

by Tom Jones

## Introduction

When SPUR, one of our affiliates, asked me to write an article about the California Futures Network, the request came at a time when CFN itself is going through an examination of its own future direction and is still implementing changes that came out of a major Strategic Plan process in 2001-2002.

CFN had a major success last year in having the Governor sign AB 857, which for the first time sets state policy priorities for guiding future capital and infrastructure projects. This bill sets three objectives:

- Promote development in existing urban areas, especially in redevelopment areas,
- Conserve existing agricultural and resource lands, and
- Achieve more efficient development patterns in all new areas.

The Governor has requested that his Office of Planning and Research implement the bill's priorities by completing an Environmental Goals and Policies Report. Representatives from CFN and 14 of its 90 affiliates are among the members of a 55-person "stakeholder committee" that is meeting regularly to provide input and direction on the bill.

With this achievement, CFN has become a visible force in the policy reform movement, and has an opportunity to educate an identified group of state leaders about workable approaches to land use reform measures. This chance comes, however, at a time of great uncertainty for many in the movement, as foundation support is dwindling and shifting just as the potential for putting in place some major long-range reform elements is commencing.

This is not exactly the scenario that CFN founders envisioned when they foresaw a combination of budget surpluses and a change in governorship in 1999 as the opening of a major window of opportunity for smart growth reform. They envisioned a two to four year course of action for setting up a system similar to those in other states.

Started in the late 1990s as a volunteer band of activists who saw the need to create a coalition to advance their common reform agenda of "minding the fort" in Sacramento, CFN is now operating with a very different set of assumptions about how change can occur, and how to make it possible.

While comparable organizations in other states saw governors and legislatures of both political parties embracing the tenets of smart growth under a variety of monikers and committing state agencies and funds to component programs, a combination of high-level disinterest and highly organized interest group opposition prevented similar scale successes in California.

Now, record surpluses have been replaced by a budget crisis that, if handled poorly, could be a further incentive towards sprawl and could leave local jurisdictions with fewer resources for urban revitalization and rural land conservation, the "twin pillars" of smart growth. While this may be a period unlike previous recessions when the major components of the smart sustainable/sustainable communities movement are winning increased public support according to the polls, CFN, along with many of its regional and local smart growth and community development affiliates, are facing the need to focus on smaller scale, less capital-intensive solutions and protect past gains from the budgetary axe.

## The California Challenges

Before looking at the way CFN intends to address some of the current challenges, I want to digress into my own thoughts about why CFN and Californians may not have achieved the changes they sought and why they face a much greater challenge to achieving smart growth than our colleagues in other states, even as the growing intersection between the environmental movement and social equity movements is perhaps more advanced here than in other parts of the country.

At the most simplistic level, there is still not the required alignment of interests around smart growth policies or programs that one finds in such diverse states as Oregon, Washington, Maryland, Minnesota, New Jersey, Pennsylvania, and Massachusetts. In my informal discussions with policy experts at the National Governors Conference and the Brookings Institution last year, they pointed out a common pattern in those states that adopted smart sustainable growth during the 1990s.

In most cases, groups formed by environmentalists concerned about sprawl at the urban edges and inner city activists concerned about decaying urban neighborhoods have collaborated with business groups concerned about their state's competi-

tion for the best educated workforce. All three groups recognized the liabilities they faced with aging and partially abandoned inner city neighborhoods, and the tax burden that would be faced to pay for inefficient new infrastructure at the suburban edges. They then approach a governor or candidate for governor with a proposal that the state adopt programs that enhance the appearance and economic vitality of the cities, coupled with investments in preserving agricultural, watershed, and forestland on the urban edge. Such programs have a dual appeal to suburban voters concerned about the environment, and urban voters concerned about their neighborhoods. Polls, research and educational materials are developed to help illustrate popular support and the model solutions that will work best.

In most cases, the states whose governors were convinced to stake out a smart growth agenda had one major city whose economic fate was of great state interest, and had a state history of investments in city infrastructure, transportation, and even economic bailouts during bad times, so an understanding of what can occur due to state neglect of the urban areas had been experienced in the past.

Under other circumstances, the states or their largest regions faced a major environmental crisis that propelled them to implement some form of state role in local land use and transportation planning. Florida has been compelled to craft some very innovative land use, affordable housing, and open space programs because its prior growth system imperiled the water system for the entire state and threatened federal intervention for its impact on the Everglades. Georgia has had to act as Atlanta sprawl produced such bad air quality that federal transportation program funds were threatened.

If interest in Smart Growth has now become mainstream, and engaged the interest of both Republican and Democratic governors nationally, why has this not taken off in California, considered a leader in so many areas but one of the least engaged in state-led smart growth planning?

First, there is not as much widespread embracing of smart growth concepts by economic interests in California, in part because California does not have the history or culture of considering that it must compete with adjacent states for future business and an educated work force. Many enlightened business leaders and business coalitions in California do understand that forward investments in livable cities, affordable housing, quality public transit, and open space are interrelated and vital strategies for aligning economic, environmental, and social equity gains, such as the Silicon Valley Manufacturing Group, Sierra Business Council, and Valley Industry

# Smart Growth Principles for California



**PLAN FOR THE FUTURE**



**PROVIDE BETTER HOUSING AND TRANSPORTATION OPPORTUNITIES**



**CONSERVE GREEN SPACE AND THE NATURAL ENVIRONMENT**



**PROMOTE PROSPEROUS AND LIVABLE COMMUNITIES**



**PROTECT CALIFORNIA'S LANDS**

and Commerce Association in Los Angeles, which are all CFN affiliates. However, such perspectives are not as prevalent among lobbyists in Sacramento, who claim that any state-imposed growth guidance system will hurt business and kill the housing market.

Second, California has no active state-level urban policy or rural conservation policy. An Environmental Goals and Policies Report that sets out both urban and rural strategies is required by law, but the last one completed was 24 years ago. Rivalries between and among the many cities within the state, and a false conception by some of the suburban cities and towns that their interest may not align with those of the inner cities, serve to prevent a unified urban coalition to help forge the urban strategy. Californians have not experienced what many other states have when a large city goes into a social and economic crisis that affects all citizens.

Third, California lacks some of the stable institutional and financial tools whereby a state can become a contributing collaborator to county or city revitalization and conservation activity. The fact that the state can actually take money away from local redevelopment agencies, not compensate cities for the cut in the Vehicle License Fee which had been directly funding their activities, and cancel payments to counties which have already granted tax breaks to maintain viable farmland illustrates the instability of those few programs we do have.

The cumulative impact of voter-approved tax limitations and budget funding formulas further makes local governments resentful dependents on the state. The complexity of the state/local fiscal relationship, the inordinate dependence on sales taxes and the inequitable distribution of the benefits and responsibilities of growth that are the byproduct of the system have combined to create a much greater budget and fiscal crisis in California, on top of the accumulated grievances between local governments and the state.

Finally, the projected growth itself dwarfs all other states, even though the rate of growth is actually lower than in the period of the 1950s to 1970s. The persistent housing deficit in California is aggravated by the local zoning biases against low and moderate priced housing, and both factors create a much greater challenge regarding the supply, location, and price of housing than found in any other state. While potential urban infill sites languish, new housing continues to be built outside the existing urban areas. In some locations, the gentrification of older urban neighborhoods where job growth outpaced housing construction is also a growing concern, so a simple “infill” strategy as used in other states must be crafted for California conditions so it will not inadvertently lead to displacement.

## The CFN Response: Work Plan for the Next Four Years

Against the backdrop of these very real immediate challenges, CFN became an independent 501(c)(3) organization on February 1, 2003 and is finally no longer a fiscal project of the Tides Center. This independence is just one of the actions that we are now undertaking organizationally to implement a Two Year Plan, which was crafted after a major legislative setback and an assessment of the policy reform movement combined to suggest that the CFN model that had served to help create and grow the organization needed to change.

While the Two Year Strategic Plan adopted in late 2001 did not anticipate the depth of the recession and mounting budget deficits, it did correctly assess that CFN needed to become more attentive to shorter-term policy reforms, and more strategic in growing its affiliate base, and that it would take more time than initially forecasted for comprehensive policy reforms to be achieved. Board growth became an important part of the effort to bring even more diverse perspectives into the leadership of the organization, although the bylaws adopted by the Board do still require that Board members be the Executive Director or other high level management staff of one of its own affiliates. Some of the changes in process include:

### 1. GROW A BROAD AFFILIATE BASE

Achieve greater representation from those geographic areas and sectors that will bring greater diversity to the affiliate base, especially Southern California and Central Valley groups, and those from the business, labor, social equity, health, and civic sectors. Before 2001, CFN grew affiliates rapidly with a major allocation of funds for outreach and materials. A more modest pace and strategic focus are now being pursued, adding about eight affiliates per year and achieving diversity goals in the process.

### 2. EXPAND AND DIVERSIFY THE BOARD

Grow from eight to 14 and obtain more broad representation from the same priorities as the affiliate priorities. While the current Board does have representatives from the business, environmental, social equity, housing, and civic sectors, the expansion will add additional perspectives and voices.

### 3. STIMULATE GREATER CIVIC LEADERSHIP ENGAGEMENT

Participate in or form working groups and dialogue groups to craft agreements on some of the key components of smart growth policies and programs, in

particular housing, transportation, agricultural and resource lands, schools and community facilities, community revitalization, and healthy and safe communities. Before 2001, CFN held policy briefings for its own affiliates, but otherwise did not generally host or participate with outside organizations in ongoing consensus building or joint policy development. Currently, CFN is participating in nine such gatherings, including its own co-sponsorship of a state-level transportation coalition and a state-level Private Lands Partnership working group. These have been very productive arenas for testing ideas and building agreements, and for informing CFN's own policy development activities.

#### 4. INCREASE MULTI-SECTOR COLLABORATION

Increase joint efforts on short-term policy reform and on longer-term change with groups currently underrepresented in the smart growth movement: social equity, labor, health, small business and inner-city communities that would benefit from urban development. This has occurred as an outgrowth of the coalition of 40 organizations that became involved in AB 857 in 2002. This has also been enhanced by CFN programs with others to help educate elected officials about growth challenges facing California, which has led in part to an upsurge in the membership of the Assembly and Senate Smart Growth Coalition to 50 members out of a total of 120 elected officials in the Assembly and Senate.

#### 5. ADVANCE LONG RANGE POLICY DEVELOPMENT

Provide leadership in constructing a long-term comprehensive approach to guiding growth and fiscal reform in California. To date, this had been done by the Board as a whole with a smaller working committee and outside peer review. This process was fruitful but very Board- and staff-intensive. In the future, a Policy Committee will use staff, Board, and an advisory group to handle such matters, and working committees of affiliates and allies will be now given an opportunity for their comments and involvement.

#### 6. ACHIEVE SHORT-TERM POLICY REFORM

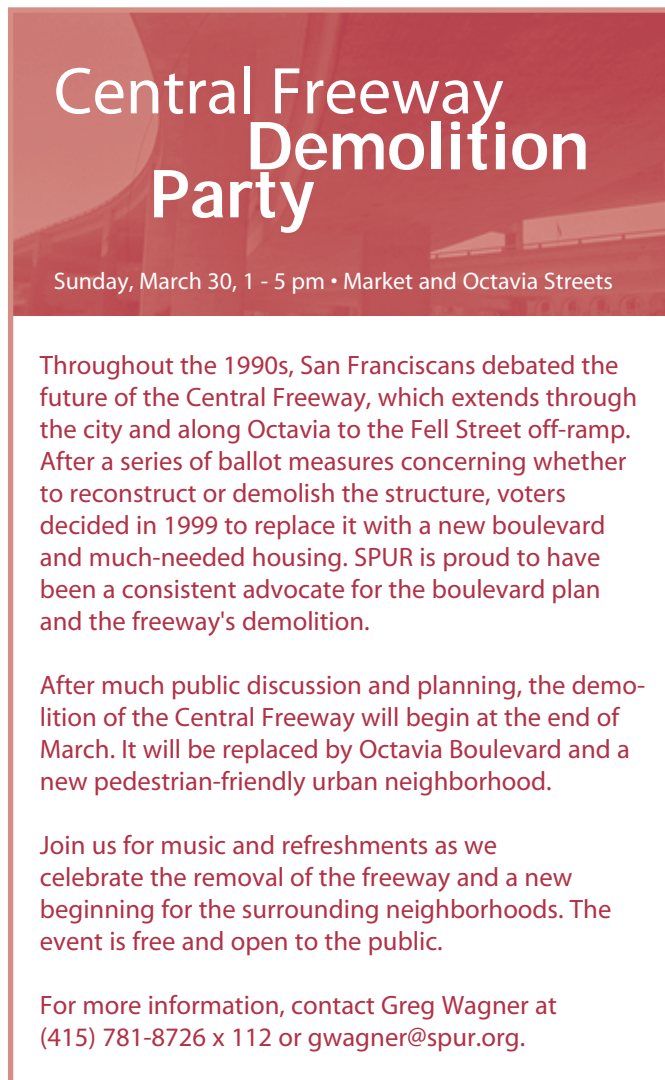
Focus on a few shorter-term policy reforms that integrate and implement the "building blocks" for longer-term reform and partner with other affiliates to coordinate interrelated reform measures. The success of CFN in building good relations with many in Sacramento has created more opportunities than can be staffed. The temptation to be involved in every matter must be tempered by the limited time and resources available, and greater joint work

with affiliates is underway to help spread out this activity more broadly.

#### 7. PROVIDE PUBLIC AND LEADERSHIP EDUCATION

Develop tools and materials for educating elected officials and civic leaders concerning growth challenges and potential solutions that can also serve affiliates and other engaged organizations in their local and regional policy reform efforts as well. CFN assessed a lack of compelling materials in its own portfolio, which had served well as short "Fact Sheet" brochures for outreach purposes to activists, but did not have the strategic focus and visual impact required to engage or move targeted decision makers and leaders. CFN has embarked on the development of more educational materials on the topics of housing, healthy communities, the cost benefits of smart growth, and the community equity benefits of smart growth.

*Tom Jones is executive director of the California Futures Network. For more information, see [www.calfutures.org](http://www.calfutures.org).* ✱



**Central Freeway Demolition Party**

Sunday, March 30, 1 - 5 pm • Market and Octavia Streets

Throughout the 1990s, San Franciscans debated the future of the Central Freeway, which extends through the city and along Octavia to the Fell Street off-ramp. After a series of ballot measures concerning whether to reconstruct or demolish the structure, voters decided in 1999 to replace it with a new boulevard and much-needed housing. SPUR is proud to have been a consistent advocate for the boulevard plan and the freeway's demolition.

After much public discussion and planning, the demolition of the Central Freeway will begin at the end of March. It will be replaced by Octavia Boulevard and a new pedestrian-friendly urban neighborhood.

Join us for music and refreshments as we celebrate the removal of the freeway and a new beginning for the surrounding neighborhoods. The event is free and open to the public.

For more information, contact Greg Wagner at (415) 781-8726 x 112 or [gwagner@spur.org](mailto:gwagner@spur.org).