



SOUTHERN CALIFORNIA  
ASSOCIATION OF GOVERNMENTS  
900 Wilshire Blvd., Ste. 1700  
Los Angeles, CA 90017  
T: (213) 236-1800  
www.scag.ca.gov

#### REGIONAL COUNCIL OFFICERS

President  
Alan D. Wapner, San Bernardino  
County Transportation Authority

First Vice President  
Bill Jahn, Big Bear Lake

Second Vice President  
Randon Lane, Murrieta

Immediate Past President  
Margaret E. Finlay, Duarte

#### COMMITTEE CHAIRS

Executive/Administration  
Alan D. Wapner, San Bernardino  
County Transportation Authority

Community, Economic &  
Human Development  
Peggy Huang, Transportation  
Corridor Agencies

Energy & Environment  
Linda Parks, Ventura County

Transportation  
Curt Hagman, San Bernardino  
County

## SPECIAL JOINT MEETING

# REGIONAL COUNCIL AND POLICY COMMITTEES (CEHD, EEC AND TC)

***Please Note Date and Time***  
***Thursday, February 7, 2019***  
***9:30 a.m. – 10:30 a.m.***

**SCAG MAIN OFFICE**  
**900 Wilshire Blvd., Ste. 1700**  
**RC Board Room**  
**Los Angeles, CA 90017**  
**(213) 236-1800**

If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Tess Rey-Chaput at (213) 236-1908 or via email at [REY@scag.ca.gov](mailto:REY@scag.ca.gov). Agendas & Minutes are also available at: [www.scag.ca.gov/committees](http://www.scag.ca.gov/committees)

SCAG, in accordance with the Americans with Disabilities Act (ADA), will accommodate persons who require a modification of accommodation in order to participate in this meeting. SCAG is also committed to helping people with limited proficiency in the English language access the agency's essential public information and services. You can request such assistance by calling (213) 236-1908. We request at least 72 hours (three days) notice to provide reasonable accommodations and will make every effort to arrange for assistance as soon as possible.

**This Page Intentionally Left Blank**



# JOINT MEETING OF THE REGIONAL COUNCIL AND POLICY COMMITTEES (CEHD, EEC AND TC)

## SPECIAL MEETING AGENDA

Southern California Association of Governments

900 Wilshire Boulevard, Suite 1700

Los Angeles, CA 90017

**Thursday, February 7, 2019**

**9:30AM – 10:30AM**

### **CALL TO ORDER AND PLEDGE OF ALLEGIANCE**

*The Honorable Alan D. Wapner, President*

*The Honorable Peggy Huang, Chair, Community, Economic and Human Development Committee*

*The Honorable Linda Parks, Chair, Energy and Environment Committee*

*The Honorable Curt Hagman, Chair, Transportation Committee*

### **PUBLIC COMMENT PERIOD**

Members of the public desiring to speak on items on the Special Meeting Agenda must fill out and present a Public Comment Card to the Assistant prior to speaking. Comments will be limited to three (3) minutes per speaker. The Chair has the discretion to reduce the time limit based upon the number of speakers and may limit the total time for all public comments to twenty (20) minutes.

### **DISCUSSION ITEM**

1. Connect SoCal Emerging Regional Issues  
*(Kome Ajise, Director of Planning)*

**Attachment**

**30 mins.**

### **ANNOUNCEMENT/S**

### **ADJOURNMENT**

**This Page Intentionally Left Blank**



Southern California Association of Governments  
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017  
February 7, 2019

To: Regional Council and Policy Committees (CEHD, EEC and TC)

INTERIM  
EXECUTIVE DIRECTOR'S  
APPROVAL

From: Kome Ajise, Director of Planning, Planning Division, 213-236-1835, [Ajise@scag.ca.gov](mailto:Ajise@scag.ca.gov)

Subject: Connect SoCal Emerging Regional Issues

**RECOMMENDED ACTION:**

For Information Only – No Action Required

**STRATEGIC PLAN:**

This item supports the following Strategic Plan Goal 1: Produce innovative solutions that improve the quality of life for Southern Californians.

**EXECUTIVE SUMMARY:**

*As SCAG actively develops the region’s 2020-2045 Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS), commonly referred to as “Connect SoCal,” presentations from SCAG staff and invited experts will occur at joint and individual policy committee meetings from February through April 2019 providing context for emerging regional issues. Policy committee members will be engaged in discussions focused on three fundamental questions: Who are we planning for? Where will we grow? How will we connect? These joint and individual policy committee meetings will serve as discussion forums and precursors to May and June 2019 public workshops that will help stakeholders visualize opportunities and trade-offs associated with various potential future regional development patterns.*

**BACKGROUND:**

SCAG is actively developing the region’s 2020-2045 Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS), commonly referred to as “Connect SoCal,” for approval by the Regional Council in spring 2020. As Connect SoCal will advance the strategies and investments included in SCAG’s current 2016 RTP/SCS, numerous essential steps have already been taken to chart a path forward:

- ☐ Draft Goals and Guiding Policies were approved by the Regional Council in September 2018;
- ☐ The Connect SoCal Sustainable Communities Strategy Framework was approved by the Regional Council in October 2018;

- ② The multi-year process of obtaining and verifying local input from jurisdictions on land use and household/population/employment figures concluded in December 2018;
- ② Planned transportation projects have been collected from myriad agencies in the region as of November 2018;
- ② The Notice of Preparation to prepare Connect SoCal's Program Environmental Impact Report (PEIR) in accordance with the California Environmental Quality Act (CEQA) was published on January 23, 2019;

As momentum builds for developing the Connect SoCal vision, it is important for SCAG to provide a strategic and coordinated framework for policy committee discussions on emerging issues and new policy areas to be explored. Focusing on key planning opportunities and challenges in a region as diverse, expansive, and populous as SCAG's can be at once motivating and daunting. Accordingly, in order to build excitement and establish fresh policy perspectives for Connect SoCal, a series of engaging presentations will occur at joint and individual policy committee meetings from February through April 2019. SCAG staff and invited experts from various disciplines will engage with Committee members to discuss regional issues within the following broad framework:

***Who are we planning for?*** Fostering a deeper and improved understanding of how economic and demographic trends will impact our region's households is fundamental to developing a meaningful, pragmatic, and relatable plan (February 2019).

***Where will we grow?*** Balancing resource conservation, housing demands, and economic expansion while adapting to a rapidly changing climate are regional challenges that necessitate thinking beyond jurisdictional boundaries (March 2019).

***How will we connect?*** Anticipating mobility needs of all transportation system users is critical to aligning future investments with emerging technologies, changing communities, and continuing to improve air quality (April 2019).

The feedback from these sessions can help SCAG staff focus on significant areas and compose Connect SoCal to reflect feedback emphasized by SCAG's policy committees. As policy discussions proceed within this broad framework, it is important to reference draft plan goals adopted by the Regional Council in September 2018. These draft goals, which can serve as essential guides and touchstones as the plan is developed, are as follows:

1. Encourage regional economic prosperity and global competitiveness.
2. Improve mobility, accessibility, reliability, and travel safety for people and goods.

3. Enhance the preservation, security, and resilience of the regional transportation system.
4. Increase person and goods throughput and travel choices within the transportation system.
5. Reduce greenhouse gas emissions and improve air quality.
6. Support healthy and equitable communities.
7. Adapt to a changing climate and support an integrated regional development pattern and transportation network.
8. Leverage new transportation technologies and data-driven solutions that result in more efficient travel.
9. Encourage development of diverse housing types in areas well supported by multiple transportation options.
10. Promote conservation of natural and agricultural lands and restoration of critical habitats.

The joint and individual policy committee meetings in February, March and April 2019 will serve as discussion forums and precursors to a series of Connect SoCal public workshops to be conducted in May and June 2019 as required by SB375. At these public workshops, outcomes from multiple scenarios will help stakeholders understand opportunities and trade-offs associated with various potential futures for the region. Feedback gleaned from the joint and individual policy committee meetings and all public workshops will inform policies, strategies and investments for inclusion in the first complete draft of Connect SoCal, which is anticipated for release in fall 2019.

**FISCAL IMPACT:**

Staff work associated with this agenda item is funded in the Overall Work Program under Project: 290.4841.01.

**ATTACHMENT(S):**

1. PowerPoint Presentation: *"Who Are We Planning For?"*
2. Data Appendix

**This Page Intentionally Left Blank**





# Who Are We Planning For?

The Regional Planning Implications of Economic & Demographic Trends

Kevin Kane, Ph.D.  
Research & Analysis Department  
February 7, 2019

[www.scag.ca.gov](http://www.scag.ca.gov)



## SCAG's Demographic & Economic Work Is Ongoing



Growth forecast kicks off with panel of experts meeting

SCAG's Annual Economic Summit

SCAG-USC Annual Demographic Workshop – June 11<sup>th</sup>

SCAG's 2020-2045 RTP/SCS:



2017

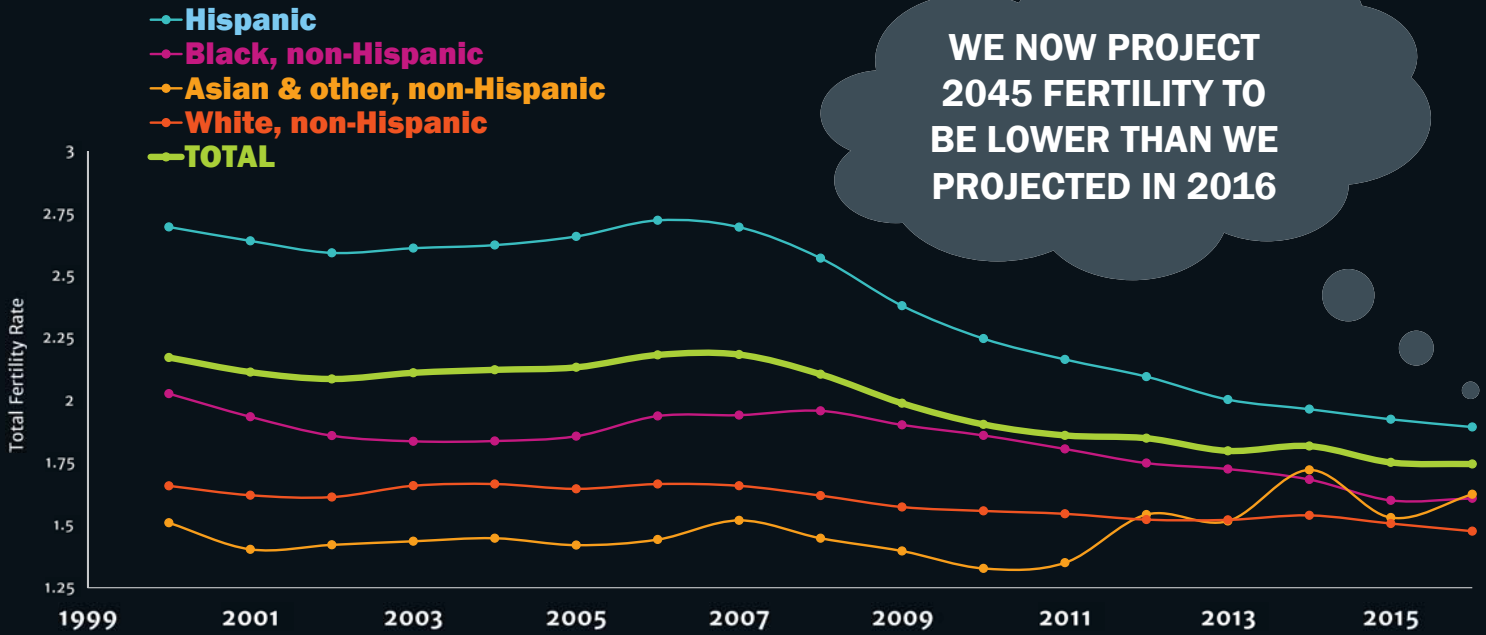
2018

2019

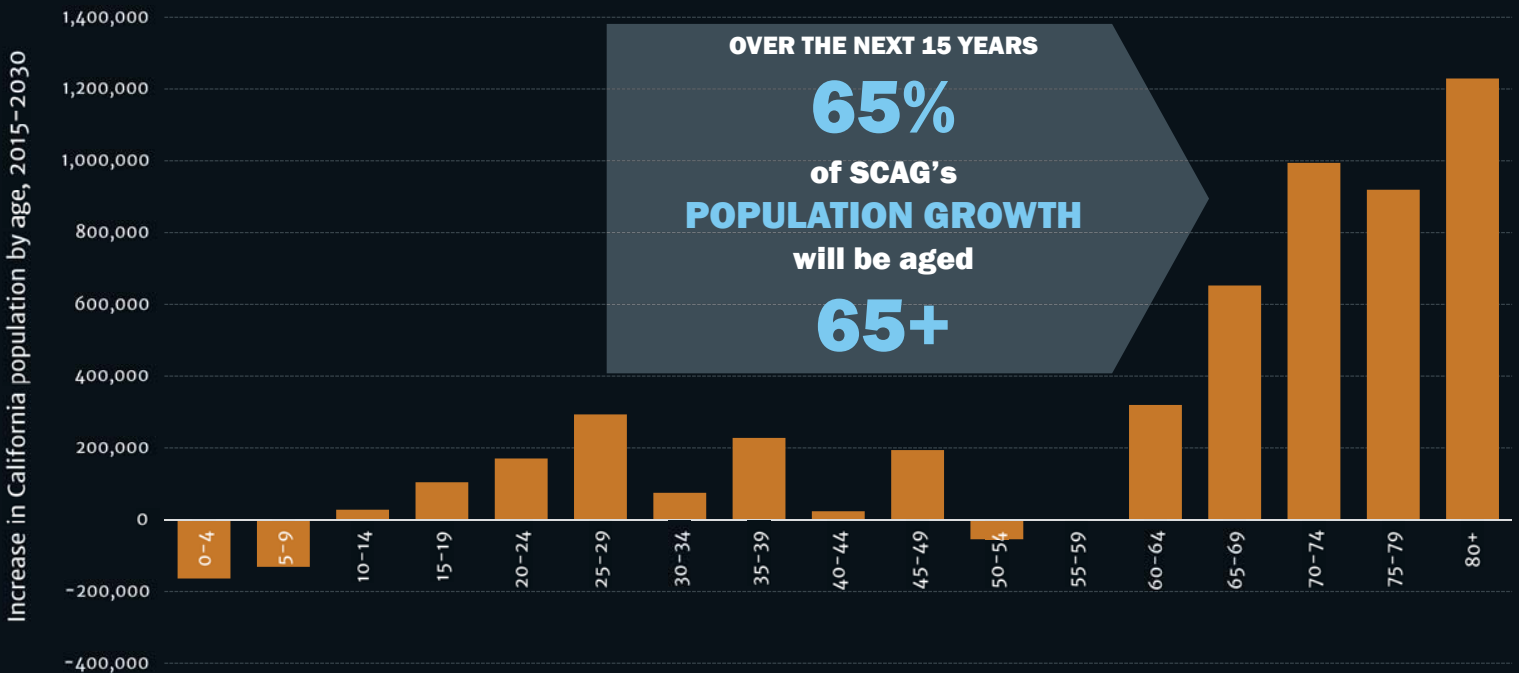
2020

2045

# Births in the SCAG Region (2000-2016)

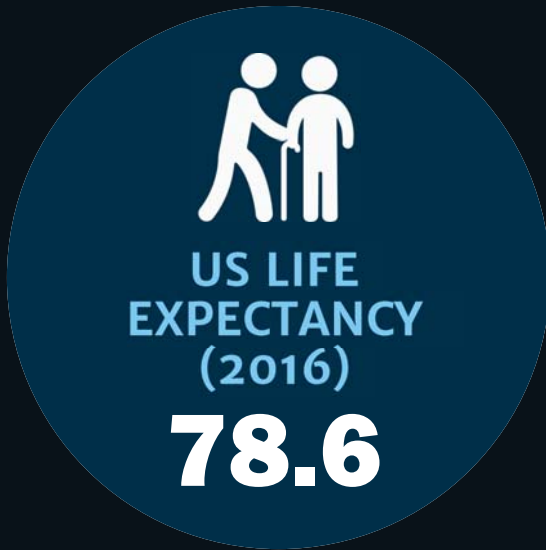


# A Changing Population Age Structure by 2030



Source: California Department of Finance (DOF) Demographic Research Unit. Series P-1: State Population Projections, 2010-2060. <http://www.dof.ca.gov/Forecasting/Demographics/Projections/>

# CDC: Life Expectancy Gradually Declining



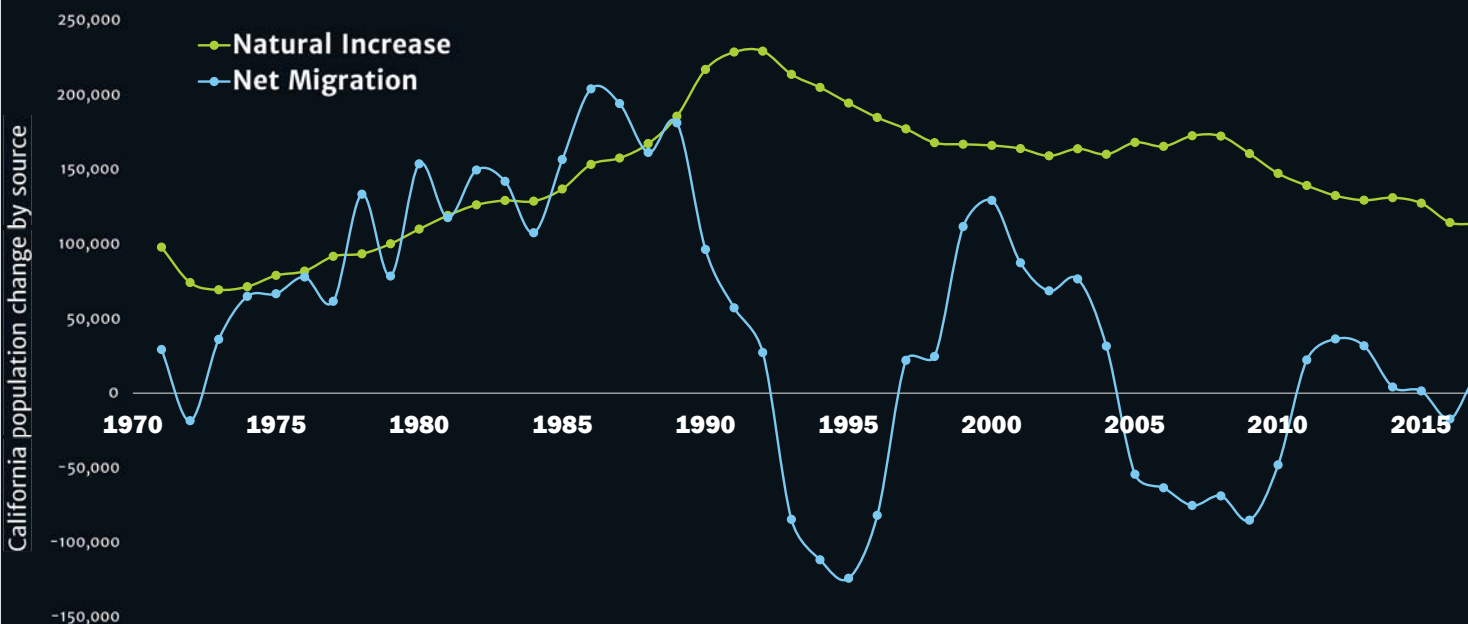
- Record overdose and suicide deaths

- Nation's overall health in decline?

- Growing urban-rural divide

Source: Xu et al. 2017. Deaths: Final Data for 2016. *National Vital Statistics Reports* 67:5. Centers for Disease Control, July 26. [https://www.cdc.gov/nchs/data/nvsr/nvsr67/nvsr67\\_05.pdf](https://www.cdc.gov/nchs/data/nvsr/nvsr67/nvsr67_05.pdf)

# Domestic Migration: Sources of Population Growth



Source: 2016-2017 Annual Social and Economic Supplement to the Community Population Survey.

# Domestic Migration Trends



## OUT-MIGRANTS

Survey: Is **housing cost** a reason for leaving California?

**2006: 20%**

**2016: 37%**



## IN-MIGRANTS

### BRAIN GAIN?

Have Higher College Education Rates & Command Higher Salaries


Source: 2005-2006 and 2016-2017 Annual Social and Economic Supplement to the Community Population Survey.

# Southern California is America's Vibrant Immigrant Gateway




**51%** California's foreign-born are originally from **LATIN AMERICA**



 Immigrants are more likely to be young or of working age

 Immigrants provide social & economic benefits

 Foreign born children are especially important in an ageing society

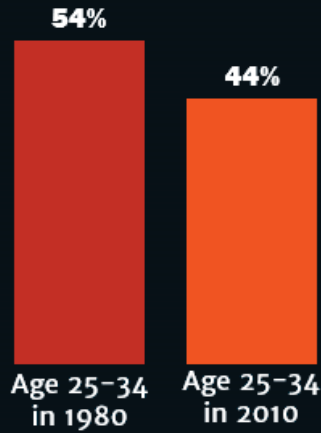
**58%** Of arrivals b/t 2012-2016 were from **ASIAN COUNTRIES**

Source: Public Policy Institute of California publication using US Decennial Census and American Community Survey data. <https://www.ppic.org/publication/immigrants-in-california/>

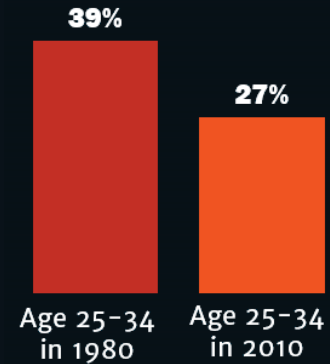
# MILLENNIALS and BABY BOOMERS as young adults



## LIVES IN A SINGLE-FAMILY HOME

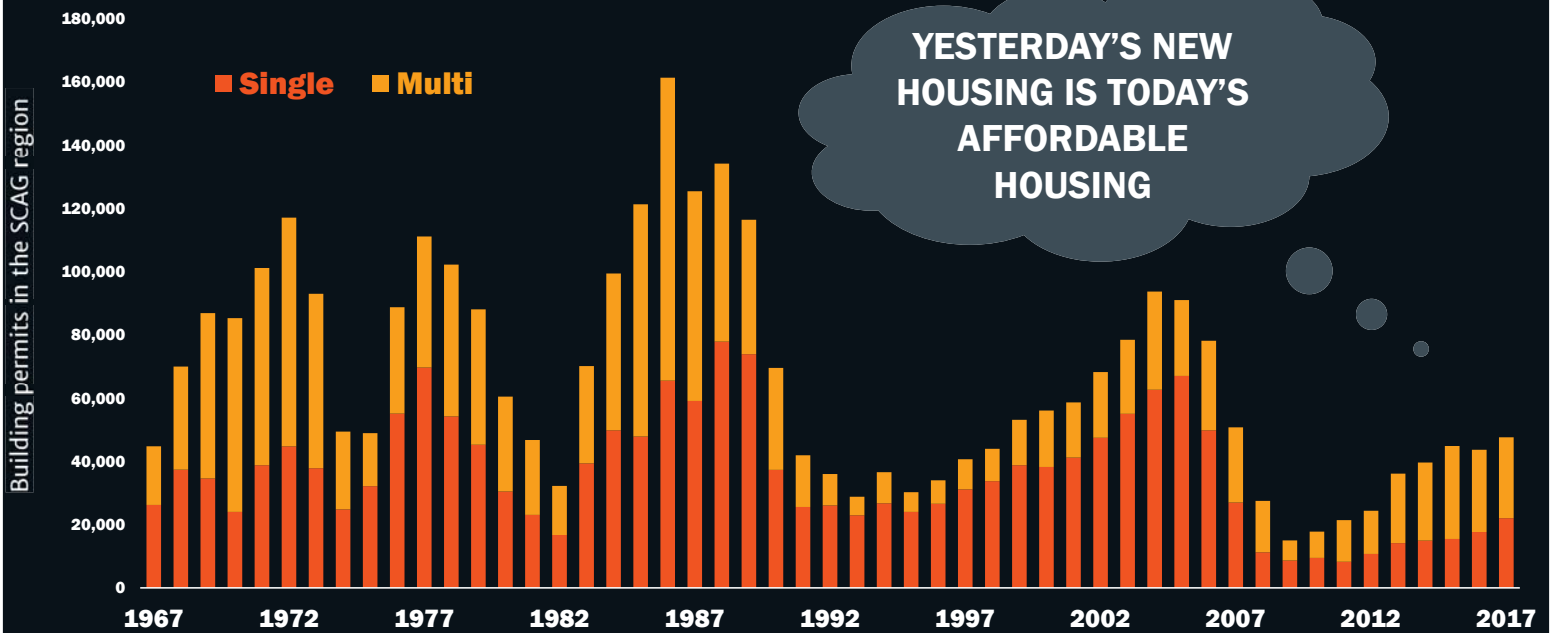


## HOME OWNERSHIP



Source: US Decennial Census (1980) and American Community Survey (2010).

# SCAG Region Building Permits by Type



Source: Construction Industry Research Board (CIRB).

# Ageing in Place

- **More Seniors**
- **More likely to stay in their existing homes**
- **Incentivized By Tax Policy**

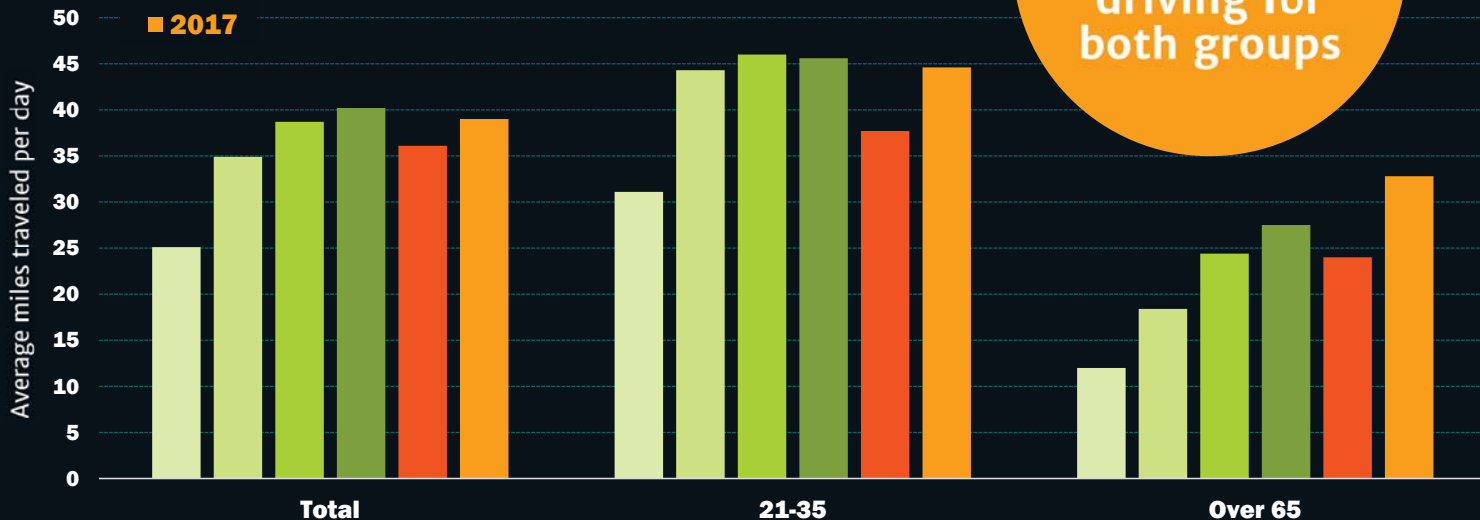


IS THAT HOME SENIOR FRIENDLY?

IS THE BEST HOUSING AVAILABLE FOR WORKING FAMILIES?

## US Person-Miles Traveled By Age

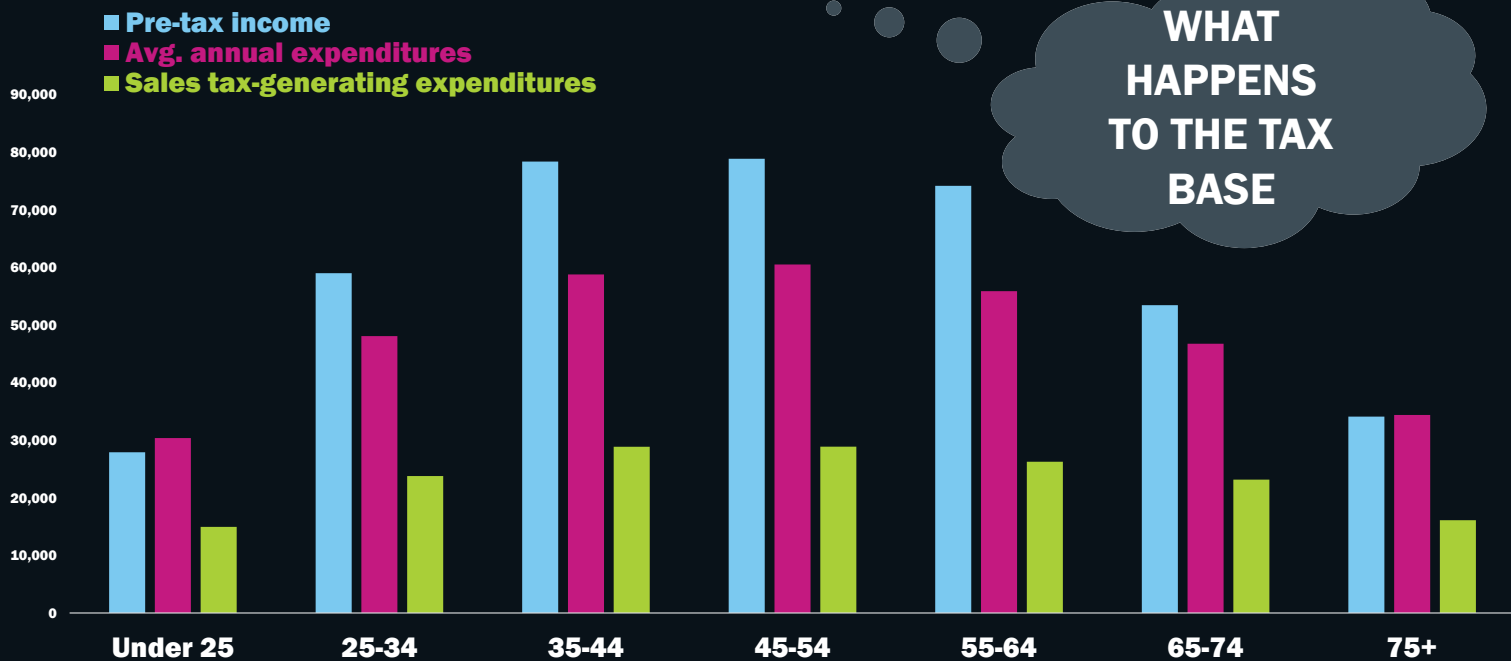
- 1983
- 1990
- 1995
- 2001
- 2009
- 2017



**NEW 2017 DATA**  
Rebound in travel & driving for both groups

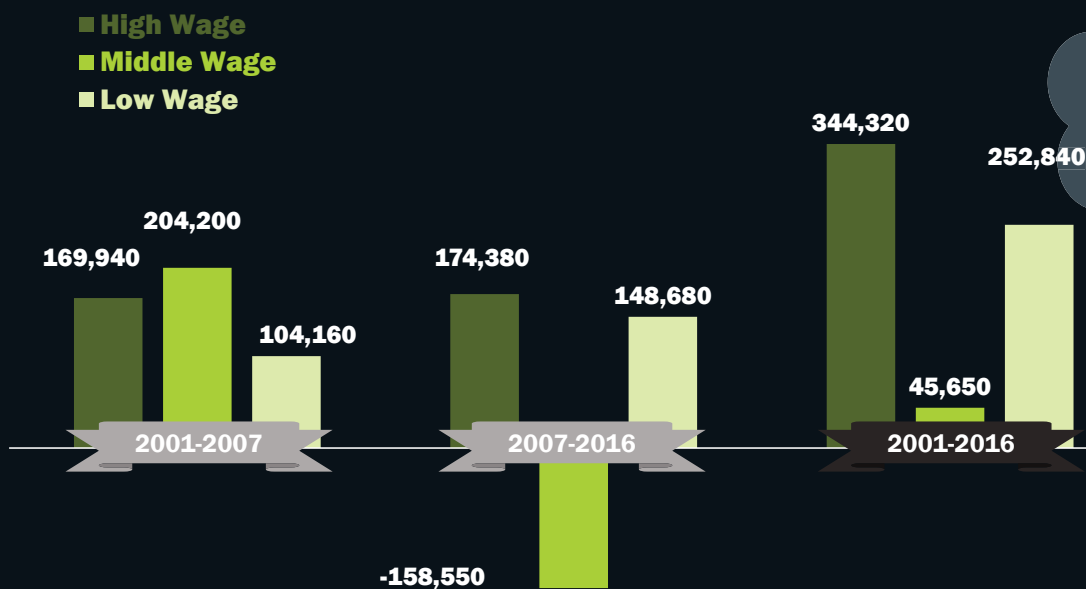
Source: Summary of travel trends, 2017 National Household Travel Survey. [https://rhhs.ornl.gov/assets/2017\\_nhts\\_summary\\_travel\\_trends.pdf](https://rhhs.ornl.gov/assets/2017_nhts_summary_travel_trends.pdf)

# Age & Consumer Spending (2013)



Source: Consumer expenditures in 2013, February, 2015, Bureau of Labor Statistics report 1053. <https://www.bls.gov/opub/reports/consumer-expenditures/archive/consumer-expenditures-in-2013.pdf>

# SCAG Region Job Growth



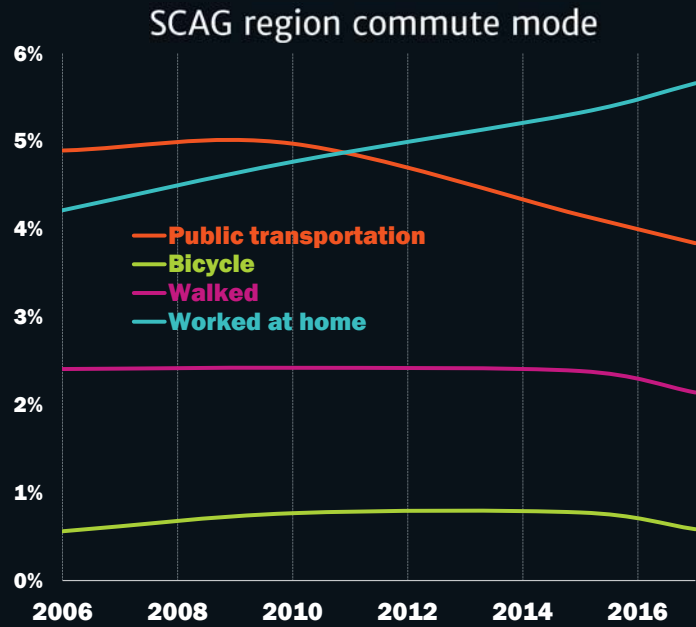
Source: 29th annual SCAG-USC demographic workshop, June 11, 2018. Data provided by Steve Levy of the Center for the Continuing Study of the California Economy (CCSCE).

# Technology & Workplace Automation



Between 2016-2030  
**23%**  
 of existing work hours  
 will be  
**AUTOMATED**

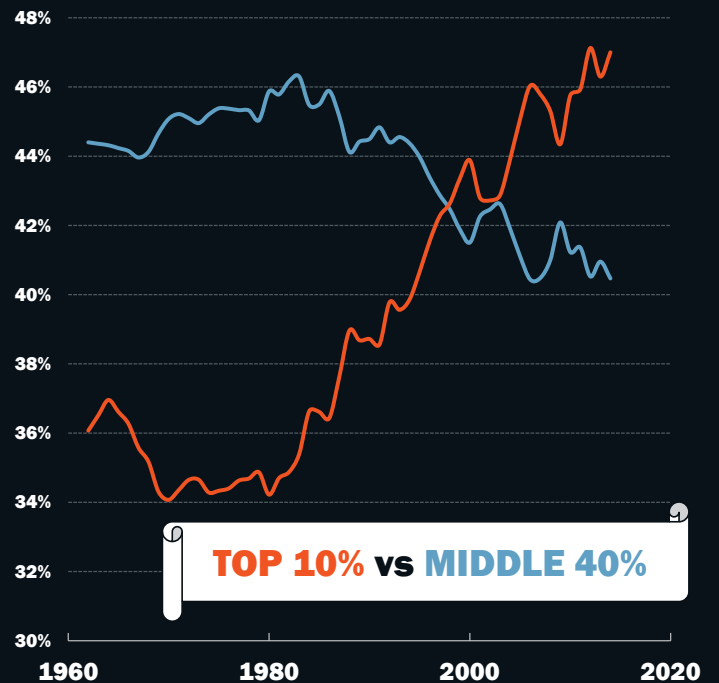
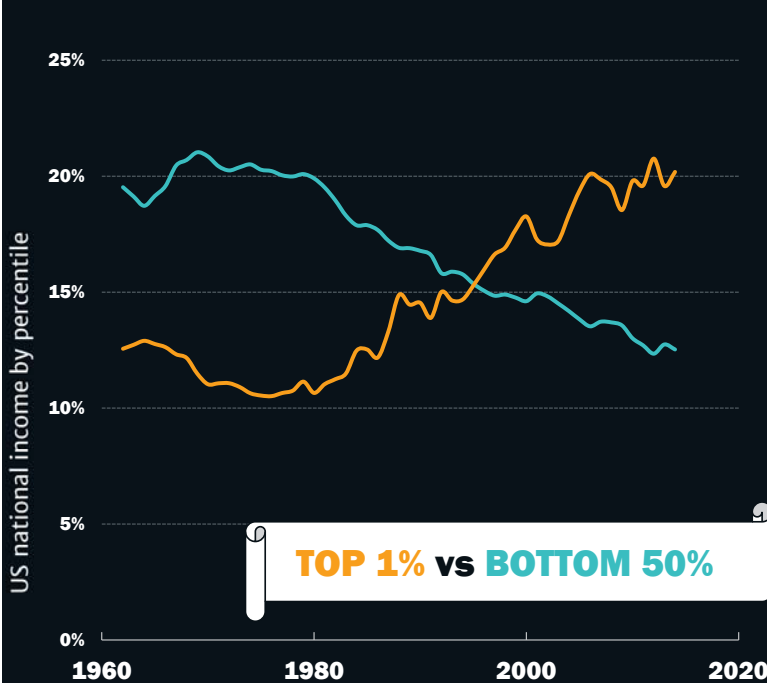
McKinsey & Company



**TECH ENABLES  
 INCREASED  
 WORK-AT-HOME  
 RATES**

Sources: American Community Survey 1-year sample journey-to-work data. Data show the Los Angeles-Long Beach Combined Statistical area (SCAG region minus Imperial) and McKinsey Global Institute (2017) "Jobs lost, jobs gained: Workforce transitions in a time of automation."

# Rising National Income – Where Does It Go?



Source: Picketty, Saez, and Zucman. 2016. Distributional national accounts: Methods and estimates for the United States Data Appendix. Appendix Table II-B1

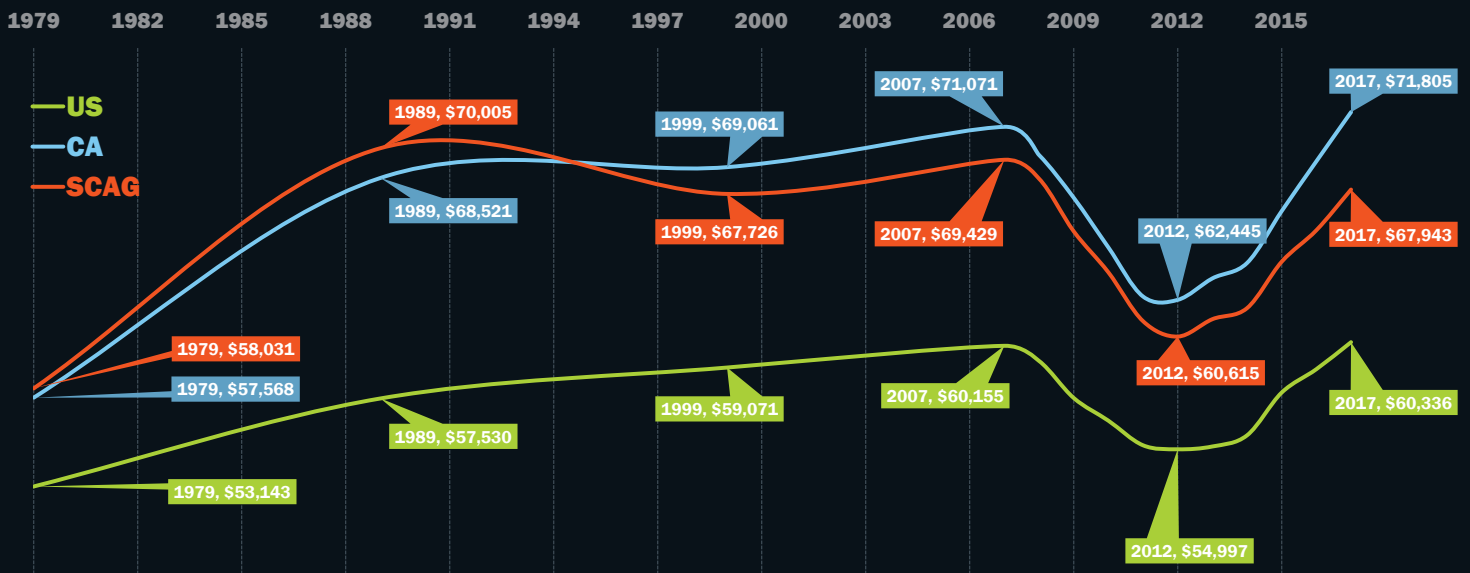


# Median Household Income 1979-2017 (inflation-adjusted)



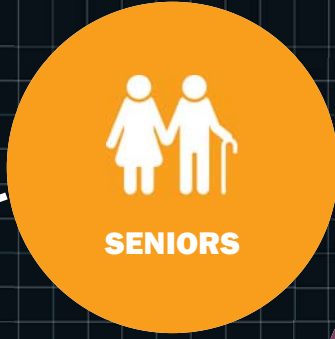
Sources: US Decennial Census, American Community Survey, and Consumer Price Index accessed through Social Explorer.

# Median Household Income 1979-2017 (inflation-adjusted)



Sources: US Decennial Census, American Community Survey, and Consumer Price Index accessed through Social Explorer.

**MULTI-  
GENERATIONAL  
PLANNING** for the  
region's future



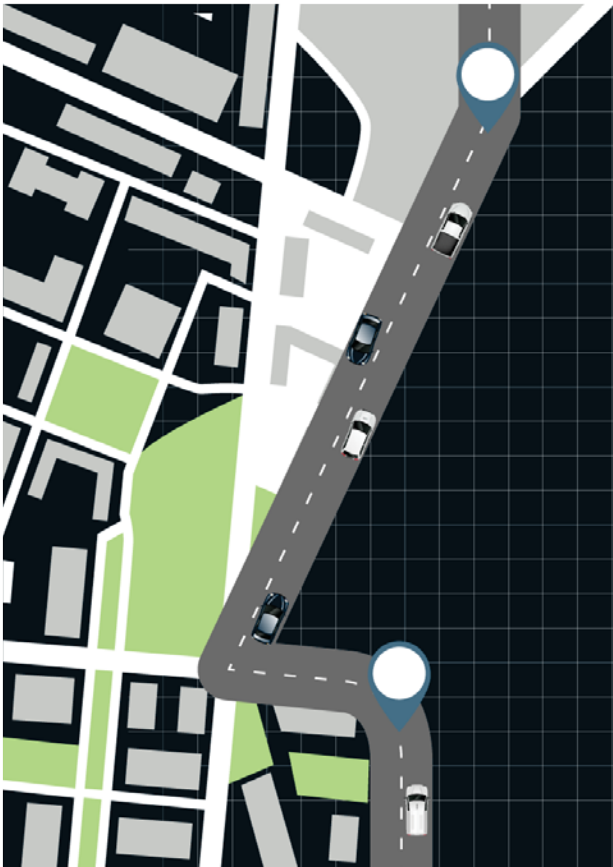
**SENIORS**



**WORKING  
AGE  
POPULATION**



**CHILDREN**



**WE'RE  
PLANNING  
FOR 2045**





**“A society grows great  
when old men plant trees  
under whose shade  
they’ll never sit”**

*-unknown source*

Kevin Kane, Ph.D.

kane@scag.ca.gov

(213) 236-0000

[www.scag.ca.gov](http://www.scag.ca.gov)



**This Page Intentionally Left Blank**

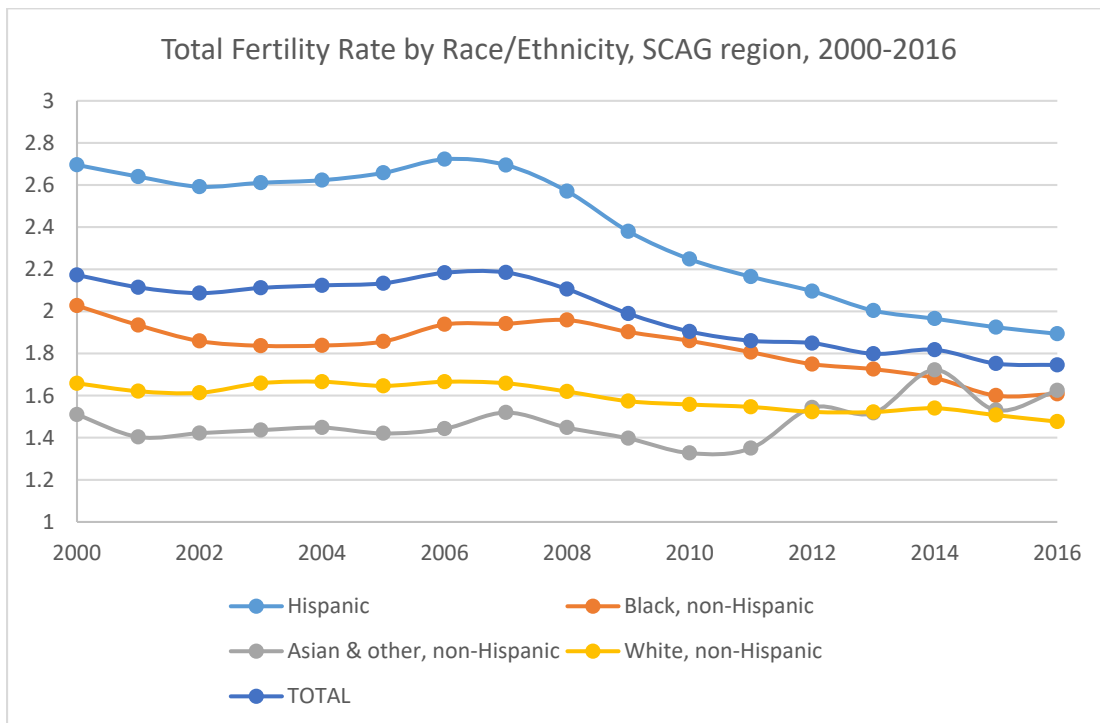
## Data appendix: Who are we planning for?

SCAG Joint Policy Committee Meeting, 2/7/2019

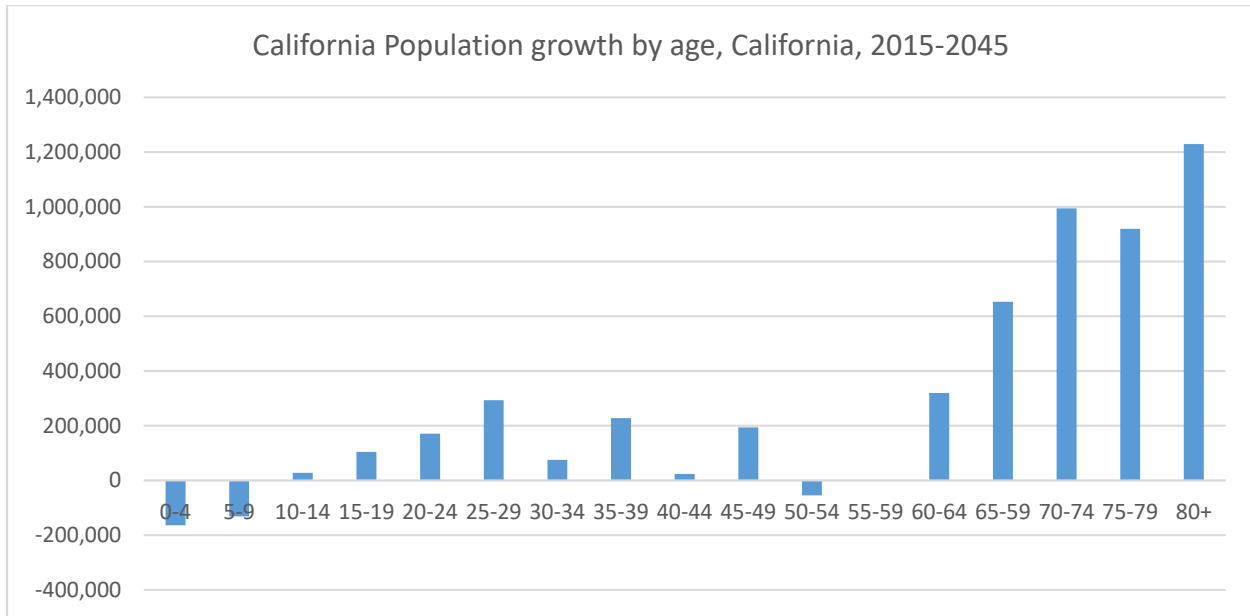
This document provides supporting data and references for the key points during SCAG staff's presentation on 2/7/2019. It represents our expertise and professional opinion of key data-supported trends in demographics and economics which will be important to focus on during the 2020-2045 *Connect SoCal* planning horizon.

### 1. Births in the region: today's estimates for 2045 are lower than 2016 estimates for 2045

- Fertility rates are decreasing for all races/ethnicities except for the non-Hispanic Asian & others category.
- Most demographers have revised future year (e.g. 2045) fertility estimates downward
- The share of immigrants to the SCAG region who are from Asian countries has increased to 58% (over 2012-2016)
- Lower fertility changes the *population age structure*, i.e. more growth in the older age categories
- Based on SCAG's calculations, 65% of growth in the SCAG region from 2015-2030 is expected to be of those aged over 65 years
- Changing population age structure stresses on old-age social services In particular, aging population presents an implication for labor force, health care, social services, tax, aging in place.



SOURCE: RAND State Statistics

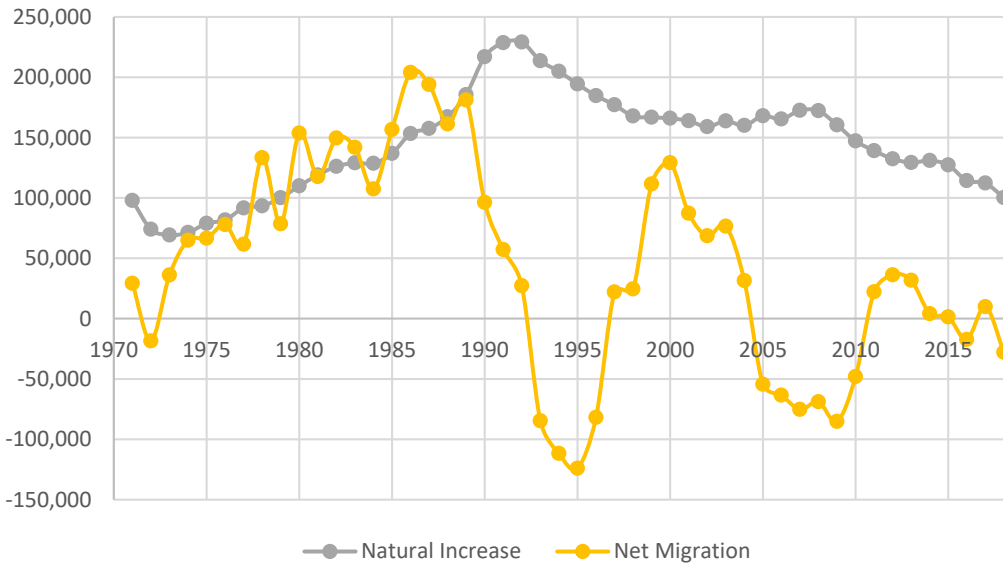


SOURCE: California Department of Finance (DOF) Demographic Research Unit. Series P-1: State Population Projections, 2010-2060. <http://www.dof.ca.gov/Forecasting/Demographics/Projections/>

## 2. Changing patterns of migration in the region

- Starting in the 1990s, natural increase (births minus deaths) overtook migration (domestic and international) as the main source of growth in California.
- Compared to longer-range economic trends like births and deaths, domestic migration is heavily cyclical and is based on shorter-term economic trends such as job growth and housing cost.
- The high cost of housing has been a factor in pushing residents to other states. In 2006, 20% of out-migrants from California cited housing-related reasons. In 2016, this had increased to 37%.
- **Brain gain:** in-migrants to California typically have higher college education rates and command higher salaries. *This is hugely beneficial to the state and regional economies.* However, those in-migrants may crowd out native-born Californians in the housing market, especially those who are lower earning or with a strong preference for family formation and a big house.
- Since fertility is declining, natural increase will continue to decline too.

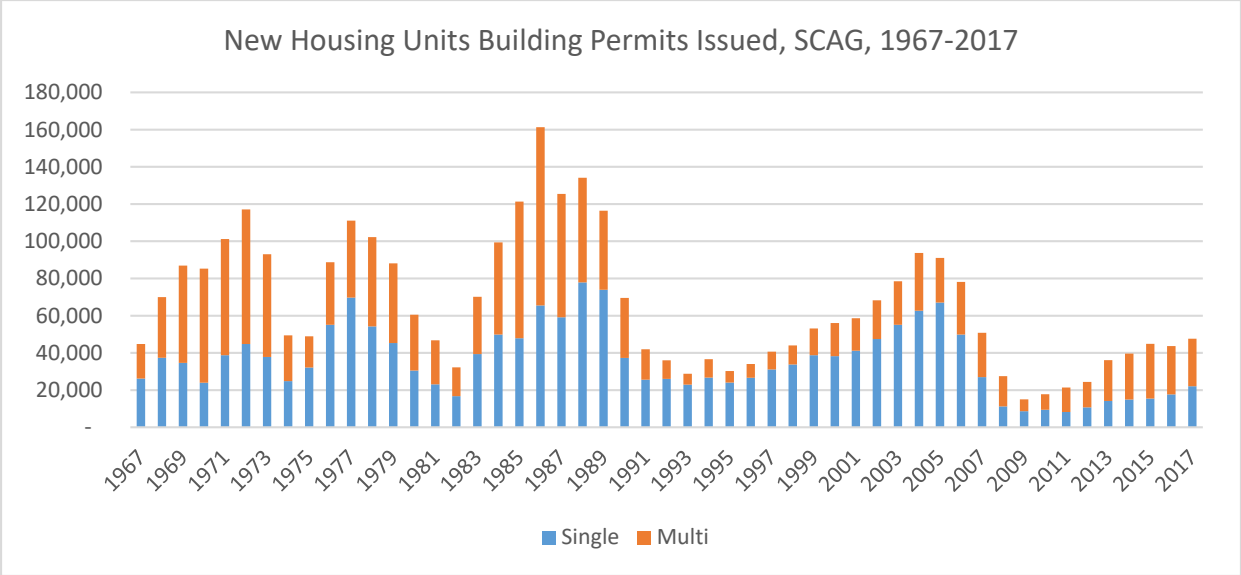
Sources of Population Growth, California, 1971-2017



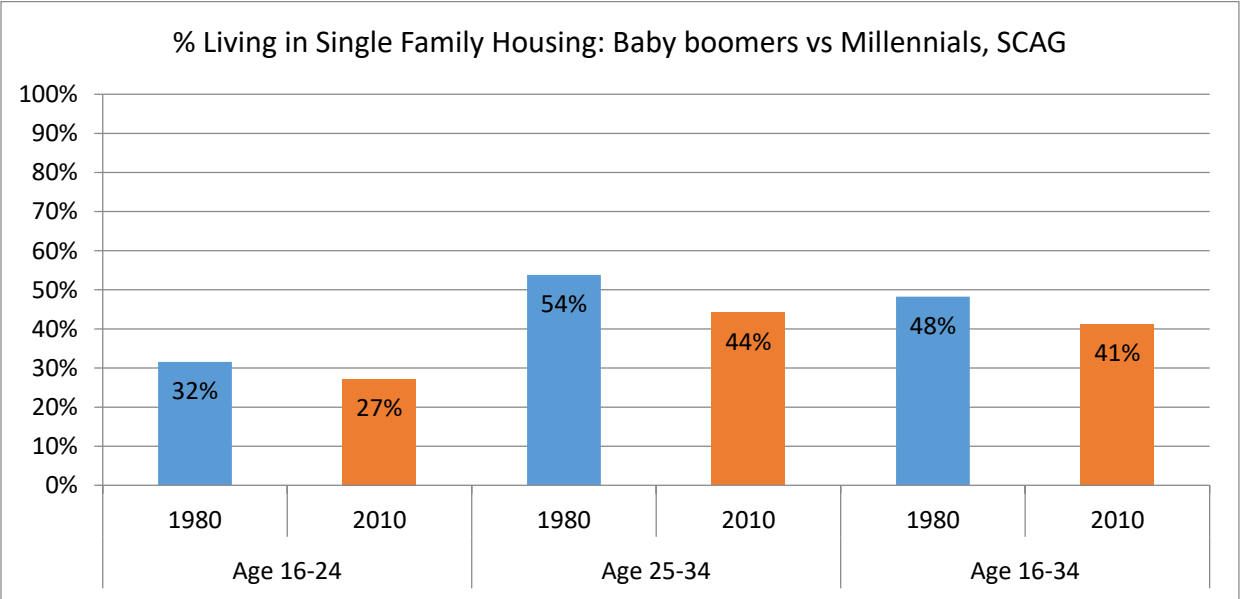
SOURCE: 2016-2017 Annual Social and Economic Supplement to the Community Population Survey

### 3. Using demographics to help plan for housing need

- Today’s housing stock is largely the product of previous decades’ economic ups-and-downs. Housing construction is still well below pre-recession highs.
- Comparing the behavior of Baby Boomers and Millennials when they were young adults (in 1980 and 2010, respectively), baby boomers were more likely to own single-family homes and Millennials were more likely to rent multifamily homes. However, demand for single-family housing in suburban areas is accelerating.
- The coming-of-age of the Millennial generation and the Global Financial Crisis combined to increase the demand for rental housing, which remains in relatively short supply.

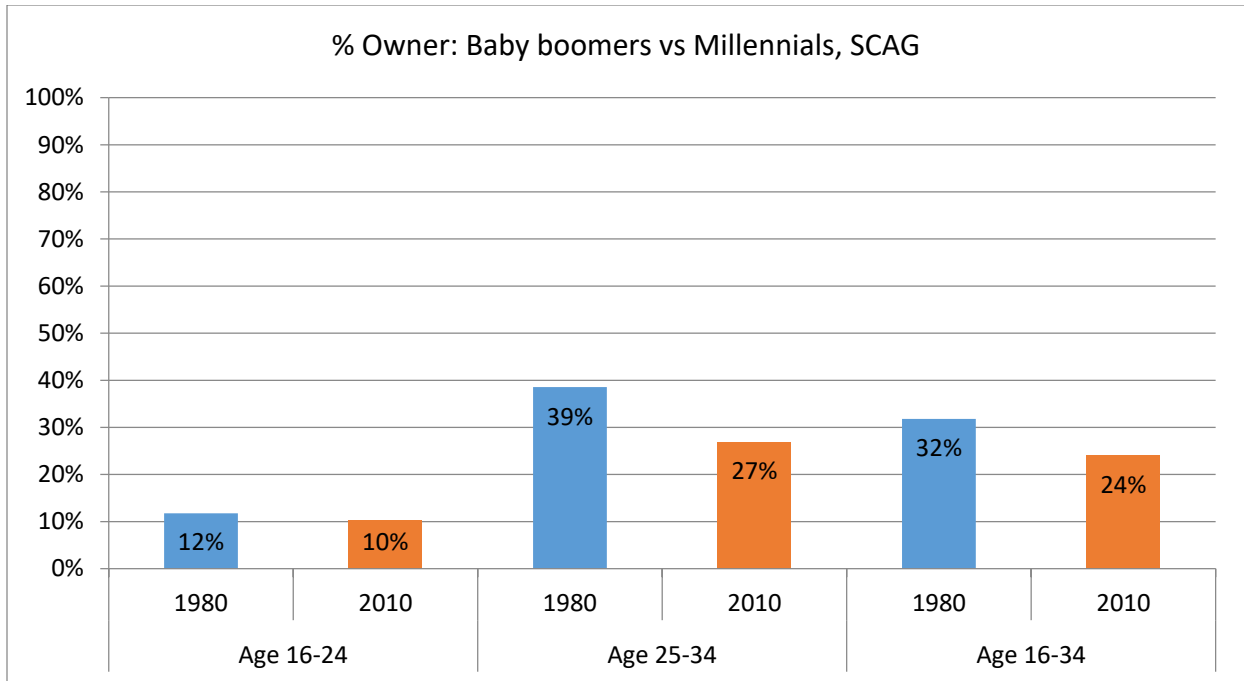


Source: Construction Industry Research Board (CIRB), a service provided by the California Homebuilding Foundation (CHF). <http://www.cirbreport.org/>



Source: US Decennial Census (1980) and American Community Survey (2010)

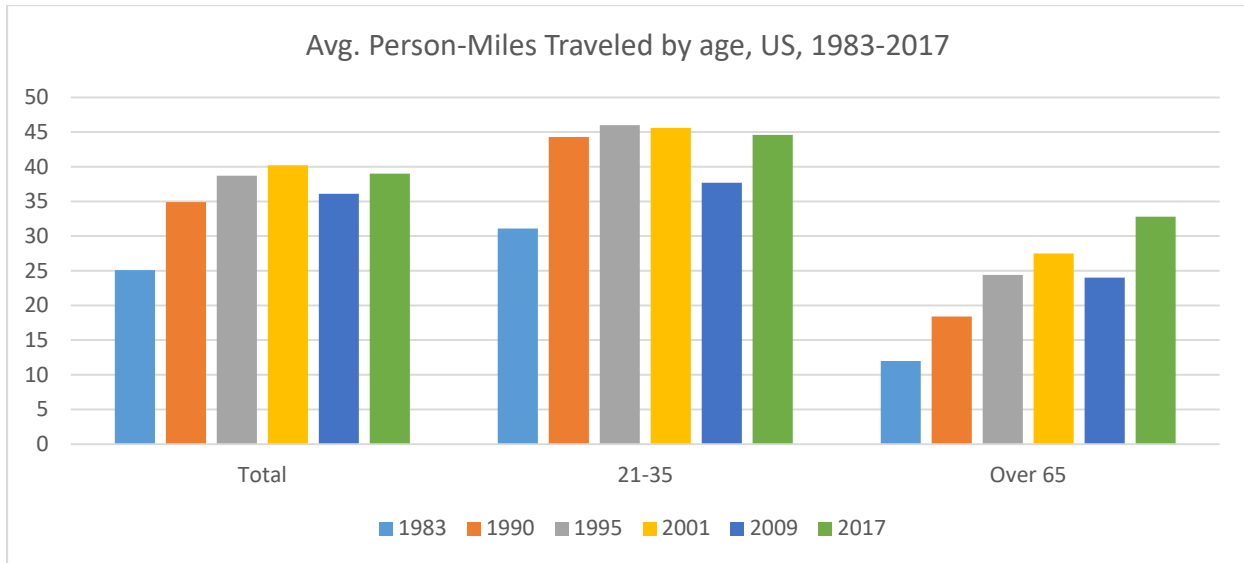




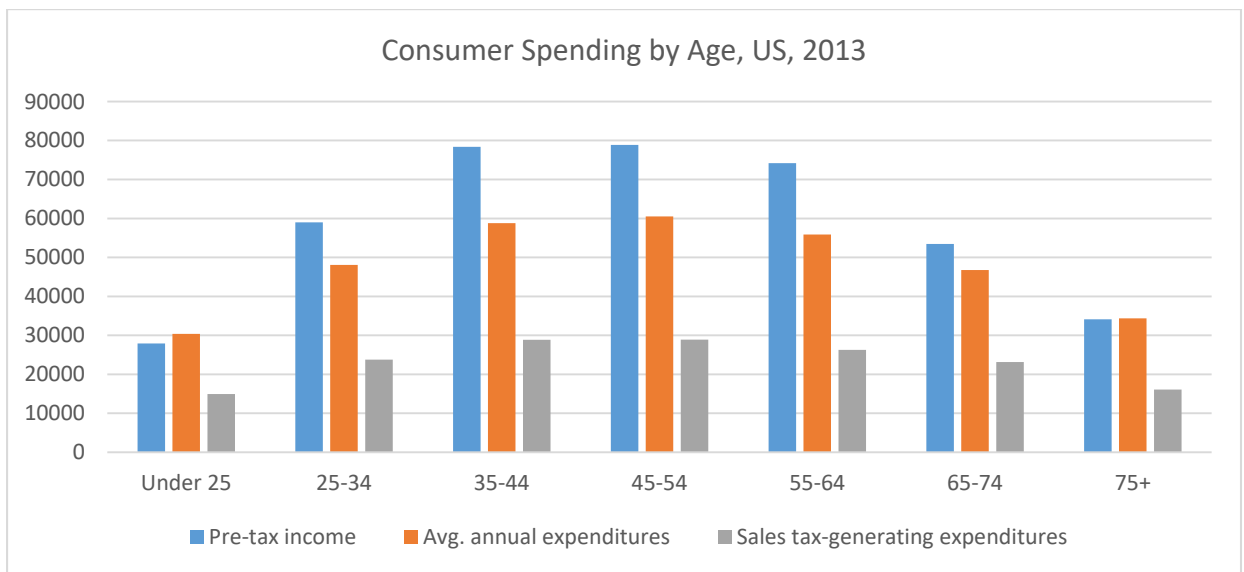
Source: US Decennial Census (1980) and American Community Survey (2010)

#### 4. Implications of the changing population age structure

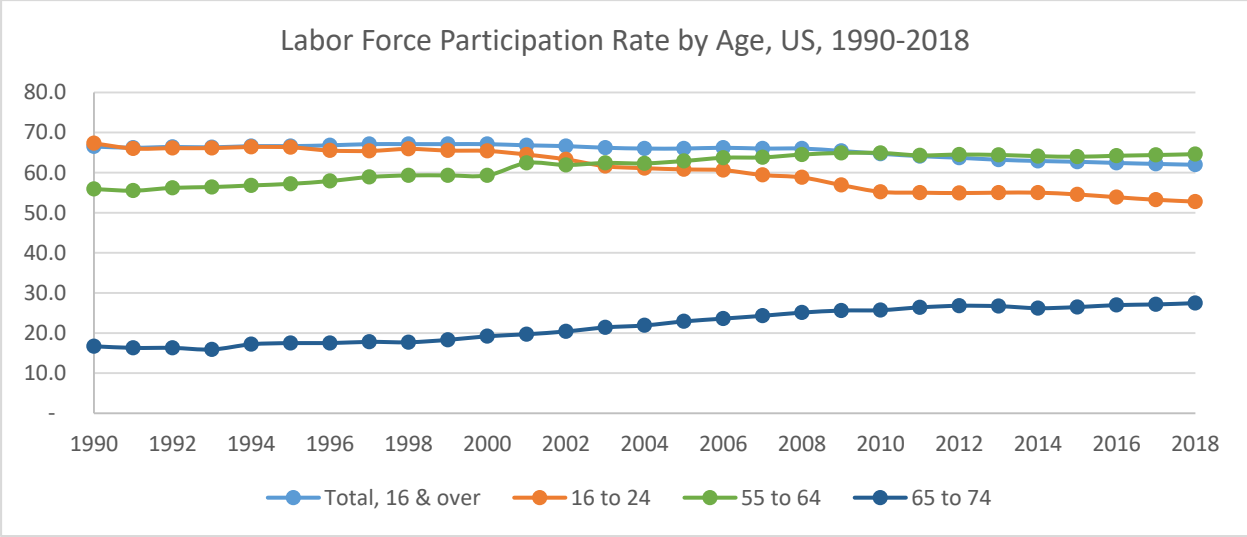
- In 2009, new data showed that the large Millennial and over 65 age groups traveled fewer person-miles. This was partially interpreted as a longstanding change in travel preferences. However, when new data became available in 2017, it showed a substantial rebound in both groups and overall.
- Consumer spending – and specifically, spending on goods which generate local sales tax revenues – tends to peak during middle-age and decline for older age groups as they spend less overall, and a higher share of their income on services. As the old age group grows, local sales tax bases could be impacted.
- The economy is experiencing historically low unemployment rates. However, the labor force participation rate continues to decline, which tempers the benefits of low unemployment.
  - Younger Americans are decreasingly participating in the labor force, which some believe is due to a need to pursue more education to stay employed in the long run.
  - Older Americans are increasingly participating in the labor force, which for some may be a response to decreased savings since their prime earning years coincided with the Global Financial Crisis.



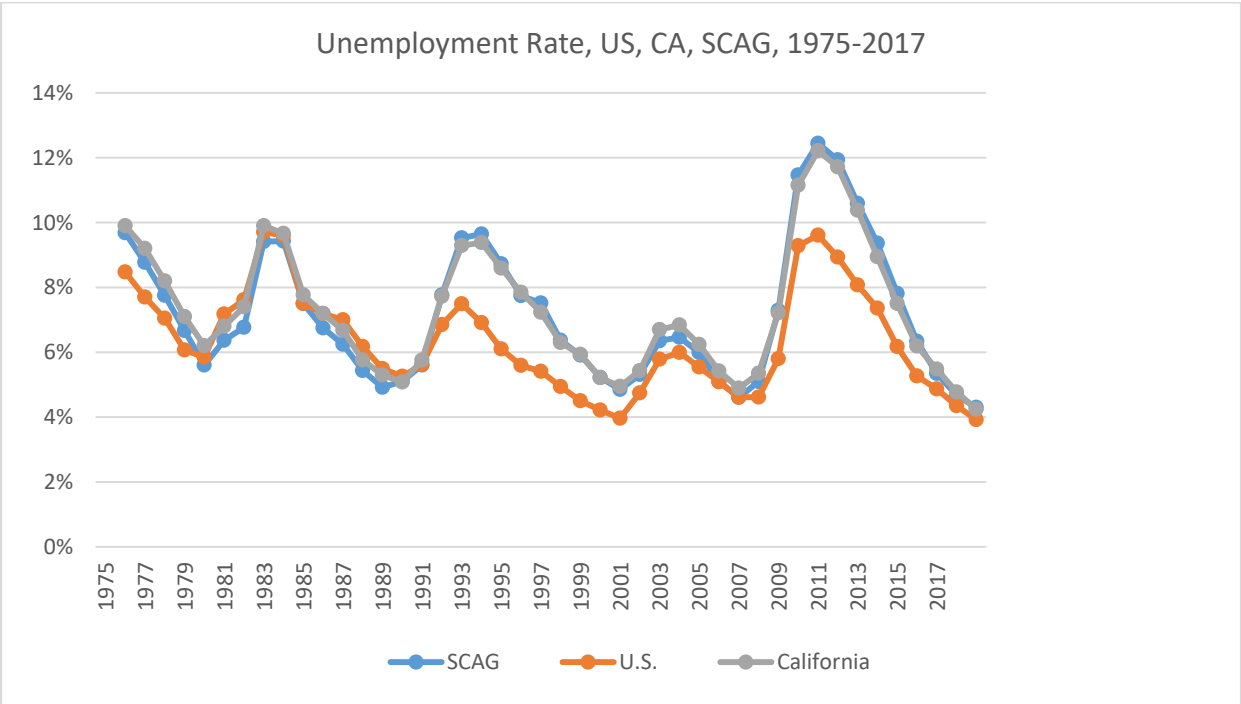
Source: Summary of travel trends. 2017 National Household Travel Survey.  
[https://nhts.ornl.gov/assets/2017\\_nhts\\_summary\\_travel\\_trends.pdf](https://nhts.ornl.gov/assets/2017_nhts_summary_travel_trends.pdf)



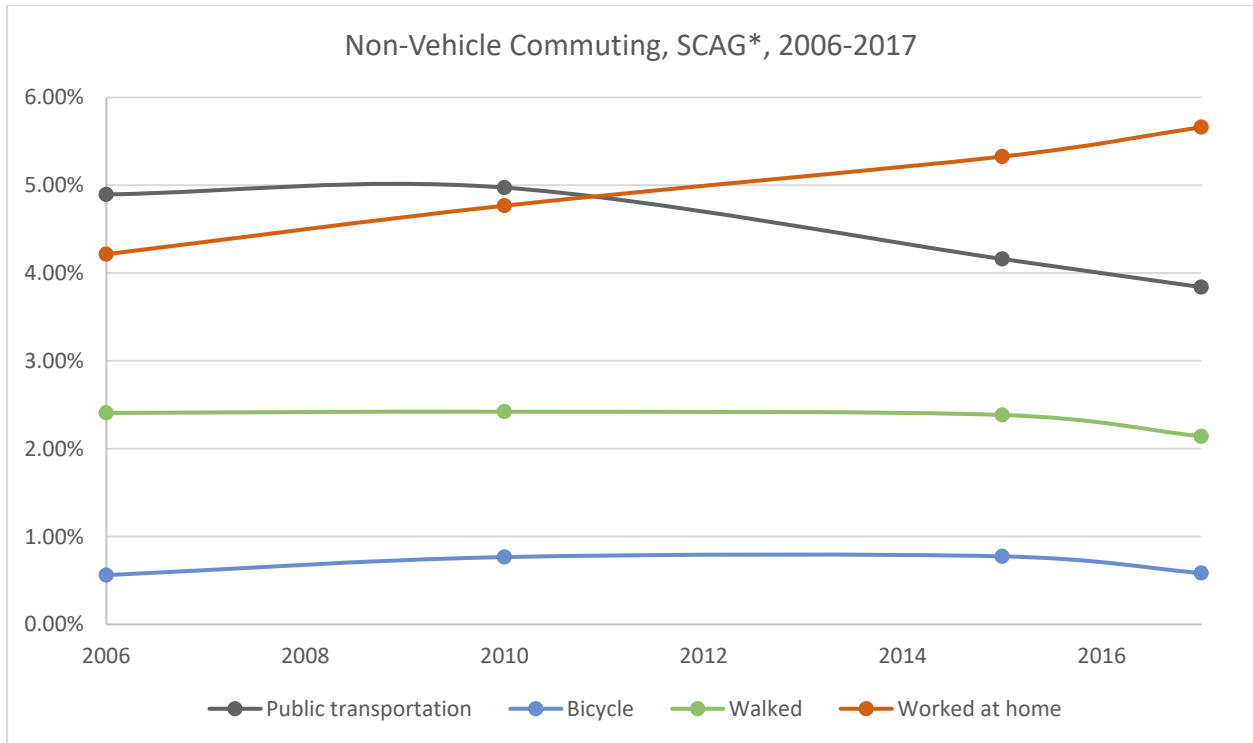
Source: Consumer expenditures in 2013. February. 2015. Bureau of Labor Statistics report 1053.  
<https://www.bls.gov/opub/reports/consumer-expenditures/archive/consumer-expenditures-in-2013.pdf>



Source: Bureau of Labor Statistics



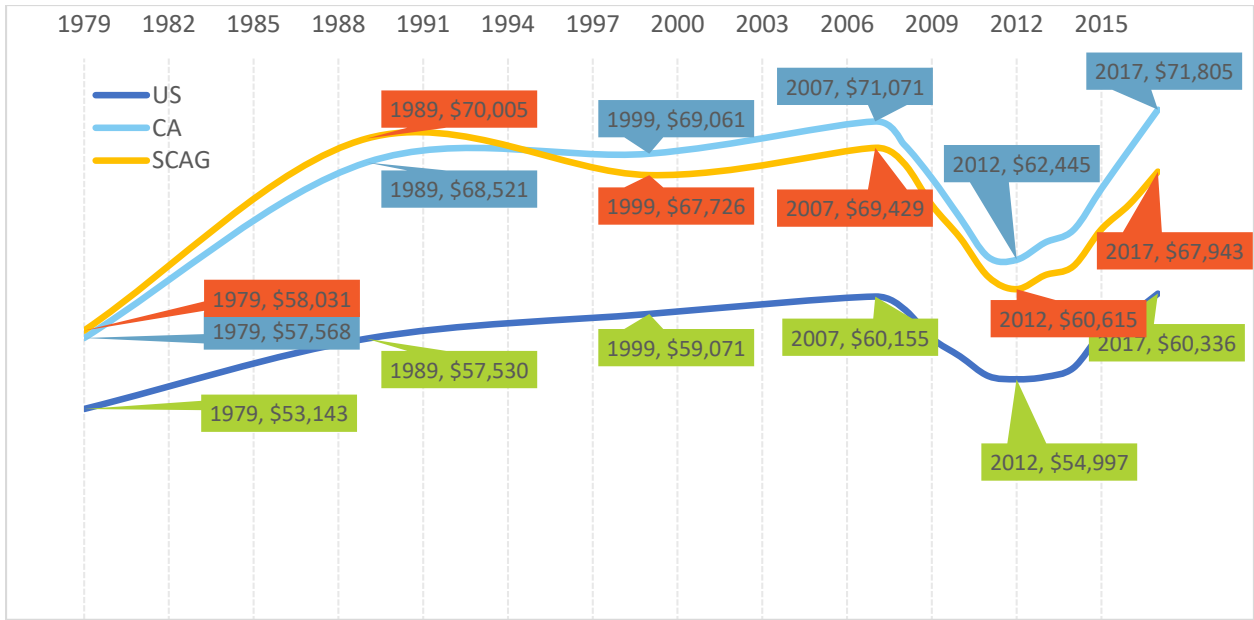
Source: Bureau of Labor Statistics, California Employment Development Department



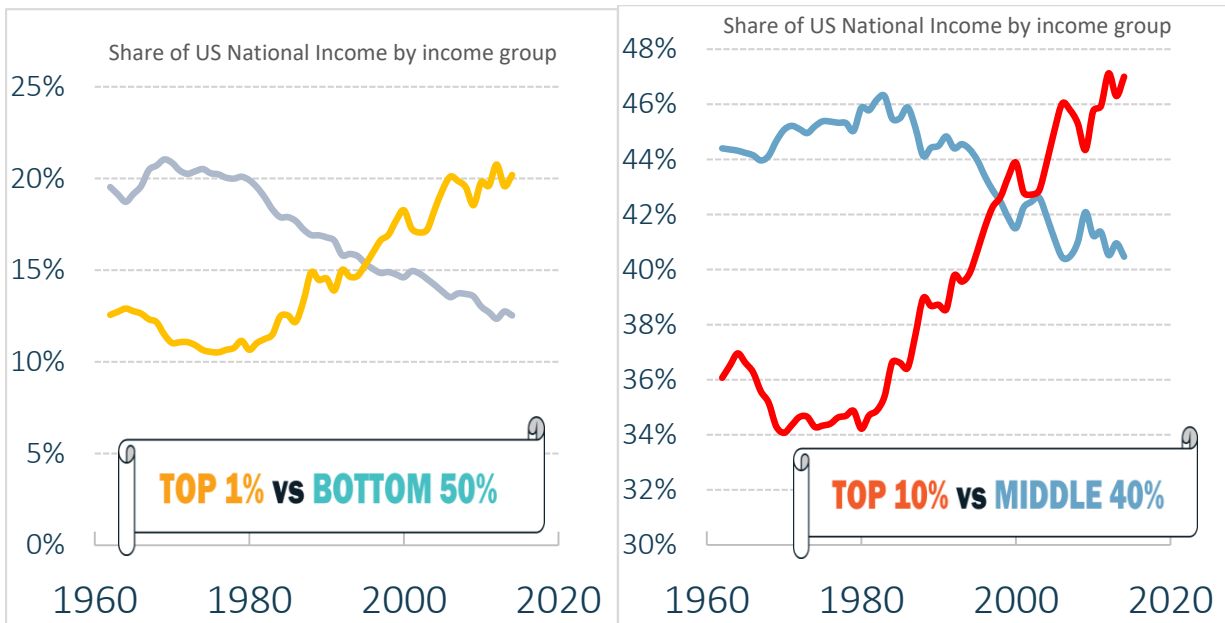
Sources: American Community Survey 1-year sample journey-to-work data. Data show the Los Angeles-Long Beach Combined Statistical area (SCAG region minus Imperial due to small county data limitations)

## 5. Income growth and inequality

- Median household income has by and large recovered from its pre-recession levels in the SCAG region, California, and nationwide. This is particularly good news, since median incomes reflect the “typical household” and are minimally impacted by extremely high earners.
- However, the post-recession increase statewide has outpaced that in the SCAG region. Adjusting for inflation, SCAG region incomes were higher in 1989 than in 2017.
- Since the early nineties, the top 1% has accrued a higher share of the nation’s wealth than the bottom 50%. In addition, since the late nineties, the top 10% has accrued more than the middle 40%.



Source: Social Explorer Tables (SE), Census 1980-2017, U.S. Census Bureau and Social Explorer  
 Note: Dollars adjusted for inflation to match value in 2017



Source: Picketty, Saez, and Zucman. 2016. Distributional national accounts: Methods and estimates for the United States Data Appendix. Appendix Table II-B1