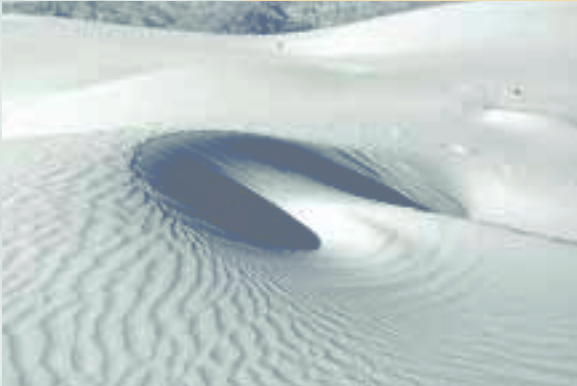


PLANNING AT THE EDGE
OF THE MILLENNIUM:
Improving Land Use
Decisions in California



A Publication of the California Planning Roundtable
January, 2000

Dear Fellow Californians,



*Imagine California in the year 2040. The California Planning Roundtable, a not-for-profit organization of experienced professional planners, did just that. We work for the public agencies, private organizations, and businesses who care about California and its future. Our report, “**Planning at the Edge of the Millennium: Improving Land Use Decision in California**”, is a call to reform California’s system for statewide land use decision making.*

*In the course of two years of inquiry, we discovered several basic truths that affect how we plan. **California is increasingly ethnically diverse.** We are more and more **dependent on digital technology.** Interest groups compete for **power**, sometimes without regard to overall public needs. Social and government institutions have not kept pace with **change**. Public decision-making is **crisis-driven** rather than forward-looking. At the same time, Californians are increasingly aware of the **relationships among the environment, the community, and the economy**, and the need to sustain them all.*

*The enclosed recommendations for change – offered to **capture remarkable opportunities and meet the challenges** ahead for our state – will spark discussion and problem solving. This is not the first time such proposals have been made. But in view of the projected three million more jobs and six million new residents created in the next decade alone, the need for action is urgent if we are to assure **environmental protection, economic opportunity, and social justice**. It is our wish to further the dialogue on these important issues with the media, our government institutions, statewide and community leaders. We look forward to your comments and ideas.*

Sincerely,

The California Planning Roundtable

President: Paul Crawford, AICP

Immediate Past President: Marjorie Macris, AICP

PLANNING AT THE EDGE OF THE MILLENNIUM: Improving Land Use Decisions in California

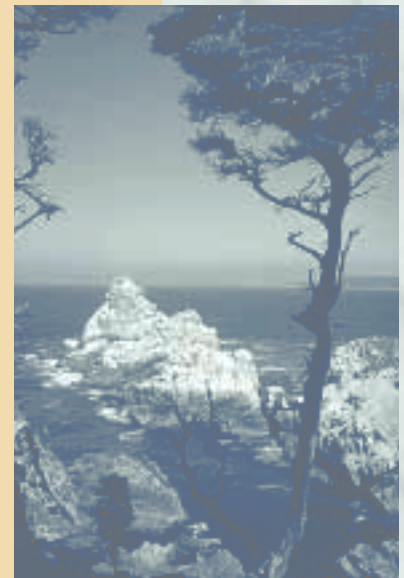
FOREWORD

Even in the electronic age, place matters. It could be argued that place matters even more in California – home to the spectacular, from its coastline, mountain ranges, agricultural valleys to its vibrant urban centers. After all, in California there is so much to behold and *lose*.

In the next decade alone, three million more jobs, six million new residents and two million new households will reside in California.⁽¹⁾ The Golden State in the 21st Century will experience a second gold rush of affluence and pressure on the environment and land. California's expanding economic prosperity is dependent on sustaining the very place-centered assets – quality educational institutions, open space, clear air, clean and adequate water, working transportation systems, housing choices, sufficient parks, libraries, airports and marine ports – that attract investment.

Can Californians rise to the challenge of the coming surge in job creation, population growth and demographic diversity? Will Californians attempt to limit economic and population growth, let the environment decline or seek a balance between prosperity and land use? The California Planning Roundtable, a not-for-profit organization of experienced, public and private sector planning professionals, studied these questions and the work of many others – from Central Valley farmers to the new urbanists – on the projected impact of the State's growth over the next forty years. The Roundtable has determined that without changing outdated assumptions and outmoded systems, California's gold won't just be tarnished, it may vanish.

This report is a call to reform California's system for statewide land use decision making. California's needs are great and financial resources are limited. The Roundtable believes it is not an impossible task – but a critical one if we are to shape growth and sustain a high quality environment. The Roundtable hopes to stimulate local discussions, spur regional problem solving and prompt statewide dialogue about what opportunities remain for Californians. Honest dialogue is necessary to come to agreement on what issues and decisions are truly local in scope and which are regional and statewide. The public demands that California's leaders create and embrace values-based, logical, open, accessible, understandable and predictable processes to achieve and fund priorities. Nothing less will be enough to maintain that unique sense of place known as California.



The Truth About Planning in California

In its two year study of California's efforts to manage its growth, the California Planning Roundtable identified eight truths concerning the manner by which planning in the nation's most populous state has evolved. The interrelated affect of the following information creates both opportunities and challenges that affect better land use choices.

- CALIFORNIA PLANNING IS BOTH MORE COLLABORATIVE and MORE ADVERSARIAL than in the past. Specific interests compete to dominate discussions of the State's future; the larger public is not at the table.
- CALIFORNIA'S DIVERSITY – AND MAGNITUDE OF ITS DEMOGRAPHIC CHANGE informs all facets of its future.
- THERE IS A RECURRENT SENSE OF CHANGE AND UNCERTAINTY IN CALIFORNIA'S planning process, and in its supporting institutions.
- A DIGITAL WORLD HAS ARRIVED which will transform California planning.
- CALIFORNIA'S SOCIAL AND GOVERNMENT INSTITUTIONS have yet to catch up with the effects of globalization on society, the economy and our communities.
- CALIFORNIA'S GOVERNMENTS HAVE NOT KEPT PACE with its citizens' demands for greater performance, accountability, equity and quality.
- CALIFORNIANS ARE INCREASINGLY CONSCIOUS of the relationship that exists between the environment, community, the economy and how best to sustain them all.
- FORWARD-LOOKING, EMPIRICAL PLANNING HAS BEEN ABANDONED and replaced with crisis-driven decision making and task oriented solutions.

A Future Built on Shared Values

Throughout the past 20 years, the focus of California's leadership has been referenced upon the past. Phrases such as "restoring levels of service," "regaining congestion free streets," and "returning to the days when California's education system was a model for the nation" have been common in the rhetoric. However fondly Californians remember the past, they can't go there. The future won't and can't look like the past.

If California leaders listen carefully, they will hear a new and gathering agreement around shared values – commonly-held by Californians across diverse economic and cultural groupings.

Separate public opinion focus groups, conducted by the Gallup organization, Belden, Russonello & Stewart and the Public Policy Institute of California, reflect a common public desire for:

- Safe neighborhoods
- Good schools
- Protection of green space
- Jobs
- Clean and adequate water
- Clean air
- Affordable housing



- Common sense infrastructure finance
- Quality public services⁽²⁾

Some indicators point to Californians' increasing realization that they have to pay for achievement in these areas by working together and adequately funding improvements. School bonds have passed; libraries and parks have been supported by large margins when there is understanding of need and assurance of fiscal responsibility. Recycling efforts and costs for achieving clean air and water are being introduced, sometimes painfully, to a common public understanding.

Far from the old "tax and spend" approach, Californians now insist on government accountability. A central issue among voters for fiscal and governance reform is improving the quality of services delivered to the public. High quality services and customer satisfaction require a process for providing public services that is visible and understandable. Many communities are already implementing systems of outcome management as part of the regular community dialogue about the budget and services. Public information on the progress, as well as, new changes to improve service quality and efficiency will be critical to building confidence with the citizenry.⁽³⁾



Where We Are Now: Conditions and Trends

Land use strategies contribute to safe neighborhoods, support affordable housing, preserve open space, spur job creation and new markets, and stimulate infrastructure investment. How we plan and use our environmental resources becomes the center of a complicated matrix of cause and effect for social problems, such as failing schools and crime, as well as infrastructure issues such as clean air and transportation systems.

Jobs and Economic Development

Whether in the high tech rich north State or the intensive service sector southland, Californians are working more, not less, at every economic level despite the myth of the kick-back California lifestyle. The San Francisco-San Mateo-Marín economic region is ranked as the richest of the 99 metropolitan economic units in the country; Santa Clara County is fourth. Yet four of the bottom 10 cities are also in California: Bakersfield ranks 97, Fresno 96, Riverside-San Bernardino 94 and Stockton-Lodi 93. While the 1997 data showed the San Francisco region's median family income as \$41,128; Bakersfield and Fresno families earned less than half of that; Los Angeles median family income was \$25,749.⁽⁴⁾ This growing disparity in income growth between Central, Southern and Northern California, and between the blue collar working class and the upper and middle income levels challenges the goal of a balanced distribution of well-paying jobs that support local economies. Without forethought, California could become a balkanized state of *haves*, *have-a-little* and *have nots*.

Land Use and Sprawl

Sprawl hasn't paid its way. Fees on new housing have only incrementally covered the costs for new police, transportation and schools. Infrastructure and public services serving spread-out, low density development are more expensive to deliver than those with more compact land use patterns.⁽⁵⁾ Considerable housing and retail growth in the last twenty years have consumed substantial

agricultural land, significant environmental resources and precious open space at an accelerating pace. In the 1970s and 1980s, for every one percent of population growth in a metropolitan area, there was a six to 12 percent increase in land consumption. Between 1970 and 1980 the population of the metropolitan Los Angeles area grew by 46 percent while developing 200 percent more land.⁽⁶⁾



Growth's peripheral expansion away from urbanized cities toward agricultural areas – often separated from existing amenities and infrastructure – has increased vehicle miles traveled, air and noise pollution, high infrastructure costs and social dysfunction.

The end to this phenomenon is not in sight and the solutions are becoming more complex. The cumulative statewide effects of a decade of local government growth control measures and voter initiatives are hard to interpret. According to Madelyn Glickfeld of the UCLA Institute of the

Environment, there are considerable growth controls in most cities and counties at the urban line primarily focused on residence development, but most communities are pro-growth on commercial development. Recent growth control initiatives in the San Francisco Bay Area not only reinforce urban boundaries but discourage infill development, reflecting the public's opposition to higher densities, sensing the community quality of life will decline with smaller lot sizes.

Infrastructure and public services lag in funding for improvements to aging infrastructure, and construction of new infrastructure to support recent development. Finally, gasoline additives alone can't reverse California's deteriorating air quality. We need to encourage land use patterns that reduce the need for individual vehicle use and provide alternatives to the automobile such as an adequate public transit system.

Resource Protection

Federal and State wildlife agencies list more than 1,000 plant and animal species as rare, endangered, or threatened, significantly impacting land use and development decisions. While the public ranks "green space" in the top lifestyle amenities, there has been little effort by the State to identify lands that must be conserved and managed in perpetuity to ensure the long-term survival of California's biological diversity.

Necessary improvements in resource protection should begin with problem solving at the ecosystem scale, creating wildlife corridors, which preserve and connect critical habitat lands in a meaningful way rather than the current species by species approach. Further required is consistency among federal, state, and local agencies' regulatory processes to insure that "at risk" habitats are not lost, and the coordination of public expenditures on priority projects that will insure ongoing ecosystem health.

Housing

The State needs 4.3 million more housing units to shelter the 12.4 million new people who will be living in California by 2020.⁽⁷⁾ In 1998, California produced more than 125,700 new housing units to meet an actual need of between 220,000 to 250,000 new units.⁽⁸⁾

Housing prices have steadily outpaced Californians' income. Only one in five households can afford a typical home, and more than two million California households pay more than they can afford for their housing.⁽⁸⁾ According to a recent study by the National Low Income Housing Coalition, Californians must earn an average of \$14.90 an hour to afford a typical two-bedroom unit; that translates to 97 hours of work per week for a worker earning minimum wage. This is the seventh highest housing wage in the country with the national average at \$11.08. Workers in San Francisco have to earn \$22.44 an hour to afford a two-bedroom unit and San Jose was close

behind with a “housing wage” of \$21.90.

The federal government has also dramatically cut back housing programs that used to help local governments accommodate new growth.⁽⁹⁾

Changing Demographics

Change is the engine of opportunity. As population increases, ages in place, changes in family type, income and education, opportunity is created. California is poised to double its 1990 population to an estimated 58.7 million by 2040. This population will include expansion in the older age group (45-59) as “baby boomers” age. Significant ethnic and gender changes are anticipated as well as patterns for income and life style that will create economic opportunity in service sector economies. Astute capitalists will be quick to identify emerging markets. Those who plan wisely in the public sector will be able to address long standing community needs as change occurs. The demographic changes will not be uniform throughout the state, or predictable in pace.⁽¹⁰⁾

Environmental Sustainability

As one of the foremost laboratories for sustainable technology, California is in a unique position to develop land development practices based on environmental carrying capacities, and highest and best use values. Institutions like the Center for Regenerative Studies at Cal Poly Pomona and University of California-Santa Barbara specialize in emerging technologies that support sustainable development, including:

- passive solar design
- recycled building materials
- alternative natural construction practices
- resource conservation and replenishment practices
- open space preservation and agricultural protection

Currently, information is not adequately distributed to local, regional and private sector organizations about sustainable development technologies.



Infrastructure and Finance

Surveys by the Public Policy Institute of California confirm the voters’ belief that the State is approaching “a point of no return” with respect to the management of infrastructure needs. Voters’ key priorities for development of new infrastructure include:

- Building K-12 public schools, and public colleges and universities.
- Expanding water storage facilities.
- Constructing more transportation capacity.

The California Business Roundtable estimates that California needs to spend \$90 billion over the next decade at state and local levels to bring infrastructure into alignment with need. Spending on public infrastructure has declined by 75 percent in relative terms since the 1960s.⁽¹¹⁾ Under current law, California cities and counties are forced to rely on sales tax as a principal but inadequate means of financing government.⁽¹²⁾ The massive costs of the repairs and new construction have stymied quick action in the Legislature. California currently lacks the financial resources to pay for infrastructure.

Cultural Heritage

Rapid growth in California's urban areas has overshadowed efforts to preserve the remaining buildings and sites of the State's history, culture and pre-culture. Preservation of landmarks, points of historic or cultural interest and heritage landscapes is an essential quality of life issue.

What We Can Do: Creating a Statewide Planning Strategy

The California Planning Roundtable recommendations are based on actions and policies that will improve California communities in the future. They are designed to encourage new dialogue, recognize common ground and create choices that support economic growth and quality of life.

1 Get The Vision Thing: Core values for Californians' housing decisions – public desires for neighborhood safety, good schools, affordable housing and open space – must drive California's statewide planning strategy. Communities planned with an appreciation for commonly-held values and beliefs will make cities more livable, discourage sprawl, promote better land use, spur investment in schools and public safety and encourage investment in new jobs. The process must engage citizens at all levels – to include the ethnic, political and social diversity of the state – and broaden the debate from the list of usual suspects that populates land use discussions in California. The statewide planning process should set goals, provide policy statements and establish time frames to guide land use making decisions, and encourage cooperation regionally among local governments. But the real work starts in our local communities.

2 Growth Without A Statewide Perspective Is Myopic: To take the long view, local communities must be able to see beyond protection for their own square mile. California needs to adopt statewide principles for growth – tied to commonly-held values – that help shape local and regional decisions around growth and are applied to the State's own water and transportation projects. Citizens and decision makers need one centralized, electronic clearing-house for credible, unfiltered, accessible and understandable data to assess the resources necessary to support projected growth. The State can also encourage consistent thinking and balance to the planning process by modeling the kinds of decisions that can be replicated regionally.



It won't be *easy* but urban boundaries can be strengthened. Farmlands and natural areas can be preserved by establishing a statewide policy setting the criteria and conditions for urban expansion. Higher densities do not have to mean ugly infill development. Government should invest in public education on affordable housing alternatives.

3 Produce The Silver Bullet On Infrastructure Financing: Recent elections have shown that Californians are willing to accept reasonable burdens when it can be clearly shown there is both a need and a clear plan for infrastructure funding. To affect growth, not just accommodate it, local agencies must be allowed to issue bonds for new infrastructure with a majority vote of the people. But we should be smart about this. There isn't enough money to just build our way out of the problem. The disinvestment in infrastructure over the past twenty years will be hard to overcome. Long term capital plans are essential, as every need can't be met

THE NEW CALIFORNIANS

It is not just the numbers of new residents—nearly twice the 1990 population, 58.7 million, is estimated for 2040—but the accompanying changes in age profile, culture, gender, family type, disability, income and education which will transform the state's land use and service infrastructure. Currently capital facilities life expectancies of 50 to 100 years reflect the public sector's responsiveness to the existing electorate, not to the emerging future population groups.

Age is the most important single dimension of the population for planning service needs.⁽¹³⁾ Between 1995 and 2010, the mature 45 to 59 years old population is expected to increase by 50 percent as the “baby boomers” age. Their children will simultaneously increase the 20 to 24 age bracket in 2015. On average, the Latino population is projected to remain young, while all other groups, especially “whites” are expected to age substantially. Age difference within ethnic groups can lead to shifts in political power.

California income patterns are also changing. Median family income for two earners has increased at a more rapid rate than for single earners.⁽¹⁴⁾ Increasingly, job creation has affected economic distribution, centering service industries in Southern California and knowledge-based jobs in the high tech centers in the San Francisco Bay Region.⁽¹⁵⁾

The complexity of the new population will be shaped by the changing needs of women affecting employment, earnings and driving patterns. Non-



married households with children, which are twice as likely to be headed by women, comprise nearly 45 percent of households.

No one ethnic group will represent a majority in California, although statewide distribution varies by county and city. Projections indicate that California's “white” population will decrease below 40 percent in 2015 and to 31 percent in 2040; the Latino population will grow to about 40 percent in 2015. The African American population is predicted to remain fairly steady at about 8 percent and the Asian Pacific population will increase to about 18 percent. Large ethnic communities are pacing construction and development. Years living in the United States have traditionally narrowed the differences between American-born and immigrant groups; however, new differences are emerging between American-born ethnics and newly-arrived immigrants from Asia and Latin America.⁽¹⁶⁾

simultaneously. We need long range strategies that rely on good planning, smart investment and accountability for performance.

State leadership is needed to identify funding priorities, distribute funds equitably between regional infrastructure projects and develop performance measures that assist in refining and guiding the allocation of resources. The Legislature should consider the recommendations of the state Commission on Building on the 21st Century and craft a strategy for infrastructure to sustain California's environment and economy. Incentives should be created for those communities that develop regional plans for transportation, open space, habitat, air and water quality, and for financing older, underutilized areas. Infrastructure should encompass lands needed for the conservation of biological diversity as well as integrate natural and cultural resources planning,

identification, mapping and protection into the fabric of statewide decision making. This year, the California Biodiversity Council is initiating a statewide assessment to identify the State's most important conservation priorities (including wildlife and agricultural resources), and improve stewardship of those lands. This is an important first step toward conserving these resources.

4 Show Me The Money—Sensible State and Local Finance: The tangled mess of state and local finance has become a serious obstacle to California's ability to accommodate the State's growth while protecting the quality of life. Short term fiscal needs rather than the best land use planning practices often dictate local land use decisions. Californians find it impossible to understand how their public services are financed and who should be held responsible for results. Citizens' trust in government services is at a low point. To reconnect citizens with control over their public services, we must provide local governments with diverse and reliable source of revenues and build in accountability for results. The tax system needs to be restructured to reduce the reliance on local sale tax generation and protect local revenues from diversions to the State. Local governments also should be protected from mandates by the State that are not funded. In return, local governments should develop performance measures to make the quality of services more transparent to local citizens and to enable more innovative approaches to the delivery of services.⁽¹¹⁾



5 We're All In This Together: To understand and shape regional growth and development, Californians must reconstruct their sense of community, rediscover shared values, recreate civic engagement and participation, and set priorities. All levels of government must build community level support for good planning decisions, through the dissemination of data and information, accessible in plain language, to California's citizens. There is a need to establish a more collaborative means to resolve differences in the planning process that does not rely on the overburdened court system, but rather uses conflict resolution principles. The latter promotes visionary and innovative approaches to planning for growth.

As a first step, California planning laws should be simplified and amended to build in more flexibility to accommodate regional collaboration and problem-solving with non-profit community organizations.

6 Environmental Justice for All: Bringing more fairness to decisions affecting the locations of employment, housing and undesirable land uses will expedite greater participation in prosperity. Regardless of economic background, Californians share the twin goals of achieving economic opportunity and a high quality of life. Land use planning that limits job growth produces equity impacts frequently affecting the young, newly-arrived and poor—disproportionately hurting minority ethnic groups.

Decisions limiting housing choices also serve to curb upward mobility. Strategies to reverse these impacts on disempowered communities include providing a better means to locate unpopular facilities, reversing the environmental degradation of inner cities by recycling brownfields, and building a sustainable economic base which exports product, and delivers real income growth and investment.

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CALIFORNIA PLANNING ROUNDTABLE

The California Planning Roundtable is an organization of experienced planning professionals who are members of the American Planning Association Association.

Membership is balanced between the public and private sectors, and between Northern and Southern California. The mission of the Roundtable is to promote

creativity and excellence in planning by providing leadership in addressing important, unresolved planning issues in California

This report represents the views of the Roundtable as a group. It does not necessarily represent the views of employers or clients of individual Roundtable members.

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