCS and avoids the increased uncertainty inherent in the longer-term projection for 2050.

If the Board adopts the Policy Framework and growth projections for 2040, staff will develop a work plan identifying the technical analysis, research, policy decisions, and public outreach that will take place over the next two years to reach the statutory deadline of February 2020 for adoption of the MTP/SCS.

Approved by:

James Corless
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Attachments

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Policy Framework for the 2020 MTP/SCS

This policy-level framework is a statement of major policy issues, challenges, and questions the SACOG Board has identified as priorities to be addressed in the region's long-range transportation plan.

These priorities:

- inform the overall work plan for the update
- guide the specific analyses and research conducted for the plan
- provide guiding principles for how the plan should address federal and state requirements for regional transportation plans

This framework guides the development of the 2020 Metropolitan Transportation Plan/Sustainable Communities Strategy (2020 MTP/SCS) in a manner that will best inform the transportation policy and investment decisions that are the responsibility of the SACOG Board and SACOG's member jurisdictions.

What is the Metropolitan Transportation Plan/Sustainable Communities Strategy?

The Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) is a federally and state required policy document for long-range transportation planning.

The purpose of the MTP/SCS is to encourage and facilitate efficient development, operation, and management of the regional transportation system. Federal and state requirements dictate that the plan must cover a minimum of 20 years, identify transportation related programs and projects, be financially constrained, integrate with local land use planning, and conform to specific air quality standards, among other requirements. In addition to regulatory requirements, the SACOG Board of Directors provides guidance on the major policy initiatives and focus areas that are of local and regional importance and should be examined by the MTP/SCS.

[Focus of the 2020 update](#)

The 2020 update to the MTP/SCS (2020 MTP/SCS) will focus on economic prosperity in the region's diverse collection of rural, suburban, and urban communities: a plan that moves the region towards positive transportation, air quality, and quality of life outcomes for all residents, workers, and businesses. These economic prosperity opportunities, challenges, and questions are defined in Policy Framework Table below with examples of the research and analysis that will be used to explore these questions.

Foundational Assumptions for the 2020 MTP/SCS

The 2020 MTP/SCS will be based on the following foundational assumptions:

Plan will meet federal and state requirements

The MTP/SCS has a comprehensive and detailed set of federal and state requirements for process, modeling and analysis, outreach, and content that it must follow. Policy Framework Attachment AA: Regional Transportation Plan Requirements Checklist describes the full set of federal and state requirements for the 2020 MTP/SCS.

Plan will be based on new regional growth projections and have a horizon year of 2040

The MTP/SCS must plan for a single regional population, employment, and housing projection that is at least 20 years out. These assumptions must be based on the best and latest reasonably available information and data accessible to SACOG. The 2020 MTP/SCS will plan for the following six-county growth:

SACOG 2040 Regional Projections*

	2016	2040	Change, 2016-2040
Population	2.45 million	3.08 million	+628,000
Jobs	1.08 million	1.35 million	+260,000
Households	0.86 million	1.09 million	+233,000

*As an administrative step to be completed later in the 2020 MTP/SCS update, SACOG will remove the Tahoe Basin (which is not part of the SACOG region) from these projections. A detailed summary of the regional growth projections is included in Appendix B.

Policy Framework

Through the plan update and the plan itself, SACOG will attempt to answer the question: How do we support an economically prosperous region?

The Policy Framework breaks this question into three component questions. Under each of the three questions are examples of research and analysis that will help answer each question and guide the development of the 2020 MTP/SCS.

Economic Prosperity: How do we support an economically prosperous region for all?

<p>1) Future Uncertainty:</p> <p>In a time of change, how do we support near-term implementation and plan for an uncertain future?</p>	<p>2) Economic Development and Opportunity:</p> <p>What growth and development pattern is needed to support and sustain regional economic development and opportunity?</p>	<p>3) Performance-Based Investment Strategy:</p> <p>What transportation infrastructure investments are needed to support an economically prosperous region?</p>
<ul style="list-style-type: none"> • Examine challenges, opportunities, and management strategies related to emerging transportation technologies and services, such as autonomous vehicles and Transportation Network Companies. • Identify regional transportation needs, challenges, and strategies for both the short and long-range planning horizons. • Identify strategies to offset the projected long-term decline in driving costs and loss of fuel revenues that create challenges for maintaining infrastructure, managing congestion, and meeting greenhouse gas reduction targets. • Explore incentivizing infill and transit-oriented development, modernizing transit services, initiating transportation pricing strategies, and pursuing innovative programs that reduce reliance on single occupancy vehicle travel. • Consider climate resiliency with attention to planning for natural disasters such as flooding and wildfires. • Examine the effect of e-commerce on transportation, land use, and revenues. • Explore strategies that accelerate innovation by connecting the region's educational and research institutes. 	<ul style="list-style-type: none"> • Analyze recent market performance for greenfield and infill, residential and non-residential development. • Identify infill capacity and ways to support infill development. • Examine the fiscal and regulatory challenges to building affordable housing and identify potential solutions to barriers. • Identify potential solutions to the market and regulatory challenges to attached housing. • Develop community types that consider the unique qualities of different types of communities to better understand and support place-based economic opportunities. • Consider the challenges and opportunities faced by our diverse population, e.g. young adults entering the workforce, older adults transitioning into retirement, low-income and minority communities. • Examine strategies to protect and enhance the region's agricultural assets and natural resources. • Explore strategies for fostering a business and investment friendly climate. 	<ul style="list-style-type: none"> • Examine strategies and challenges for maintaining a state-of-good repair. • Examine the unique transportation and economic challenges and opportunities in urban, suburban and rural communities. • Examine how the region can support the flow of business and commerce within the larger megaregion. • Identify strategies for supporting workforce development and access to opportunity for current and future residents and workers. • Analyze performance of projects to determine the best package of transportation projects to serve residents and businesses. • Analyze how equitable the planned transportation investments are and how disadvantaged communities and other low-income and/or minority communities are affected. • Examine the potential for enhancing transportation system performance through innovative management practices (e.g., managed lanes, congestion pricing)

		<ul style="list-style-type: none">• Research the importance of transit accessibility, road conditions, and housing type and affordability on business siting decisions.• Consider strategies to attract more federal and state transportation dollars for the region, including better integration of goods movement.• Address the human and economic cost of accidents by targeting cost-effective investments on the worst-performing locations.• Consider the value of trails, recreation, and tourism in the selection of transportation investments.
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Policy Framework Attachment AA: Regional Transportation Plan Requirements Checklist

General

1	Does the RTP address no less than a 20-year planning horizon? (23 CFR 450.324(a))
2	Does the RTP include both long-range and short-range strategies/actions? (23 CFR 450.324(b))
3	Does the RTP address issues specified in the policy, action and financial elements identified in California Government Code Section 65080?
4	Does the RTP address the 10 issues specified in the Sustainable Communities Strategy (SCS) component as identified in Government Code Sections 65080(b)(2)(B) and 65584.04(i)(1)?
	<i>a. Identify the general location of uses, residential densities, and building intensities within the region?</i>
	<i>b. Identify areas within the region sufficient to house all the population of the region, including all economic segments of the population over the course of the planning period of the regional transportation plan taking into account net migration into the region, population growth, household formation and employment growth?</i>
	<i>c. Identify areas within the region sufficient to house an eight-year projection of the regional housing need for the region pursuant to Government Code Section 65584?</i>
	<i>d. Identify a transportation network to service the transportation needs of the region?</i>
	<i>e. Gather and consider the best practically available scientific information regarding resource areas and farmland in the region as defined in subdivisions (a) and (b) of Government Code Section 65080.01?</i>
	<i>f. Consider the state housing goals specified in Sections 65580 and 65581?</i>
	<i>g. Utilize the most recent planning assumptions, considering local general plans and other factors?</i>
	<i>h. Set forth a forecasted development pattern for the region, which, when integrated with the transportation network, and other transportation measures and policies, will reduce the greenhouse gas emissions from automobiles and light trucks to achieve, if there is a feasible way to do so, the greenhouse gas emission reduction targets approved by the ARB?</i>
	<i>i. Provide consistency between the development pattern and allocation of housing units within the region (Government Code 65584.04(i)(1))?</i>
	<i>j. Allow the regional transportation plan to comply with Section 176 of the federal Clean Air Act (42 U.S.C. Section 7506)?</i>
5	Does the RTP include Project Intent i.e. Plan Level Purpose and Need Statements?
6	Does the RTP specify how travel demand modeling methodology, results and key assumptions were developed as part of the RTP process? (Government Code 14522.2)

Consultation/Cooperation

1	Does the RTP contain a public involvement program that meets the requirements of Title 23, CFR 450.316(a)?
	<i>(i) Providing adequate public notice of public participation activities and time for public review and comment at key decision points, including a reasonable opportunity to comment on the proposed metropolitan transportation plan and the TIP;</i>
	<i>(ii) Providing timely notice and reasonable access to information about transportation issues and processes;</i>
	<i>(iii) Employing visualization techniques to describe metropolitan transportation plans and TIPs;</i>
	<i>(iv) Making public information (technical information and meeting notices) available in electronically accessible formats and means, such as the World Wide Web;</i>
	<i>(v) Holding any public meetings at convenient and accessible locations and times;</i>
	<i>(vi) Demonstrating explicit consideration and response to public input received during the development of the metropolitan transportation plan and the TIP;</i>
	<i>(vii) Seeking out and considering the needs of those traditionally underserved by existing transportation systems, such as low-income and minority households, who may face challenges accessing employment and other services;</i>
	<i>(viii) Providing an additional opportunity for public comment, if the final metropolitan transportation plan or TIP differs significantly from the version that was made available for public comment by the MPO and raises new material issues that interested parties could not reasonably have foreseen from the public involvement efforts;</i>
	<i>(ix) Coordinating with the statewide transportation planning public involvement and consultation processes under subpart B of this part; and</i>
	<i>(x) Periodically reviewing the effectiveness of the procedures and strategies contained in the participation plan to ensure a full and open participation process.</i>

Policy Framework Attachment AA: Regional Transportation Plan Requirements Checklist

2	Does the RTP contain a summary, analysis, and report on the disposition of significant written and oral comments received on the draft metropolitan transportation plan as part of the final metropolitan transportation plan and TIP that meets the requirements of 23 CFR 450.316(a)(2), as applicable?
3	Did the MPO/RTPA consult with the appropriate State and local representatives including representatives from environmental and economic communities; airport; transit; freight during the preparation of the RTP? (23 CFR 450.316(b))
4	Did the MPO/RTPA who has federal lands within its jurisdictional boundary involve the federal land management agencies during the preparation of the RTP? (23 CFR 450.316(d))
5	Where does the RTP specify that the appropriate State and local agencies responsible for land use, natural resources, environmental protection, conservation and historic preservation consulted? (23 CFR 450.324(g))
6	Did the RTP include a comparison with the California State Wildlife Action Plan and (if available) inventories of natural and historic resources? (23 CFR 450.324(g)(1&2))
7	Did the MPO/RTPA who has a federally recognized Native American Tribal Government(s) and/or historical and sacred sites or subsistence resources of these Tribal Governments within its jurisdictional boundary address tribal concerns in the RTP and develop the RTP in consultation with the Tribal Government(s)? (23 CFR 450.316(c))
8	Does the RTP address how the public and various specified groups were given a reasonable opportunity to comment on the plan using the participation plan developed under 23 CFR part 450.316(a)? (23 CFR 450.316(a)(i))
9	Does the RTP contain a discussion describing the private sector involvement efforts that were used during the development of the plan? (23 CFR 450.316(a))
10	Does the RTP contain a discussion describing the coordination efforts with regional air quality planning authorities? (23 CFR 450.316(a)(2)) (MPO nonattainment and maintenance areas only)
11	Is the RTP coordinated and consistent with the Public Transit-Human Services Transportation Plan? (23 CFR 450.306(h))
12	Were the draft and adopted RTP posted on the Internet? (23 CFR 450.324(k))
13	Did the RTP explain how consultation occurred with locally elected officials? (Government Code 65080(D))
14	Did the RTP outline the public participation process for the sustainable communities strategy? (Government Code 65080(E))
15	Was the RTP adopted on the estimated date provided in writing to State Department of Housing and Community Development to determine the Regional Housing Need Allocation and planning period (start and end date) and align the local government housing element planning period (start and end date) and housing element adoption due date 18 months from RTP adoption date? (Government Code 65588(e)(5))
Title VI and Environmental Justice	
1	Does the public participation plan describe how the MPO will seek out and consider the needs of those traditionally underserved by existing transportation system, such as low-income and minority households, who may face challenges accessing employment and other services? (23 CFR 450.316 (a)(1)(viii))
2	Has the MPO conducted a Title VI analysis that meets the legal requirements described in Section 4.2?
3	Has the MPO conducted an Environmental Justice analysis that meets the legal requirements described in Section 4.2?
Modal Discussion	
1	Does the RTP discuss intermodal and connectivity issues?
2	Does the RTP include a discussion of highways?
3	Does the RTP include a discussion of mass transportation?
4	Does the RTP include a discussion of the regional airport system?
5	Does the RTP include a discussion of regional pedestrian needs?
6	Does the RTP include a discussion of regional bicycle needs?
7	Does the RTP address the California Coastal Trail? (Government Code 65080.1) (For MPOs and RTPAs located along the coast only)
8	Does the RTP include a discussion of rail transportation?
9	Does the RTP include a discussion of maritime transportation (if appropriate)?

Policy Framework Attachment AA: Regional Transportation Plan Requirements Checklist

10	Does the RTP include a discussion of goods movement?
Programming/Operations	
1	Is the RTP consistent (to the maximum extent practicable) with the development of the regional ITS architecture? (23 CFR 450.306(g))
2	Does the RTP identify the objective criteria used for measuring the performance of the transportation system?
3	Does the RTP contain a list of un-constrained projects?
Financial	
1	Does the RTP include a financial plan that meets the requirements identified in 23 CFR part 450.324(f)(11)?
2	Does the RTP contain a consistency statement between the first 4 years of the fund estimate and the 4-year STIP fund estimate? (65080(b)(4)(A))
3	Do the projected revenues in the RTP reflect Fiscal Constraint? (23 CFR part 450.324(f)(11)(ii))
4	Does the RTP contain a list of financially constrained projects? Any regionally significant projects should be identified. (Government Code 65080(4)(A))
5	Do the cost estimates for implementing the projects identified in the RTP reflect "year of expenditure dollars" to reflect inflation rates? (23 CFR part 450.324(f)(11)(iv))
6	After 12/11/07, does the RTP contain estimates of costs and revenue sources that are reasonably expected to be available to operate and maintain the freeways, highway and transit within the region? (23 CFR 450.324(f)(11)(i))
7	Does the RTP contain a statement regarding consistency between the projects in the RTP and the ITIP? (2016 STIP Guidelines Section 33)
8	Does the RTP contain a statement regarding consistency between the projects in the RTP and the RTIP? (2016 STIP Guidelines Section 19)
9	Does the RTP address the specific financial strategies required to ensure the identified TCMs from the SIP can be implemented? (23 CFR part 450.324(f)(11)(vi) (nonattainment and maintenance MPOs only))
Environmental	
1	Did the MPO/RTPA prepare an EIR or a program EIR for the RTP in accordance with CEQA guidelines?
2	Does the RTP contain a list of projects specifically identified as TCMs, if applicable?
3	Does the RTP contain a discussion of SIP conformity, if applicable?
4	Does the RTP specify mitigation activities? (23 CFR part 450.324(f)(10))
5	Where does the EIR address mitigation activities?
6	Did the MPO/RTPA prepare a Negative Declaration or a Mitigated Negative Declaration for the RTP in accordance with CEQA guidelines?
7	Does the RTP specify the TCMs to be implemented in the region? (federal nonattainment and maintenance areas only)

Attachment B: Regional Growth Projections Detail and Historical Comparisons

SACOG contracted with the Center for Continuing Study of the California Economy (CCSCE) to develop updated regional growth projections for the 2020 MTP/SCS. The effort drew on numerous data and analyses, including an uncertainty/sensitivity analysis that provided a range of possible growth levels based on varying assumptions for future conditions. The project team vetted these projections with industry forecasters, regional stakeholders, and a professional expert panel to arrive at a joint CCSCE-SACOG staff recommendation. Table 1. below reports the staff recommended growth projections for the full six-county Sacramento region including the Tahoe Basin. As an administrative step to be completed later in the 2020 MTP/SCS update, SACOG will remove the Tahoe Basin (which is not part of the SACOG region) from these projections. As part of this administrative step, SACOG will also translate the household projections into dwelling unit projections using a constant vacancy rate.

Table 1. Six-County Sacramento Region Growth Projections

	2016	2040	Change, 2016-2040
Population	2.45 million	3.08 million	+628,000
Jobs	1.08 million	1.35 million	+260,000
Households	0.86 million	1.09 million	+233,000

Totals may not sum due to rounding.

The recommended growth projections for the 2020 MTP/SCS contain lower annual growth rates relative to the 2016 MTP/SCS. The slower growth for the region stems largely from the general slowing of the national and state economies that has occurred in the decade since SACOG endorsed the growth forecast underlying the 2016 MTP/SCS. Table 2 below reports the annual growth rate for the 2016 MTP/SCS projections compared to the growth projections put together for the 2020 MTP/SCS. Note that the 2016 MTP/SCS's job projection included near-term catch up for employment lost during the Great Recession.

Table 2. Projected Average Annual Growth Rate Comparison: 2016 to 2020 MTP/SCS

	2016 MTP/SCS Average Annual Growth Rate (period of 2012 to 2036)	2020 MTP/SCS Average Annual Growth Rate (period of 2016 to 2040)
Population	1.33%	0.95%
Jobs	1.63%	0.89%
Households	1.29%	1.00%

As in prior plan cycles, SACOG compares its growth projections to those adopted by the other three large regions in the state, as well as to the national total. As Table 3 below shows, SACOG has the highest projected growth rate of the four largest California regions, and is well above the projected national level.

Table 3. Projected Growth Rates across CA Metropolitan Regions and U.S.

Agency	Metropolitan Region	Average Annual Growth Rates: 2015/16 to 2040			Source
		Population	Employment	Households	
SACOG	Sacramento	0.95%	0.89%	1.00%	2020 MTP/SCS draft projections
SCAG	Los Angeles	0.65%	0.86%	0.91%	2016 RTP
MTC/ABAG	San Francisco Bay Area	0.90%	0.62%	0.91%	2016 Plan Bay Area
SANDAG	San Diego	0.75%	0.73%	0.70%	Series 13 projections
United States		0.65%	0.60%	N/A	REMI model

Finally, the SACOG Board has asked for documentation on how well SACOG's prior projections have tracked to actual conditions. To produce this information, staff analyzed the growth projections of each MTP since 1992. Staff selected a comparison year of 2015 for this analysis because every MTP since 1992 has growth projections that go until at least the year 2015.

The below charts report the growth projections of SACOG's prior MTPs for the year 2015, compared to the actual 2015 totals for regional population, dwelling units and jobs. In other words, the charts compare how close each plan's projections were to actual conditions in the year 2015.

Chart 1 compares population projections for every MTP since the 1992 plan, Chart 2 does the same for dwelling units, while Chart 3 reports the job projections of these prior plans. Chart 4 visualizes the percent difference of each plan's projection for 2015 to the actual 2015 level.

Staff has identified several themes from this historical look at prior growth projections:

1. Prior projections have over predicted regional growth
2. Projections converge as the target year approaches
3. Population projections have been the most stable of the three indicators, while dwelling units and jobs have seen relatively higher fluctuations

Note that SACOG completes MTP projections several years in advance of the plan adoption.

Chart 1. Population Projections for Year 2015

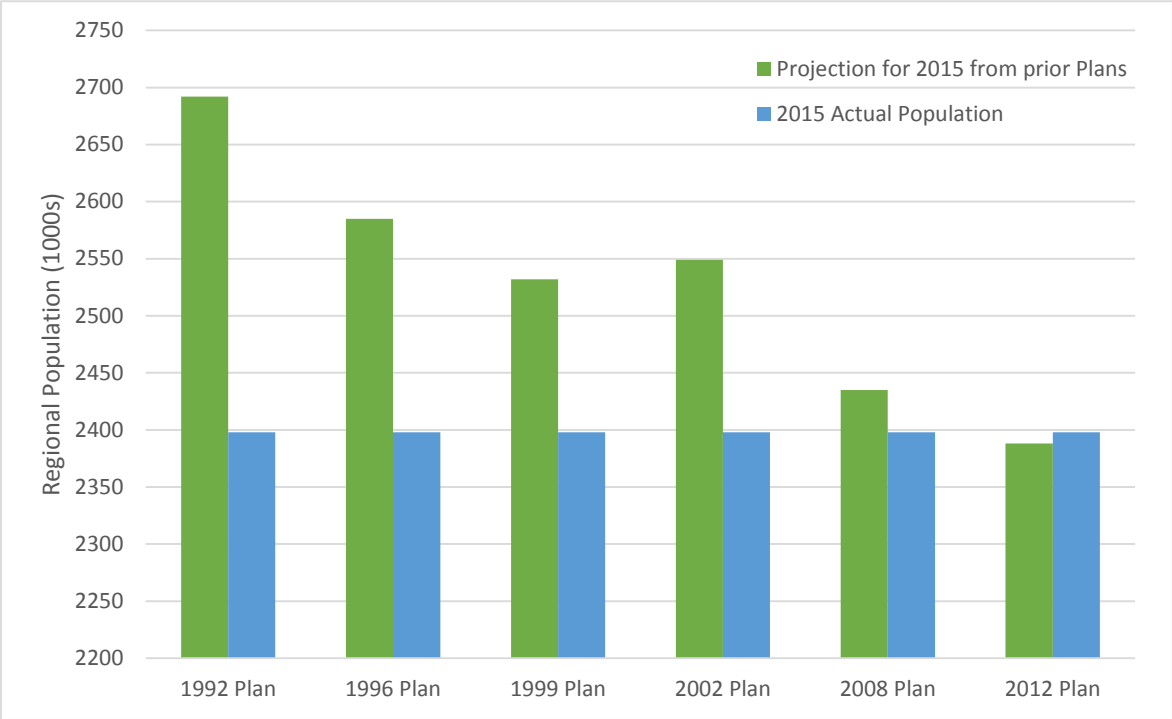


Chart 2. Dwelling Unit Projections for Year 2015

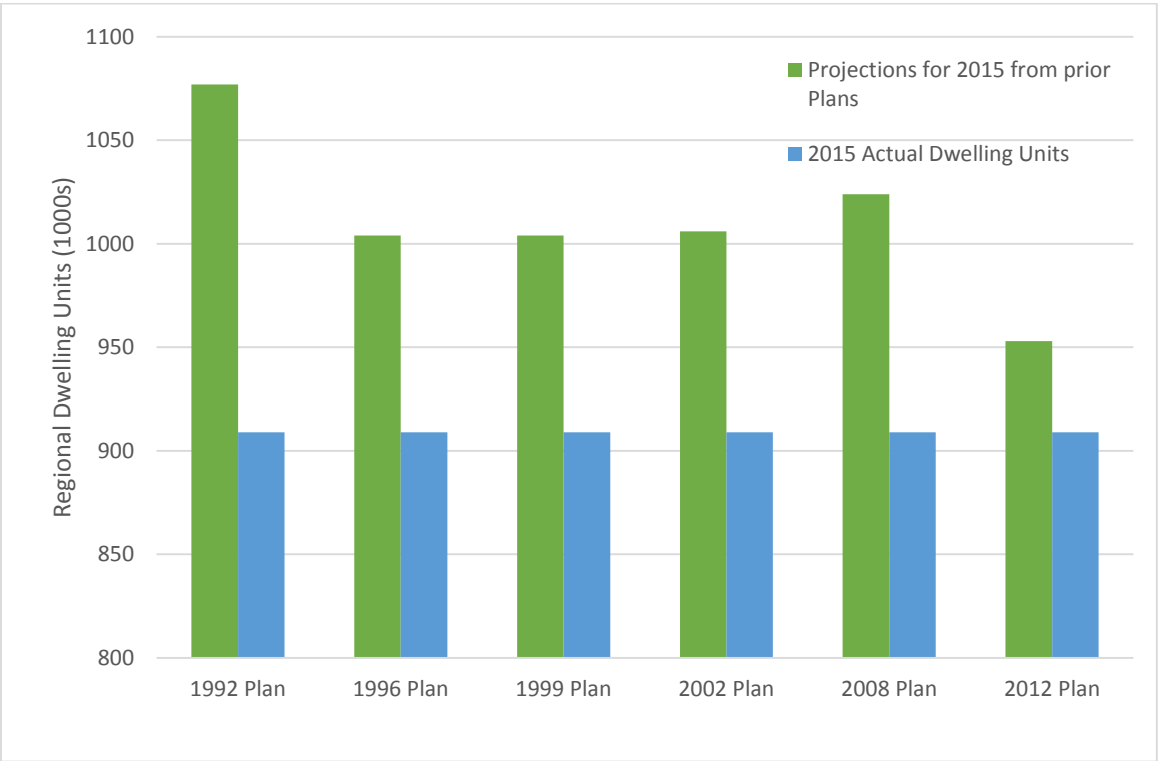


Chart 3. Job Projections for Year 2015

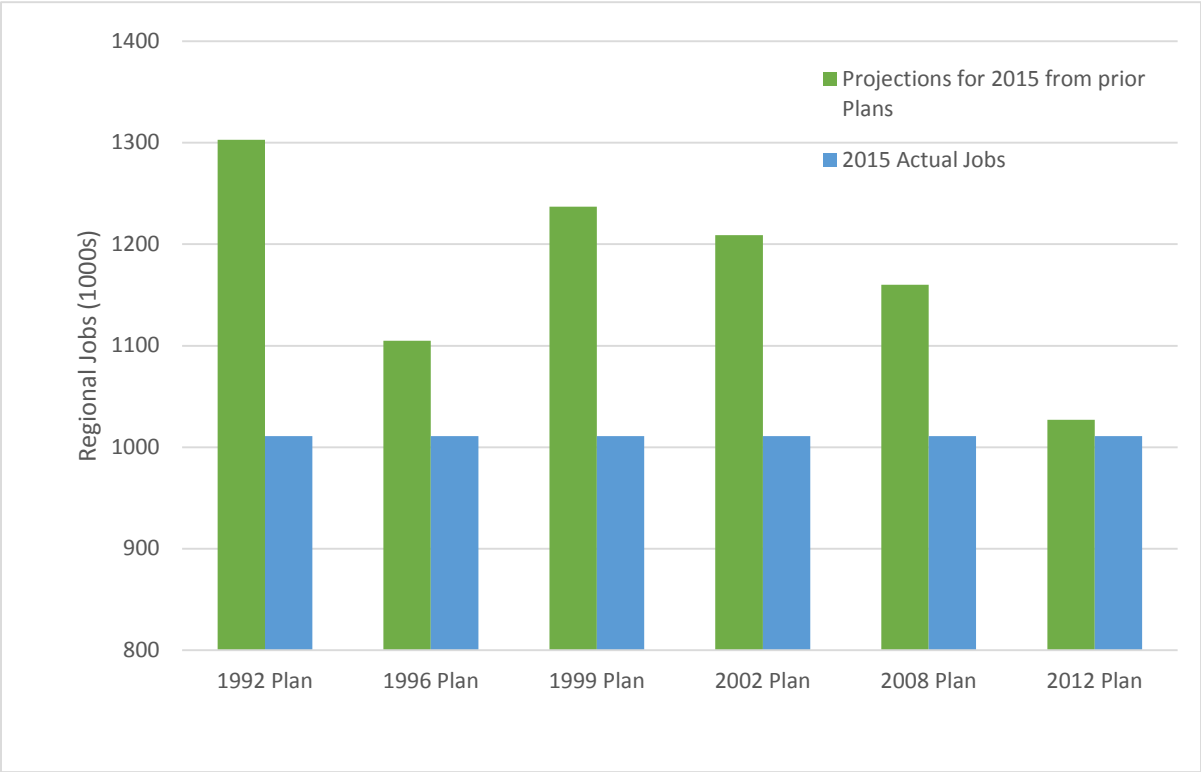


Chart 4. Percent Difference of Plan's 2015 Projection to Actual Levels

