

September 19, 2003
Bay Area Alliance for Sustainable Development
Quarterly Meeting (8:30 – noon)
PG&E 245 Market Street, San Francisco
MINUTES

Bob Harris, Vice President Environmental Affairs for Pacific Gas & Electric Company, opened the meeting and **welcomed** all attendees.

Opening Comments by Assemblymember Pat Wiggins:

Gerry Raycraft (Association of Bay Area Governments) introduced Assemblymember Pat Wiggins, noting that she is a champion of smart growth issues in the Legislature and has introduced several pieces of legislation on the issue, most notably Assembly Bill 857. AB 857 requires more focus on smart growth policies, and it requires the Governor's Office of Planning and Research to focus on the Environmental Goals and Policy Report (EGPR) and guidelines for both the California Environmental Quality Act (CEQA) and the Local Agency Formation Commission (LAFCO). Assemblymember Wiggins also chairs the Smart Growth Caucus of the California Legislature.

Assemblymember Wiggins began her remarks by noting that the lack of a State plan for growth in California influenced her and Senator Sher to introduce AB 857. Wiggins asked all attendees to encourage their legislators to follow through on the implementation of the provisions of the bill. She also noted that the two cities presenting later in the morning, San Leandro and San Mateo, have been "walking the talk" on smart growth and she recognized the challenges that they are facing. One of her primary goals since coming to the Legislature has been to encourage the State to provide incentives to communities to pursue smart growth. These incentives must be complemented with "hammers" that result in consequences for the communities that refuse smarter growth.

**Panel Discussion: Sustainability and Smart-Growth Related
Successes of Cities and Counties in the Bay Area.**

Peter Melhus introduced the panel topic noting that this panel discussion is the first in a series of four planned over the next twelve months in which cities and counties in the Bay Area will address the Bay Area Alliance and describe their successes, failures and challenges as they pursue smart growth.

City of San Mateo: Councilmember Sue Lempert and Principal Planner Steven Scott from the City of San Mateo described some of the smart growth efforts in the City.

Councilmember Lempert began her remarks by praising the public transit system (CalTrain) that afforded her the opportunity to read newspapers and conduct other work as she came to San Francisco for this meeting.

Councilmember Lempert suggested that the City of San Mateo has the "opportunity of a lifetime" to build a model of radically different, state-of-the-art, transit-oriented

development on the 83-acre site known as the Bay Meadows main track. The project is very close to the Hillsdale Station of CalTrain, which was recently designated as one of only four stops for the “Baby Bullet” express train from San Jose to San Francisco.

The City’s previous experience with the property, which housed the Bay Meadows (horse racing) practice track (as distinguished from the current project on the site of the main track), was a “so-called transit-oriented development” built approximately 11 years ago. It has met with mixed results in the community. In hindsight, the development was “transit-adjacent,” rather than “transit-oriented.” In reality, the site was blocked from the CalTrain station by the main racetrack. Additionally, the housing built, which was supposed to be affordable for employees of the major employer in the area, was priced such that most employees could not afford to live in the development, nor could teachers, firefighters and other critical workers for the community. As a result, only about five percent of the residents in the development actually used public transit.

The history of the site makes the current task of encouraging transit-oriented development at the main track more difficult. Accordingly, the City departed from the normal practice of reacting to developer proposals and convened a citizen committee comprised of business representatives and people in the neighborhoods most impacted along with a few at-large people, to create a vision for the development of the site.

While the idea of a citizen committee sounded great, “democracy is very messy.” The Committee received “terrible press” initially as some neighbors complained that they were not represented, others complained that businesses should not be involved in the visioning process, and still others questioned whether people would actually get out of their cars and use public transit.

The Committee has now been in place for two years, and most members have learned much about transit-oriented development and how it can really work. The Committee is currently encouraging the developer of the site not to build any parking for the corporate site and has established a minimum target of 25 percent public transit use for the corporate site. The Committee is also advocating disaggregating the cost of parking from the cost of housing in the development. Those people who want two parking spaces will pay more for their units than those who want one or none. On-site car-sharing or rental is also being advanced. (None of these proposals have been presented to or approved by the Planning Commission or the City Council at this point.) Councilmember Lempert concluded her remarks by saying that we’re living at the best time to do these types of projects because there are so many new and exciting ideas.

Steven Scott provided additional detail on the Bay Meadows project, the smart growth related efforts of the City and some historical perspective for the City’s efforts. The City of San Mateo is essentially built-out so any construction of new housing and commercial areas will necessarily involve redevelopment.

The Bay Meadows project is part of the larger, two-phase “corridor area plan” covering some 600 acres near the CalTrain corridor in San Mateo which envisions 1,642 - 4,031

new residential units and 608,000 - 2.9 million square feet of new commercial space. The City has been working on this higher-density, mixed use transit-oriented corridor area plan since 1998 (www.corridorplan.com).

Scott also articulated some of the challenges the City has and continues to face as well as some of its successes:

- The City has a culture of engaging the public and chose the citizen advisory committee (CAC) method of doing so. The City provided the diverse interest, 17-member CAC with substantial technical information to help ensure that all members had the background needed to actively engage. Topics included land use, transportation, public services, development economics, and fiscal issues.
- Although the CAC required substantial effort by the City staff, it broadens the support for the outcome. The CAC has remained true to the eight goals it established for itself in 1999. That, along with the fact that “we have a draft plan on the table” makes the CAC “an enormous success.”
- Both the City staff and the CAC were struck with the enormous cost of infrastructure associated with the Bay Meadows project.
- The coordination of all the interested parties, including the Joint Powers Board (JPB) that oversees CalTrain, proved to be quite challenging as parties articulated different means of achieving similar ends. For example, while both the JPB and the City agree on the desirability of the Hillsdale station as one of the few stops on the Baby Bullet, JPB wanted sufficient parking to encourage commuters, while the City wanted to minimize parking as part of the underlying transit-oriented development philosophy.
- The City had to determine how to bring the Bay Meadows project along with the corridor plan, since the private developers of the 85-acre site were anxious to build out quickly while the planning for the broader project was underway and the City wanted to move more deliberately and in line with the broader corridor plan.

Scott concluded his remarks with some lessons learned:

- You must be honest with and take the time to educate the public.
- If you do it right it pays off. The front-end effort pays dividends in the end. If the plan ends upon the ballot, we have a supportive CAC behind it and they can help explain why certain decisions were made.
- You can't always get what you want. Staff can't get all the housing it wants. The developers can't get all the office space they want. The Public Works Department can't get all the grade separation it wants. The Park Director can't get all the parks he wants. It's a political tradeoff.
- For something this big and something that takes this long, it really helps to have a champion there for the duration. Ideally, a champion would exist at both the staff and political levels.
- Public resistance will always exist.
- It is important to continue to engage with landowners, developers and financing institutions to help them understand that transit-oriented development is something that works and people want.

He suggested that organizations such as the Bay Area Alliance and others can support the smart growth efforts of the City and others by:

- Lobbying for maintaining and increasing funding for such things as “study money,” incentive programs, infrastructure that promotes transit-oriented development and smart growth;
- Educating lending institutions and developers about transit-oriented development and smart growth; and
- Educating local decision-makers and staff about development issues from the developer’s perspective.

City of San Leandro: Community Development Director Hanson Hom and Council-member Surlene Grant described some of the smart growth efforts in San Leandro.

Hanson Hom noted that the City’s revised General Plan adopted in June 2002 embraces the concept of smart growth. The adoption of the General Plan culminated an extensive, two-year public participation process largely through the 59-member General Plan Advisory Committee. More than 80 meetings were conducted by the committee. Public outreach included field trips to smart growth projects, community surveys, newsletters, and workshops, meetings with stakeholders such as homeowners and business associations, and video taping and broadcasting meetings on cable TV.

Hom provided detail on two area plans that followed from the general plan, the BART Area Revitalization Strategy and the East 14th Street South Area Development Strategy.

Near the City’s downtown BART station is one of the Bay Area’s largest undeveloped parcels of land next to a BART station. The City is pursuing strategies such as:

- Pursuing transit oriented mixed use development with site-specific land uses, building types and parking strategies;
- Minimum development densities;
- Focusing on streetscape and pedestrian improvements, including a pedestrian connection to downtown;
- Promoting architectural quality through design guidelines;
- Respecting historic resources.

One of the key projects that has already been implemented in the area is the LINKS local bus shuttle from the BART station to employment centers in the area. The private/public partnership is led by the Chamber of Commerce and has more than 400 riders per day.

The East 14th Street South Area Development Strategy, addressing a typical commercial strip corridor almost two miles in length, focuses on revitalizing the area into a mixed use, transit corridor. Towards this end the City has organized the corridor into a number of “districts” or “activity centers,” to break up the monotony of the strip itself.

One of the key planning efforts is to address community concerns by reaching out early. This outreach/education effort helps community members understand smart growth, the transition to mixed use/residential/neighborhood retail, land use density, neighborhood

compatibility, impacts on schools and park facilities, traffic and parking impacts, and pedestrian friendly streetscapes.

Hom identified several constraints to smart growth which the City has tried to overcome, including:

- Community resistance (NIMBYism);
- Lack of adequate sites;
- Uncertainty in development process;
- School capacity;
- Traffic and parking issues;
- Land use compatibility;
- Lack of money for infrastructure.

Lessons the City has learned in its efforts, which should be considered by others, include:

- Invest in policy development;
- Dialogue with neighborhood & stakeholders;
- Promote smart growth, but respect neighborhood character;
- Address quality of life issues;
- Maintain flexibility in regulatory standards and procedures;
- Develop a toolbox of incentives;
- Invest in public infrastructure;
- Be proactive by inventorying and marketing sites and partnering with good developers; and
- Insist on quality and encourage creativity.

Organizations such as the Bay Area Alliance and others can support the smart growth efforts of the City and others by:

- Continuing public outreach, education and advocacy;
- Promoting regionalism, but respect local home rule;
- Emphasizing incentives, not punishment;
- Expanding grant programs for planning, capital improvements and incentives;
- Protecting local funds (redevelopment agencies, school districts); and
- Lobbying for transportation, housing and infrastructure funds that support smart growth.

Councilmember Grant, characterized by Hom as a strong advocate for housing and especially affordable housing, fielded questions from the audience. She emphasized the need for ensuring sufficient school capacity, a significant issue for San Leandro as its only high school, is at capacity.

Bay Area Alliance Activities Update:

Peter Melhus summarized the Bay Area Alliance's proposed activities through the 2005 timeframe as identified in **strategic plan** and in pursuit of the shared vision articulated in the *Compact for a Sustainable Bay Area*. Four priority objectives and four outcomes have been identified. The priority objectives are to:

1. catalyze actions on housing and related policies,
2. create new agreements among key interests on major policy challenges;
3. advance public understanding and support of policies and practices needed for greater sustainability, and
4. strengthen the Bay Area Alliance's regional civic partnership.

As the Bay Area Alliance transition from planning to implementation, it is focusing on four primary outcomes:

1. ACT to implement the *Compact* and Smart Growth Footprint by promoting a variety of policy changes related to smart growth and investing in high-need communities through efforts such as the Community Capital Investment Initiative;
2. BUILD Civic Agreement and Capacity by expanding agreement and understanding between the caucuses and by strengthening the Bay Area Alliance as an institution;
3. SUPPORT other regional efforts that support smarter growth and a more sustainable future for the Bay Area; and
4. EDUCATE key audiences on such topics as the *Compact*, sustainability in general, the importance of housing density, transit oriented development and affordable housing, among other things.

The Bay Area Alliance's strategic plan will guide the work of the organization for the next several years. Additionally it will be used as we seek funding from several foundations.

Melhus also reported that the **Bay Area Alliance's indicators report**, entitled *State of the Bay Area: a Regional Report; Pathways to Results: Measuring Progress toward Sustainability*, is available online. Additionally, discussions are underway to establish an online "data central" where all the raw data that supports the indicators report will be available to anyone at no cost in an interactive web-based database. Natural Logic (<http://www.natlogic.com>) has entered into discussions with the Bay Area Alliance to establish this database. Timing is uncertain because of the uncertainty of funding. Gil Friend from Natural Logic pointed out that a significant value of having this information available online is that it can inform policy level discussions on a real-time basis. Andrew Michael added that the raw data, without the interactive capability, is available online now at http://www.nccsf.org/DataCentral/home_dc.htm.

Dahlia Chazan of Redefining Progress (RP; <http://rprogress.org/>) reported on RP's Regional Sustainability Initiative and the final two indicators for the Bay Area Alliance, the **Ecological Footprint and the Genuine Progress Indicator (GPI)**.

GPI is an indicator that modifies the more commonly used Gross Domestic Product (GDP). GPI corrects for the academically accepted deficiencies in GDP, which values all financial transactions positively, including those society would prefer not to endure. GPI adds to GDP certain non-monetized but socially desirable transactions, such as volunteer work, family time, etc., and subtracts from GDP certain monetized but socially undesirable transactions, such as the cost of cleaning-up environmental and natural

calamities, including earthquakes and hurricanes. Chazan illustrated the deficiencies of the GDP by characterizing the “GDP hero,” as “the terminally ill cancer patient going through a costly divorce,” since the GDP merely values economic transactions without any judgment as to the transaction’s desirability.

The Ecological Footprint is based on the idea of ecological limits and expresses use and availability of ecological resources in terms of the “natural capital” a region uses compared to that which it has available. The draft Ecological Footprint data indicate that the Bay Area began consuming more than its available natural capital in the 1980s. Communities from the global to local can use the Ecological Footprint to better understand how they are impacting the planet. Chazan also mentioned that the Ecological Footprint was recently featured in a publication of the proceedings of the National Academy of Sciences, illustrating that it has been and continues to be peer reviewed.

In its work for the Bay Area Alliance, RP is calculating a GPI and an Ecological Footprint for each of the nine counties and the aggregated nine-county Bay Area.

RP is bringing together the GPI and Ecological Footprint in its Regional Sustainability Initiative. These indicators, along with others and RP’s common assets framework and other policy ideas, help RP as it works with local colleges to integrate the development and use of indicators into their curricula.

Michele Perrault (Sierra Club) reminded us that the Napa County installment of *Faces of Sustainability*, describing a number of local sustainability efforts, is currently on the Bay Area Alliance website. Perrault also encouraged others to write installments for the other counties in the Bay Area and to provide suggestions of practices that should be considered for inclusion in the document. These suggestions could include stories about individuals, organizations, businesses, public agencies or programs in Bay Area communities that are employing sustainable practices. Information regarding these efforts should be sent to InfoBAA@BayAreaAlliance.org.

Juliet Ellis (Urban Habitat Program) noted that the **Community Capital Investment Initiative (CCII)**, which is attracting private investment to the 46 most impoverished neighborhoods in the Bay Area, is focusing on a “triple bottom line.” Through its three investment funds (Smart Growth Fund, California Environment Redevelopment Fund and Community Equity Fund), the CCII has raised \$150 million for investment.

The Smart Growth Fund has already made five investments and has two more in the pipeline. The California Environment Redevelopment Fund (AKA Brownfields fund) is a statewide fund that is currently focusing on the Bay Area. It has invested in one project in San Francisco. The Community Equity Fund has not yet made any investments but has several in the pipeline.

Gerry Raycraft (Association of Bay Area Governments) described the process of the **Bay Area Regional Livability Footprint/Smart Growth Strategy** project. He pointed out that the climate for implementation is now far different that it was at the beginning of this

project. The State's budget crisis makes it less likely that financial incentives to promote smart growth will be promulgated by the Legislature.

Accordingly, the Regional Agency Coordinating Committee (RACC), originally comprised of three regional agencies (ABAG, Metropolitan Transportation Commission, and Bay Area Air Quality Management District) expanded its membership to include the Regional Water Quality Control Board and Bay Conservation and Development Commission and the Bay Area Alliance, and expanded its role to provide input to the Smart Growth Strategy. ABAG, as the lead agency, is currently focusing on outreach and education. Several successful workshops have already been held with local elected officials and planners and others are planned. These workshops help increase the understanding of smart growth and allow planners and elected officials to hear success stories. Among the subjects are public participation and how to get the community engaged in the discourse on specific smart growth projects in their neighborhoods, financing infrastructure and Brownfields cleanup, etc.

Eliot Hurwitz of the National Oceanic and Atmospheric Association reported that the **Sustainability Roundtable** of the Bay Area Alliance is working to build support for smart growth at the community level so that elected officials are "not forced to say 'no.'" Representatives of sustainability groups throughout the Bay Area are sharing their successes with one another. Eliot hopes that the Sustainability Roundtable will develop a tool kit to help the local sustainability efforts.

Andrew Michael (Bay Area Council) described the **Smart Growth Conversations** as an outgrowth of the Bay Area Alliance's strategic planning efforts. Representatives of the Bay Area Alliance Steering Committee, caucuses and others have been engaging in discussions since last spring on how best to address the issue of housing in the region, and implement the vision emanating from the Bay Area Regional Livability Footprint/Smart Growth Strategy project. The first phase of the bi-weekly conversations focused on reaching consensus on policy changes we would support and bring to the Legislature. A subset of the group of participants met with legislators and their representatives to recommend specific policies on fiscal changes that would provide more income stability for local government and incentives for installing infrastructure in areas pursuing smart growth.

The second phase of the Smart Growth Conversations will begin on September 29 and will focus on developing additional consensus, perhaps on policies that will stimulate the development of more affordable housing, job growth and infill/greenfield growth, etc. Michael encouraged participation in the Smart Growth Conversations, this phase of which will last into early December.

Public Comments: Given the public's active participation in the meeting to this point no public comments were expressed.

The meeting **adjourned** at noon.

BAY AREA ALLIANCE MEETING ATTENDANCE SHEET

Date of Meeting: Friday, September 19, 2003

Location of Meeting: PG&E, San Francisco

Bay, Duane – City of East Palo Alto
Bergen, Jane – League of Women Voters – Bay Area
Bollman, Nick – California Center for Regional Leadership
Cauthen, Jerry, Oakland, CA
Chazan, Dahlia – Redefining Progress
Daly, Aaron – Ecological Footprint Network
Dawson, Janet – IURD/UC Berkeley
Dewar, Nicholas
De Witt, Duane – UC Berkeley
Edmondson, Scott – City /County San Francisco
Ellis, Juliet – Urban Habitat
Fitzgerald, Garrett – UC Berkeley
Friend, Gil – Natural Logic
Grant, Surlene – Council Member, City of San Leandro
Greenwold, Cathy – TMG Partners
Gustafson, Heather – Bay Planning Coalition
Han, Grace – Urban Habitat
Harris, Robert – PG&E
Hilkin, Henry – BAAQMD
Hom, Hanson – City of San Leandro
Hurwitz, Eliot – Napa County Transportation Planning Agency
King, Mary V. – Shea Homes
Kittermaster, Carol – Sustainable San Mateo Co. – Tides Center
Knepper, Valerie – MTC
Landau, Nathan – AC Transit
Lempert, Sue – Council Member, City of San Mateo
Leslie, Christine – Peninsula Policy Partnership
Marshburn, Peggy – C. C. County – Office of Education
McPeak, Sunne Wright – Bay Area Council
Melhus, Peter – Bay Area Alliance for Sustainable Development
Michael, Andrew – Bay Area Council
Miller, Seth, CCRL
Miranda, Leticia – California Policy Reform Network
Page, Paul – F.T.A., Region 9
Pagels, Marcia – Sustainable San Mateo County
Panagopoulous, Michael – Rosendin Green Team
Perrault, Michele – Sierra Club
Piras, Patrisha – AC Transit
Randolph, R. Sean – Bay Area Economic Forum
Raycraft, Gerry – ABAG
Scandone, Ceil – Association of Bay Area Governments
Scott, Stephen – City of San Leandro
Smith, Michael – ABAG
Sweeney, Michael – Under Secretary, Resources Agency
Travis, Will – BCDC
Venugopal, Kala
Weil, Linda – Public Affairs Management
Wiggins, Pat – Dist. 7, Assembly Member, State of CA
Wong, Ray – Dept. of Toxic Waste Substances Control