

# One Spreadsheet To Plan Them All

## Vision California Model Considers Broad Impacts Of Smart Growth

BY JOSH STEPHENS

Of the many raps on urban planning post-World War II, one of the biggest was that it was led by the head and not by the heart. Engineers made precise calculations that yielded efficient highways but not much by way of soul. Though that trend has largely been abandoned, the release of a new, ambitious study may usher in a new approach to empirically based planning.

The Vision California project attempts to assess the stakes of different growth scenarios that may develop across California by 2050. Commissioned jointly by the California High Speed Rail Authority and the state Strategic Growth Council and created by the Berkeley planning firm of Calthorpe & Associates, the \$1.5-million first phase of Vision California estimates dollar value of potential growth patterns – most notably, the compact development promoted by SB 375 [↖].

In its broadest strokes, Vision California’s model suggests that, over the next 40 years, a deliberately compact development pattern will consume only 1,800 square miles of land instead of 5,400 and will save

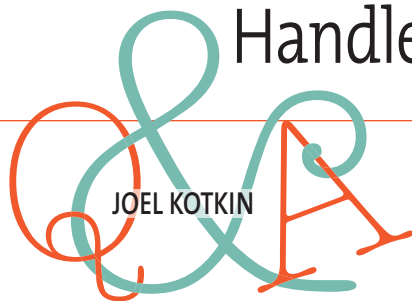
individual households up to \$6,400 annually in 2050. It also compares a cumulative infrastructure investment of \$183 billion versus one of more than double that amount under the status quo.

That is according to the most optimistic of the four growth scenarios that the report presents. Those scenarios range from a “business-as-usual” approach to a “green future,” which assumes that a combination of policy interventions and trends have spurred compact development statewide. The report also predicts related outcomes such as greenhouse gas emissions, transportation costs per household, and residential energy use. It does not, however, estimate the cost of maintaining infrastructure or of operating transit.

These conclusions are similar to conclusions of similar regional studies done by Calthorpe and others in Portland, Salt Lake City, and other western metros over the past decade. These calculations come from Vision California’s “Rapid Fire” modeling tool, a spreadsheet-based calculator that enables planners to

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# Kotkin Anticipates How California Will Handle Its Share Of ‘The Next 100 Million’



*It almost doesn’t matter which superlative you pick: 25 Los Angeleses. 100 San Josees. 1,000 Stocktons. Nearly three Californias. That’s how many people will be added to the United States population by the year 2050. They are not all going to live in Los Angeles, San Jose, or Stockton, but a great many of them are going to live in California, thus pushing the state’s population to about 60 million, according to the state Department of Finance.*

*In his latest book, The Next 100 Million: America in 2050 [↖], Los Angeles-based author and urbanist Joel Kotkin discusses who these 100 million new Americans are going to be, where they are going to live, and what type of lifestyles they will*

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**The draft environmental impact** report [↖] for the long-awaited conversion and redevelopment of Treasure Island and Yerba Buena Island has been released. The four-volume document describes a vast mixed use community on the former naval station in the middle of the San Francisco Bay. Highlights of the plan include 8,000 units of housing, 300 acres of parks and recreational space, new office space, adaptive reuse of former military buildings, and a new ferry terminal. The development plan calls for three neighborhoods, one of which is to include high rising buildings of up to 650 feet in height. Full build-out is expected to take between 15 and 20 years. Public comment is open until August 26 and a public hearing is scheduled August 12. [↖]

**Last week the Federal Transit Administration** announced the awarding of \$300 million in Urban Circulator grants and Bus and Bus Livability Project grants [↖]. The grants are part of the Obama Administration's livability initiative to better coordinate transportation, housing and commercial development investments to serve the people living in those communities. The Urban Circulator program is aimed at jump-starting streetcar programs. Los Angeles and West Sacramento submitted unsuccessful applications for grants of \$25 million each; six cities out of 65 applicants nationwide received streetcar grants.

Four projects in California were awarded Bus Livability grants. San Francisco received \$6.8 million for pedestrian improvements and mixed-use development around its Pelhan Bus Loop. The San Joaquin Regional Transit District received \$5.2 million for a bus rapid transit corridor in Stockton. Union City Transit received \$1.9 million for its Loop Road, the centerpiece of a transit-oriented district. And the Orange County Transportation Authority received \$5 million for the Anaheim Regional Intermodal Center.

**In a meeting that lasted past 1 a.m.** June 14, the San Francisco Board of Supervisors approved, on an 8-3 vote, the environmental impact report for an \$8 billion, 10,500-unit mixed-use development

[↖] at the former Hunters Point naval shipyard. The 720-acre site, which will also include commercial space and over 300 acres of open space, is currently a federal Superfund site that is slated for cleanup. A recent amendment to the EIR gives supervisors greater oversight over the design of a proposed bridge and over some aspects of the toxic cleanup. With the EIR approved, the board still must vote to approve the project itself; the Lennar Corp. is the master developer.

**According to some state officials**, there is a gorgeous, 2,600-acre tract of land in the Santa Ynez Mountains above Santa Barbara that would make an ideal addition to the California State Parks System. It even has attractions like a Ferris wheel and miniature train on site. The likely name of the new park: Neverland Ranch State Park. Alice Huffman, president of the state NAACP and State Parks commissioner, has recently proposed that the state purchase the infamous estate of late pop icon Michael Jackson. Huffman is reportedly drafting a resolution, arguing that the site is not only ideal for recreation but is also an important historical site given the state's connection to pop culture. Mike Davis (D-Los Angeles), the chair of the Assembly Committee on Arts, Entertainment, Sports Tourism, and Internet Media has expressed interest in the proposal. The property is currently owned by Colony Capital LLC, which has estimated the property's value at \$100 million. Supporters liken the would-be park to the Hearst Castle in San Simeon and Elvis Presley's Graceland, in Memphis, Tenn.

**Amid a budget crisis** in the California State Park system, a Russian billionaire has pledged an undisclosed amount of money to support Fort Ross State Historic Park, which was on the brink of closure. The fort was founded in 1812 as a Russian agricultural settlement supplying food to settlements in Alaska and serving as a base for the Russian fur trade along the Pacific coast. Viktor Vekselberg, the president of Renova Companies – a conglomerate invested largely in Russian heavy industries – agreed to the arrangement with Gov. Arnold Schwarzenegger while accompanying Russian Pres. Dmitry Medvedev on a trade mission to Silicon Valley. The amount of support that Veksel-

berg agreed to contribute is undisclosed but was described as "substantial"; he agreed to establish the Renova Fort Ross Foundation and seek long-term stability for the park.

**This month the Amah Mutsun Indians** welcome a \$3.2 million federal grant to restore the 44 acre peak of Mount Umumhum, the second-highest peak in the Santa Cruz Mountains and an important sacred site to the Amah Mutsun. The site had previously been used by the U.S. Air Force for a radar station, which soiled the site with asbestos and other toxins; a handful of structures remain from the radar site, which was decommissioned in 1979. The Midpeninsular Open Space District purchased the land from the federal government in 1986 but never had enough money to remediate the site. The district, in partnership with the tribe, hopes to open a park on the 3,486-foot peak by 2013. The park sits amid the 18,000-acre Sierra Azul Open Space Preserve but has been off-limits for recreation and even sacred events.

**A proposed \$8.6 billion**, 11-mile highway and water tunnel that would have connected Corona and Irvine is likely to be shelved pending the official release of a report by a joint commission formed by the Orange County Transportation Authority and the Riverside County Transportation Commission. The counties have thus far spent \$9 million on preliminary studies of the tunnel, but the committee is recommending that the project be abandoned because of its ballooning cost, up from an estimated \$3 billion in 2003. The committee's trepidation stemmed in part from the 10-year gap between the beginning of construction and the commencement of revenue-generating operations. Currently, only a single major highway connects the two counties. The tunnel, which would have been 52 feet in diameter, was to have relieved massive traffic jams that have developed as both counties have urbanized and expanded their job bases.

**A court has ruled that** the California Coastal Commission has legal jurisdiction over a 43-acre former rail yard called the Balloon Track in the City of Eureka. The Coastal Commission had sought to review development and cleanup plans approved, respectively, by the – CONTINUED ON PAGE 3



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city and North Coast Regional Water Quality Control Board that would have included the abatement of toxins on the site, which is adjacent to the city's waterfront. Once cleaned up, the site is slated for retail development and an 11-acre wetlands preserve. Groups filed two separate suits against the commission; the suits were heard together, and the Judge John Feeney ruled that the commission can in fact review the plans. Plaintiffs claimed that the commission had no ability to stop the city from abating a nuisance. The commission's attorneys argued that it was one of several entities that had legal right to play a role and impose conditions on the site. The Balloon Track has been the subject of controversy for over a decade; in 1999 a voter initiative prevented Walmart from building a super-center on the property. [A]

**The Muir Heritage Land Trust** has announced that it has purchased Franklin Canyon, a 483-acre tract of rugged open space on the eastern edge of the Contra Costa County city of Hercules. Six years ago Hercules voters rejected a proposed development that would have included a hotel and 500 homes. Since then the property remained in the hands of investors but no major plans had emerged since the 2004 vote. The Muir Trust purchased the property for \$2.6 million, including funds from donations and \$1 million each from the East Bay Regional Park District and the state Coastal Conservancy. The Muir Trust has also raised funds to maintain the property, on which it intends to build hiking trails.

**One of the state's most** urbanized – and most ecologically moribund – beaches came a step closer to revival with the approval of a study of the potential removal of the Long Beach breakwater. Last month the Army Corps of Engineers pledged its support for an analysis of the reconfiguration of the 2.1 breakwater which was built to shield Long Beach Harbor. The Long Beach City Council fol-

lowed up the Corps' pledge with a vote to become the local sponsor to continue the study, known as the East San Pedro Bay Ecosystem Restoration Study. The city and the Corps will split the study's \$8.2 million cost. Since its construction in 1949, the breakwater has stifled the beach's once-lively surf and rendered desolate a beach that had been a prime recreational destination. As well, the breakwater trapped industrial waste and other pollutants. Studies by the city indicate that removing the breakwater would bring back waves instantly and could generate up to \$59 million annually from spending by beachgoers. Congress would have to approve the removal, which is estimated to cost \$310 million, 35 percent of which would be paid for by the city.

**Thirty-one projects were** honored with L.A. Architectural Awards from the Los Angeles Business Council last week. Of the winners, notable civic and catalytic projects include the following: Los Angeles Police Department administration building, downtown Los Angeles, designed by AECOM and Roth Sheppard Assoc.; L.A. Live entertainment and retail complex, downtown Los Angeles, designed by Barry Design, ELS, Gensler, and RTK; California Science Center, Exposition Park Los Angeles, designed by a joint venture of EHDD and ZGF; Annenberg Community Beach House, Santa Monica, Fredrik Fisher and Partners; Los Angeles NFL Stadium (concept), City of Industry, designed by MEIS and Aedas Sport.

**The San Francisco Weekly** reports that staff members at the San Francisco Planning Department have requested that Mayor Gavin Newsom fire Planning Director John Rahaim over allegations of a pattern of raunchy behavior among some department staff. Five staff members have already been fired and, reports the Weekly, as many as 24 others may also be terminated over possession and dissemination of lewd and pornographic images on

their office computers. The request to fire Rahaim has reportedly come via a letter sent by some members of the department; the Weekly did not indicate whether the letter accused Rahaim himself of engaging in the alleged lewd behavior.

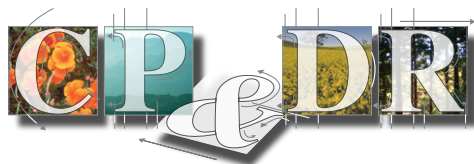
**The Ventura County Board** of Supervisors gave final approval to expand the greenbelt around the City of Santa Paula in advance of the construction of an approved 1,500 homes. The vote is another in a series of approvals that began in 2005 when Santa Paula voters approved the mixed-use development to be built by the Limoneira Corp. Environmental groups had expressed last-minute concerns that flooding along Santa Paula Creek – which would bisect the development – poses a risk to the development. Supervisors said that flood risk would be taken up by the Local Agency Formation Commission when it considers whether to approve the city's annexation of the 500-acre site. ■



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# legal digest

## Higher Bar Set For Prop 218 Analysis

### Calculations Of General Benefits At Issue

BY WILLIAM W. ABBOTT

An appellate court has struck down a Riverside County assessment for park maintenance because the county failed to distinguish between general benefits and parcel-specific benefits provided in return for the assessments, as required by Proposition 218.

“The County failed to meet its constitutional burden of demonstrating that the assessment was proportional to, and did not exceed, the value of the special benefits that the use and enjoyment of the parks would confer on assessed parcels,” the Fourth District Court of Appeal concluded.

One of the elements of a Proposition 218 election is the engineer’s report in support of the range of assessments. The engineer’s report must segregate general and special benefits, and it must be based upon credible, substantial evidence. Because Proposition 218 places the burden on the agency adopting the assessment to justify the assessment, every agency must make its own judgment about much information it must include in the engineer’s report. The Fourth District’s decision *Beutz v. County of Riverside* sheds light on the subject.

In 1999, a local park and recreation district in the community of Wildomar failed and Riverside County subsequently took over the district’s assets and liabilities. The county adopted a parks master plan, and, to help fund the parks, it adopted a development impact fee. In addition, the county proposed using assessments, as authorized by the Landscaping and Lighting Act of 1972 (Streets and Highways Code, § 22500 *et seq.*), to maintain the landscaping for the three parks inherited from the district and to help fund a proposed new park. Upon return of the engineer’s report, the county authorized the assessments, conducted a protest proceeding, and called an election.

According to the engineer’s report, there

were more than 6,000 assessable parcels in the district, all residential in character. A senior citizen development and non-residential properties were not included because the engineer concluded those properties would not receive any special benefits. The assessment was set at \$28 per residential unit, with a maximum assessment of \$45. The higher amount was to be triggered by improvements for the then-unbuilt park. In addressing the allocation of general and special benefits, the engineer’s report recognized that there would be general benefits to people in the greater community but found that these benefits would be offset by three factors: 1) the county’s absorption of the former district’s debt; 2) by anticipated county expenditures of \$6 million on park rehabilitation and improvements; and 3) by contributions to annual operating costs.

Steven Beutz, a residential property owner, filed suit challenging the assessment. Beutz argued that the assessment was invalid because all of the costs were assigned to residential properties without deduction for the general benefits to non-residential properties. The county’s decision to exempt 150 publicly owned parcels from the assessment also violated Proposition 218, he argued, because the county failed to present clear and convincing evidence that the parcels would not receive a special benefit from the landscaping. The trial court ruled for the county. The appellate court reversed.

With respect to the standard of review, Proposition 218 requires the agency imposing the assessment to justify the special benefits and allocation of financial burden. The appellate court said that a reviewing court applies a *de novo* or independent judgment review, not the more deferential approach typically applied to review of agency decisions.

The first issue addressed by the court in *Beutz* was whether the allocation of benefits – special versus general – was based on the landscaping maintenance component only, or on the master plan, of which landscape maintenance was a part. On this issue, the

appellate court ruled for the county, saying that Proposition 218 allowed for the broader inquiry on the master plan.

However, the appellate court ruled for Beutz on the issues pertaining to the assessment calculations. Missing from the engineer’s report was an analysis of the relative use/benefit of the parks to the public generally compared with use/benefit by the residents in Wildomar. The court also faulted the analysis for ignoring whether Wildomar residents who lived closer to the parks would use the facilities more than Wildomar residents who lived farther away.

“Notably, had the report *separated and quantified* the general and special benefits of the master plan, based upon solid, credible evidence and purported to base the assessment solely on the special benefits, the substantial evidence standard of review may have applied to the report’s implicit conclusions that all Wildomar properties would specially benefit from the parks in equal measure, and that the assessment on each parcel was proportional to and no greater than those special benefits.” Justice Jeffrey King wrote for the court.

Thus, for assessing agency, the bar is set high. When read with *Town of Tiburon v. Bonander*, (2009) 180 Cal.App.4th 1057 (see *CP&DR Legal Digest*, January 15, 2010), which held that an assessment has to be based upon relative benefits, not relative costs, the *Beutz* decision reaffirms that assessment proceedings require an additional degree of documentation and care by the enacting agency. It also makes clear that across-the-board uniformity of assessments is more difficult to defend. ■

■ The Case:

*Beutz v. County of Riverside*, No. E046318, (2010) 184 Cal.App. 4th 1516, 2010 DJDAR 7833. Filed May 26, 2010.

The Lawyers:

For Beutz; Robert A. Pool, Gangloff, Gangloff & Pool, (562) 920-5853.

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## ceqa

## Preliminary San Diego Prison Plans Not A 'Project'

BY LESLIE Z. WALKER

An agreement between the County of San Diego and the state Department of Corrections to site a state prison reentry facility does not require the county to conduct environmental review prior to entering into the agreement because it did not constitute a commitment to a definite course of action, the Fourth District Court of Appeal has ruled. In the agreement, the county identified potential locations for the reentry facility in exchange for preference in the award of state financing for county jails.

San Diego County entered into the agreement with the California Department of Corrections and Rehabilitation in September 2008. Under the agreement, the county identified two potential sites for placement of a reentry facility for state prisoners: county-owned land in Otay Mesa and state-owned land at the state's Richard J. Donovan Correctional Facility in San Diego. If the Department of Corrections were to select one of the sites, the county would be given preferential access to \$100 million in assistance to finance the construction of County jail facilities.

Before either location was chosen, the City of Santee sued San Diego County, arguing the agreement constituted a project for the purposes of the California Environmental Quality Act (CEQA) because it committed the county to a particular site for the reentry facility, and committed the county to expanding the Los Colinas Detention Facility, a county jail for women that is located within Santee's city limits. The county demurred. The San Diego County Superior Court sustained the demurrer, and the appellate court upheld the lower court's ruling.

Writing for the unanimous three-judge appellate panel, Justice Patricia Benke explained that CEQA requires an environmental impact report (EIR) when a public agency proposes to approve or to carry out a project that may have a significant effect on the environment. "Approval" means a decision by a public agency that commits the agency to a definite course of action in regard to the project.

Citing extensively to the state Supreme Court's decision in *Save Tara v. City of West*

*Hollywood*, (2008) 45 Cal.4th 116 (See *CP&DR Legal Digest, December 2008*), Benke discussed the "balancing of competing factors" involved in determining when in the process an EIR or negative declaration should be prepared. An agency "must not 'take any action' that significantly furthers a project in a manner that forecloses alternatives or mitigation measures that would ordinarily be part of CEQA review of that public project" before conducting CEQA review, Benke wrote, citing *Save Tara*.

An agency, however, is not deemed to have approved a project within the meaning of Public Resources Code, § 21100 and § 21151 unless the proposal before the agency is well enough defined to provide meaningful information for environmental assessment. In *Save Tara*, the state Supreme Court found that the development agreement at issue constituted a project because (1) the city had announced that it was determined to proceed with the development at issue, (2) the city had acted in accordance with that determination, (3) the city had substantially contributed to the project, and (4) the city was willing to bind itself, by a draft agreement, to convey the property.

The Fourth District compared *Save Tara* with *Sustainable Transportation Advocates of Santa Barbara v. Santa Barbara County Assn.*, (2009) 179 Cal.App.4th 113 (See *CP&DR Legal Digest*, November 2009). In the latter case, the court determined that the adoption of a transportation financing plan did not constitute a commitment to any of the transportation projects listed in the plan. The *Sustainable Transportation Advocates* court found the financing plan was not a commitment, because the construction of the projects was dependent on obtaining further financing from other agencies, the projects themselves were only described in general terms, the list itself was subject to later amendment, and the projects were subject to CEQA review prior to construction.

The Fourth District considered both the face of the agreement between San Diego County and the Department of Corrections for siting a reentry facility as well as the surrounding circumstances before determining the agreement did not represent a commit-

ment that triggered CEQA review. On its face, the siting agreement did not select a particular location for the reentry facility, nor did it make any reference to the LCDF. Citing *Save Tara*, Benke wrote that because the face of the agreement does not identify a site for the reentry facility and has no unconditional or certain impact on the LCDF expansion, the agreement "does not describe any project which would be subject to any meaningful CEQA analysis. Rather, the face of the agreement places it squarely in the realm of preliminary agreements needed to explore and formulate project for which CEQA review would be entirely premature."

Looking at the circumstances surrounding the siting agreement, the court considered the fact that the Department of Corrections had identified water and infrastructure improvements that would be necessary for the Otay Mesa site, had determined the cost of the site, and had prepared a grading plan and vicinity map for the project. The court found these actions were only preliminary, exploratory steps for which environmental review cannot be required.

Because nothing in the record "suggests the signing agreement has from a practical perspective foreclosed consideration of alternatives to any project or mitigation measures for those projects, the trial court properly sustained the county's demurrer," Benke wrote. The court further denied the City of Santee's request to amend its lawsuit to allege that, if the Department of Corrections chooses the Otay Mesa site, the state will proceed with the project notwithstanding any environmental review. Such "double-barreled speculation" does not require environmental review, the court concluded. ■

■ The Case:

*City of Santee v. County of San Diego*, No. D055310, 2010 DJDAR 10129. Filed June 7, 2010. Certified for publication June 29, 2010.

■ The Lawyers:

For City of Santee: Michelle Ouellette, Best, Best & Krieger, (951) 686-1450.

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For California Department of Corrections and Rehabilitation: David R. E. Aladjem, Downey Brand, (916) 444-1000.

Legislators in Sacramento are currently considering an assembly bill that, though it originated with the City of Los Angeles in mind, proposes some significant changes in California Redevelopment Law (CRL). AB 2531, sponsored by Felipe Fuentes (D-Los Angeles) is an important step forward for the state economy for a variety of reasons.

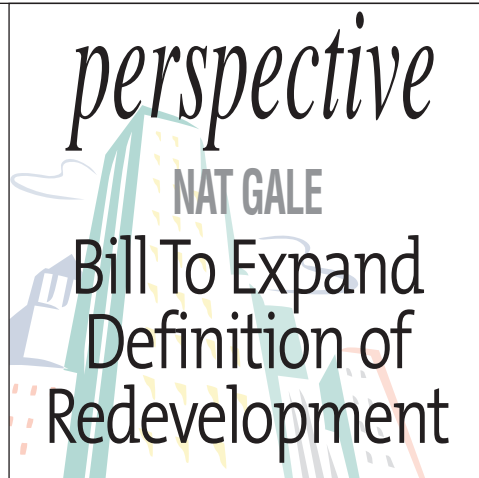
The bill's language would alter current law by allowing redevelopment agencies to focus their interest on both the physical removal of blight – through traditional brick-and-mortar redevelopment projects (already allowed in current redevelopment law) – and the more intangible economic development aspects of job creation and development. In other words, RDAs would be free not just to facilitate development but also to support businesses that would operate in redevelopment areas. Furthermore, RDAs could once again assist in economic development through the creation and facilitation of small business incubators.

This bill has received support from a broad range of interest groups, from the Los Angeles County Business Federation to the International Brotherhood of Electrical Workers. Its passage looks promising. However, opposing arguments should be properly addressed and placated.

The primary argument against AB 2531 is that of mission drift. Some bureaucrats believe that expanding the scope of RDAs beyond physical construction projects will amount to a fundamental change in the purpose of redevelopment law. But remember, RDAs were established to eliminate blight and all its effects. Some of the most apparent manifestations of blight are vacant, unused, or underutilized buildings. Neighborhoods with these types of characteristics often lack jobs or employment centers. Any economic development that improves these elements and fills these buildings also helps remove blight.

The second main concern about AB 2531 has been voiced by the Statewide Federation of Counties, who view this extended scope as a threat to county tax revenues. However, the California Legislature has deemed this a “nonfiscal” bill because it does not expand any agency's traditional fiscal toolbox (tax increment financing, debt extension, etc...). AB 2531 will simply broaden the scope of activities that RDAs can fund from their existing revenue sources – it would not increase those resources and it would not decrease counties' receipts.

Even if these explanations do not convince opponents of the bill, they should rest easy in knowing that AB 2531 has a built-in sunset clause. If the proposed amendments prove unsatisfactory to legislators and their constituents, the bill will repeal itself in 2018. Of



course, Sacramento can always pass legislation to extend the bill if it is successful.

AB 2531 also includes a promising amendment for the City of Los Angeles. Currently, the Community Redevelopment Agency of Los Angeles (CRA/LA) is limited in its reach to redevelopment districts that are both non-contiguous – the city has over two dozen of them – and that of course do not encompass all areas that might be considered blighted or under-developed in the city. By contrast, most redevelopment authorities are part of the city government, and they can nimbly split their time between redevelopment

areas and citywide projects (using tools other than those reserved for redevelopment areas). Because CRA/LA is an independent agency, it cannot focus any attention outside of project areas. The proposed amendments would allow CRA/LA, when directed by City Council, to apply for state or federal economic development grants and apply these monies to projects anywhere within city boundaries.

Without AB 2531 LA/CRA has no power to address adjacent pockets of blight that might undermine its work in awkwardly shaped redevelopment project area, such as the Central Industrial Project Area (in yellow).

Obviously tax increments must and should remain within redevelopment project area boundaries, but that doesn't mean that the expertise of an organization like LA/CRA must as well. While AB 2531 is an attempt at fixing this acute problem in the City of Los Angeles, the bill will allow other RDAs across the state to focus their efforts on projects that may or may not need new construction. Currently, if Business Owner X is located in an economically disadvantaged redevelopment area and needs to purchase new equipment, a RDA cannot provide funds because X isn't proposing any new construction.

If AB 2531 passes, Business Owner X (along with owners A through Z) can turn to RDAs for a variety of project assistance, as long as it helps the economy through job creation and increased tax revenue. If the economy improves by 2018 (fingers crossed), and this expansion of an RDA's scope is no longer viewed as necessary, AB 2531 will fade into the sunset. Until then, given the current economic climate, legislators should be applauded for expanding these definitions. ■

*CP&DR contributor Nat Gale is a planner in the Los Angeles Mayor's Office of Economic and Business Policy. The foregoing opinions are his alone.*

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*lead. They will, according to Kotkin, be more diverse than ever, but they will also drive familiar land use patterns by filling out suburban areas rather than flocking to larger, denser urban cores. CP&DR Editor Josh Stephens spoke with Kotkin about how these trends may play out in California.*

**CP&DR:** What proportion of America's 100 million more people are going to end up in California?

**KOTKIN:** Migration to California is nothing like what it used to be, that's for sure. The projections of California's population have been ratcheted down a bit in recent years. If you have a weak economy, if housing prices on the coast remain prohibitive, if you have a planning regime that makes it difficult to build single family homes, it's conceivable that people will go elsewhere.

**CP&DR:** Are the state's planners and policy makers ready for that influx?

**KOTKIN:** I think the planners to a large extent have been drinking the same Kool-Aid and they think they can force people to live in higher densities than they have generally wanted to do. I think there's very little concern about the economic development aspects. Just like a lot of, if you will, "cowboy developers" built huge tracts but didn't think about jobs and amenities, you have planners who are thinking about design and amenities but aren't thinking about jobs.

I think there's a market for high-density. I don't think it's huge, and as the millennial generation gets older they will want a townhouse or single-family house, and if they can't find it in California they'll find it somewhere else like Texas.

**CP&DR:** Is it OK for California if people want to move to Texas?

**KOTKIN:** If you already have your money and you're comfortable, having more people in California probably doesn't do much for your life. But if you're building a business and you depend on the migration of workers into your areas as part of your workforce, then it's probably a negative.

As somebody who came to California and always found it to be an exciting environment, I don't see the same excitement and same level of dynamism as I did 20-25 years ago. I hear my students talking about moving back to St. Louis or Texas. Maybe this is California going into its late middle age, and maybe that's just an evolutionary step. When I go to a place like Houston, Austin, or Dallas the upward trajectory is very strong. In California, I don't feel that as much as I did before.

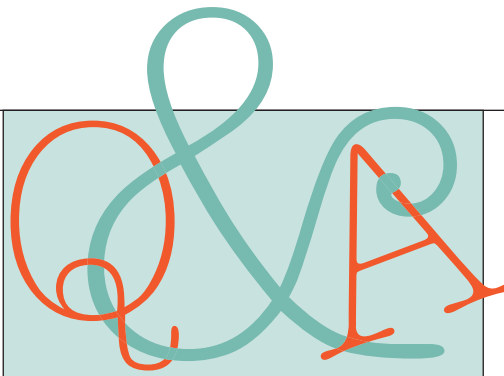
**CP&DR:** Is there a place for further density in urban cores?

**KOTKIN:** There's certainly a place for it, but I think the market for the density was vastly exaggerated. If you look at the condo buildings that are in trouble or have gone rental, I would not exactly call it a great success. There's a role for density, but it should be market-driven, not planning-driven.

It's the plain vanilla neighborhoods that are going to be the people who stay, who belong to the synagogues and churches, who are going to vote, who are going to live in that neighborhood for 20-30 years. A lot of the young people who live in the high-density housing are transitory. You're not going to build your community as much on those areas.

**CP&DR:** What places in California are you most optimistic about?

**KOTKIN:** In the San Gabriel Valley the Arcadias and places like that are fascinating laboratories. And Ontario. What I like about Ontario is that is has the airport, transportation connections, a strong job market. It's the connecting point between



JOEL KOTKIN



Photo: Michaelyn Straub

LA County and the Inland Empire. I like Burbank. Downtown Burbank is in many ways livelier than downtown Los Angeles. You see people on the street and a mix of movie theaters and shops and restaurants, and it's really in a human-scale space.

Irvine has a very high percentage of its population living and working in the same area, and that's a direction we're going to have to go in to achieve sustainability with a growing population. The one thing we can do is try to get people to do more at home or close to home.

**CP&DR:** Which places are you most concerned about?

**KOTKIN:** By far the biggest worries would be South LA, Oakland, and of course all the outer-ring suburbs: San Bernardino, Moreno Valley, the parts of the Central Valley that are close to the Bay Area but have an insufficient job base. If the Port of LA declines along with what's left of the industrial economy, those areas could be in serious trouble.

The Santa Monicas, San Franciscos, and Palo Altos of the world will do fine. They're attractive and have strong economic institutions. But Oakland is a very different story from San Francisco. People will pay for density in exchange for lots of amenities, but if there's not much amenity, then what's the point of the density?

**CP&DR:** As the state and its cities mature, what should the center cities do? What should they do to avoid being just "luxury" cities?

**KOTKIN:** I look at what LA could do, and the first and foremost thing is to improve the climate for entrepreneurship and encourage people to start and grow companies. Right now, that's not happening. Our losses in Los Angeles County are much deeper than in most of the other urban areas of America.

We need to build up our infrastructure and have a much better economic climate. Our economy is getting weaker and weaker, so our ability to invest and build up is also weaker. Arnold and Villaraigosa talk about green jobs, but to have green jobs you have to have jobs. You can't get people to retrofit their houses for energy savings when you don't have any money.

**CP&DR:** You're generally bullish on suburbs. Which suburban areas are going to have trouble as the population grows?

**KOTKIN:** The ones that don't have jobs. The high unemployment in the Inland Empire is made up in part by people who used to work in LA and have lost their jobs. Places that have not generated economies to support their housing are really vulnerable.

**CP&DR:** How does diversity play out in California these next 40 years?

**KOTKIN:** It's a real advantage. California is a leader in all the things you associate with diversity. There's been enormous growth both in Southern California and in Silicon Valley tied to immigrant networks from India and China, and also other countries like Israel. These are great strengths because those ethnic groups are probably willing to pay a little more and deal with a little more hassle to be in a place where there are cultural institutions, restaurants, and connections.

The immigrant economy is something we have and can build on. But you have to invest in skills education and infrastructure. And one thing is certain: many of those immigrants are going to want single-family homes. Take that out of the equation, and they're going to start looking elsewhere.

This interview has been edited and condensed. ■

# Model Predicts Dramatic, But Uncertain, Savings

– CONTINUED FROM PAGE 1

plug in relevant data for their localities and calculate the costs associated with a range of possible land use decisions.

The Vision California model is intended to go beyond the regional boundaries of blueprint planning and instead provide information on statewide growth scenarios including, but not limited to, those that surround the stations of the state's proposed high speed rail network. In unveiling the model, planners essentially treated the entire state as a single scenario, with hundreds of billions of dollars at stake.

The project's ambitious scope may carry with it inherent uncertainties.

"They are very, very difficult to model with any degree of certainty particularly over extended periods of time," said Richard Lyon, vice president for governmental affairs at the California Building Industry Association. "They certainly can provide kind of a pedagogic exercise...but in the end these systems modify themselves and they are in many cases incapable of being modeled with any degree."

Despite the variables, Vision California and the Rapid Fire spreadsheet tool, are designed to inspired dialog among planning agencies and across regions.

The partnership between HSRA and SCG arose a year-and-a-half ago, when HSRA had already commissioned Calthorpe to design a model to help guide development around potential stations on the state's proposed 600-mile high speed rail network. At the time, SCG was also interested in developing tools that localities could use in order to assess the value of collaborative and regional land use planning.

"Vision California started off as more of a mode-centric – in this case high speed rail effort – but the same principle needed to be applied multimodal and across the geographic boundaries of the state," said Gregg Albright, Deputy Secretary for Environmental Policy & Integration at the California Business, Transportation & Housing Agency. Albright is a member of SCG's multi-agency team.

"Fifty years ago those [transportation models] weren't built to do what they're asked to do...they were built initially to design roadways," said Joe DiStefano, project lead. "We've set out to build a model that can hopefully see through some of the differences in the models and provide a common framework, if you will, for reviewing or assessing how varying regions and the state as a whole would perform under varying land use scenarios."

The next generation of Rapid Fire modeling tool that the Vision California team will be developing over the next year or so will be map-based. It will allow planners to visualize the effects of different land use patterns as they appear in the built environment, rather than as a gross number on a spreadsheet.

In many ways, the modeling suggests benefits that will accrue to localities as a result of efforts to implement AB 32 and SB 375. But the "green future" scenario would likely require the state, regions, and localities to go above and beyond the incentives and regulations that accompany those laws.

"We're trying to contextualize what has become a climate change debate and hopefully informing a deeper understanding...that it's not just about climate change. It's about costs, it's about energy, it's about public health," said DiStefano.

"SB 732 made it clear that the Strategic Growth Council needs to look for ways to provide information – modeling, data – to help local decision-making," said Albright, referring to the 2008 law that gave rise to the SGC. "What can we do to equip and empower localities to help

them recognize they don't have to be fearful of these (policies) coming down from the state."

Although the report largely confirms the "double-bottom-line" economic and environmental benefits that planners and environmentalists have long touted regarding smart growth, even the suggestion that a single model could capture all the complexities of regional land use strikes some as hubristic.

San Diego County Supervisor and Air Resources Board Member Ron Roberts said shortly after the report's release in late June that ARB staff members were already citing its conclusions without offering much by way of context.

"I thought that was a pretty preposterous number, and it turns out that that number is their expectation in the year 2050," said Roberts. "I thought for our staff to just throw it out there ...was misleading. What you're going to save in 2050 just is not of much interest to me."

"I think when we draw figures like that it's an attempt to overhype the benefits, and that concerns me because I think ultimately that calls into question any legitimacy that there is for the concept," added Roberts.

Moreover, even if the results of the Rapid Fire model are internally valid, their applicability to the real world remains hazy for some.

Lyon, of the CBIA, said that the biggest variable that the model may not be able to capture is simply the preferences of California residents. Lyon said that many homeowners decide where to live primarily according to safety and decent schools – regardless of how much they could save by living in a green neighborhood.

"That's the challenge: to address issues of safety, schools, that's where they need to focus their time and attention," said Lyon. "Any notion that government or state government or modeling scenarios is going to somehow transform development patterns or convince people to move back to urban areas is fanciful."

The report's authors contend that the Rapid Fire model employs peer-reviewed assumptions and metrics regarding the dollar value of greenhouse gas emissions, air pollution, fuel, building energy, land consumption, and infrastructure. The goal, they say, is not to replace traditional fine-grain transportation models but rather to provide broad analyses. This would allow planners to compare the outcomes of different scenarios at almost any scale, from the neighborhood to the region.

Despite the dramatic difference in developed land between the two scenarios, DiStefano cautioned that "we would not become Manhattan." He suggested that the "green future" scenario might instead resemble the mixed use community of 10,000 residents that has been developed on 4,700 acres at the site of Denver's former Stapleton Airport.

"For the most part the greener scenarios...the majority of development does not occur in tall multifamily developments," said DiStefano. "The benefits that we see are simply in a more compact version of what people are used to today...organized in a way that allows people to walk and bike, and take shorter drives."

Though the results of this initial would seem to provide unequivocal endorsement of compact planning and heightened investment in transit and other alternative forms of transportation, its authors are quick to note that the report and any subsequent calculations using the Rapid Fire model are intended solely to provide local officials with food for thought and perhaps reveal costs and benefits that were heretofore invisible. They are not intended to drive policy in a particular direction.

"I don't think it stands for any particular

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# 'Rapid Fire' Tool Will Be Available To Cities

— CONTINUED FROM PAGE 8

way of making decisions or looking at decisions,” said Bryant. “It’s a tool that will develop that will allow ...planners and anyone interested to plug in their own information and their own assumptions and draw their own conclusions on decisions they’re making.”

Vision California indicates that the public sector would be plugging in a tremendous amount of money to facilitate more compact development. However, it also implies that the relative benefits of transit investments – as well as savings in fuel and other auto-oriented costs – far outweigh those of, for instance, highways.

“It’s not an issue of cost. You’re going to grow one way or another. If you grow in this way...you’re not changing how we are; you’re changing how you’re going to grow,” said Leavitt. “That would be there either way. In order to grow you either build additional freeways or you build

in ways that reduce subdivisions.” ■

#### ■ Contacts & Resources:

Vision California Official Site <http://www.visioncalifornia.org/index.php>.

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Joe DiStefano, Project Lead, Calthorpe & Assoc., (510) 548-6800, <http://www.calthorpe.com/>.

Dan Leavitt, Deputy Director, California High Speed Rail Authority, (916) 321-1541, <http://cahighspeedrail.ca.gov/>

Richard Lyon, Vice President for Governmental Affairs, California Building Industry Association, (916) 443-7933.

Ron Roberts, Supervisor, San Diego County, (619) 531-5544.

## Vision California: Science Or Value Judgement?

BY ADAM CHRISTIAN

The Vision California modeling exercise, however meticulous in its calculation methods, still relies on a slate of assumptions that call for some vigilant critiques. Calthorpe & Associates, which devised Vision California on previous work, have stated elsewhere that the key to the global warming crisis lies in curbing “sprawl,” that pejorative term for low-density suburban development. To the extent that a large lot, single-family homes with a multi-car garage represents a choice, it is in Calthorpe’s view neither a preferable nor sustainable one.

To gain traction in the public consciousness, the rationale for a smart growth alternative is always carefully constructed around the public policy issue du jour. Recently, it has been about global warming. Now a plethora of research linking sprawl to the obesity crisis has provided additional ammunition to the smart growth cause, as have the economic and housing market crises. The report’s greener scenarios may indeed present a multi-benefit package that can be justified on many policy grounds, but the ubiquity of smart growth as a solution to every environmental or social crisis has had the effect of diluting its intellectual credibility. When it is applied generically, smart growth becomes less an inventive response to specific problems and more of a dynamic idea.

The Vision California “Rapid Fire” model is intended to be used by localities as they see fit. Even so, to label the development scenarios in Vision California as “options” – and to imply that every family across the state will be \$6,500 richer for them – is misleading on another level, as if land use planning in California were not an utterly decentralized affair, resistant to orchestrated regional efforts. Judging from the recent defeat of California Senate Bill

1445, which would have added a mere \$1 to vehicle license registration fees for SB 375 implementation this approach is still a non-starter in California.

Of course, to worry over the political feasibility of a smart growth future is somewhat of an easy target. The lack of an implementation strategy is actually less troubling than some of the assumptions and claims underlying the report itself.

For one, studies on the relationship between household densities and VMT have proven to be inconclusive about the VMT-reduction benefits of “compact” development. Proximity to transit may encourage less driving in some instances, but the rate of vehicle ownership does not necessarily decrease. Though the correlation between car ownership and driving is complex at best, the fact remains that some residents may commute to work via public transportation but still opt to use their cars for leisure and personal trips.

If we dig deeper into report’s assumptions, VMT reduction is premised upon “increased transit service and/or new ... development” in transit-oriented districts. This, in turn, requires additional infrastructure. On this point, the report claims that the costs of urban infill (in terms of infrastructure) are significantly less than those of greenfield development, based on the “efficiencies of providing service to higher concentrations of jobs and housing.” In reality, the retrofitting of sewer/water systems and the construction of new transit/road systems necessary to accommodate smart growth levels of densification can be extremely expensive.

Moreover, the report focuses only on the capital costs of infrastructure and “does not yet analyze the costs for operations and maintenance.” As any urban planner knows, the cumulative ongoing costs

to local cities and agencies of operating and maintaining a transit system can very well exceed the original capital costs, even in present value (discounted) terms. This omission in the infrastructure cost comparison skews the results decidedly in favor of urban infill in this initial report. Project officials say that future generations of the Vision California modeling tool will account for these operational costs – and many other factors – so planners should keep a close eye on those numbers.

The Smart Growth coalition has made for some strange bedfellows. Environmentalists are excited about the potential to preserve land and consume less. Developers like the concept of higher densities, as long as market prices can support them. The investment in transportation and infrastructure needed to support TOD is by definition capital-intensive, ensuring a steady supply of lucrative contracts for the construction and financial services sectors, especially with the burgeoning trend toward public-private partnerships.

This alliance has come together in the Vision California report, with the CHSRA leading the charge for an 800-mile, high-speed intercity passenger rail corridor stretching from Sacramento to San Diego. In light of that project’s estimated \$42 billion price tag, we can only hope that Vision California is right – that the benefits of Smart Growth and transit-oriented development are rich enough to justify the enormous costs of building the infrastructure required for a Green Future.

*Adam Christian is an urban planner and is currently working on LA Metro’s public-private partnership program. He is the author of a 2009 Harvard Kennedy School case study on California High-Speed Rail.* ■

## Stillborn Water Bond Deserves Proper Burial

Before we pay our last respects to the latest statewide water bond, could we at least let the voters put the nail in its coffin?

Gov. Schwarzenegger recently announced he would work with the Legislature to pull Proposition 18 – the \$11.1 billion water bond – from the November ballot and instead place the measure on a 2012 ballot. State Senate President Pro Tempore Darrell Steinberg (D-Sacramento) said he would cooperate.

Schwarzenegger and Steinberg have seen the polling numbers that say the bond has very soft support among voters, which is to say that Proposition 18 is doomed and the water bond's only chance is a temporary reprieve. But I question whether it's worth keeping this water bond on life support for four more years.

Lawmakers and the Schwarzenegger administration put together the water bond as part of last fall's momentous package of water legislation [↖], which, among other things, created a new council to manage the Sacramento-San Joaquin River Delta, established a groundwater monitoring program and mandated reduced per capita water consumption. The water bond was primarily a sop to agricultural interests and water districts for not opposing the rest of the legislation.

Many environmentalists opposed the bond measure because they said it contained pork barrel projects. Many conservatives raised opposition because the bond would add to the state general fund burden.

The second argument resonates, as it would take about \$22 billion worth of principle and interest payments to retire the bonds. In addition, as the Pacific Institute points out in a new overview [↖], this would be the first water bond that does not require users of major storage infrastructure to pay back the capital expense over time.

## Russia To The Rescue

A Russian billionaire is coming to the rescue of a state park in Sonoma County affected by budget cuts (see InBrief, p. 2). Viktor Vekselberg, head of Russian-based Renova Group, signed an agreement last Tuesday with Gov. Arnold Schwarzenegger to provide "substantial financial support" to keep open Fort Ross, the site of a Russian settlement in the 19th century. The foregoing is all true.

*[FADE IN. AN IMAGINARY BUT ENTIRELY PLAUSIBLE SCENE IN THE STATE CAPITOL.]*

**OLIGARCH** (shuffling through state financial reports. Please supply with thick Russian accent): "Oy! These numbers look terrible. How'd you ever get in such straits?"

**GOVERNOR** (with stubborn Austrian accent): "Too much speeding. Not eduff rebennu."

**OLIGARCH** "What you need, baby, is some free enterprise! Ever heard of that?"

**GOVERNOR** (exercising supreme restraint): "I think I'm fabbiliar wittit... Wot d'you s'chest?"

**OLIGARCH** "A complete takeover by the private sector. Run this place like a business!" (He pounds his fist on the table for Pan-Slavic emphasis.)

**GOVERNOR** (joyful): "Oh, bry-vittle-zation! My fontest treem!" (He dabs away tears with his handkerchief.)

**OLIGARCH** "I'll give you \$30 billion for the whole shooting match."

**GOVERNOR** "For the entire state park system? Led be dink about that for a middit."

**OLIGARCH** "Not just the parks, tovarich. The state. You know, Hollywood. Golden Gate bridge. Bikini girls in Orange County. Lake Tahoe..."

**GOVERNOR** "While we're drawing up the papers for the sale, pleeds tell me, just out of koodiosity, what you blan to do with Califowddia?"

**OLIGARCH** "To run it oligarch way! Take out all cash and buy villa in south of France!"

I'm not so sure about environmentalists' argument because, in fact, the legislation behind the water bond offers only broad language about the types of projects that would be funded: \$3 billion for surface water storage, \$1 billion for groundwater projects, \$1.4 billion for regional water supplies. A better argument might be that we don't know which projects the \$11.1 billion would fund.

What we do know is that the water bond would not invest money based on the state's own plan. According to the 2009 California Water Plan [↖], the primary way we will meet increased water demands in the future is by making better use of the water we already have. Urban efficiency measures and increased water recycling are at the top of the water plan's list, as they could provide somewhere between 3 million and 5.5 million acre-feet per year. Groundwater storage might provide an additional 2 million acre-feet, or, because of many uncertainties, it might provide only one-quarter of that amount. Surface storage, at best, would give us an additional 1 million acre-feet.

But the \$11.1 billion water bond appears to designate only about 10 percent of the money for water recycling, and nothing specifically for water efficiency. Shouldn't the largest water bond in state history be very clearly compatible with the state's own water plan?

We need to be creative and resourceful and – most of all – we need to stop wasting the water the system already delivers. Proposition 18, though, is stuck in the past.

How about if we give Proposition 18 a proper burial this November and then start work on the water bond the state really needs?

– PAUL SHIGLEY | JULY 09, 2010 [↖] ■

**GOVERNOR** "Not to upset the provebbial epple cart, bodd... there is no katch. The katch is in a kronch."

**OLIGARCH** (in disbelief) "No cash?"

**GOVERNOR** shakes his head sadly.

**OLIGARCH** (searching his chin in deep thought.) "Well, we just have big sell off! Everybody love California! Now they can own!"

**GOVERNOR** (rallying) "That's right, privatize it!"

**OLIGARCH** "Now you whistle Dixie! Yosemite Valley, complete with Capitan and Half Dome, yours for \$500 million. For free, we throw in kit fox and bear!"

**GOVERNOR** (joining in) "That's right! Sell the ports of Long Beach and Oakland to the Chinese for \$200 million!"

**OLIGARCH** "Ah, you learn quickly! All the growing lands in San Joaquin Valley! Snow-covered Sierras! Perfect for home building! All yours for \$100 million. We throw in Bakersfield and Fresno for free!"

**GOVERNOR** (caught up in the enthusiasm) "Buy the state Capitol – the dome is covered in real California gold! – for \$5 million, and we'll throw in the Governor's Mansion. Great for parties!"

**OLIGARCH** "And we'll throw in the Arnold Schwarzenegger car collection too!"

**GOVERNOR** (aghast): "Not my Hubbers!"

**OLIGARCH** "Yes, the Hummers too."

**GOVERNOR** (breaking down): "In that case, I guess there's nutting leff for bee..."

**OLIGARCH** "Not true, Tovarich, no true! You are celebrity! Action hero! You can be greeter."

**GOVERNOR** (Astonished): "Greeter...?"

**OLIGARCH** "Sure, repeat after me. 'Welcome to Sebastopol South! Formerly known as California. Hope you en-choy your stay!'"

*[FADE OUT]*

– MORRIS "CHEKOV" NEWMAN | JULY 10, 2010 [↖] ■