

Smart Growth in the Golden State: Principles for Sustainable Land Use in California

**California Futures Network
Discussion Draft
July 30, 1998**

INTRODUCTION

California's population boom is back, bringing with it more pressure for development. How will California manage this growth? Will we channel growth to improve the quality of life for all Californians, or will we experience yet another round of costly and inefficient suburban sprawl that drains the quality of life from our communities? The California Futures Network (CFN) has developed this discussion paper to stimulate a dialogue on the land use and development choices facing California.

CFN is a statewide coalition of organizations representing urban, environmental, housing, social justice, local and tribal governments, business, and agricultural interests throughout California. CFN was established to promote economically, socially and environmentally sustainable land use in California. CFN affiliates share three goals for California's future:

- To steer public and private investments toward existing developed areas;
- To provide for increased social justice, economic and housing opportunities; and
- To conserve the state's valuable agricultural and natural lands.

The draft principles for sustainable land use outlined in this discussion paper are intended to be a starting point for discussion, not a final product. Over the next several months, CFN plans to engage a broad array of stakeholders throughout the state in a conversation on these principles to better define the challenges facing California and the actions that could address these challenges in a practical, positive way.

THE CONTEXT

No place in the world can match California for the diversity of its human cultures and its plants and animals, the overwhelming abundance of its agricultural sector, and the tremendous output of its economy. With its extraordinary attractions, favorable climate and world-class dynamism, California has become a magnet for people from across the U.S. and the world. This most populous state in America, according to the California Department of Finance, is expected to grow by as many as 30 million new residents in the next 30 to 40 years.

At the same time, Californians are converting more land resources on a per capita basis to build new housing, commercial and retail developments than ever before. For example, in the Los Angeles metropolitan area between 1970 and 1990, population grew by 45 percent, but land coverage of the built environment grew by 200 percent. In California's great Central Valley, up to a million acres of the world's most productive farmland will be lost to low-density suburban sprawl in the next 50 years if current development patterns aren't changed, according to a recent study by the American Farmland Trust.

California's natural and agricultural landscapes are being paved over at an alarming rate. A number of recent reports — from entities as diverse as the state's Little Hoover Commission, Bank of

America, the Low Income Housing Fund, American Farmland Trust, Sierra Business Council, Greenbelt Alliance, the California State Resources Agency, and the Agricultural Task Force for Resource Conservation and Economic Growth in the Central Valley — predict that the consequences of future growth rates may outstrip anything California has seen before.

This extraordinary growth raises questions about how California will respond:

- Will the current "rules of the game" — the taxing, spending, land use and infrastructure investment policies now in play at the local, regional and state levels — enable California to grow equitably and efficiently?
- Will California be able to sustain its economic vitality without destroying its natural heritage and world-renowned quality of life?

As a new century approaches, respected voices for business, agriculture, local government, urban constituencies and the environment agree that the answer to both of these questions is "no." The current "rules" in California are grossly inadequate to accommodate the projected increases in the state's population without further undercutting the state's economic prosperity, social cohesion, and environmental quality.

CRITICAL ISSUES AND AN EMERGING CONSENSUS

The reasons for this emerging consensus are rooted in trends which, unless reversed, will stretch California's social, economic and environmental fabric past the breaking point.

- The vitality of existing urban centers and older suburbs is being drained by economic disinvestment in favor of inefficient development at the urban fringe. Yet despite sprawl on the fringe, median-priced housing remains unaffordable for the majority of the state's residents, especially first-time home buyers and working families of moderate means.
- Regions are becoming increasingly polarized along racial, ethnic and economic lines. While many older urban and suburban centers lose jobs and housing stock, newly developed suburban areas on the metropolitan fringe reap the lion's share of new public and private investment. In the process, many rural and agricultural areas have been bypassed and marginalized, with chronic unemployment rates two or three times the state average.
- Environmental quality suffers as spread-out development increases polluted run-off into estuaries, rivers and creeks while bypassed inner cities and older suburbs are left with vacant, contaminated buildings and brownfield sites. Increased automobile use necessitated by sprawling development ratchets up non-point air pollution, with pernicious health impacts on children, the elderly, and those with chronic respiratory ailments.
- Hundreds of thousands of acres of farmland and rangeland are being destroyed or threatened by low-density development. Natural landscapes are being fragmented, disrupting essential ecological and watershed functions
- Levels of infrastructure and public services — such as transportation, waste treatment and disposal, water delivery, schools, parks, and libraries — are declining. Despite the state's economic recovery, sprawling development coupled with the dysfunctional local tax and finance system have caught local governments in a severe and worsening fiscal crunch that makes investment in infrastructure and services difficult or impossible.

- The costs of doing business in California are exacerbated by the decreasing density of our communities. This trend prompted utilities like Pacific Gas & Electric Company to focus more attention on land use and growth management issues, and led Bank of America to co-author a report stating that "unchecked sprawl has shifted from an engine of California's growth to a force that now threatens to inhibit growth and degrade our quality of life."

The convergence of these trends makes it an opportune time to address California's growth problems and devise new rules of the game for smart growth in the Golden State. With California's economy rebounding, tax revenues growing at a rapid clip, and the real estate market taking off again, the timing is right to address growth issues in the Golden State.

Next January a new governor and a new administration will take office, and the legislature elected this year will be made up overwhelmingly of individuals who never held state office prior to 1994. There will be a real need — and a golden opportunity — to educate and inform the new governor and his administration, new legislators and other policy makers and opinion leaders around the state about the need for the state to make more sustainable use of California's land.

The principles outlined below are intended to provide a framework for reforms to the "rules of the game" that govern land use in California. The affiliates of the California Futures Network encourage your thoughts, comments and critical suggestions on these ideas. Through thoughtful analysis and engaged discussion, we hope to build upon and improve these ideas so that they can play a useful role to state policymakers, local officials, and the active public. Please send your comments to:

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SMART GROWTH PRINCIPLES FOR A SUSTAINABLE CALIFORNIA

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GOALS

- Steer public and private investments toward existing developed areas.
- Provide for increased social justice, economic and housing opportunities.
- Conserve the state's valuable agricultural and natural lands.

PRINCIPLES

1. Revitalize and sustain existing communities by targeting public and private investments toward existing communities and ending subsidies and other policies that facilitate sprawl.

The needs of existing communities for housing, physical and social infrastructure, natural resource protection, air quality, transportation, energy, economic and community development, and social equity should be given priority in planning, investment and infrastructure development decisions.

Local communities should have adequate financial resources to invest in quality schools, safe neighborhoods, and a rich array of libraries, parks, shopping districts, and other community services and amenities. Providing recreational space and maintaining natural systems must be recognized as fundamental infrastructure needs.

Taxpayer subsidies, premature extension of infrastructure, and other policies that facilitate and encourage urban and suburban sprawl should be ended. Economic development and transportation investments should reinforce compact and efficient land use patterns. Such investments should provide economic and ecological benefits for working families, low-income residents and communities of color which are disproportionately impacted by sprawl and economic degradation.

2. Provide a clear edge between urban and non-urban land uses.

Local communities should be required to adopt a land-use designation system, such as urban growth boundaries, identifying areas for compact and efficiently designed development to accommodate 20 years of growth. The system should also identify lands needed for resource-based industries such as farming, mining, and grazing, and lands required for wildlife habitat, flood control, watersheds, and other environmental purposes.

Areas identified for development and redevelopment should receive fiscal incentives to pay for infrastructure, while areas identified for agricultural production, resource conservation or environmental protection should be prohibited from development over the long term.

Once the land use designation system has been adopted and certified as consistent with state conservation and development goals, projects consistent with the plan should receive expedited review and approval.

3. Create Livable Communities

Neighborhoods, communities and regions should plan compact, safe, livable land use patterns that ensure a mix of uses, minimize the impact of cars, and promote walking, bicycling and transit access, providing mobility for all segments of the public, including children, seniors, and working families. Economic development and transportation investments should reinforce these land use patterns.

Communities should have an appropriately scaled and economically healthy center focus. At the community level, a wide range of commercial, residential, cultural, civic, and recreational uses should be located in the town center or downtown. At the neighborhood level, neighborhood centers should contain local businesses that serve the daily needs of local residents. At the regional level, regional facilities should be located in urban centers that are accessible by transit throughout the metropolitan area.

Buildings
Codes

Streets, pedestrian paths and bike paths should contribute to a system of connected and interesting routes to destinations. Residential street design should encourage pedestrian and bicycle use and should discourage high speed traffic.

Local, regional, and state plans and fiscal policies should reinforce livable community planning principles.

4. Make housing more available and affordable to all segments of the state's population, especially to families and individuals of average, low and very low income.

A fundamental purpose of these principles is to promote and reinforce more equitable housing opportunities. For example, housing opportunities would be enhanced if public agencies targeted investments to existing communities, ended subsidies for sprawl, promoted the social and economic development of historically disenfranchised populations, remediated environmental hazards in low-income communities and communities of color, expedited approval of housing projects consistent with local plans for compact, efficient development, and reformed the state/local planning and fiscal systems to promote better land use decisions.

In addition, the state should provide one or more significant on-going revenue sources for the development of affordable housing, through periodic bond measures and/or dedicated sources of funding, beginning with a major bond measure in the near future. To encourage the development, reuse and rehabilitation of housing in existing communities, state and local agencies should provide financial assistance, priority infrastructure funding, and expedited review of housing projects in areas identified for revitalization and redevelopment in local land use designation systems.

5. Ensure the long-term viability of the state's agricultural economy.

Commercially viable agricultural land should be permanently protected from conversion to other land uses. Buffers should be required on urban edges in cities and unincorporated communities to protect agricultural land uses from urban uses and vice versa. Increased funding and technical support should be provided for agricultural conservation easements, farmland mapping and monitoring, and other agricultural land conservation strategies.

Cities and counties should jointly develop land use plans with policies and incentives that keep urban uses in urban areas and encourage city-centered development by using existing urbanized land more efficiently through infill, higher density development, and revitalization of existing urban areas.

State laws and planning procedures should be strengthened to ensure that proposals to convert

agricultural land to other uses, impact water supplies available to agriculture, or develop incompatible uses in or adjacent to agricultural areas, are subject to full review and analysis. Before local agencies approve additional urban development, a proven water supply for the development should be identified and established. These water supplies should not include taking water necessary for agricultural production. The cost of developing new water supplies should be borne by those responsible for creating the new demand

6. Promote Economic Prosperity based on Reinvestment and Revitalization

Funding for local, regional and state economic development efforts should be targeted at reinvestment and revitalization in existing areas. Land use patterns that direct investment into existing communities will help create economic opportunity for working families, low income residents and communities of color which are disproportionately impacted by sprawl and environmental degradation. At the same time, support for local enterprises and entrepreneurs will help create the long term basis for job growth and economic opportunities. State, regional and local economic development policies and decisions should reward those enterprises that contribute to the communities and regions where they operate, protect the natural environment, and provide workers with good pay, benefits, opportunities for upward mobility, and a healthful work environment.

In an increasingly competitive global market, efficient patterns of development and less costly infrastructure will enhance regional economic competitiveness. Recognizing the value of life-long learning in the information age, California should invest in the development of its human capital through excellent schools, post secondary institutions and programs for continuous training and education available to all. State and local funding for schools should focus investments and resources to improve the academic performance and learning environment in the lowest performing schools to insure equitable educational opportunity to all residents. An improved educational system, especially given the new economy's emphasis on "knowledge-based" work, will increase California's ability to attract and retain businesses.

7. Protect environmental quality, natural resources and human health by preserving ecological communities, conserving natural resources, protecting air, land and water from pollution and degradation, and remediating environmental hazards.

Areas and resources of statewide, regional and local importance should be identified and permanently protected for productive agriculture, for recreation and open space, and to preserve biological diversity and habitat. Private landowners and businesses should be required to combine compatible economic activity with pollution prevention and good land stewardship, and to invest in alignment with the community's vision for the future.

Public agencies should make it a high priority to remediate environmental hazards in existing communities so that brownfield sites can be productively re-used for infill development. The tendency to site environmentally hazardous or otherwise undesirable land uses in low-income communities and communities of color should be reversed.

8. Reform the state/local land use planning and finance systems to encourage better planning and land use decisions.

The state should reform the current site-based system of allocating the local share of the sales tax to reduce the incentive to approve retail development at the expense of needed manufacturing, housing, or other development. Options include capping the current allocation of sales tax and distributing the growth in sales tax by population or some other formula and replacing a portion of the local sales tax with a share of the state personal income tax or other revenue source.

The state should restore the property tax base shifted from local agencies to schools earlier this decade and provide other fiscal incentives such as planning and infrastructure grants and authority to issue bonds by majority vote to those cities, counties and special districts that adopt land use designation systems that provide a clear, long-term or permanent edge between urban and non-urban uses.

To encourage local coordination of growth, development, infrastructure and conservation programs, a process for cities and counties to jointly plan for growth should be established. Incentives such as more authority to transfer job and housing allocations among jurisdictions, expanded fiscal and planning authority, and preferences in receiving state grants and loans should be given to agencies that coordinate their local plans in ways that achieve compact development and the long-term protection of natural resources.

Local Agency Formation Commissions (LAFCOs) should be required to achieve compact development and the long-term protection of natural resources in making annexation, incorporation, and other decisions regarding governmental organization.

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