

Bay Area Alliance for Sustainable Development

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May 4, 2000; 8:30 a.m. - noon
Pacific Gas and Electric Company,
77-Beale Street, San Francisco

MINUTES

Dick Clarke, CEO-Retired of PG&E, opened the meeting, **welcomed** everyone and provided introductory remarks. He announced the retirement of and acknowledged the contributions to national and regional sustainability efforts by Claude Poncelet, PG&E's manager of corporate environmental quality.

Clarke pointed out that three years of work to date by the Bay Area Alliance for Sustainable Development's (Bay Area Alliance) was culminating in the draft *Compact for a Sustainable Bay Area* (draft *Compact*) members were being asked today to agree with in principle. He reminded attendees that the President's Council for Sustainable Development (PCSD) and specifically the PCSD report *Sustainable America: A New Consensus* framed the work of the Bay Area Alliance. He suggested that the Bay Area is a particularly difficult venue in which to come to consensus on multi-sectoral issues and to keep the three E's of sustainability (economy, environment and social equity) at the table.

Peter Melhus of the Bay Area Alliance for Sustainable Development (Bay Area Alliance) briefly described the process the Bay Area Alliance has pursued since the February 3, 2000 meeting related to the draft *Compact*. The Steering Committee of the Bay Area Alliance convened meetings with members expressing strong opinions and concerns about the Transportation and Housing sections of the draft *Compact* to develop the compromise language that is in the 4/14/2000 version.

Carl Anthony of Urban Habitat described the changes to the **Housing Section of the draft Compact**. While acknowledging that the language in many areas of the draft *Compact* is "less than poetic," he opined that it does meet the interests of the parties. He applauded the Greenbelt Alliance, Urban Ecology and the developers for their willingness to continue the dialogue in the interest of creating acceptable language. He summarized the intent of the Housing Section suggesting that when the actions in it are implemented more efficient land use and a reduction in automobile dependency will result while the housing needs are being met for all in the region.

While acknowledging the need to focus geographically, John Wise reminded us to be aware of the impact on areas outside the nine-county Bay Area. Lawrence Manyuel pointed out the exacerbating nature of inter-regional impacts inherent in the continuing proliferation of telecommuting and electronic commerce.

In addition to the changes to the Housing Section identified in the attachment, we agreed to add a sentence in the Civic Engagement Section of the draft *Compact* to encourage inter-regional dialogue on sustainable development issues.

Both Phil Serna of the Home Builders Association of Northern California and Rachel Peterson of Urban Ecology indicated their support of the language in this section of the draft *Compact*.

Due to a scheduling conflict, Jim Beall, Chair of the Metropolitan Transportation Commission (MTC) had to leave early and prior to the discussion of the **Transportation Section of the draft *Compact***. However, before leaving he expressed some thoughts. Beall suggested that the draft *Compact* is comprehensive and will help policy makers guide planning in the Bay Area. The draft *Compact* is consistent with the current direction of MTC and it will help inform the strategic framework for the region. This groundwork will lead to the more rapid completion of more comprehensive MTC projects. He also acknowledged that money is scarce and the MTC is currently spending 90% of its funds on maintaining and operating expenses to the detriment of new facilities. He encouraged the Bay Area Alliance to avoid proposing major projects at the expense of maintenance. MTC's blueprint is about quality of life in the Bay Area, not just transportation.

Michele Perrault of the Sierra Club led the discussion on the changes to the Transportation Section of the draft *Compact*. Dialogue ensued regarding the inclusion of language to advocate for state and federal funding for capital investments in public transportation and roadway projects. We agreed not to include this additional language.

Additional discussion encouraged a review of the smart growth recommendations emanating from the ABAG General Assembly meeting in late April. Those recommendations should be acknowledged and supported by the Bay Area Alliance and integrated as appropriate into the draft *Compact*.

In addition to the changes to the Transportation Section identified in the attachment, we agreed to charge the Steering Committee of the Bay Area Alliance with reflecting on the discussion and modifying (if and as appropriate) the second bullet of the section. We also agreed to defer to Steering Committee any changes to this section of the draft *Compact* as a result of this reflection. Specifically, the Steering Committee was directed to consider including the concepts of regulation, planning and zoning in the bullet referring to the support of transportation services and facilities that complement compact land use patterns. The Steering Committee is also to reflect upon the discussion to ensure that the changes made in the penultimate paragraph of the preamble to this section are most appropriate.

Peter Melhus led the discussion on the **Indicators Section of the draft *Compact***. He briefly reviewed the information used to develop the recommended indicators for the Bay Area Alliance, i.e., the primary and secondary indicators developed by the Indicators Working Group of the Bay Area Alliance, other Bay Area indicators of sustainability, e.g., JV:SV, Silicon Valley Environment Partnership, Sustainable San Mateo, etc., the work of the federal Interagency Working Group on Sustainable Development Indicators, and indicators used in Calgary, Boston and other areas in North America. The information from these sources was refined and informed by the feedback provided by the participants in the February 3 meeting of the Bay Area Alliance.

Melhus acknowledged that comprehensiveness was only one of two drivers in developing the indicators, the other being a sufficient level of consensus on the indicators in total. He suggested that most of the indicators would be developed from county level data and aggregated. The Bay Area Alliance expects to have disaggregated data available on its Web site so that people who are interested in disaggregated data will have it available.

Four changes to the indicators were adopted and are highlighted in the attachment. We agreed to:

1. add a new sentence in the preamble encouraging applicable agencies, institutions and jurisdictions to implement a dedicated and funded data collection and analysis effort (suggested by John Wise of US EPA);
2. add a parenthetical phrase to indicator 2a to ensure we address both annual and cumulative changes to these data (suggested by Phil Serna);
3. add a new indicator in section 5 addressing toxic pollutants discharged into the Bay (suggested by Teng-Chung Wu of the San Francisco Bay Regional Water Quality Control Board); and
4. modify indicator 5d so that it refers to particulate matter in the air in targeted neighborhoods and not just emissions that emanate from these neighborhoods (suggested by Jean Roggenkamp of the Bay Area Air Quality Management District). We also acknowledged that this is a future indicator since such data is not currently available.

Gary Binger, of the Association of Bay Area Governments, led the discussion on **regional housing needs and the fair share allocation process**. State law requires that local jurisdictions address fair share housing. While the process has been delayed in recent years due to a lack of funding, the current Administration has funded it and the process is in the hands of the regional Councils of Governments, i.e., ABAG in the Bay Area. ABAG is charged with developing a proposed allocation of fair share housing, with local input, for all the cities and counties in its jurisdiction. Ultimately, ABAG's Executive Board must adopt the allocation of fair share housing throughout the Bay Area. After adoption by the Executive Board responsibility is transferred to the local jurisdictions to incorporate their fair share housing into their general plans and to develop strategies and programs to meet the objectives. With only minor exceptions, there are no penalties for not meeting the fair share allocation.

Sunne Wright McPeak, of the Bay Area Council underscored the critical nature of the fair share housing process in which ABAG is engaged. She suggested that this process is "ground zero for smart growth" in the region and everything else is secondary to this dialogue.

Alex Amorosa of ABAG provided additional detail on the fair share housing process. Housing is distributed in four income categories: very low, low, moderate and above moderate. The state provides the mandated goal for the region – 230,000 units over seven years for the nine-county Bay Area. ABAG then works with local jurisdictions to distribute this responsibility among the nine counties and the 101 cities comprising the region. Initially, the allocations resulting from this process could have been characterized as "anti-smart growth" with a heavy concentration of jobs in Silicon Valley and a heavy concentration of housing in the outer lying areas.

Amorosa suggested that this process of fair share housing allocation is a "reality check" on how local jurisdictions will respond to issues related to sustainable development. He identified three difficulties in the process. First, there has been insufficient funding to adequately conduct and follow through on the process. Second, the process culminates only in a plan, rather than in implementation. Third, parochial concerns are widespread and counterproductive to intent.

However, Amorosa also suggested that the process provides opportunities. It provides for a regional rather than local dialogue on housing and the opportunity to expand the regional perspective in other areas. The timing of the discussion is particularly appropriate in light of the explosive growth in jobs and housing in the Bay Area.

Local jurisdictions are generally not receptive to the process, owing largely to the perceived loss of control. The extent of local jurisdictional acceptance is illustrated by the projects they approve.

Amorosa suggested that building housing in the Bay Area is a significant task that needs the support of the Bay Area Alliance. Bay Area Alliance members are urged to attend the ABAG Executive Board meeting to express their support for policies that “put housing where the jobs are.”

Rachel Peterson of Urban Ecology briefly described the fair share housing campaign of the Bay Area Transportation and Land Use Coalition. She emphasized the importance of planning a housing supply for all income levels and near transit facilities. The Coalition is planning to organize local groups to participate in the public hearings on housing in at least 15 jurisdictions in the Bay Area. For more information, contact Urban Ecology.

Binger also led a discussion on the **Tax and Fiscal Policy Working Group of the Bay Area Alliance**. The Working Group conducted its first meeting on April 26, 2000. Twelve people attended, including six local officials. The primary focus of this initial meeting was the Speakers Commission Report (see below). The Working Group hopes to complete its task with three additional meetings. The next meeting will focus on the work of the California Futures Network and the League of California Cities with the intent of reaching consensus on recommendations to address the fiscal problems faced by localities. The third and fourth meeting of the Working Group will focus on recommendations to be presented to the Bay Area Alliance. John Wise suggested that as the Working Group conducts its tasks, it should benchmark with other states, e.g., New Jersey, Minnesota, etc.

Carl Anthony provided an update on the **Speakers Commission on State & Local Government Finance**. The report is available on the Internet at <http://speaker.metroforum.org>. Speaker Villaraigosa appointed this 35 member commission comprised of civic leaders from the business, labor, environmental and education communities. The Commission includes eight people from the Bay Area, i.e., Susan Hammer, Amy Dean, Rich Morrison, Carl Anthony, Sunne Wright McPeak, Luis Arteaga, Ruben Barreles and John Maltbie.

Among other things, the report addresses the balance of local revenues, the diversity of revenue sources, and increasing the transparency and state and local government, including the fiscal system. Specific recommendations in the report include:

- a swap between state and local jurisdictions so that half of the sales tax collected is transferred to the state and half of the property tax collected is transferred to localities;
- governmental accountability should be increased;
- tax policy should not preclude the very poor from enjoying the benefits of the booming economy;
- tax strategy should reinforce regional cooperation

Several Bay Area Alliance Steering Committee members provided an update on the **public outreach efforts and implementation of the draft Compact** of the Bay Area Alliance and related efforts. Gary Binger first reported on the results of ABAG’s General Assembly meeting on April 27 and 28. The meeting, the best attended General Assembly in ABAG’s history, had the theme The work to date of the Bay Area Alliance was influential in this meeting. The work of the Urban Land Institute-sponsored Regional Leadership Forum on Smart Growth conducted in March and early April provided the General Assembly participants with ten recommendations that were the focus of the April 28 session:

1. Develop a regional smart growth strategy.
2. Link urban growth boundaries with the establishment of complementary policies and incentives to ensure that needed housing is accommodated within the boundaries.
3. Exchange one-half cent of the locally levied sales tax for an equivalent amount of property tax.
4. Create regional revenue pools to reward smart growth behavior.

5. Reform regional housing needs determination process so that needed housing is allocated according to smart growth principles.
6. Provide incentives for creating housing at all income levels.
7. Provide grants or loans to jurisdictions to develop transit-oriented development (TOD) plans, establish zoning and perform specific area CEQA analysis in order to address community and environmental concerns and streamline future development in these areas.
8. Add infill rail stations and transit-oriented development within existing rail networks, where feasible. Consider augmenting service to create new limited transit lines.
9. Extend rail lines only when station areas are rezoned to appropriate densities and allow mixed use and mixed income development.
10. Improve public schools.

ABAG has also recently released a report entitled *Theory in Action – Smart Growth Case Studies*. The report is available from ABAG for \$10.

Carl Anthony celebrated the major milestone of this meeting of the Bay Area Alliance, reiterating that the Bay Area Alliance members are agreeing in principle with the draft *Compact* as revised today. While the original intent was to have each Bay Area Alliance member formally endorse the draft *Compact* before beginning widespread outreach, Anthony reminded us that this strategy was revised to allow for agreement in principle, then outreach, then modification to the draft *Compact* based on the outreach, and finally formal endorsement by members. The work of the Bay Area Alliance has been influential not only as evidenced by the focus of the ABAG General Assembly but also by increasing levels of cooperation between regional agencies.

Sunne Wright McPeak commented on the proposed Bay Area Alliance graphics that were circulated by Ceil Scandone of ABAG. She thanked Ceil for managing the project to develop this visual representation that will accompany the draft *Compact* as it is circulated. The graphics will also be posted on the Bay Area Alliance website that is expected to be fully operational during the summer.

McPeak suggested that the Bay Area Alliance and its Steering Committee are now developing strategies for outreach and more widespread input on the *Compact*. The Steering Committee is trying to determine how best to do this efficiently and effectively particularly in light of several parallel efforts. A follow up report on outreach/input will be provided at the next meeting of the Bay Area Alliance. McPeak also pointed out that the most recent version of the *Bay Area Economic Pulse* (Spring 2000) includes an insert authored by Bay Area Council Chair Jay Harris regarding the two distinct economies in the Bay Area and includes a reference to the Bay Area Alliance and the draft *Compact*.

Bruce Kern of EDAB suggested that as the Bay Area Alliance moves ahead in its outreach campaign it also: 1) consider a legislative strategy; 2) capture best practices; 3) look at ways to incentivize local communities to develop the resources to pilot test best practices; and 4) assist local communities on border disputes and border transcending issues.

John Wise announced that EPA has awarded a grant to ABAG on behalf of the Bay Area Alliance and others for \$180,000 to assist the Bay Area Alliance in its outreach efforts.

Michele Perrault discussed **next steps**. She reminded us that the April 24, 2000 letter from the Steering Committee that transmitted the briefing package for this meeting included a statement to the effect that members tacit agreement in principle would be presumed unless the Steering Committee heard otherwise. The same tacit agreement will be presumed on the changes made today unless the Steering Committee hears otherwise.

Perrault invited everyone to participate in the ABAG Executive Board meeting related to fair share housing as well as the local council meetings on the subject leading up to the Executive Board meeting.

At the suggestion of Sherman Lewis of the Sierra Club, the process of further revision to the draft *Compact* was briefly outlined. Comments and suggested refinements to the draft *Compact* received during the public outreach efforts will be considered in total and will be presented to the members of the Bay Area Alliance after conclusion of the outreach effort. The revised draft *Compact* capturing the changes that the members agree to will be presented to the members for formal adoption and signature.

Public comments:

Carl Anthony facilitated the Public Comments section of the meeting. Since many public comments were provided throughout the course of the meeting, only one person offered a comment. Joyce Roy (Oakland Heritage Alliance) reminded us of her previous comments about the importance of historical preservation within the context of sustainable development and that she had provided several additional bullets be added to the draft *Compact*. Anthony suggested that these comments would be considered along with comments received at the public outreach workshops and elsewhere when we consider revisions to the draft *Compact* after the public outreach.

The meeting adjourned at 12:10 p.m.

The **Next Meeting** of the Bay Area Alliance will be on July 27, 2000 at the Sierra Club in San Francisco.

BAY AREA ALLIANCE MEETING ATTENDANCE SHEET

Date of Meeting: **Thursday, May 4, 2000**

Location of Meeting: ***PG&E Building, San Francisco***

Abkin, Michael – Sustainable Community Forum
Anthony, Carl – Urban Habitat Program
Beall, Jim - MTC
Binger, Gary – Association of Bay Area Governments
Blachman, Susan – EFC9
Brown, Linda – California Alliance for Jobs
Charpentier, Sean – Office of Jim Beall
Clarke, Dick – P.G.& E.
Corrigan, Seth
Gustafson, Reid – Shea Homes
Hasseltine, Eric – Contra Costa Council
Hough, Bill – Resource Center for the United Nations
Imanyuel, Iarens – University for the Earth
Johnck, Ellen – Bay Planning Coalition
Kelly, Kathleen – AC Transit
Kern, Bruce – EDAB
Kittermaster, Carol – Sustainable San Mateo Co. – Tides Center
Lewis, Sherman – Sierra Club
Matsuura, Jean – League of Women Voters
McPeak, Sunne Wright – Bay Area Council
Melhus, Peter – Bay Area Alliance for Sustainable Development
Michael, Andrew – Bay Area Council
Mussen, Irwin – Urban Habitat Program
Nakatani, Keith – Urban Habitat Program
Odland, Bob – Robert Odland and Associates
Page, Paul – F.T.A.
Perrault, Michele – Sierra Club
Peterson, Rachel – Urban Ecology
Poncelet, Claude – PG&E
Randolph, R. Sean – Bay Area Economic Forum

Roggenkamp, Jean – BAAQMD
Roy, Joyce – Oakland Heritage Alliance
San Jule, Yvonne – League of Women Voters
Scandone, Ceil – Association of Bay Area Governments
Serna, Phil – Homebuilders Association of Northern California
Shure, Chelsea – Sierra Club
Skarlatos, Candace – Bank of America
Taylor, Stan – Bay Area Council Transportation Commission
Wu, Teng-Chung
Travis, Will – BCDC
Villegas, Aaron – CSUH
Wise, John – U.S., EPA, Region IX