

DRAFT -- Provide Your Input by ASAP to amichael@bayareacouncil.org -- DRAFT

To: Bay Area State Legislative Delegation and
Governor's Office of Planning and Research
From: The Undersigned Bay Area Alliance for Sustainable Communities' Members
[Your Organization and/or Individual Name]
RE: ***Land Use/Planning Policy and Infrastructure Support to
Re-enforce Smart Growth in the Bay Area***
Date: TBD

Overview

For over 10 years now the Bay Area has been struggling to come to grips with clearly visible growth trends. The region is becoming more congested, more urbanized, more polluted, less affordable—trends that will affect the world-class reputation the region has historically enjoyed. All of this is being driven by projections that foresee significant population and job growth in the nine county area in the coming 20 years (with unabated growth pressure beyond that).

An important policy framework for considering the complex and interrelated web of issues involved in addressing regional growth is Smart Growth, which is based on a premise that long range solutions require the integration of policies to promote the “three E’s” of Economic prosperity, social Equity and Environmental quality. In the Bay Area, the Bay Area Alliance for Sustainable Communities (Bay Area Alliance), established in 1997, has been a principal forum for the development of Smart Growth policy, with active participation from the business community, regional environmental organizations, social equity advocates and local/regional government. The Bay Area Alliance spent two years drafting and circulating for comment a widely endorsed “Compact of a Sustainable Bay Area” which outlines ten categories of action that can significantly advance the sustainability of the region. The Bay Area Alliance has also just released the first comprehensive set of Regional Sustainability Indicators, which will provide an important tool for tracking regional progress.

The Bay Area Alliance is the founding sponsor and steward for two significant implementation initiatives: 1) The Community Capital Investment Initiative has established three special investment funds, currently capitalized at over \$140 million of private sector equity, to focus investment according to Smart Growth principles that yield double-bottomline results (market rates of return on investment and social and environmental benefits). 2) In 2001 and 2002 the five regional agencies in the Bay Area (The Metropolitan Transportation Commission, The Association of Bay Area Governments [ABAG], The Bay Conservation and Development Commission, the Regional Water Quality Control Board, and the Bay Area Air Quality Management District) partnered with the Bay Area Alliance and initiated the development of a **Smart Growth Strategy/Regional Livability Footprint Project**. This partnership convened an extensive public workshop process across the nine county region to develop an

alternative growth vision for the region. This workshop process, which involved over 2000 people, has resulted in the articulation of a comprehensive regional Smart Growth Vision that would see much of the future regional growth focused in existing urban centers and along current and future transit corridors. This vision has been used by ABAG to develop an official set of alternative growth projections based on a collection of possible new policies that could affect growth and development patterns in the region. The regional agencies and Bay Area Alliance have continued to cooperate in the refinement and elaboration of the potential set of comprehensive new Smart Growth policies based on the public workshop process and input from local elected officials and planning staff from across the region.

Better land use policy is a key to stopping in-efficient use of land and resources and encouraging a different pattern of development that supports more sustainable communities. The housing deficit must be addressed to achieve smart growth. The Bay Area should generate a better jobs-housing balance and more affordability for people living and working in the Bay Area. The "Network of Neighborhoods" Smart Growth Vision from Smart Growth Strategy/Regional Livability Footprint Project envisions housing for all those working in the Bay Area linked to transit options and transit corridors. Without an increase in housing nearer to job-centers within the Bay Area, quality of life and of the environment will be reduced, traffic congestion will get worse, and housing will remain unaffordable .

Bay Area Alliance Smart Growth Policy supports better state guidance, criteria, and oversight of land use policy and more funding for local infrastructure in urbanized areas. We seek to fund transportation, housing, open space, and environmental mitigation improvements that promote infill development and revitalization actions in existing communities. We support proposals for bond measures and proposals to change the voting requirements for sales tax or bond measures so local jurisdictions can develop in a smart growth manner.

~~Better land use policy is the key to stopping in-efficient use of land and resources and encouraging a different pattern of development that supports more sustainable communities. A current and planned for deficit of housing for people living and working in the Bay Area is a pivotal issue that must be addressed to achieve smart growth. The Bay Area must significantly increase production of housing over current levels within each of the nine counties to generate a better jobs-housing balance and more affordability for people living and working in the Bay Area. The Bay Area Alliance smart growth vision described as a "Network of Neighborhoods" in the Smart Growth Strategy/Regional Livability Footprint Project seeks to provide housing for those living and working in the Bay Area linked to transit options and transit corridors thereby reducing the in-commute from outside of the region. Without an increase in housing nearer to job-centers within the Bay Area, quality of life and of the environment will be reduced, traffic congestion increased to un-acceptable levels, affordability and the economic viability of the region jeopardized.~~

~~Bay Area Alliance Smart Growth Policy supports legislative and regulatory changes that seek to provide better state guidance, criteria, and oversight in those land use policy arenas where the state does have a currently defined interest or legal role. Moreover, funding local infrastructure projects within existing urbanized areas. These aim in different ways to make it easier to fund the transportation, housing, open space, and environmental mitigation improvements that will promote infill development and revitalization actions in existing communities. We support proposals for bond measures and proposals to change the voting requirements for sales tax or~~

~~bond measures at the local level that empower local jurisdictions with necessary financial capability to develop in a smart growth manner compatible with our vision. While offering different approaches and funding mechanisms, together they could provide much needed tools for use by local governments to improve overall livability.~~

Policy Areas

The undersigned Bay Area Alliance members have developed consensus of several policy approaches for the following policy areas:

- 1. Lower Voter Threshold for infrastructure, transportation and housing funds in support the Network of Neighborhoods vision;**
- 2. Fiscal changes that reward housing production in urbanized areas, and especially close to transit;**
 - ~~1. Lower Voter Threshold for infrastructure, transportation and housing funds;~~
 - ~~2.1. Fiscal changes that reward housing production in the appropriate places;~~
- 3.3. Policies to encourage housing in proportion to housing needs;**
- 4. Other promising policy areas include Brownfields, Transit Oriented Development Tax Increment Financing, and Smart Schools.**

COMMENTS RECEIVED ON LEGISLATIVE CONCEPTS AND PROPOSALS TO BE REVIEWED FOR DISCUSSION ON 3/24/03:

The following two proposals need your review and input prior to next meeting -

1. Lowering the Voter Threshold, SCA 11

This measure would authorize a local government, as defined, with the approval of a majority of its voters voting on the proposition in an election, to incur indebtedness in the form of general obligation bonds to fund infrastructure projects, including construction of affordable housing for persons of very low, low, and moderate income, transportation enhancement activities, acquisition of land for open-space use, and other general infrastructure needs.

Comment:

(Environmental Caucus, SL) I think the housing and all infrastructure would have to be in urbanized areas.

2. This measure would authorize a local government, as defined, with the approval of a majority of its voters voting on the proposition, to impose a special tax, that it is otherwise authorized to impose, if the tax is imposed exclusively to fund infrastructure projects, including construction of affordable housing for persons of very low, low, and moderate income, transportation enhancement activities, acquisition of land for open-space use, and other general infrastructure needs.

Comments:

(Environmental Caucus, SL) I think the housing and all infrastructure would have to be in urbanized areas.

3. A local government may, with the approval of a majority of its voters voting on the proposition in an election, incur indebtedness in the form of general obligation bonds for infrastructure projects, subject to the expenditure restrictions in subparagraph (B). (B) The revenues derived from any general obligation bond pursuant to subparagraph (A) shall be expended in accordance with the following: (i) At least 25 percent of the revenues shall be expended for the construction of affordable housing for persons of very low, low, and moderate income, as defined in Section 50052.5 of the Health and Safety Code, or any successor to that statute. (ii) At least 25 percent of the revenues shall be expended for transportation enhancement activities, as defined in paragraph (3) of subsection (a) of Section 101 of Title 23 of the United States Code, as that section read on January 1, 2002, or any successor to that statute, including transit infrastructure, maintenance and operations, safe routes to school projects, incentives for transit-oriented development, bus shelters, traffic calming measures, bicycle parking and storage infrastructure, improvements to ensure compliance with laws governing access for persons with disabilities under state law and the federal Americans with Disabilities Act (42 U.S.C. Sec. 12101 and following) or any successor to that statute, and streetscape improvements. (iii) At least 25 percent of the revenues shall be expended for the acquisition of land for open-space use, and open-space land, as those terms are defined by Sections 51201 and 65560 of the Government Code, respectively, or any successors to those statutes. (iv) Any balance of the revenues shall be expended for general infrastructure needs, including, but not limited to, water, sewer, utility, brownfield reclamation, transit capital projects, and maintenance of local streets and roads to serve the urbanized area (v) No more than 5 percent of the revenue balance identified in clause (iv) may be used for administrative costs.

Comments:

(Environmental Caucus, SL) I generally support. Requiring a mix seems like a neat idea; I'm agnostic on the exact percentages.

(Economic Caucus, PS) The set-asides in that enormous amount will jeopardize the success at the polls of any measure. How can you reasonably expect the voters to support a measure when less than 75% is being used for the stated purpose? Remember that the successful measures have been the ones that specified the projects to be completed with the proceeds. The lists will be diminished with so little of the tax revenues used for transportation improvements. All of this means of asking can the percentages be reduced so that at least 50% of the funds raised are used for the stated purpose of the measure?

With regards to the message itself, it appears that only 20% is left for the purposes of the ballot measure, with all the set asides. Secondly, if open space acquisition is required to the tune of 25% ,(or any amount) the sponsoring entity (municipality) should have specific authority to purchase lands outside of its jurisdiction. I believe this is extremely important, and a deal-breaker. The reason being that the communities most needing, and/or ripe for housing, especially TOD, are the ones already urbanized with little existing open space

within their jurisdictions. Otherwise, there will be a net loss of housing as dwellings are removed in order to provide open space.

3. Increase the Share of Property Tax Revenue for Local Government and swapping it from Sales Tax AB 1221 (Steinberg) A property tax swap for sales tax provides an incentive or reward for local governments accommodating an adequate housing supply for all income categories.

Reducing the importance of sales tax reduces the importance of overzoning for retail. Increasing revenue from property tax makes existing housing pay more of its own way, and provides more stable / less volatile funding. The swap seems neutral concerning new sprawl. If consensus is possible, some way might be found to favor smart growth housing within the urbanized area. However, I think even a "simple" swap will be very difficult to carry off and is worth doing without the add-on.

This proposal can provide a solid foundation for economic recovery by establishing compelling requirements and rewards for accommodating a sufficient amount of housing for the full population.

Comments:

(Environmental Caucus, SL) The proposal does no such thing. It has no requirements. The rewards may fall short of getting enough housing. It's still a good idea.