

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
Reinforce Smart Growth in the Bay Area**

DATE: TBD

Over the past ten year, the Bay Area has been struggling to come to grips with job growth that has outpaced housing growth -yielding a growing number of in-commuters.. However, for a host of reasons, jurisdictions throughout the Bay Area have not been able to plan for nor accommodate the housing need to match population increases and job generation. As a result, the region is becoming more congested, less affordable, the jobs-housing balance has worsened, and there are continual threats to environmental quality. If such trends continue they will affect the world-class reputation the region has historically enjoyed. Projections foresee significant population and job growth in the nine county region over the next 20 years. The current land use patterns must be altered to ensure a Prosperous Economy, Environmental Quality and Social Equity that form a high quality of life into the future.

The opposite of Smart Growth is dumb growth. Dumb growth is driven first and foremost by a lack of a sufficient housing supply that is located near jobs and transit options. Housing is the “linchpin” of Smart Growth. In the Bay Area, the Bay Area Alliance for Sustainable Communities (Bay Area Alliance), established in 1997, has been an important facilitator for Smart Growth policy consensus, with active participation from the business community, regional environmental organizations, social equity advocates and local/regional government representatives.

Recommendations

Recognizing the need for Smart Growth land use in the Bay Area, representatives of the Bay Area Alliance 3Es (**E**nvironment, **E**quity and **E**conomy) and government stakeholders recommend three steps for California state government leaders:

1. Implement a comprehensive, workable Smart Growth policy and incorporate the criteria for Smart Growth into the recommendations for the State Environmental Goals and Policy Report. (See Attachment)
2. Adopt and phase in a set of Policies, Incentives and Investments, and Bust Barriers to Smart Growth.

3. Implement, as a first step toward Smart Growth, policy concepts that would assist the region and individual jurisdictions to grow in a smarter more sustainable manner. (See Attachment)
 - Change and enhance local financing tools available to support Smart Growth.
 - Identify revenue to reward housing accommodation, with an emphasis on incentivizing infill housing.
 - Set housing accommodation benchmarks based on the Housing Needs Determination per jurisdiction.

Background

The Bay Area Alliance invested two years drafting and circulating for comment the widely endorsed *Draft Compact of a Sustainable Bay Area*. The *Final Compact* (<http://www.bayareaalliance.org/compact.html>) outlines ten Commitments to Action that can significantly advance the sustainability of the region. The *Compact for A Sustainable Bay Area* explicitly commits to planning for and accommodating a sufficient supply of housing in the region to match population increases and job generation (Commitment #2).

The Bay Area Alliance Regional Livability Footprint Project, in partnership with the five regional agencies Smart Growth Strategy, made accommodating a sufficient supply of housing within the region for population growth and job generation a key objective. A rationale for this objective was to reduce a dramatic increase of in-commuters and congestion on Bay Area freeways and roads. Workshop participants embraced this objective as described in the vision of the alternative land use scenario in the *Final Report of the Smart Growth Strategy/Regional Livability Footprint Project* (October 2002) (See <http://www.abag.ca.gov/planning/smartgrowth/publications.html>). The Bay Area alternative land use scenario would provide a sufficient housing supply within the region rather than exporting housing needed for population growth and job generation to neighboring regions.

In 2001 and 2002 the Bay Area's five regional agencies (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 Smart Growth Strategy/Regional Livability Footprint Project.

The Smart Growth Strategy/Regional Livability Footprint Project convened an extensive public workshop process across the nine county region to develop an alternative land use scenario for the region. This workshop process, which involved over 2000 people, has resulted in the articulation of a comprehensive regional Smart Growth Vision that places much of the future growth in the region in existing urban centers and along current and

future transit corridors. This vision has been used by ABAG to develop a set of policy-based 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 continue to cooperate in the refinement and elaboration of Smart Growth policies based on the public workshop process and input from local elected officials and planning staff from across the region.

The Bay Area Alliance also released the first comprehensive set of Regional Sustainability Indicators (*State of the Bay Area: A Regional Report - Pathways to Results, Measuring Progress Toward Sustainability* at <http://www.bayareaalliance.org/indicators.html>), which provides an important tool for tracking regional progress toward sustainability. The housing indicators for the nine county Bay Area show that job growth increased by 45% since 1980, while housing supply has increased by only 24%. There are places within the region with significantly more jobs than housing units, which means that workers live elsewhere and commute long distances to their jobs.

The Bay Area Alliance is also the founding sponsor and steward for the Community Capital Investment Initiative (CCII). CCII aims to achieve Smart Growth by minimizing pressure to grow at the edge of the region and by reducing poverty: 1) The Community Capital Investment Initiative consists of three private equity-based 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).

Conclusion

Better land use policy is a key to promoting more efficient use of land and resources and encouraging a different pattern of development that supports more sustainable communities. Overall, the Bay Area should generate a better jobs-housing balance and greater housing affordability for people living and working in the region. Without an increase in housing nearer to job-centers within the Bay Area, the quality of life will be reduced, traffic congestion will get worse, housing will remain unaffordable to a significant segment of the population, and environmental quality will be threatened.

The 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, and open space improvements that support infill development and revitalization of existing communities. To financially support Smart Growth, we support proposals to change voting requirements for bond measures and special purpose taxes so that decision-making on Smart Growth can occur at the local level. We look forward to working with you to implement these policy changes.