

May 13, 2004
Bay Area Alliance for Sustainable Communities
Quarterly Meeting (8:30 – noon)
Joseph P. Bort MetroCenter; 101 8th Street, Oakland
MINUTES

Gerry Raycraft, Planning Director for the Association of Bay Area Governments (ABAG), opened the meeting, **welcomed** all attendees and introduced the panel topic. He noted that this panel discussion is the third in a series of four planned over a twelve month period in which cities and counties in the Bay Area will describe their successes and challenges as they have pursued smart growth. At the September 2003 quarterly meeting we focused on projects planned at or near transit stations in the cities of San Leandro and San Mateo. At the last meeting we focused on two specific on-the-ground neighborhood projects at transit stations, the Fruitvale and Richmond transit villages in Oakland and Richmond respectively. In today's panel discussion we are shifting to a planning focus and featuring two cities have built their planning documents around smart growth principles, the cities of Fairfield and Milpitas.

Prior to the panelists beginning Peter Melhus announced that the final Compact is available in hard copy and on the website (www.BayAreaAlliance.org).

Panel Discussion:
Sustainability and Smart Growth-related successes in the Bay Area

City Of Fairfield: Eve Somjen, Deputy Director of Planning and Community Development, discussed the June 2002 revisions to the City's General Plan related to smart growth or, as articulated by the City, the "livable city" concept. The City of Fairfield is located in Solano County on the Interstate 80 corridor, halfway between San Francisco and Sacramento. The new General Plan has four main principles:

1. Protect the agricultural areas around the City and maintain the separation of the City from other urban areas of Solano County;
2. Concentrate development in infill areas within the existing city limits or immediately adjacent to the current boundaries;
3. Emphasize to a greater extent pedestrian- and transit-oriented development. A new train station is planned to be built in Fairfield on the Capitol Corridor route; and
4. Establish a citywide balance of jobs and housing equivalent to the region as a whole.

As a result of these changes to the general plan the acreage designated for development (residential, commercial, industrial and mixed use) was reduced from 7383 to 4615 acres. Several areas on the periphery of the City previously designated for development are no longer proposed to be developed. Some areas within the existing City limits have been re-designated for mixed use and higher density residential, including the site of the future train station, an abandoned shopping center, and other sites in the downtown area.

Fairfield City Councilmember Marilyn Farley told the political side of the story and discussed some of the challenges the City faced as it went about adopting the changes to the general plan and some of the challenges it is currently facing.

Traditionally, the City has been heavily influenced by Travis Air Force Base, the largest employer in Solano County. As such, Fairchild has historically been a "solid, blue collar,"

military community. However, as the construction of new housing subdivisions continued, the military influence diminished somewhat although it remains significant. Over the years Councilmember Farley and her colleagues have forged an alliance between the conservative military retirees and the relative new comers to the community and the environmental communities. However, the path to the alliance formed in the early 1990s had many obstacles.

In 1984 a proposal to build a new a new incorporated community called Manzanita in agricultural lands in the most easterly portion of the County, led to the creation of the County's "orderly growth ordinance." This ordinance prohibits the conversion of agricultural land for residential development, unless it is first annexed to an existing city.

The early 1990s saw pressure to develop land near Travis Air Force Base. In 1994, the County Board of Supervisors renewed the orderly growth ordinance through 2010. Notwithstanding this renewal, pressure continued to develop near the Base. As a result, the Citizens' Committee to Protect Travis AFB was created. The City Council also began a transformation from the traditional pro-development to a slow-growth stance. A 1997 ballot initiative to prohibit development near the AFB was bitterly contested by both sides and ultimately failed by 63 votes. Using the slogan "No Growth Belt," a 1999 ballot initiative to prohibit development near the Base passed with 90 percent of the vote. The City Council currently has all of its five members supporting or leaning toward slow growth policies.

The challenge now is one of implementing the smart growth-oriented general plan. How do we move from suburban to more urban patterns of development? How do we take new subdivision proposals within urban area and ensure that they incorporate smart growth principles when subdividers continue to have the mindset that they can sprawl as much as they want at the fringe of the urban limits? How do we deal with traffic and housing affordability? Seed money for farmers has been designated through 2010 to strengthen the agricultural sector of the local economy. Part of the emphasis is to encourage farmers to continue in agricultural and not acquiesce to development pressure.

The Bay Area Alliance can help the City in its implementation efforts by:

- Lobbying for State incentives for smart growth including transit and pedestrian facilities and mixed-used development;
- Lobbying for a Local Agency Formation Commissions (LAFCO) requirement to restrict sprawl development;
- Supporting a potential new Solano County transportation-related sales tax initiative;
- Supporting non-sprawl-inducing transportation infrastructure incentives;
- Continuing to educate people that larger populations can be served without sprawl and without reducing the amount of valuable farmland.

City of Milpitas: James Lindsay, principle planner for the City of Milpitas, described the City as a "relatively built out community" of approximately 13 square miles with a population of about 65,000. With 60 percent of the vote, an initiative in 1998 established a 20-year urban growth boundary, which in effect, dictates that future growth will be within existing City limits. The urban growth boundary is supplemented by other boundaries, including the existing Ed Levin Park in the east foothills, which is Santa Clara County unincorporated land, Alameda County to the north, the City of San Jose to the south and the west.

The community's residents have consistently expressed a desire for a more traditional "heart," in the case of Milpitas, it truly is "Main Street. The urban sprawl of the mid- to late 20th century, the

Interstate 880, 680 and 237 freeways and their accompanying overpasses, and development were effectively the death knoll for the City's Main Street. The need to address housing needs was readily apparent as the city became a major player in job growth in Silicon Valley. A substantial investment in transportation infrastructure was also occurring in the City with the Valley Transportation Authority light rail system constructing two new stations in the City and the proposed BART extension to San Jose which will include at least one station in Milpitas. These and other conditions led to the development of the 942-acre Milpitas Midtown Specific Land Use Plan (Midtown Specific Plan).

Some of the key goals/policy statements of the Midtown Specific Plan are:

- Provide for a significant component of new housing;
- Improve the vitality of the area;
- Address local and regional housing needs;
- Address the light rail system and major investments in transportation infrastructure to help make these regional systems successful;
- Redevelop Main Street so that people want to go there;
- Improve the viability of pedestrian and bicycle connections;
- Identify catalyst development sites to ensure significant private sector investment.

Some of the key aspects of the Midtown Specific Plan are:

- The development potential includes approximately 4800 residential units with an office overlay district that will create about 720,000 square feet of office space. The plan was adopted two years ago and, given the current economic conditions, some of the office space may be reconsidered.
- Prior to the Midtown Specific Plan the greatest density was 15 units per acre. The new mixed-use zoning district in the District allows a density of 21-30 units per acre. In the transportation-oriented development overlay district even higher densities are allowed – 31-40 units and, within ¼ mile of transit stations, up to 60 units per acre.
- The plan also requires ground floor commercial, in effect “vertical mixed use.” Today’s lending conditions have led to less-than-desired acceptance of this idea.
- An industrial core was retained in order to encourage job retention.
- A town square will become the focal point within the walkable area along Main Street. The hope is that it will become a key public gathering place.
- There are no single family detached homes planned in the district.

Challenges and barriers:

- Many of the existing property owners have owned their land for many years. This means there is little incentive for the owners to redevelop and incur debt or to sell their properties. The owners’ existing costs are so low that they perceive that it is in their interest to retain the property to sell at a later date.
- The smaller sites in key areas require a lot of work for assemblage.
- The State is a key player as it attempts to “balance the state budget on the backs of the municipalities.” High density housing is not and cannot be viewed as an income-generating land use.
- Developer risk is considerable. Low or unknown demand for mixed-use and higher densities increases this risk. Milpitas is in a suburban county in which the market is expecting “the American dream,” rather than mixed-used dream of progressive planners.
- Parking perception is a big issue. As we enter an urban environment, we need to consider parking from an urban perspective. Parking cannot all be required to be on site. “We want some congestion in specific areas such as the pedestrian-oriented Main Street.” We

want people to walk a short distance to be exposed to ground level retail. Cities need to ease up on parking requirements.

- Public works standards sometimes contradict smart growth concepts. As planners consider smart growth patterns for the future, the public works standards deal with the present at best and more often the past. For example compact development with narrower streets means that fire and solid waste trucks can't meet the turning radii. As these vehicle fleets are turned over, the new street designs need to be kept in mind. The community should not be designed around large vehicles but rather the vehicles should be designed around the community.

Recommendations:

- Persistence is the key as mixed-use development is pursued.
- Eliminate the regulatory constraints that hamper high density developers. For example, construction defect insurance creates significant burdens for vertical mixed use high-density development. Another example relates to local redevelopment agencies being hampered as they try to encourage homebuilders to develop catalyst sites. The developer loses the option of choosing the labor force when constructing the buildings if redevelopment funds are used to any extent. The only exemption from this is affordable housing
- Educate lending institutions and developers about smart growth.
- Promote regionalism but respect home rule.

Smart Growth related work in the Schwarzenegger Administration: Sunne Wright McPeak, Secretary of the California Business, Transportation & Housing Agency (BT&H), provided a status report on smart growth related issues and efforts and commented on several of the challenges.

As overseer of the 15 departments in BT&H, Secretary McPeak is facilitating many discussions around the State on how California's economy works so the State can "play to our strengths and minimize our weaknesses." During the course of these discussions, the notion of the Three Es (economy, environment and social equity) has been used as a guiding framework for infrastructure considerations and decisions. McPeak noted that the Bay Area Alliance has been a pioneer in these discussions as manifested in the final *Compact for a Sustainable Bay Area*.

A limiting factor that BT&H and other departments are facing is how much can be accomplished in any given amount of time. There is a backlog of policy decisions that have already been made by the Administration but have not yet been rolled out for strategic reasons. The Administration is depending on a new alignment of cooperation between the State and civic leaders, both in and outside of government, at the local and regional levels. There will be a lot of discussion and effort to embrace a decentralization of leadership around a set of principles and a clearly articulated framework about what needs to be accomplished for California to remain competitive.

In the smart growth arena BT&H has articulated a strong position against "dumb growth" (said tongue-in-cheek to avoid the use of "smart growth" which, according to some, has become a cliché). Current land use patterns are unacceptable, as they are clearly undermining California's competitiveness. In order to have funds available to invest in social equity and environmental quality, California must be economically competitive.

Notwithstanding and reflecting the budget cuts by all departments in State government, \$300-4000 billion will be invested in transportation improvements in the next 10-15 years and "we're

not getting a high enough return on investment. We're not getting enough improvement in mobility for the dollars we're spending; mobility being defined with a least two dimensions – improved throughput and no increase in congestion.”

“The reason that every metropolitan region in California is projecting, even after those investments, an increase in congestion... is because of the land use pattern,... development occurring farther and farther out.” We need plans that allow for more housing to be built closer to or within existing urban areas.

The State issued a declaration in January stipulating that State transportation dollars will be invested in local projects only if the land use plan includes more housing. This is intended to improve the rate of return on the investment. Additionally, before the State Legislature in January, Secretary McPeak testified that an adequate housing supply for the full population is critical and that adequate housing supply depends on an adequate inventory of land designated for developing housing with sufficiently highly zoned densities (units per acre) to achieve greater affordability. This housing supply issue has consistently been missed in previous State efforts on smart growth.

The working components developed and currently being refined by the Governor's Cabinet includes the following:

- Every jurisdiction has the responsibility to plan for and be prepared to accommodate a housing supply that meets projected 20-year population and job growth;
- The housing supply should be built on the most efficient land use patterns, optimizing infill and refill, but recognizing the need for some edge development. Any edge development should have a land use pattern that reduces the dependency of single-occupancy vehicle trips;
- Critical habitat lands must be protected; and
- Productive farmland must be protected.

The marketplace will ultimately validate the additional higher density planning choices proposed. A middle income Bay Area family has very little choice when it comes to home ownership – they will have to commute a long distance. Higher density planning within the region will provide other choices such as smaller, perhaps attached homes in a safe neighborhood with quality schools.

The Administration is “serious” about reforming the California Environmental Quality Act (CEQA). It supports the legislative bills which expand the exemption to CEQA for infill or affordable housing. It supports construction defect reform and making it retroactive so that the “right to fix” covers the existing housing stock as well as new housing.

Presentation to Secretary Sunne Wright McPeak:

The Steering Committee of the Bay Area Alliance made a presentation to Secretary McPeak acknowledging and thanking her for her many contributions to and leadership of the Bay Area Alliance. McPeak was a member of the Steering Committee since the Bay Area Alliance was created in 1997 until she accepted her current position last November.

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

The meeting **adjourned** at noon.

BAY AREA ALLIANCE MEETING ATTENDANCE SHEET

DATE OF MEETING: **Thursday, May 13, 2004**
LOCATION OF MEETING: **MetroCenter, Oakland, CA**

Abernathy, Janine - Caltrans
Alexis, Eva – League of Women Voters of the Bay Area
Barber, Heather – AC Transit
Bourguignon, Suzanne – BAAQMD
Clements, Kristen – Bank of America
Corless, James – Metropolitan Transportation Commission (MTC)
Cory, Dave
Dewar, Nicholas – CDR Associates
De Witt, Duane – UC Berkeley
Ellis, Juliet – Urban Habitat
Farley, Marilyn – Councilmember, City of Fairfield
Frank, Tim – Sierra Club
Geschwind, Gary
Graham, Molly – Public Affairs Management
Grant, Surlene – Council Member, City of San Leandro
Griffin, Mary – Local Government Liaison/Bay Area Alliance
Hambrick, Ken
Hurwitz, Eliot – Napa County Transportation Planning Agency
Johnck, Ellen – Bay Planning Coalition
Kimsey, Doug – MTC
King, Mary V. – Shea Homes
Kittermaster, Carol – Sustainable San Mateo County
Knepper, Valerie – MTC
Landau, Nathan – AC Transit
Lewis, Sherman – Regional Alliance for Transit (Sierra Club)
Lindsay, James – Principal Planner – City of Milpitas
Linney, Doug – Next Generation
McPeak, Sunne Wright – State Secretary, Business, Transportation & Housing Agency
Melhus, Peter – Bay Area Alliance for Sustainable Communities
Mellander, Marilyn
Michael, Andrew – Bay Area Council
Miller, Don – Interfaith Coalition for Green Planning
Miller, Seth, CCRL
Mussen, Irwin – Arch., Designers/Planners for Soc. Responsibility
Page, Paul – F.T.A., Region 9
Pallagst, Karina M. – UC Berkeley – IURD
Perrault, Michele – Sierra Club
Piras, Patrisha – AC Transit
Raycraft, Gerry – ABAG
Scandone, Ceil – Association of Bay Area Governments
Somjen, Eve – Deputy Planning Director, City of Fairfield
Stone, Janet – Livable Communities Program/Greenbelt Alliance
Sundergill, Ron – Leadership Institute for Ecology & the Economy
Theis, Rick – Leadership Institute for Ecology & the Economy
Venvgopal, Kala - CCRL
Villanueva, Trina – PolicyLink