

January 30, 2003
Bay Area Alliance for Sustainable Development
Quarterly Meeting Business (8:30 – noon)
Sierra Club, 85 Second Street, San Francisco
MINUTES

Michele Perrault, International Vice President of the Sierra Club, opened the meeting, **welcomed** everyone and provided introductory remarks. She paid tribute to the leadership and vision of Richard A. Clarke, co-founder of the Bay Area Alliance for Sustainable Communities and CEO-retired of Pacific Gas & Electric Company, who passed away in December.

Bay Area Alliance Activities Update: Sunne Wright McPeak of the Bay Area Council provided context for the Bay Area Alliance updates by reviewing the overall mission of the Bay Area Alliance activities, that is, to come to agreement on how the Bay Area might grow in a more sustainable, smarter way. The Bay Area Alliance has pursued this mission by bringing together a critical mass of leaders representing the Three E's of sustainability (social equity, environment, and economy (business communities)) and government to develop a common vision for the future of the Bay Area, translate the vision into action, track progress, identify and disseminate examples of what works (best practices) and begin implementation.

The *Compact for a Sustainable Bay Area (Compact)* is the vehicle by which the Bay Area Alliance developed and articulated the common vision of its member organizations and the plans for tracking progress, etc. Published as a draft in July 2000, the *Compact* was circulated widely throughout the Bay Area through a variety of means. Seven of the nine Bay Area counties and 69 of the 101 Bay Area cities endorsed in principle the draft *Compact* and the process of dialog that the Bay Area Alliance was undertaking. The final *Compact* is now being affirmed by the Bay Area Alliance member organizations. The *Compact* is posted on the Bay Area Alliance website (www.BayAreaAlliance.org).

Michele Perrault of the Sierra Club pointed out that while the *Compact* is not a perfect document which ensures a sustainable future for the Bay Area, it is a good first step and is superior to the status quo. In response to a question it was pointed out that the changes from the draft to the final *Compact* were more incremental than fundamental, and that certain language had been modified in order to ensure more widespread acceptance.

As a prelude to providing an update on the **indicators project** Bob Harris of PG&E reflected on his long professional relationship with Dick Clarke and acknowledged Dick's many contributions to the community and the nation.

The Bay Area Alliance and the Northern California Council for the Community (NCCC) have jointly scheduled a press conference on Feb 10 to publicly release their inaugural sustainability indicators reports for the Bay Area. The Bay Area Alliance's report, entitled *Bay Area Indicators: Measuring Progress Toward Sustainability*, will be

available on the Bay Area Alliance website by Thursday, Feb 6. The work on two additional indicators, the Genuine Progress Indicator and the Ecological Footprint, is pending funding. They will be added to the on-line report as soon as possible.

The message from this inaugural report is mixed. Trends are positive for some indicators, such as personal and family incomes, per capita water consumption and arrest rates. Trends are negative for others, such as housing supply and affordability and energy use and carbon emissions. Still other indicators illustrate trends that fluctuate between positive and negative, e.g., unemployment rates, meeting air quality standards and educational expenditures per pupil. One clear message is that leaders and residents of the Bay Area must work together to address these challenges. Providing a forum for this collaborative work is the Bay Area Alliance's niche.

The Northern California Council for the Community (NCCC) report, entitled *State of the Bay Area: A Regional Report; Pathways to Results: Measuring Progress toward Healthy and Self-Sufficient Families and Communities*, focuses on indicators such as self-sufficiency income, health, school performance and community safety according to Ed Schoenberger, President of NCCC. Ed pointed out the significance of the Bay Area Alliance partnering with the United Way of the Bay Area and the United Way Silicon Valley, collaborating on data gathering and particularly on the joint release of these reports. In essence, the two organizations are acknowledging the importance of this group of indicators and agreeing to work together to influence them. The Bay Area Regional Progress Report will be published on the NCCC website (www.NCCCs.org) by February 10.

The **Community Capital Investment Initiative (CCII)** is a regional effort to mobilize business, community, environmental and government leaders to attract private investment to the 46 most impoverished neighborhoods in the Bay Area according to Juliet Ellis of the Urban Habitat Program. CCII's goals are to reduce poverty, increase opportunity for residents, and promote smart growth in these neighborhoods by using market forces. Through its three investment funds (Smart Growth Fund, California Environment Redevelopment Fund and Community Equity Fund), the CCII has raised \$150 million of its \$200 million goal of funds available for investment. Governance of the CCII is provided by three councils, the business, community and government advisory councils. The current focus of the CCII is outreach and technical assistance, that is, helping community developers access the available funds.

The first installment of the best management practices for sustainability, the *Faces of Sustainability*, is nearing completion according to Michele Perrault. She characterized the effort as one that had only a small amount of money but a lot of dedicated volunteers that provided labor. This first installment, which will be posted on the website in February, describes on-the-ground sustainability projects in Napa County and will help people understand what sustainability looks like. While data from several other Bay Area counties have been gathered, Michele is seeking more volunteers to help write up the results. The intent is to highlight each of the nine Bay Area counties in this document.

Gerry Raycraft of the Association of Bay Area Governments (ABAG) reiterated the goals of the **Bay Area Regional Livability Footprint/Smart Growth Strategy** workshops: to identify a set of incentives that will encourage smart growth in the Bay Area; to reach out and educate the public; and to provide input to ABAG's policy-based projections as they relate to housing in the future. The workshops produced two outcomes; a narrative vision of how the Bay Area would look in the future if we grow smarter; and a set of jobs and housing numbers that workshop participants put on maps identifying where this smarter growth should take place.

Both the Regional Livability Footprint/Smart Growth Strategy Steering Committee and ABAG's Executive Board adopted the narrative vision emanating from the workshops. They also directed ABAG staff to use the jobs and housing numbers from the workshops as a "starting point" to develop policy-based projections of housing, an effort that is ongoing.

Gerry noted that a variety of entities are working on smart growth principles and incentives, including the Urban Land Institute, state legislative committees, and others. With the guidance that the incentives must be supportable, achievable and realistic, the Smart Growth Working Group identified five potential incentives and presented them to ABAG's Executive Board, the Smart Growth Strategy Steering Committee and the Bay Area/Central Valley Inter-regional Partnership: (1) tax increment financing (2) majority approval (rather than super-majority) for real estate property tax transfers targeted for affordable housing, (3) linking a city's ability to establish urban growth limits to sufficient land within the boundary zoned for housing and job growth, (4) state funding priority for smart growth development, and (5) property-sales tax swapping to incentivize housing development. Initially, three of these proposed incentives were accepted by all three organizations but concern also has been raised about two of those. The result is that only one of these proposed incentives, state funding priority for smart growth development, is currently supported by all who have considered the incentives issue.

The policy-based projections of housing developed by staff are based on the assumption that state funds will be available for increased housing production. Staff preparing the Projections did not feel it realistic to assume other incentives would be available. As a result, the smart growth policy-based projections do not accommodate all of the in-commuting from outside the Bay Area. The policy-based projections make progress but don't get us to the goal of supplying sufficient housing to meet the expected job growth.

The Regional Livability Footprint/Smart Growth Strategy project team now turns to public outreach/education. ABAG is working with local governments and their planning staffs to ensure that they are aware of what they can do at the local level and of the benefits of smart growth. More information is available at <http://www.abag.org/planning/smartgrowth/>.

Continuing Dialogue with members

Strategic Planning: two to three year planning perspective: Larry Orman, strategic planning consultant to the Bay Area Alliance, kicked off the dialogue with members by summarizing the objectives, history, status and next steps of the strategic planning process.

The Bay Area Alliance Steering Committee initiated the strategic planning effort in June 2002 as it looked ahead to the completion of the Bay Area Alliance planning process as manifested by the *Compact*. The objective is to develop by April, 2003 a document that will guide Bay Area Alliance program direction and organizational structure over the next two to three years. Preliminary strategic planning efforts culminated in the strategic planning retreat in November 2002 where the four main building blocks of the Bay Area Alliance were articulated by the participants:

- Act, e.g., legislation, policies, demonstrations, etc. (Bay Area Alliance role is to negotiate content, not lobby);
- Support, e.g., Bay Area Alliance credibility to the work of others;
- Educate, e.g., targeted public outreach on sustainability, smart growth, etc.; and
- Build bridges of understanding across sectors, create new alliances and define future opportunities.

Larry summarized a framework of Bay Area Alliance program and organizational capacity dependent on non-project annual budgets ranging from less than \$50,000 to more the \$300,000. He then facilitated the dialogue asking participants to consider the framework presented and identify their concerns/ideas, priorities and who else might be doing the thing the Bay Area Alliance is considering. Following are the comments provided:

- The Bay Area Alliance should interact more with local sustainability efforts on demonstration projects, education, etc.
- Since the Bay Area Alliance has made a huge investment in the *Compact*, a priority should be to get more organizations to adopt it.
- Monitor the health of Bay Area infrastructure, e.g., CalFed, Hetch Hetchy system, ground water supplies, etc.
- The Bay Area Alliance has done much work on housing, sustainability education and coalition building. What's missing is that mass transportation can be used as a tool to provide access to affordable housing and to clean up the environment.
- Civic participation is an important indicator. The tensions among Bay Area Alliance members on public policy are best addressed by exposing them, e.g., encouraging discourse on tying the use urban growth boundaries to sufficient affordable housing, etc.
- The Bay Area Alliance should establish links with ecological-community development.
- The Bay Area Alliance's educational effort to date has focused on outreach, i.e., putting out information, and has failed to adequately address the understanding of the issues, a critical component for securing buy-in.

- The Bay Area Alliance needs to translate its material into other languages to reflect the diversity of the region (a summary of the draft *Compact* in Spanish is available).
- Local officials in the Bay Area believe that if they push sustainable development and smart growth they can't get reelected. The Bay Area Alliance needs to facilitate and participate in public discussions to help reverse this.
- The Bay Area Alliance needs to ensure that its message is clear. Since the consensus is that housing should be the initial focus, ensure that the housing message is forceful and effective, and show local communities how infill and higher density housing improve the quality of their communities.
- If the Bay Area Alliance focuses on housing, include green demolition and green building design/material as part of the focus.
- Sustainable San Mateo County is developing a speakers' bureau for city council and planning meetings. The speakers' bureau will educate the public and public sector leaders on sustainability. The Bay Area Alliance should revive its Education Task Force and develop a similar speakers' bureau. Critical venues for presentation include local planning commissions and design review committee meetings.
- The Bay Area Alliance needs to create excitement. Exciting and sometimes controversial elements will create a demand for education on the issues.
- Link housing to the other core elements of the *Compact*.
- Housing is not a fiscal winner for localities. The Bay Area Alliance needs to work to change this.
- A very valuable role for the Bay Area Alliance would be as the source of information on sustainability for elected and other government officials.

Larry concluded this portion of the member dialogue by polling the meeting participants on their collective opinion of the priorities for each of the four main building blocks (act, support, educate, and build bridges). Collectively, the participants suggested that less than 25 percent of the Bay Area Alliance effort should be focused on supporting and 25-50 percent (each) of its efforts should be focused on taking action, educating, and building bridges.

The strategic planning effort is a work in progress and will continue to be for the next few months.

Legislative Options in the Current Session: Tom Jones, Executive Director of the California Futures Network (CFN), a statewide coalition of approximately 90 organizations, reviewed smart growth-related actions and proposals being considered by the state legislature.

Tom began his remarks with a few political realities. First, he noted that while land use decisions are local and transportation decisions are regional, the state has influence over both types of decisions since it invests in communities and it regulates a variety of local activities.

Second, while more than half of the state's budget is devoted to education and another 28-30 percent is devoted to transportation, none of it is devoted to urban housing except when voters approve a state bond as they did last year (housing is the initial focus of the Bay Area Alliance). The realistic way to stimulate housing development in communities throughout the state is to link it to transportation money from the state, according to Jones.

Third, two-thirds of the state's population lives south of the Tehachapi Mountains. Therefore, the fate of the Bay Area is tied to legislators from southern California.

Tom suggests that there is cause for hope even in this time of budget crisis. The legislative Smart Growth Caucus has grown from 34 legislators last session to 50 this session (of the total of 120 state legislators). Additionally, the governor is aggressively implementing Assembly Bill 857 by directing his Office of Planning and Research to use it to shape an updated Environmental Goals and Policies Report that will direct all state spending programs once implemented. AB 857 mandates that the following three priorities be integrated into state infrastructure planning and stage agency plans: promoting infill development, protecting environmental and agricultural resources, and encouraging efficient development patterns. Champions in the executive and legislative branches are also attempting to put any deal on the budget and on new revenues through a "Growth Pattern Analysis" screen to ensure that the proposals don't further incentivize sprawl and or have a bias against the construction of housing.

The California Department of Transportation has circulated for comment its draft transportation plan 2025. The report, entitled *Connecting with Californians*, suggests policy recommendations that are partly based on a review of alternative growth scenarios for major regions and their positive contributions to fuel/energy savings. The Regional Livability Footprint/Smart Growth Strategy alternative was used as one of the models to generate the report.

Several legislative initiatives are also underway. Among them are:

- Promulgating an affordable housing production standard
- Increasing vehicle license fees coupled with partial distribution to jurisdictions to reward housing production/compact development patterns
- Lowering the voter threshold from super majority to majority for transit provided other community benefits are also achieved.
- Expanding SB 1925 CEQA (California Environmental Quality Act) modifications for infill development.
- Reforming the LAFCO (Local Agency Formation Commission) criteria for approval of urban expansion.
- Allocating the remaining Proposition 40 funds to the Farmland Conservation Program.

Since this is the first year of a two-year session, some of these initiatives may not be acted on as final legislation until next year.

Public Comments: Given the public's active participation in the meeting to this point only one public comment was expressed

- Trains should not be considered the only form of public transit. Buses serve a far greater proportion of the lower income neighborhoods and needs to continue to be considered a viable public transportation alternative.

The meeting **adjourned** at 11:50 a.m.

BAY AREA ALLIANCE MEETING ATTENDANCE SHEET

DATE OF MEETING: *Thursday, January 30, 2003*
LOCATION OF MEETING: *Sierra Club, San Francisco*

Alexis, Eva – League of Women Voters of the Bay Area
Allen, Vinit -
Bay, Duane – City of East Palo Alto
Bergen, Jane – League of Women Voters – Bay Area
Blachman, Susan – EFC9
Bruce, Margaret – Silicon Valley Manufacturing Group
Burr, Jim – No BAWC – BREAD
Clements, Kirsten – Bank of America
Dawid, Irvin – Loma Prieta Chapter of the Sierra Club
Dawson, Janet – IURD/UC Berkeley
Dean, Larry
Ellis, Juliet – Urban Habitat Program
Eppley, Mandy – UCB
Friend, Gil – Natural Logic, Inc.
Haas, Jim – Attorney at Law
Harris, Robert – PG&E
Haugen, Céline – Napa Valley Economic Development Corp.
Hough, Bill – Presidio Challenge
Hurwitz, Eliot – NOAA
Jones, Tom – California Futures Network
Kahanek, Lyndie -
Kittermaster, Carol – Sustainable San Mateo Co. – Tides Center
Knepper, Valerie – MTC
LeCouter, Antoinette – By Planning
Lewis, Sherman – Regional Alliance for Transit (Sierra Club)
Madden, Marc – Schnitzer Steel Products
McDowell, Susan – U.S. EPA
McPeak, Sunne Wright – Bay Area Council
Melhus, Peter – Bay Area Alliance for Sustainable Development
Michael, Andrew – Bay Area Council
Miller, Don – Interfaith Coalition for Green Planning
Morell, David – STC
Morrison, Richard – BofA (Retired)
Mussen, Irwin – ADPSR
Orman, Larry – GreenInfo Network
Page, Paul – F.T.A., Region 9

Pallajot, Varina - UC Berkeley
Piras, Pat – Alameda-Contra Costa Transit District
Pagels, Marcia – Sustainable San Mateo County
Perrault, Michele – Sierra Club
Peters Moschetti, Wendy – UCB
Quaid, Allison – Int’l Council for Local Environ. Initiatives – U.S.
Randolph, R. Sean – Bay Area Economic Forum
Raycraft, Gerry – ABAG
Sawicki, Mark – UCB
Schoenberger, Ed – Northern Calif. Council for the Community
Schorske, Richard – E-Learn Foundation
Serna, Phil – Homebuilders Association of Northern California
Smith, Christina – CA Center for Land Recycling
Spaulding, Ann – STC
Stringer, Cynthia – C-Dots
Taylor, Stan – National Economic Development/Law Center
Travis, Will – BCDC
Villanueva, Trina – PolicyLink
Vorderbrueggen, Lisa – Contra Costa Times
Wackernagel, Mathis – Redefining Progress