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August 5, 2009

Honorable Members of the
Regional Target Advisory Commission
c/o California Air Resources Board
1001 "I" Street, P.O. Box 2815
Sacramento, California 95812

Hon. Mary D. Nichols
Chairwoman
California Air Resources Board
1001 "I" Street, P.O. Box 2815
Sacramento, California 95812

**Testimonial Submission: Regional Target Advisory Commission
August 5, 2009**

On behalf of the Urban Land Institute, Los Angeles District Council (ULI LA), my name is Mitch Menzer and I am a co-chair of the ULI LA Land Use Leadership Committee. I am here to present the comments from the ULI LA and its leadership.

The mission of the Urban Land Institute is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide. The Urban Land Institute is an international non-profit organization that represents nearly 1,800 members in the greater Los Angeles region and nearly 8,000 members throughout the State of California.

ULI LA is pleased to provide the following comments for the public record.

ULI has followed with great interest the enactment of Senate Bill (SB 375) and its promise to re-shape California's land use and land development policies and practices. We have also been observing the process undertaken by the RTAC. ULI LA has organized several forums in Los Angeles on SB 375 and its potential impact on the real estate industry. In addition, ULI LA has participated in efforts by the Southern California Association of Governments (SCAG) to involve the private sector in developing its SB 375 process. We stand committed to work in partnership with interested parties to improve the quality of life for Californians.

In 2001 (almost 10 years ago), ULI convened a group of concerned Californians to address growth challenges and search for real solutions. The ULI Statewide Coordinating Committee consisted of a broad cross section of leaders – from business, environmental, academia, government and labor – who came together to form "a consensus that new development patterns are needed to in order to

accommodate projected growth while preserving people's quality of life." In 2002, the ULI California Smart Growth Initiative published its report entitled, "Putting The Pieces Together: State Actions to Encourage Smart Growth Practices in California," which identified California's fundamental challenge to accommodate growth for approximately 6 million new residents every 10 years.

The ULI Smart Growth Initiative also identified numerous negative trends, such as a 100 percent increase in vehicle miles traveled and a 200 percent increase in traffic congestion projected in the next 20 years, a loss of open space and prime farmland, unaffordable housing markets and growing concentrations of poverty in urban areas. In addition, the ULI report identified key barriers to smart growth, including fiscal zoning, neighborhood opposition to new development, insufficient funding for infrastructure and planning, CEQA redundancies, and other policies.

The ULI Smart Growth Initiative also made recommendations in two areas. First, it recommended economic incentives for smart growth, including programming transportation funds to promote smart growth, prioritizing infrastructure funding and state grants to support smart growth strategies, authorizing tax increment financing for transit oriented development and other fiscal incentives for smart growth. Second, the report recommended regulatory reforms to eliminate barriers to smart growth development, including CEQA reform for infill development.

With that background, ULI LA makes the following observations as the RTAC advises the California Air Resources Board (CARB) on the implementation of SB 375:

- **Continue to Develop Smart Growth Policies:** SB 375 represents only a beginning of the process of reforming California's land use patterns. We recognize that SB 375 will take years to implement before we begin to see changes in land use patterns and transportation funding. We urge the RTAC to use its advisory role to recommend that the State Legislature and the executive continue to develop and implement policies that will further smart growth in California.
- **Incentives for Smart Growth Development:** SB 375 also represents only the beginning in the evolution of public policy for land use and transportation planning and funding. The linkages in SB 375 between transportation funding and land use planning are truly a breakthrough. However, more direct incentives are needed to help the MPOs and local governments change land use patterns and connect and improve our transportation systems.

An essential partner in the successful implementation of the SB 375 legislation is the private sector, real estate development industry. ULI LA has and will continue to provide useful input to ensure the voice of the development community is included in this process. As such, in our opinion, *the current proposed incentives to local government and the development community are insufficient to help change our land use and development patterns.* In particular, local governments need more incentives through transportation and infrastructure funding to promote smarter development patterns. At the most basic

level, local governments need funds for the planning process to revise general plans and other land use policies.

ULI LA also encourages greater consideration be given to creating a meaningful market based incentives approach to meeting the carbon reduction goals of SB 375. As the real estate industry in California is an important economic engine, every effort should be given to develop incentives that contribute toward the recovery of the real estate market.

ULI LA recommends a strong partnership with private sector developers that can assist in the creation of an incentive program that will result in sustainable, responsible development designed to meet SB 375 requirements. Specifically, the CEQA exemption requires a significant and onerous threshold to benefit from the relief.

- **Development of the Sustainable Communities Strategies (SCS):** According to SB375 legislation, the development of SCS's in the SCAG region calls for a regional approach. This requires local government engagement in this process. Unfortunately, the commensurate funding to enable the appropriate level of planning and public participation at the local level has not been allocated. There is significant concern that regional goals and targets will not be fully endorsed unless local governments are provided the resources to engage in the development of the SCS's.

ULI LA believes local governments are important and critical partners in the successful implementation of SB 375 and therefore, all efforts to support their involvement in the development of the Sustainable Communities Strategies is encouraged.

- **CEQA Reform:** SB 375 contains some innovative provisions modifying the California Environmental Quality Act for Transit Priority Projects. However, we believe that the CEQA revisions are still too narrow under SB 375 and will not extend to enough projects. Furthermore, urban infill projects are often the subject of litigation brought under CEQA by opponents who seek to delay and hinder projects that have been completed an EIR and have gained all of the necessary approvals. We urge the RTAC to recommend further study of CEQA reforms for infill development that will protect smart growth development.
- **Scale of the SCAG Region:** Unlike other regional agencies in California, an inherent challenge for SCAG is the sheer size scale of its six county region. Serious consideration should be given to the challenges to the effectiveness of regional efforts due to this condition. The diverse nature of the six counties means that coastal and inland communities confront a range of complex development and transportation issues. These matters require stronger regional planning efforts, subregional coordination and local government involvement and coordination. Therefore, in order to bolster the regional planning capabilities in the SCAG region, we should consider ways to strengthen and enhance coordination of land use and transportation planning in the SCAG region.

ULI LA supports efforts to improve regionalism and regional planning in Southern California, which should include strengthened subregional planning efforts for SCS plans and enhanced regional land use and transportation planning in the SCAG region.

- **ULI Resource of “Putting The Pieces Together” Report (2002):** As noted above, over the past decade, ULI LA has been engaged on issues of smart growth and regional planning. In 2002, ULI LA in coordination with USC’s Lusk Center for Real Estate completed the “Reality Check on Growth” exercise and released the “Putting the Pieces Together” Report. Some of the greatest regionalists participated in these efforts which contain recommendations for economic incentives and regulatory reform that remain relevant in today’s environment.

“Putting The Pieces Together: A Report from the ULI California Smart Growth Initiative” is submitted to be included in the public record.

In summary, ULI LA is pleased to present this testimony to contribute to the successful implementation of SB 375. We value the work of the RTAC and the efforts it has made to involve perspectives from various sectors throughout the state and we will continue to seek opportunities to collaborate in partnership with the CARB and the RTAC. We urge the RTAC to also recommend that additional efforts to continue the reform begun with SB 375.

Sincerely,



Mitchell Menzer, Esq.

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ULI LA, Executive Committee Member

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