San Francisco Bay Area
Regional Prosperity Plan

Climate Action Team Public Health Workgroup
Tuesday, February 24, 2015
## Regional Growth

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2040</th>
<th>Growth 2010-2040</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs</td>
<td>3,385,000</td>
<td>4,505,000</td>
<td>1,120,000</td>
</tr>
<tr>
<td>Population</td>
<td>7,151,000</td>
<td>9,299,000</td>
<td>2,148,000</td>
</tr>
<tr>
<td>Housing Units</td>
<td>2,786,000</td>
<td>3,446,000</td>
<td>660,000</td>
</tr>
</tbody>
</table>
The Regional Task

- Integrate land use and transportation planning
- Reduce greenhouse gas emissions from by 15% per capita by 2035
- House the region’s population at all income levels
- Embody local visions
- Stretch available revenues through smart investments
- Increase economic competitiveness
- Preserve our natural environment
- Help ensure a healthy, vibrant region for our children and grandchildren
Setting Our Sights: Performance **Matters**

**Adopted Plan Bay Area Performance Targets**

**Economy**
- Increase gross regional product

**Transportation System Effectiveness**
- Increase non-auto mode share
- Reduce VMT per-capita
- Maintain the transportation system

**Environment**
- Reduce per-capita greenhouse gas emissions from cars and light-duty trucks

**Open Space and Agricultural Preservation**
- Direct all non-agricultural development within the urban footprint

**Healthy and Safe Communities**
- Reduce premature deaths from exposure to particulate emissions
- Reduce injuries and fatalities from collisions
- Increase average daily time spent walking or biking

**Equity**
- House all of the region’s projected housing growth

**Adequate Housing**
- Increase non-auto mode share
- Reduce VMT per-capita
- Maintain the transportation system

**Equitable Access**
- Decrease housing and transportation costs as a share of low-income household budgets
Regional Growth Strategy
Focused Growth

- **Non-urbanized land**
- **Urbanized land**
- **PDAs**
  - Less than 5% of region’s land
  - Nearly 80% of new homes
  - Over 60% of new jobs
Factors that Affect Health

- Socioeconomic Factors
- Changing the Context to make individuals’ default decisions healthy
- Long-lasting Protective Interventions
- Clinical Interventions
- Counseling & Education

Examples
- Eat healthy, be physically active
- Rx for high blood pressure, high cholesterol, diabetes
- Immunizations, brief intervention, cessation treatment, colonoscopy
- Fluoridation, 0g trans fat, iodization, smoke-free laws, tobacco tax
- Poverty, education, housing, inequality
Income Inequality . . .

Source: Thomas Piketty, Capital in the 21st Century

Inequality in the United States, 1910-2010

Average Household Income
before taxes

Share of Federal Tax Revenue

Source: Senate Joint Committee on Taxation

Bay Area Plan
A Unique Opportunity . . .

- **Regional Prosperity Plan**
  - Funded through the Sustainable Communities Initiative
  - Integrated housing, transportation and economic development

- **Advance Plan Bay Area implementation**
Critical Issues: Plan Bay Area Implementation

- Expanding economic mobility and opportunities for low- and moderate-income workers
- Providing affordable housing near transit
- Stabilizing communities in neighborhoods at risk of displacement
Key Challenges and Opportunities

- **Structure of the economy is changing**
  Fewer opportunities for low and moderate wage workers

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**Low- and Moderate-Wage Workers (2010)**

- **High & Middle**
- **Low**
  - 1.12 million

**Job Openings (2010-20)**

- **High**
- **Middle**
- **Low**
  - 30,000 per year

**Source:** 5-year 2011 American Community Survey / CA Employment Development Department
Key Challenges and Opportunities

- Recovery from the Great Recession is uneven
  Higher proportion of low-wage jobs added

### Most New Jobs Pay Low Wages

Occupations projected to have the largest growth in workers, 2010-20.

<table>
<thead>
<tr>
<th>Occupation</th>
<th>New Jobs by 2020</th>
<th>2010 Median Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered nurse</td>
<td>711,900</td>
<td>$64,690</td>
</tr>
<tr>
<td>Postsecondary teacher</td>
<td>305,700</td>
<td>62,050</td>
</tr>
<tr>
<td>Truck driver</td>
<td>330,100</td>
<td>37,770</td>
</tr>
<tr>
<td>Customer service</td>
<td>338,400</td>
<td>30,460</td>
</tr>
<tr>
<td>Office clerk</td>
<td>489,500</td>
<td>26,610</td>
</tr>
<tr>
<td>Laborers and movers</td>
<td>319,100</td>
<td>23,460</td>
</tr>
<tr>
<td>Retail sales clerk</td>
<td>706,800</td>
<td>20,670</td>
</tr>
<tr>
<td>Home health aide</td>
<td>706,300</td>
<td>20,560</td>
</tr>
<tr>
<td>Personal care aide</td>
<td>607,000</td>
<td>19,640</td>
</tr>
<tr>
<td>Fast-food worker</td>
<td>398,000</td>
<td>17,950</td>
</tr>
</tbody>
</table>

2010 U.S. median wage for all jobs: $51,892

2010 average wage for these job categories: $32,386

Source: Bureau of Labor Statistics
Key Challenges and Opportunities

- **Real wages have stagnated**
  Least gains for middle and low wage workers

Source: Social Security Tax Records
Key Challenges and Opportunities

- Recovery from the Great Recession is uneven
  Incomes remain flat for workers despite rise in overall wealth

![Economic Winners and Losers Graph](image_url)

Sources: Bureau of Economic Analysis; Bloomberg; Sentier Research; Bureau of Labor Statistics; Case-Shiller
Key Challenges and Opportunities

- Pathways for worker prosperity are diminishing
  Stronger reliance on capital rather than labor in the economy
Key Challenges

- Housing costs have risen faster
  For both for-sale and rental units

Tech workers squeezing out renters in San Francisco, Seattle

By Les Christie @CNNMoney February 7, 2014; 9:36 AM ET

Annual rent increases in major tech cities

12.3%
10.3%
10.1%
9.2%
7.5%
4.4%
3%

San Francisco | San Diego | Austin | Seattle | San Jose | Oakland | National Average
$3,350 | $1,850 | $1,350 | $1,650 | $2,500 | $2,100 | $1,640

Low- and middle-income residents of San Francisco, Oakland, Seattle and other metro areas, are getting pushed out of their homes as an influx of deep pocketed tech workers drive up rents.

Rental rates for the 10 metro areas most dominated by tech companies rose by an average of 5.7% year-over-year through January, nearly twice the average 3% increase seen in the nation’s 90 other largest cities, according to Trulia. Certain cities have seen far bigger hikes: rents in San Francisco rose by 12.3%, to a median of $3,350 a month in January.
Key Challenges and Opportunities

- Higher vulnerability and risk of displacement
  Gains on housing equity have accrued to large investors
Key Challenges and Opportunities

- Public resources have declined
  Funding for affordable housing is limited

Affordable Housing Funding Gap Analysis by ABAG

- 370,000 new affordable housing units by 2040
- $800 million in subsidies currently available
- $3.2 billion gap per year
Key Challenges

- Existing policy tools or market forces unable to meet growing needs

  Stronger economy and uneven recovery
  
  Longer commutes and higher housing cost

  Greater impact on low- and moderate-income residents

Source: US Census Bureau, KQED website
Key Challenges and Opportunities

- Rising poverty, especially in the suburbs
Where lower-wage workers live . . .
Setting Our Sights: Performance Matters

Adopted Plan Bay Area Performance Targets

**ECONOMY**
- **ECONOMIC VITALITY**
  - Increase gross regional product

**TRANSPORTATION SYSTEM EFFECTIVENESS**
- Increase non-auto mode share
- Reduce VMT per-capita
- Maintain the transportation system

**ENVIRONMENT**
- **CLIMATE PROTECTION**
  - Reduce per-capita greenhouse gas emissions from cars and light-duty trucks

- **OPEN SPACE AND AGRICULTURAL PRESERVATION**
  - Direct all non-agricultural development within the urban footprint

**HEALTHY AND SAFE COMMUNITIES**
- Reduce premature deaths from exposure to particulate emissions
- Reduce injuries and fatalities from collisions
- Increase average daily time spent walking or biking

**EQUITY**
- **ADEQUATE HOUSING**
  - House all of the region’s projected housing growth

- **EQUITABLE ACCESS**
  - Decrease housing and transportation costs as a share of low-income household budgets
NATIONAL PREVENTION STRATEGY
America's Plan for Promoting Health and Wellness

Vision: A Nation Where Americans live longer, healthier lives.

- Tobacco-Free Living
- Preventing Drug Abuse and Excessive Alcohol Use
- Healthy & Safe Community Environments
- Clinical & Community Preventive Services
- Healthy Eating
- Active Living
- Injury and Violence-Free Living
- Reproductive and Sexual Health
- Mental and Emotional Wellbeing
- Empowered People
- Elimination of Health Disparities

Source: US Census Bureau, KQED website
An Integrated Approach . . .

- Workforce Housing
- Economic Prosperity
- Transportation Access
Economic Prosperity

Economic mobility and opportunities for LMI workers

- Completed a Regional Economic Prosperity Strategy
- Funded 11 pilot projects with $1.08 million in sub-grants
Must balance pathways to the middle with economic growth and security
Select Pilot Projects

Northern Waterfront Economic Development Initiative
East Contra Costa County

- Revitalize the waterfront to add quality jobs, reduce congestion, strengthen the regional economy
- Integrated approach to land use, transportation and economic development
Select Pilot Projects

Construction Careers Initiative
Santa Clara and San Mateo Counties

- Industry-administered pre-apprenticeship program
- Train and place LMI workers on career pathways in construction

Leveraged grant to secure $500,000 from State to train 120 LMI workers in 2015
Workforce Housing

Affordable housing near transit

- Funded 22 pilot projects with $1.2 million in sub-grants
  - *Financing* affordable housing production
  - *Preserving* existing affordable units
  - *Stabilizing* neighborhoods at risk of displacement
Select Pilot Projects

Methodology for Analyzing Potential for Displacement
California Air Resources Board

- Predictive tool for the Bay Area based on extensive data analysis
- Engagement of community groups to ground-truth data

Source: Schafran and Wegmann, UC Berkeley 2012
Select Pilot Projects

Preserving At-Risk Affordable Housing Near Transit
Cities of San Jose, Oakland and Fremont

- >6,500 subsidized affordable rental units at risk in region
- Cost-effective approach (half the cost of building a new unit)

At-Risk Housing Units: City of San Jose

<table>
<thead>
<tr>
<th>Risk Level</th>
<th>Units</th>
<th>Section 8 Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very High Risk</td>
<td>245</td>
<td>193</td>
</tr>
<tr>
<td>High Risk</td>
<td>829</td>
<td>698</td>
</tr>
<tr>
<td>Moderate Risk</td>
<td>321</td>
<td>318</td>
</tr>
<tr>
<td>Total</td>
<td>1,395</td>
<td>1,209</td>
</tr>
</tbody>
</table>

Source: Reconnecting America, California Housing Partnership Corporation, ESRI
Select Pilot Projects

Small-Sites Acquisition and Rehabilitation
San Francisco Chinatown

- Focus on smaller apartment buildings within PDAs (5-25 units)
- Cost-effective and time-sensitive approach

Housing Program: Mayor Announces Funding for Affordable Rental Units

August 11, 2014

Mayor Edwin M. Lee announced funding availability for acquisition and rehabilitation financing for the multi-family rental buildings of 5-25 units through the new Small Sites Program. This funding will help stabilize buildings that are occupied by low to moderate income tenants throughout San Francisco that are particularly susceptible to evictions and rising rents. An initial $3 million is being made available with additional funding expected to be released during the program’s first year.

“Real estate speculation and rising rents have contributed to displacement of San Franciscans across our City,” said Mayor Lee. “We need to stabilize our neighborhoods that are vulnerable to gentrification and expand the safety net for San Franciscans at risk of eviction and displacement. This program is a part of our comprehensive plan to protect and stabilize our housing stock. With the purchase of already occupied units, we can preserve their affordability over the long-term. The Small Sites Program offers a way to create certainty for our longtime San Francisco families and rent-controlled households, ensuring they have a safe, affordable place to live well into the future.”
Select Pilot Projects

Land Value Recapture to Fund Affordable Housing
Cities of Walnut Creek, El Cerrito, Concord and Fremont

- Market-based tool to capture part of the increase in land value due to public investments and rezoning within PDAs
- Using additional revenue to provide more affordable housing
Leadership and Capacity-Building

Engagement of disadvantaged communities

- Funded 14 pilot projects with $800,000 in sub-grants
  - Leadership institutes that train residents to advocate for their own needs and priorities
  - Capacity-building for community groups and residents in outlying areas
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