

Notes from Bay Area Regional Growth Dialogue

September 21, 2006

8:00 – 11:00 AM

Bay Conservation & Development Commission

50 California St., Suite 2600

San Francisco, CA

Meeting Title:

On the Frontlines of Regional Growth:

Strengthening partnerships among private and public developers (local, regional and state)

Notes from panel with Steve Lawton, Tom Weigel, David Reid, James Corless, Cathy Creswell and Gregg Albright, moderated by Jake Mackenzie

S. Lawton:

- For local governments engaged in building smart growth developments which integrate residential and commercial development, they must deal with several regulatory agencies simultaneously. This can be challenging because regulatory agencies manage a single resource (e.g. water and land) and don't evaluate a development holistically. It is up to the local government to separately obtain several permits from regional and state regulatory agencies, which can be very time-consuming. It can also be difficult to obtain permit variances where necessary, because the resource agencies don't consider the development as a system, and may be less flexible when understanding the permitting needs of smart growth communities.
- Recommends more integrated regulatory governance structures in order to increase the efficiency and ease of local government's development of smart growth communities.
- From a local government's perspective, there are challenges to grow a complete community, as compared to only developing a housing development or shopping mall. One has to integrate several different components, which increases the complexity of the developments, permitting, as well as the difficulty of getting all the parties to work together.
- We need to rethink our growth model. High demand for housing is driving development of Bay Area communities instead of jobs that have traditionally generated development.
- The City of Hercules has met their RNHA goals by over 260%.

T. Weigel:

- There is typically no role for private developers in civic development and yet there is a real need for it. However, the City of Hercules has reversed that trend, because it put its civic needs first and articulated their vision for future development, which happened to be aligned with smart growth principles. Weigel's development company responded to Hercules' growth vision, which is uncommon, because developers typically propose developments to local governments, instead of vice versus.
- Every regulatory agency is doing their job, but he finds it challenging that regulatory agencies are not better integrated, since local governments are integrated.
- There are infrastructure problems in the Bay Area: transportation system is currently unable to move Bay Area residents in a timely and convenient manner.
- Financial and capital constraints exist for the development of smart growth communities. For example, Hercules is ahead of the market. Financers want to minimize their risk, and because smart growth developments are not status quo residential developments, and thus have not yet proven their market receptivity, many financers are unwilling to invest in smart growth developments.
- In response to the financial constraints that exist for smart growth communities, developers like T. Weigel's company who believe in building smart growth communities, work to reduce risk for the financers. This takes the form of working with the local government and community to assist in clearing the way for development & streamlining permitting, assisting in removing environmental restraints (e.g. CEQA), and getting community support for the project. This is how the City of Hercules has helped to reduce financers' risk, because they increase the likelihood that a development will be built, and in an expedient manner.
- From a developer's perspective, retail components of mixed-used housing developments are sold to prospective home buyers as an amenity. From the local government's perspective, retail is not an amenity, but an essential component to the success of the development. However, developers don't have a big incentive to assist in getting the retail space leased. Sometimes, mixed-used developments will have retail space that goes vacant for months, and local government must help to market that space.

David Reid:

- For smart growth developments to be successful, community support is vital. A community-wide process must be undertaken to such support, and there is a national charrette training institute (<http://www.charretteinstitute.org/>)

to assist local governments and community organizations in building support. In Hercules, there is community support for the development, which is critical to sustaining its on-going success.

- In regards to the Walmart store that was going to be located on the waterfront, it wasn't so much a choice of locating an international retailer in Hercules, it was more of a question of where the store would be located. Walmart wanted to site its store on the waterfront, which could more appropriately be used as public space for community recreation.

J. Corless:

- Hercules is an example of TOD (transit-oriented development) without the T, since transit is not yet sited there. Eighty percent of our trips are non-commute trips such as running errands, driving our kids to school, etc. Therefore Hercules needs to develop a transit system that responds to non-commute needs as well, so as not to stress the surrounding transportation systems (highways, etc.)
- MTC is interested in helping Hercules succeed, however Hercules needs to site retail downtown so as to minimize the impact of its population growth on already stressed local transportation systems.
- MTC offers a small carrot for transportation elements of smart growth communities: funds from its Transportation for Livable Communities grant program (total budget of \$17 million) which finance pedestrian, bicycle and streetscape improvements in cities throughout the Bay Area. He noted that Hercules did not receive any grants even though they applied because MTC assumed that Hercules would secure funding for its development regardless of receiving MTC funding.

Comment from Janet McBride, Planning Director, ABAG:

- Hercules can serve as a model of smart growth. However, each community has its own character, and therefore other communities don't need to follow Hercules as the only example of smart growth, but should look to apply the tenants of smart growth within the context of maintaining the character of their community.

Comment from Ted Droettboom, Joint Policy Committee:

- One of the biggest challenges that Bay Area communities will need to tackle in accommodating growth is the re-use of existing land & regeneration of communities.

Cathy Creswell:

- Provided a history of Proposition 46 and its success in meeting the housing needs of the low-income and homeless throughout California.
- Provided an overview of Proposition 1C, and explained how it could help the Bay Area meet some of its housing needs.
- The State of California, through its financial subsidies and policies, can help to assist in market development of smart growth communities.

Gregg Albright

- A challenge of transportation infrastructure planning is that it has little reference to short and long municipal planning. The lines of communication between the state and local level needed to be more open to more effectively site transportation.
- Encouraged development partners to collaborate with Caltrans, because there is finally a climate of collaboration at Caltrans, and it wants to work more closely with local governments and developers to ensure that it can help cities and towns to grow smart.

Notes from 4 break-out sessions

Four small break-out sessions were held to address the following questions:

- How can Bay Area entities collaborate and coordinate for state funding of smart growth?
- What efforts are currently underway to access state funding?
- What obstacles exist to making progress?

Group 1

Collaborative efforts currently underway:

- MTC/ABAG – Transportation of Livable Communities competitive funding awards to housing with SG principles
- Expand community planning processes to involve NIMBYs

Obstacles:

- Bond revenue limitations – debt service ratio

- Need to attract private capital
- Inventory land to identify opportunity sites (www.infill.org). Use Hercules model.
- ABAG: doesn't have regional authority for land use
- High speed rail bond delay
- Property tax
- Planning/env. \$ - depends on developers, is reactive and not proactive

Recommendations:

- Funding – blueprint reinforced by bond money, regulatory relief for Priority Development Areas (PDAs)
- MTC – could extend smart growth criteria to all funding
- State bond allocation criteria: integrate land use/transportation components.
- Use infrastructure investments wisely – competitive process with standards
- Stakeholder groups should be part of process
- State: plan to coordinate with stakeholders
- Identify what makes model projects successful

Bumper Stickers:

- Smart Growth: Walk the Talk
- Grow Smart, Grow Up
- Convenience and Community, not Sprawl
- Act locally, think regionally
- 5 minute Walk
- Live it up: Walk
- Act up, Live it Up

Group #2

- Regional collaboration on funding for Smart Growth should include these important collaborators:
 - public health groups and private health sector
 - CA Energy Commission – other energy groups
 - Infrastructure funding should require best standards etc. for energy efficiency
 - Legislators: need for relationship building
- need to be ready to act ASAP and therefore develop our agenda now – short time frame for funding
- could develop outcome oriented performance criteria
 - developed to direct and track spending
- Leverage infrastructure funding for long term planning (50 years)

Barriers:

- no questioning of government – how money is spent
- tracking and criteria needed
- no incentives for regional planning & no teeth to implement regional plans when they are made.

Group #3

- When having a regional discussion of smart growth, need to include intersecting sectors
- Smart growth movement needs to have a consistent message
- We also need more propaganda for this smart growth movement – state what is goal and what is good & bad for planning. Need to invest in communication
- Need to have deeper discussions around smart growth issues
- Critical element: grassroots stakeholder groups give soul to the process & sustainability
- High school “Planning Club” – make planning sexy
- Pro and cons of smart growth movements – can’t be naïve about community participation, need to have discussions on neutral ground
- Existing efforts: ABAG’s Focus Our Vision (part of state blueprint process)
- Region needs to grab onto core principles of development
- consistency of vision/principles overtime
- need to focus on commonalities and not demonize others
- genuine communication needed
- Need to create incentives for collaboration
- Threat to our region’s sustainability is already tangible
- Talk to cities & people
- Different levels of responsibility for holding dialogue at different levels
- Engage market in smart growth dialogue – Bay Area Family of Funds plays a role
- Great Communities Collaborative
- Need to have different players talking about smart growth because of trust issues

Group 4

- region needs to identify where to intensify development but recognize that NIMBYs have power
- go to greenfields w/o NIMBYs
- develop criteria to overcome NIMBYs –
 - identify priorities about where to develop
 - downtown, TOD corridors, rail stations
- Establish specific goals
 - Need mass transit to solve significant problems
- Need policy support to justify transit support with money
- Outreach to NIMBYs

- Identify what NIMBYs want need – jobs/parks/etc. to create bargaining position.
- Bonds v. important because they will raise money needed support smart growth communities and create infrastructure to get NIMBYs' support
- Need input from supporters/those who don't necessarily come to meetings – more web meetings
- Make sure general plans actually support smart growth and then more inducements to implement – especially in relationship to higher density.
- City – sticks to ensure housing elements are implemented and housing is built.
- No more employment – general uses for city with poor job housing balance
- Create CEQA equivalent tool to encourage infill housing
- mitigation requirements
- purchase credits to help smart growth
- COGS – bring private and public together

Allison Quaid, Executive Director of the Bay Area Alliance for Sustainable Communities stated that the Steering Committee is endorsing Proposition 1C: Housing Bond and encouraging voters to vote no on Proposition 90.

Suneil Thomas of The Nature Conservancy expressed his organization's stance of voting no on Proposition 90.

*** Meeting adjournment ***