



Planning Directors Forum

Monday, November 27, 2023

10:00 – 11:30 a.m.

Zoom

<https://us06web.zoom.us/j/83966081705?pwd=amZUclJyUy82cEhON1h4Q1JlUkQ09>

AGENDA

1. Welcome/Roll Call (10 mins)

2. Discussion Items

- a. **2026 Regional Growth Forecast (Heather Adamson, AMBAG and Beth Jarosz, Population Reference Bureau) (45 mins)**

AMBAG staff will present the revised draft regional growth forecast. Planning Directors are asked to discuss the revised draft forecast results and provide feedback.

- b. **AMBAG Complete Streets Policies (Regina Valentine, AMBAG) (15 mins)**

AMBAG staff will provide an overview of the upcoming development of the AMBAG Complete Streets Policies for Planning Directors feedback.

3. Other Items/Announcements (10 mins)

- a. **2024 Planning Directors Forum Meeting Schedule (Heather Adamson, AMBAG) (5 mins)**

4. Next Steps/Adjourn (5 mins)

Staff Contact

Heather Adamson, AMBAG

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MEMORANDUM

TO: AMBAG Planning Directors Forum

RECOMMENDED BY: Heather Adamson, Director of Planning

SUBJECT: 2026 Regional Growth Forecast

MEETING DATE: November 27, 2023

RECOMMENDATION:

AMBAG staff will present the revised draft regional growth forecast. Planning Directors are asked to discuss the revised draft forecast results and provide feedback.

BACKGROUND/ DISCUSSION:

Every four years, AMBAG updates its regional forecast for population, housing, and employment to support the development of the Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS), Regional Travel Demand Model and other planning efforts.

The regional growth forecast projects the region's population, employment, and housing numbers for the tri-county area of Monterey, San Benito, and Santa Cruz counties. The purpose of the regional growth forecast is to show likely changes in employment, population and housing in the region between 2020 and 2050, based on the most current information available. As growth patterns change over time, the forecast is updated on a regular basis to reflect the most current and accurate information available.

This forecast is used to inform regional and local planning projects such as the MTP/SCS, transportation projects, corridor studies, and economic activity analyses. Results from this forecast are used as inputs in the Regional Travel Demand Model to forecast travel patterns. AMBAG has hired Population Reference Bureau (PRB) to assist in the preparation of the Regional Growth Forecast.

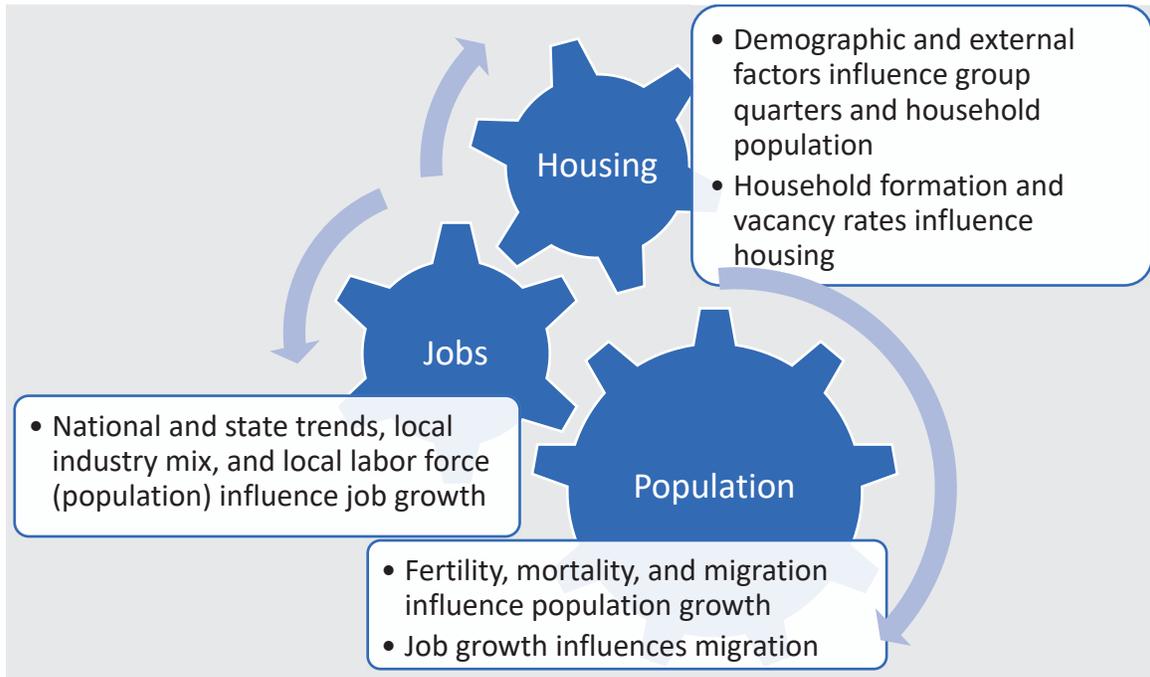
The region has seen robust job and housing growth in recent years, despite population decline. However, rapid job growth and shrinking population trends are not expected to

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continue long-term. In the 2026 Draft Regional Growth Forecast, we expect slow growth for all three—population, jobs, and housing.

Forecast Methodology

The forecasting framework is illustrated in the figure below.



Employment: Employment growth by industry is driven by projected national and statewide trends for all industries in the region using a shift-share model with input from the population model through the working-age population forecast. In addition, three industries (retail, services, and self-employment) are directly linked to population.

Population: Fertility, mortality, and migration trends influence population growth. Employment forecast influences migration levels.

Household Population and Households: Demographic factors (e.g., age, sex, race/ethnicity) and external factors (e.g., major group quarters facilities like colleges and universities, correctional facilities, etc.) influence the household population and household formation rates (i.e., the number of people per household).

Housing Units: Housing projections are driven by the household population projection, demographic characteristics of the household population (age, sex, race/ethnicity), household formation rates, and housing vacancy rates.

Summary of Forecast Development

On September 8, 2023, AMBAG and PRB convened a workgroup to review forecast assumptions. The group provided valuable input into expected trends in fertility, mortality, migration, housing, and job growth by sector. On September 25, 2023, AMBAG and PRB shared forecast assumptions, which incorporated input from the workgroup, with the Planning Directors Forum.

On October 11, 2023, AMBAG and PRB presented preliminary forecast results to the AMBAG Board of Directors. Board members generally expressed that the jobs and housing numbers seemed reasonable, but there was considerable discussion about the slow rate of population growth. Key questions included the following:

- Would climate change lead to coastal communities becoming an increasingly attractive destination for migration—reversing the long-standing trend of out-migration from the region?
- Would an aging population require additional workers to support healthcare and assistance jobs?
- How would very slow growth for the region be reconciled with jurisdiction expectations for their own growth—would some jurisdictions shrink? Or should jurisdiction expectations be taken into consideration for the regional forecast?
- Could forecast ranges (low and high) be provided to help put the point forecast (required for the plan) into context?

At their meeting on October 23, 2023, the Planning Directors Forum discussed each of the questions. Their feedback is summarized below.

- The direction of climate's effect on the forecast is uncertain and there is not yet enough data to change the forecast. AMBAG should include a detailed discussion of climate when documenting the forecast.
- The region will need more healthcare and service workers. That need might be accommodated by a shift of workers from other industries or by migration.
- Several jurisdictions see themselves growing faster than the preliminary draft population growth rate. No jurisdictions indicated expecting population loss.

Forecast Uncertainty

The AMBAG Board of Directors also requested that AMBAG and PRB present additional context including high and low scenarios for the regional forecast and an alternative forecast based on the job-based method.

AMBAG and PRB produced the following forecast scenarios for discussion:

- High Scenario: Migration returns to peak levels (2000-2022), fertility rises at older ages, death rates drop.
- Low Scenario: Migration remains at recent levels (2013-2020), fertility & mortality are the same as the baseline.
- Job-based Method: Holds population/jobs ratio constant at 2019 level.

AMBAG presented the scenarios and job-based forecast, as well as AMBAG’s 2022 Regional Growth Forecast (RGF) and the California Department of Finance (DOF) interim forecast, to the Planning Directors at their meeting on October 23, 2023 (Table 1).

Table 1: Forecast Scenarios, Ranked by 2050 Total Population

	2020	2035	2050
2022 RGF	774,729	842,189	N/A
High Scenario	774,985	794,424	832,726
Job-Based Method	774,985	796,763	814,445
2026 Preliminary Draft	774,985	783,061	792,452
DOF Forecast	774,985	780,252	773,782
Low Scenario	774,985	757,198	720,461

Sources: AMBAG 2022 Regional Growth Forecast; Preliminary Regional Growth Forecast Draft Results and alternative scenarios; California Department of Finance

The 2026 Preliminary Draft ranks in the middle of the forecast alternatives—lower than the 2022 RGF, High Scenario, and Job-based Method, but higher than the DOF forecast and the Low Scenario.

Based on discussion about jurisdiction and university growth expectations, as well as the results of the High Scenario, Low Scenario, and Job-based Method, the Planning Directors Forum expressed support for a slight increase in the population forecast. However, there was general agreement that an extreme shift—approaching either the High or Low Scenario—was unrealistic.

Revised Forecast Assumptions

The preliminary draft forecast incorporates the following assumptions based on analysis of regional, state, and national trends as well as feedback from the workgroup and Planning Directors Forum:

- Birth rates:
 - Rates continue to decline for teens and those in their 20s.
 - Rates remain stable for those in their early 30s.

- Rates rise for ages 35-49.
- Mortality rates:
 - The infant mortality rate continues to decline at a rate similar to the decline in recent years, as does the child mortality rate for children ages 1-3.
 - Rates also decline slightly for ages 40-65.
- Migration:
 - International migration returns to historic average levels
 - Domestic migration outflows are nearly eliminated.
- Job growth
 - Most industries are projected using a shift share, with historical trends informing which industries grow somewhat faster (or slower) than the state.
 - Selected population-serving industries (retail, self-employment, and other services) grow per capita, rather than based on state or national trends.
 - The ratio of retail and self employment jobs per capita trends slightly downward through the forecast as the population ages.
- Households
 - Growth is driven by household formation rates by age, sex, and race/ethnicity.
 - Household formation rates rise for age groups (ages 25-64) that have shown an increase in recent years.
- Housing
 - AMBAG received feedback from the Planning Directors Workgroup that vacancy should be forecasted separately for owner, renter, and seasonal/vacation homes. This request was incorporated into the draft.
 - Owner vacancy rates trend up from current low rates (below 1%) to 2%.
 - Renter vacancy rates trend up from current low rates (below 3%) to 5%.
 - Vacation rentals remain a constant share of the region's housing stock.

Revised Draft Results

The revised draft regional growth forecast numbers for population, housing, and employment are shown in Table 2. The results presented below include updates to reflect feedback received at the October 23, 2023 Planning Directors Forum meeting as well as two additional adjustments, an update to the 2020 jobs data to reflect a correction to base-year data received from the City of Monterey and an edit to the 2020 housing data to reflect the 2020 Census data rather than January 1 estimates from DOF (Table 2).

The revised draft shows higher total population, slightly higher total housing (although a slightly lower *change* from 2020-2050, due to the updated base year data), and slightly

lower jobs numbers in 2050 than presented at the October 11, 2023 AMBAG Board of Directors meeting.

Table 2: AMBAG Regional Projections 2010-2050

	Census		Forecast			Change 2020-50	
	2010	2020	2030	2040	2050	Number	%
Pop	732,708	774,105	780,164	793,629	800,067	25,962	3.4%
Housing	260,256	270,341	292,478	306,057	311,499	41,158	15.2%
Jobs	349,235	372,030	413,882	419,428	424,236	52,206	14.0%

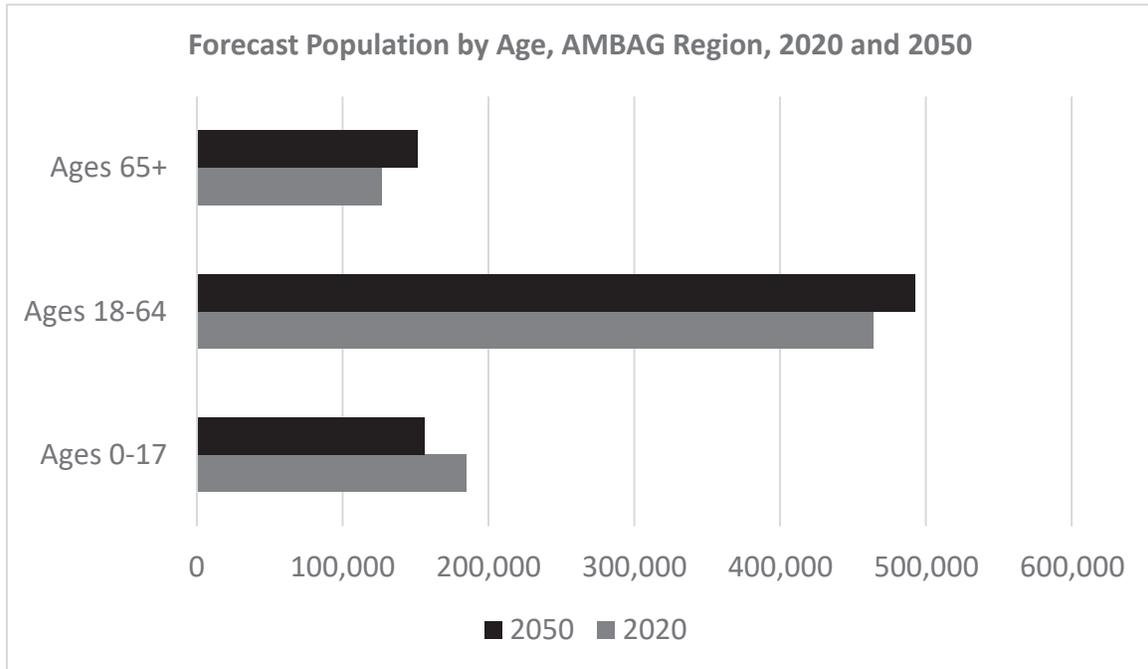
Source: Revised Draft Regional Growth Forecast Results

Population projections are substantially lower than the 2022 Regional Growth Forecast (2022 RGF), reflecting updated information from the 2020 Census and new estimates from the California Department of Finance (DOF) that show population loss in the region in recent years, steadily falling fertility rates, stagnant mortality rates, and an aging population.

For the years 2020-2039, the revised draft population projections are within 1.5% of the DOF forecast update that was released in July 2023. However, the new DOF projections begin to show population decline in the region. Feedback from the AMBAG Board of Directors, input from the Planning Directors Forum, and plans for continued growth at the region’s universities all suggest that the region is likely to continue growing.

Population aging continues to be a substantial driver of change in the AMBAG region in this forecast. In this revised draft, the child population is projected to shrink by more than 15 percent, the population ages 18-64 is expected to grow by more than 6 percent, and the population ages 65 and older is projected to grow by more than 19 percent (Figure 1).

Figure 1: Region's Child Population is Expected to Shrink Between 2020 and 2050



Source: Revised Draft Regional Growth Forecast Results

Job projections are also lower than in the 2022 RGF, reflecting updated data from the California Employment Development Department. Data through 2022 show that the region’s jobs have rebounded from the 2020 recession, but have not grown to levels predicted in the 2022 RGF.

Although job growth is lower than in the 2022 RGF, the rate of growth is quite a bit faster than the rate of population growth. While this may seem counterintuitive, it reflects, in part, adults representing a growing share of the region’s population.

Unlike population and jobs, **housing projections** are slightly higher than in the 2022 RGF, reflecting updated information from the 2020 Census, 2022 American Community Survey, and new estimates from DOF. These sources show housing growth and rising household formation rates in the region in recent years, even as population declined.

The region’s aging population plays a key role in the housing projections. Household formation rates rise with age. As the region’s population ages, more people are expected to live alone (or in small households), and the number of people per household is expected to fall. Because of the strong association between age and household formation, more housing would be needed to house an aging population, even if the population remained constant.

In addition, feedback from the Workgroup and PDF suggested that local and state policies

are already at work to ease the existing housing shortage—and could be expected to continue to ease overcrowding.

Finally, the assumptions that are incorporated into the housing projection mean that the region meets the statutory requirement that the MTP/SCS accommodate the 6th Cycle Regional Housing Needs Determination. Given AMBAG’s determination of 33,274 and San Benito COG’s determination of 5,005 units, the AMBAG region MTP/SCS should include at least 38,279 additional housing units between 2020 and 2050 for a minimum of 308,620 units by 2050. The preliminary draft housing forecast exceeds that threshold.

The revised draft forecast results were presented to the Board of Directors on November 8, 2023. Board members discussed the results but did not have any recommendations for additional changes to the revised draft forecast.

Timeline

- Winter 2023/2024 – Complete draft regional growth forecast
- Early 2024 – Begin subregional allocation

Next Steps

A final draft of the regional forecast is scheduled for acceptance by the AMBAG Board of Directors at its January 10, 2024 meeting. AMBAG will continue to work closely with local jurisdictions and gather information to ensure that the most current local data is incorporated into the forecast and to ensure consensus on the process.



MEMORANDUM

TO: AMBAG Planning Directors Forum

FROM: Regina Valentine, Senior Planner

SUBJECT: AMBAG Complete Streets Policies

MEETING DATE: November 27, 2023

RECOMMENDATION:

AMBAG staff will provide an overview of the upcoming development of the AMBAG Complete Streets Policies for Planning Directors feedback.

BACKGROUND/ DISCUSSION:

With the passing of the Infrastructure Investment and Jobs Act/Bipartisan Infrastructure Law (IIJA/BIL) of 2021, the Association of Monterey Bay Area Governments (AMBAG), as the federally designated Metropolitan Planning Organization (MPO) for the Monterey Bay region, is required to set aside a portion of the agency's Federal Highway Administration (FHWA) Metropolitan Planning Funds (PL funds) allocation to conduct complete streets planning. Complete streets prioritize the safe and adequate accommodation of all users of the transportation system, including pedestrians, bicyclists, public transportation users, children, older individuals, individuals with disabilities, motorists, and freight vehicles.

As identified in AMBAG's Overall Work Program, staff will begin developing Complete Streets Policies in coordination with AMBAG's member agencies. Although this is a new federal requirement, complete streets planning has been a priority historically for AMBAG and the jurisdictions in the Monterey Bay region. As an example, AMBAG prepared a *Monterey Bay Area Complete Streets Guidebook* in August 2013. For this reason, these Complete Streets Policies will serve more to memorialize the transportation planning work already being conducted in the region.

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For Planning Directors feedback, a draft outline and anticipated timeline is provided below:

Draft Outline

- Introduction
- Purpose and Need
- Complete Streets Definition
- Complete Streets Vision
- Complete Streets Goals
- Principles of Complete Streets
- Complete Streets Policies
- Consistency with Regulations
- Scope of Complete Streets Policies
- Exceptions
- Design Guidance
- Context Sensitivity
- Evaluation and Performance Measures
- Implementation and Reporting
- References

Anticipated Timeline

- **November 2023:** Present an overview of the development of AMBAG Complete Streets Policies to regional Advisory Committees, Planning Directors Forum, and to the AMBAG Board of Directors
- **December 2023 – January 2024:** Prepare the Draft AMBAG Complete Streets Policies
- **February 2024:** Present Draft AMBAG Complete Streets Policies to regional Advisory Committees, Planning Directors Forum, and to the AMBAG Board of Directors
- **February 1, 2024 – March 15, 2024:** Public Comment Period
- **March 2024:** Prepare the Final AMBAG Complete Streets Policies
- **April 2024:** Present Final AMBAG Complete Streets Policies to regional Advisory Committees and Planning Directors Forum
- **May 8, 2024:** AMBAG Board of Directors will be asked to adopt the Final AMBAG Complete Streets Policies

Next Steps

AMBAG staff will incorporate committee feedback and prepare the Draft AMBAG Complete Streets Policies in coordination with our partner agencies and local jurisdictions. The Final Complete Streets Policies will be incorporated into the 2050 Metropolitan Transportation Plan/Sustainable Communities Strategy.

**MEMORANDUM**

TO: Planning Directors Forum

FROM: Heather Adamson, Director of Planning

SUBJECT: 2024 Planning Directors Forum Meeting Schedule

Below are the 2024 meeting dates for the AMBAG Planning Directors Forum. All meetings will be on Mondays at 10am. Individual Outlook invitations will be emailed out for all 2024 meetings. Meetings will be canceled as needed.

- January 29, 2024
- February 26, 2024
- March 25, 2024
- April 29, 2024
- May 20, 2024
- June 24, 2024
- July 29, 2024
- August 26, 2024
- September 30, 2024
- October 28, 2024
- November 25, 2024

Please feel free to contact me at hadamson@ambag.org or (831) 264-5086 if you have any questions.

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