MEMO

DATE: February 7, 2008

TO: Community, Economic and Human Development Committee (CEHD)
Energy and Environment Committee (EEC)
Transportation and Communications Committee (TCC)
Regional Council

FROM: Hasan Ikhrata, Executive Director

SUBJECT: 2008 Regional Transportation Plan (RTP) Growth Forecast

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BACKGROUND:

This memorandum is being provided to inform SCAG's Regional Council as well as its three Policy Committees about recent developments related to the Growth Forecast included in the Draft 2008 Regional Transportation Plan. As way of background, since early 2005, SCAG staff has been developing the Integrated Growth Forecast, a forecast which seeks to integrate regional transportation and housing planning, and describes how population, household, and employment growth in the next 30 years could be accommodated within the SCAG region. The Integrated Growth Forecast process has resulted in many accomplishments for SCAG thus far, including the following:

- Update of growth forecasts with most recent statistics;
- Extensive and on-going input and review by local jurisdictions/subregions;
- Integrated Growth Forecast/RHNA workshops in Fall 2006; and
- Completion of the 4th cycle RHNA Plan.

The Integrated Growth Forecast process has also led to the development of the 2008 RTP Draft Baseline Growth Forecast and the 2008 RTP Draft Policy Growth Forecast. The CEHD Committee has been providing direction to SCAG staff and consultant team regarding development of these forecasts, and on November 1, 2007, authorized the release of the 2008 RTP Draft Baseline and Policy Growth Forecasts for public review and comment.

On December 6, 2007, TCC released for public review and comment the entire Draft 2008 RTP. The Draft 2008 RTP is based upon the incorporation of the Draft Policy Growth Forecast. Recently, SCAG staff has received comments from some of SCAG's subregional partners questioning whether SCAG should follow this approach. At this time, SCAG staff is continuing to receive and analyze all comments regarding the Draft 2008 RTP. The final growth forecast recommendation could change based upon comments received during the public comment period and upon further analysis and consultation by staff as it prepares to finalize the 2008 RTP. However, staff finds it important to apprise the Regional Council and the Policy Committees of these recent developments in order to foster informed decision-making regarding the appropriate 2008 RTP Growth Forecast. Therefore, additional information regarding the Baseline Growth Forecast and Policy Growth Forecast is provided below.

Staff also seeks to confirm what is legally required of SCAG with respect to the RTP growth forecast. As the Metropolitan Planning Organization (MPO) for an air quality non-attainment and maintenance area under the Clean Air Act, SCAG is required as part of its RTP update process to confirm the RTP's validity and consistency with current and "forecasted transportation and land use conditions and trends and to extend the forecast period to at least a 20-year planning horizon." (Refer to 23 CFR 450.322(c) for additional information).

In updating the RTP, SCAG shall base the update on the latest available estimates and assumptions for population, land use, travel, employment, congestion, and economic activity. SCAG must approve the RTP contents and supporting analyses produced by a transportation plan update. (Refer to 23 CFR 450.322(e) for additional information). As further explained below, the Baseline Growth Forecast and the Policy Growth Forecast are both based upon the latest available estimates and assumptions for population, land use, travel, employment, congestion, and economic activity. Therefore, use of either the Baseline Growth Forecast or the Policy Growth Forecasts in the Final 2008 RTP approved by the Regional Council would meet the above requirements.

What is the Baseline Growth Forecast?

The Draft Baseline Growth Forecast for the 2008 RTP represents the most likely growth distribution based upon current growth projections provided to SCAG. As stated in the Draft 2008 RTP, "a baseline growth forecast is a snapshot of the most likely population and employment level in the future. It is a technical growth forecast ... [that] reflects historical trends, based on reasonable key technical assumptions, and existing and new approved local or regional projects. Specifically, the baseline growth forecast is a result of updating the 2004 RTP no-project growth forecasts with current demographic and economic trends, the latest land use changes, newly approved regionally significant projects, general plan or specific plan updates, and/or zoning revisions." (2008 Draft RTP, Integrated Growth Forecast and Regional Land Use Policies Report, page 7).

Development of the Baseline Growth Forecast includes incorporation of the following recent county input:

1. Imperial County: the 2035 consensus total population, household, and employment growth projections at Traffic Analysis Zone (TAZ) and city levels agreed upon by SCAG, IVAG, and Caltrans District 11.
2. Los Angeles County: the 2035 total population, household, and employment growth projections at census tract and city levels provided by subregions/cities.
3. Orange County: the Adopted 2006 OCP 2035 total housing and employment projections at census tract, city, and county levels.
4. Riverside County: the 2006 RCP 2035 total population, household, and employment projections at census tract, city, and county levels.
5. San Bernardino County: the 2035 household and employment projections at census tract, city, and county levels provided by SANBAG.
6. Ventura County: the 2035 total population, household, and employment growth projections at census tract and city levels provided by VCOG.

In addition, this technical forecast at the regional level was presented to both SCAG's Plans an Programs Technical Advisory Committee and the Panel of Experts on various occasions to ensure technical consistency and integrity with major variables such as population, employment, household, and to build upon this bottom-up process by summing up all local/subregional projections.

According to the Baseline Growth Forecast, the SCAG region will add 5.9 million people to reach 24 million people by 2035. Supporting this population in 2035 will be a total of 10.3 million jobs in 2035 with 2.5 million new jobs. This level of population and job growth is expected to yield 2 million additional households in the region at an average of three persons per household. As noted in the Draft 2008 RTP, the substantial amount of projected growth will pose serious transportation and air quality challenges for the SCAG region.

What is the Draft Policy Growth Forecast for 2008 RTP?

While the Draft Baseline Growth Forecast incorporates a certain level of regional policy consideration, the Draft Policy Growth Forecast for 2008 RTP seeks to enhance the Baseline Growth Forecast by way of a redistribution of growth at the county, subregion, city, and TAZ level using key regional land use policies, strategies and principles so as to help address the serious transportation and air quality challenges facing the SCAG region.

As noted in the Draft 2008 RTP, "[the Baseline Growth Forecast] would yield a growth scenario very similar to the status quo, taking a somewhat 'business as usual' approach." (2008 Draft RTP, Integrated Growth Forecast and Regional Land Use Policies Report, page 11). In contrast, the Draft Policy Growth Forecast further advances SCAG's adopted Compass Blueprint land use policies, strategies and principles, and focuses on geographic specific locations with transportation/transit advantage, including the interaction between transit network and employment centers. The Policy Growth Forecast therefore represents primarily a shifting of land uses across counties and an intensification of land uses around transit centers and employment centers.

Specifically, the 2008 RTP Draft Policy Growth Forecast is based upon the following land use policies, strategies and principles as directed by CEHD in August 2007:

- Improving the localized balance between jobs and housing;
- Increasing potential transit ridership by focusing growth to transit supportive areas;
- Enhancing existing and emerging employment and residential centers;
- Shifting balance of new development from low-density single-family housing to mixed-use and higher density housing;
- Maintaining stable single-family areas;
- Minimizing new separate use commercial or residential development in outlying areas; and
- Minimizing very high density development in areas that are not effectively served by transit or are not within identified employment centers.

In addition to these growth strategies, the Draft Policy Growth Forecast also includes the results of research performed at a local scale during the last two years. The primary sources of this research include a series of demonstration projects whereby SCAG supported local planning initiatives, and a "reality check" process

where SCAG's consultant team worked with seven cities to explore in depth, the relationship between their general plans, the RTP and results of recent and projected economic and demographic trends.

Air Quality Conformity

Transportation conformity is required under the federal Clean Air Act (CAA) to ensure that federally supported highway and transit project activities are consistent with, or "conform to," the purpose of the State Implementation Plan (SIP). In California, SIP development is a joint effort of the local air agencies and the California Air Resources Board (ARB) working with federal, state and local agencies, including MPOs such as SCAG. Conformity to the SIP means that transportation activities will not cause new air quality violations, worsen existing violations, or delay timely attainment of the relevant National Ambient Air Quality Standards (NAAQS). Conformity regulations also require that the RTP "quantify and document the demographic and employment factors influencing expected transportation demand, including land use forecasts, in accordance with implementation plan provisions and the consultation requirements."

SCAG's conformity analysis demonstrates a positive finding for the Draft 2008 RTP. While this conformity analysis is based upon utilization of the Policy Growth Forecast and the transportation project list of the Draft Plan, staff finds that air quality conformity may also be achieved using the Baseline Growth Forecast. Staff continues to work on the conformity analysis, including conducting interagency consultation and responding to comments from interested parties. The formal conformity finding will be based upon the adopted RTP, including the adopted growth forecast for the 2008 RTP.

Next Steps

SCAG staff will continue to accept and assess all comments received regarding the Draft 2008 RTP until February 19, 2008. In March 2008, staff intends to apprise the CEHD Committee of comments received specifically related to the RTP Growth Forecast. At the same time, staff will also present options for CEHD to consider and approve regarding a final growth forecast recommendation for the 2008 RTP. To this effect, SCAG staff will recommend a growth forecast that represents a consensus vision consistent with previously-adopted SCAG regional policies. Based upon the direction of CEHD, staff will prepare the Final 2008 RTP which is scheduled for review and adoption by the Regional Council in April 2008.

FISCAL IMPACT:

Development of the Draft 2008 RTP Integrated Growth Forecast and transportation modeling assessment are adequately programmed and budgeted in following work elements of the FY 07-08 Budget:

08-055.SCGS1 Regional Growth Forecasting and Policy Analysis (Staff)
08-065.SCGS1 Compass Blueprint Implementation (Consultant)
08-065.SCGC1 Compass Blueprint Implementation (Staff)
08-070.SCGS1 Regional Transportation Modeling Support (Staff)

MEMO

Reviewed by:

Division Manager

Reviewed by:

Department Director

Reviewed by:

Chief Financial Officer