



Planning Directors Forum

Monday, August 28, 2023

10:00 – 11:30 a.m.

AMBAG Offices

24580 Silver Cloud Court, Monterey, CA 93940

MBARD Board Room (3rd Floor)

AGENDA

1. Welcome/Roll Call (10 mins)

2. Discussion Items

a. 2026 Regional Growth Forecast (Heather Adamson, AMBAG and Beth Jarosz, Population Reference Bureau) (30 mins)

AMBAG staff will provide an update on methodology options developing the draft tri-county regional employment, population, and housing forecast. AMBAG staff recommends selecting Option 2 (Cohort Component Population Method) as the preferred methodology for developing the 2026 Regional Growth Forecast. Planning Directors are asked to provide additional feedback and input on the recommended forecast methodology option.

b. AMBAG Regional Travel Demand Model (RTDM) Program (Gina Schmidt, AMBAG) (30 mins)

AMBAG staff will provide an update on the Regional Travel Demand Model, including hybrid components. Planning Directors are encouraged to ask questions and provide feedback and input in the RTDM development process.

3. Other Items/Announcements (10 mins)

a. Regional Early Action Planning (REAP) 2.0 Grant Program Deadlines

4. Next Steps/Adjourn (5 mins)

Staff Contact

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Note: The August 28, 2023 Planning Directors will be held in person. If you are unable to attend in person, participation via Zoom is available:

<https://us06web.zoom.us/j/86917845081?pwd=NEFnazVEYmZacWhTSnVTRXR4dkJkZz09>



MEMORANDUM

TO: AMBAG Planning Directors Forum

FROM: Heather Adamson, Director of Planning

SUBJECT: 2026 Regional Growth Forecast: Methodology Options

MEETING DATE: August 28, 2023

RECOMMENDATION:

AMBAG staff will provide an update on methodology options developing the draft tri-county regional employment, population, and housing forecast. AMBAG staff recommends selecting Option 2 (Cohort Component Population Method) as the preferred methodology for developing the 2026 Regional Growth Forecast. Planning Directors are asked to provide additional feedback and input on the recommended forecast methodology option.

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

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preparation of the Regional Growth Forecast.

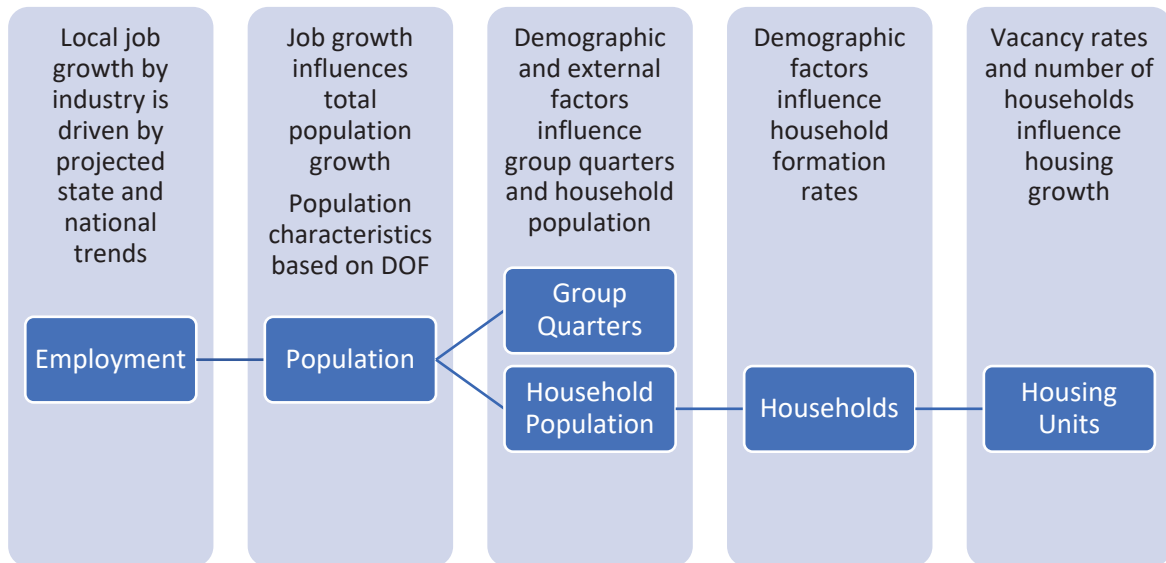
The region has seen robust job and housing growth in recent years, despite population decline. However, rapid job growth and shrinking population trends are not expected to continue long-term. In the 2026 Draft Regional Growth Forecast, we expect slow growth for all three--population, jobs, and housing.

Methodology

PRB has prepared three forecast methodologies for AMBAG’s consideration. All methodologies would use the latest data from sources including data from the California Department of Finance (DOF), California Employment Development Department, Caltrans, U.S. Bureau of Labor Statistics, and U.S. Census Bureau. Option 2 would also include birth and death data from the California Department of Public Health and U.S. Centers for Disease Control and Prevention.

Option 1: Employment-Driven Method

The first option is to continue using the employment-driven forecast modeling framework that AMBAG has used for the past three MTP/SCS cycles. The modeling 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.

Population: Employment growth trends influence population growth. The forecast of total population is based on historical trends in the ratio of population to employment in AMBAG region.

Projections of demographic characteristics (i.e., population by age, sex, and race/ethnicity) in the 2022 RGF rely on a proportional approach based on demographic projections from the California Department of Finance (DOF).¹

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.

Advantages of this approach:

- Consistent with prior AMBAG MTP/SCSs.

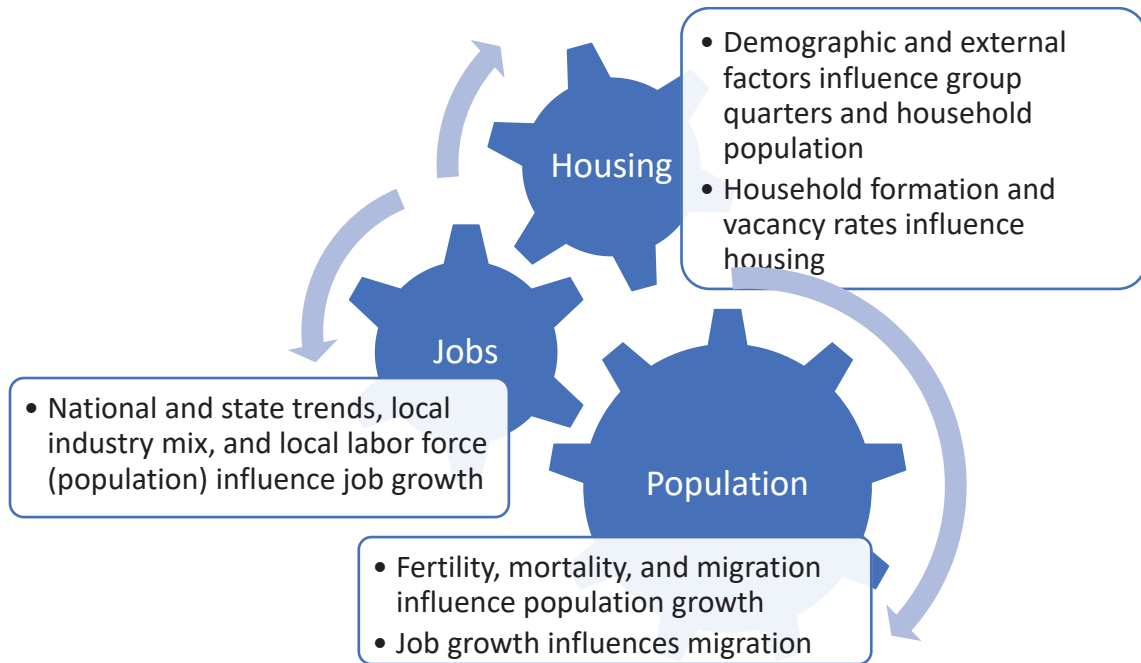
Disadvantages of this approach:

- Weak linkage (only one direction from jobs to population) between population and jobs forecast.
- Relies on DOF for demographic detail.

¹ The demographic characteristics projections would be based on a forecast released by DOF in 2021. DOF is planning to publish a revised forecast in summer 2023 but the update was not available at the time of writing.

Option 2: Cohort Component Population Growth

The second option implements a cohort component model for the population forecast that uses birth, death, and migration information to predict future population. The modeling 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.

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

Household Population and Households: Same as Option 1.

Housing Units: Same as Option 1.

Advantages of this approach:

- Consistent with other California COGs.
- Allows closest linkages between model components.
- Produces detailed demographic characteristics without relying on a forecast update from DOF.

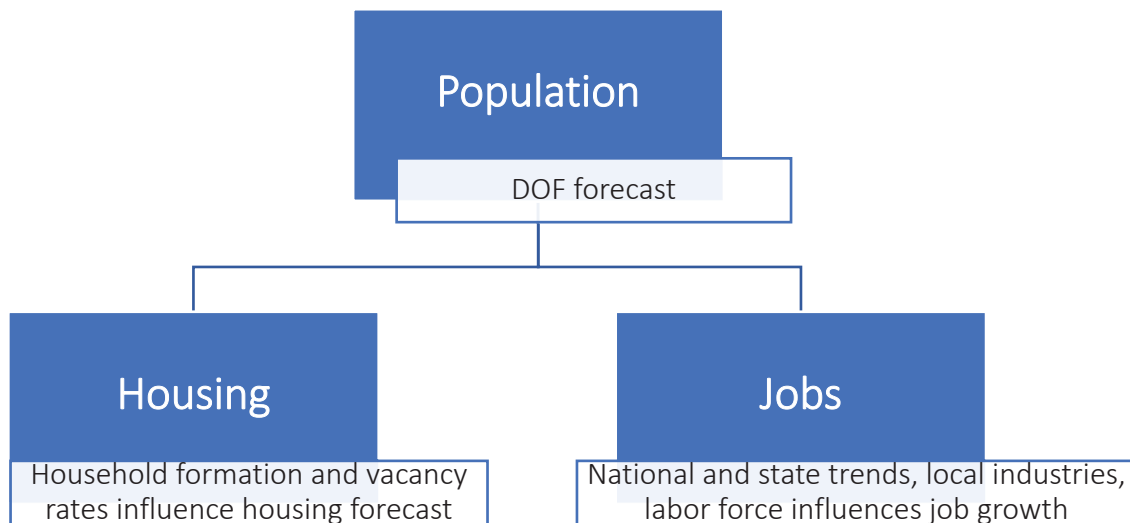
Disadvantages of this approach:

- Slightly more labor-intensive.

Note: Prior testing by PRB (for 2022 RGF) has shown this approach to produce similar results to Option 1.

Option 3: DOF Forecast

The third option is to use DOF’s forecast for population characteristics. The modeling 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 working-age population forecast.

Population: Use DOF forecast as published.

Household Population and Households: Same as Option 1.

Housing Units: Same as Option 1.

Advantages of this approach:

- Saves consulting time.

Disadvantages of this approach:

- No local input on population forecast.
- Weak linkage (only one direction from population to jobs) between population and jobs forecast.

- DOF forecast release date is uncertain.
- DOF forecast for small counties varies widely between releases.

Recommended Regional Forecast Methodology Option

AMBAG presented the three options to the Planning Directors Forum on July 31, 2023 for feedback and input on the preferred methodology that AMBAG should use for the 2026 Regional Growth Forecast. At that meeting, many Planning Directors expressed support for Option 2 (Cohort Component Population Forecast Method) as it aligns AMBAG with what other regional agencies are using as well as providing the region with the most local input and linkages between population, jobs, and housing.

The forecast methodology options were also presented to the AMBAG Board of Directors on August 9, 2023 for discussion and input. Many Board members also felt that Option 2 (Cohort Component Population) was the best option for AMBAG. Given the feedback and input received from both the Planning Directors Forum and the Board of Directors, staff recommends that Option 2 be selected as the preferred forecast methodology for the 2026 RGF.

Timeline

- Summer/early Fall 2023 – Select a method and produce preliminary draft forecast
- Fall 2023 – Complete draft regional growth forecast
- Early 2024 – Begin subregional allocation

Next Steps

The Board of Directors will be asked to approve a preferred methodology for the tri-county regional growth forecast of jobs, population, and housing and disaggregating the tri-county regional forecast at both the county- and jurisdiction-level. A draft of the regional forecast will be ready for review and discussion in September 2023. 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: Gina Schmidt, GIS Coordinator

SUBJECT: AMBAG Regional Travel Demand Model (RTDM) Program

MEETING DATE: August 28, 2023

RECOMMENDATION:

Receive presentation from AMBAG staff on the Regional Travel Demand Model program.

BACKGROUND/DISCUSSION:

AMBAG staff will provide an update on the Regional Travel Demand Model, including hybrid components, and will host a Q&A session. AMBAG staff welcomes discussion and feedback on the presentation of the AMBAG RTDM program and encourages local agencies to participate in the RTDM development process by providing/validating local land use and transportation network related information for the model.