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SACRAMENTO -- There is little consistency or coordination of planning within the Bay Area or Southern California, according to a study by the Governor's Council on Growth Management.

In addition, there are sharp differences of opinion towards growth management between urban and rural parts of the state.

These findings were contained in a new publication jointly released today by the Council and the Governor's Office of Planning and Research, entitled "Planning and Growth Management." The paper, the eighth in a series of interim publications on growth management, is a review of planning and issues in growth management.

"Growth Management is about planning effectively for the future," said Richard Sybert, Chairman of the Council and Director of OPR. "Good growth management will not be possible without a sensible and effective planning framework. An inconsistent and uncoordinated planning process is the bane of developers and environmentalists alike."

Each city and county in California has adopted a general plan that reflects its own outlook. Cumulatively, these individual general plans establish the patterns of land use, including residences, businesses, industry, agriculture, and open space, and the development of supporting infrastructure throughout the region.

The paper states that the general plans of the counties within the San Francisco Bay and Southern California areas operate independently, and do not reflect a common vision for their respective regions. Specifically:

(1) County plans do not address common regional issues, such as air quality, transportation and housing supply, in a uniform manner or at similar levels of detail.

(2) The extent to which county plans mesh with cities varies. Most county plans do not recognize the connections between city and county planning.

(3) Most counties do not attempt to evaluate the impacts of their policies on the larger region, nor do they take into account the planning effort of their neighbor counties.

(4) For the most part, general plans rapidly become out of date because of today's rapidly paced development environment.

The paper also summarizes some of the perspectives of local government planners, as well as the differences in outlook and circumstance that exist between the rural and urban portions of California. Rural areas see growth as the key toward economic development. However, they are wary of urban spillover effects, such as air pollution, that may limit their own potential. They want recognition that rural needs are different from urban needs.

Finally, the paper addresses some of the revisions or alternatives to California's current planning structure that have been proposed by California legislators, regional planning groups, and the CSUS "Consensus Project," as well as alternative approaches and improvements. The paper also offers short discussions of a pair of tools for implementing general plan policies: "performance zoning" and level-of-service (LOS) standards.

The principal author of the paper is Antero Rivasplata, Principal Planner in OPR's Planning Unit.

To obtain a copy of this report as well as a list of other publications in the series, contact Tom Loftus at the Governor's Office of Planning and Research at (916) 445-0613.

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(iv) **An Alternative**

There are many complex and interrelated reasons for California's current growth pains. The following discussion does not address all the issues that surround growth management, nor devises a grand solution to the current problems. Instead, this paper presents, as one alternative among many, changes in planning law that have the potential for improving State, regional, and local planning coordination and efficiency.

1. State level - Currently, the State does not have a set of cohesive or integrated policies regarding land use, resource conservation, availability of services, transportation, housing and other matters of statewide concern. In addition, there is little or no coordination between State agencies relative to program and facilities planning. The following steps could be taken to remedy these lacks:

(a) Through a State comprehensive plan process, establish a single set of State "framework" goals and policies relative to: overall development patterns; water supply; transportation; State funded or sponsored public facilities and infrastructure; the relative roles of regional agencies and local governments; conservation of habitat and resource lands, including agricultural land; housing; environmental protection; and economic and employment development. These goals and related standards should be general in scope so that regional and local agencies would have the flexibility to craft planning solutions that are both consistent with the State framework and relevant to the circumstances of their regions. At the same time, they must be clearly articulated so that they may be applied in a consistent manner throughout the State.

(b) Eliminate or reconcile the degree of conflicting State policies, such as any promoting the preservation of agricultural land and those with the effect of promoting additional housing in the same areas. State policies should be internally consistent.

(c) Require that all State agency plans, programs, and actions comply with the overall State framework policies.

(d) Prepare State projections of population, housing need, water demand, and other services as well as air quality, traffic, and natural resource data bases at a regional level of detail. This data can be further refined by regional agencies and will encourage the use of a consistent data source in plans and environmental documents around the State.

(e) Statutorily authorize the Office of Planning and Research (OPR) to establish general thresholds for environmental impact and standards for considering project alternatives within the CEQA Guidelines. Additionally, the CEQA Guidelines should establish criteria under which a regional planning agency could

define thresholds of significance for EIRS. OPR should be authorized to certify such regionally adopted thresholds for consistency with the Guidelines. These thresholds would create a consistent means of assessing the potential adverse environmental impacts of proposed projects under CEQA.

(f) Require OPR to develop and adopt, with the assistance of the Department of Housing and Community Development, Department of Transportation, Air Quality Board, Water Resources Control Board, Department of Conservation, Integrated Waste Management Board, and other state agencies or departments concerned with land use or environmental issues, integrated comprehensive plan criteria by which the adequacy of a comprehensive plan may be judged. The general plan guidelines OPR is presently authorized to prepare would be required to include a review of the State framework policies and suggestions for streamlining the format of local comprehensive plans.

(g) OPR, either under its existing statutory authority or otherwise, would establish regional planning boundaries throughout the State. For the most part, these would probably correspond to present Council of Government, or COG, boundaries. OPR would act as a clearinghouse and single point of contact for any regional planning agencies in their dealings with the State and its agencies.

(h) Establish a land use appeal board or other mechanism which would replace litigation as the primary means of challenging local land use plans and CEQA decisions. Restrict individual project challenges, as opposed to challenges to local land use plans. This will require decisions to be reviewed in the context of development throughout the community rather than on a narrow, individual basis.

2. Regional Level - Improve coordination between different regional bodies, such as the Air Quality Management Districts (AQMD) and Regional Transportation Planning Agencies (RTPA), and between regional and local bodies. Current law does not require that city and county general plans conform to regional plans, such as a Regional Transportation Plan or air quality plan. Also, where practical and demonstrably more efficient, single-purpose regional agencies should be consolidated or coordinated.

(a) COGs should be strengthened and made a bridge between local and State authorities. These new COGs would succeed to fair housing allocation and transportation planning duties within their respective regions. They would also consolidate other regional agencies such as Local Agency Formation Commissions and Airport Land Use Commissions.

Membership of counties and cities in the new COGs would be mandatory. The COG governing board would be made up of elected city and county officials. Members would serve for two years before being relieved by fresh city and county officials. The

relative numbers of county and city representatives should be established by law. Alternatively, the cities and counties within a new COG could be given a period of time to agree upon the membership of the COG. At the end of the prescribed period, if no agreement were reached, the membership would be established by State law.

(b) Require consistency between the plans and programs of regional agencies whose boundaries overlap, including the air pollution control district or air quality management district, the county congestion management agencies, and the county transportation commissions. Some form of State review and oversight should be undertaken.

(c) Each new COG should adopt an integrated strategic plan based on regional transportation, open space, infrastructure, resource conservation, and environmental protection plans to meet the State's framework goals and standards. These plans should be drawn upward from local comprehensive plans, and down from State framework goals and standards, rather than imposed downward by the new COG. They would also incorporate the policies of the regional transportation plan and other regional plans. Enforcement and compliance would come through State certification and existing regulatory agencies. Because it would not have regulatory, operational, taxing, or land use powers, a new COG would not constitute a new level of government. Cities and counties would retain land use powers, consistent with approved plans. Local comprehensive plans would incorporate State and regional policies and standards.

(d) The new COG could divide its region into subregions for planning and regulatory purposes and prepare subregional strategic plans for those smaller areas. The large and complex Southern California and San Francisco Bay Area regions would be empowered to establish subregional agencies provided that these agencies were clearly subdivisions of the regional agency and not independent entities.

Establishment and organization of the subregional agencies in those regions would be determined by the regional agency, with the following provisos: (a) creation of a subregional agency would require majority vote of the members of the regional agency board; (b) no overlapping subregional boundaries would be allowed; and (c) membership in the subregional agency would be mandatory for all affected cities and counties (they would have membership in both the regional and subregional agencies).

(e) The regional and subregional strategic plans would be required to incorporate the State's growth management framework. State agency review of air quality, transportation, and housing plans would remain basically as currently required.

Consistency with State goals, policies, and programs would be a prerequisite to approval of the regional strategic plans by the State.

(f) The new COG should provide mediation services to cities and counties that have disagreements over land use issues, if the involved agencies so requested. It should also act as a board of appeal for challenges to local plans.

(g) In cooperation with OPR and consistent with the CEQA Guidelines, the new COG would act as a regional clearinghouse for environmental information. The new COGs should also be available to facilitate tax sharing agreements among local agencies as the latter may wish. Enforcement and compliance would come through State certification and existing regulatory agencies.

3. Local level - Streamline the statutes that mandate local land use plans. General plan law is the product of incremental legislation over a period of more than 20 years. It is filled with redundancies, anachronisms, and unnecessary detail. For example, floodplains must be addressed three times, in the land use, safety, conservation, and open space elements.

The seven general plan elements such as circulation, housing, and open space should be integrated into a few functional "super elements" (called plan components here), or otherwise addressed within a more flexible, overall context. This would encourage local governments to consider the plan as a whole document and not a collection of disaggregated parts. The purpose of this streamlining would not be to de-emphasize any of these issue areas, but instead to make sure that they are not ignored by local decision-makers, buried in some half-forgotten element.

At the same time, general plan law has some serious omissions. With regard to the California Environmental Quality Act (CEQA), for example, there is currently no requirement that an EIR be prepared for the revision of a general plan and there is no mechanism for ensuring that the mitigation measures identified in the EIR or negative declaration prepared for the plan will be implemented. These shortcomings should be rectified.

In practice, adopting a new general plan often puts the existing zoning ordinance out of consistency with the new plan. In addition, for most people the distinction between a general plan and the zoning ordinance is blurry. The following steps should be taken by the State to revise existing planning law:

(a) Consolidate general plan requirements into four functional components (as opposed to the current seven specified elements). Land Use would address housing, business, industry, agriculture, public buildings, transportation, and all uses of land, including the conservation of resources. Hazards would identify current and potential environmental hazards and noise

levels and their impacts on current and proposed development, as well as specifying performance standards aimed at mitigating those impacts. Capital Improvements and Financing would evaluate existing public facilities, identify additional facilities needed to serve projected new development, establish level of service standards, establish development phasing mechanisms if desired, and specify the financing mechanisms that will pay for those improvements. Implementation would describe the local ordinances that will put the plan into action, including zoning and subdivision ordinances, performance standards, housing programs, and capital improvements programs.

Establish a simple two-part format for comprehensive plans. The first part would contain the plan's goals, policies, and standards. The second part would contain background materials. This format would simplify the use of comprehensive plans.

(b) Require that counties, charter cities, and general law cities meet the same comprehensive planning requirements. Establish a set of requirements, just as has been done for comprehensive plans, that will standardize the contents of special district plans.

(c) Require that all components of the plan be based on a 10-year planning horizon. Projected land use, housing, transportation, and capital facilities needs would be based on the same 10-year schedule. Updates to the comprehensive plan and its "Master Environmental Impact Report" (MEIR) would be required every five years.

(d) Require preparation of an MEIR for the comprehensive plan. The MEIR would be a broad document, plan-level in its detail. It would address the cumulative impacts of the development projected to occur as a result of the comprehensive plan, as well as alternative development scenarios. The MEIR would be the basis of additional environmental analysis, that the specific scope of that analysis would be identified in the MEIR, the mitigation measures contained in the MEIR would be implemented by a local development standards ordinance, and routine projects that are consistent with the comprehensive plan would be exempt from further CEQA review.

This MEIR would form the basis for the environmental review of subsequent projects and would establish the scope of that review. The MEIR would identify sites (special study areas, or SSAs) within the planning area that are to be subject to further environmental study prior to development. The MEIR would also specify the scope of such studies. The resultant environmental document would build upon, not reiterate, the MEIR.

In addition, the city or county would enact a development standards ordinance to implement on a project-by-project basis the mitigation measures identified in the MEIR. These might include seeding steep slopes with native plants, retaining wildlife corridors, or protecting cultural artifacts if found on the site. CEQA should be amended to provide that when such standards have been enacted, additional environmental review will not be required except in identified special study areas.

(e) Require that the zoning, development standard, subdivision, and capital improvements programming ordinances of counties and cities, including charter cities, be consistent with the text and maps of the comprehensive plan.

(f) Independent special districts should be required to prepare a comprehensive services and capital improvement plan and submit that to the new COG, counties, and cities for review. Cities and counties would be required to describe the service and capital improvement plans of dependent special districts in their comprehensive plans.

New legislation should further provide that the plans and capital improvements undertaken by special districts are to be consistent with city and county comprehensive plans. No special district should provide service to new development which is not consistent with approved plans.

(g) Each city or county comprehensive plan should be limited to a single yearly amendment, upon the initiative of the city or county legislative body. There would be no provision for privately initiated amendments, although the city or county could sponsor such requests when it deems them to be in the public interest. Amendments to the comprehensive plan would be subject to CEQA.

(h) Require that each local comprehensive plan contain a section summarizing the comprehensive plans, in text and maps, of abutting cities and counties. Mandate that this section be updated as changes occur in adjoining jurisdictions. Also, require that counties and cities refer proposed updates of their general plans to abutting counties and cities for review and comment prior to enactment. Rural counties should be encouraged, when practical, to prepare their comprehensive plans jointly with their neighbors. This may offer efficiencies of scale for the participating counties.

(i) Require comprehensive plans to incorporate State and regional planning policies and programs such as the Regional Transportation Plan and Transportation Improvement Program, the air quality plan and rules, and Congestion Management Plan.

(j) Amend redevelopment law to require that city or county redevelopment agencies enter into negotiated "pass-through" agreements with all affected taxing entities prior to establishing new redevelopment areas.

4. Financing - The above proposals will require that local governments undertake significant jurisdiction-wide planning and environmental review work. User fees or development impact fees are not a realistic revenue source from which to recover the costs associated with that work because they are difficult to levy in an equitable manner and they do not provide a steady or predictable revenue stream. As a result, the State may be subject to claims for compensation of State-mandated costs. Unfortunately, there are few acceptable options for funding. One possible option might be a bond-funded program of State grants for regional and local planning. In any event, the need of the State and local government for sound planning for California's future is of sufficient importance to justify redirection of other General Fund monies. It is an investment in our State's future.

COMMENTARY ON THE ALTERNATIVE PROPOSAL

The alternative proposal shares a number of basic premises with the other proposals discussed in this section. First, most agree that the State must adopt a general framework of consistent goals and policies to guide the decision making of all levels of government. This idea is found in all the legislative proposals and is implicit in work of the Bay Vision 2020 and 2000 Partnership committees. OPR agrees that this should be one of the first steps in addressing the question of growth management, with the focus of those goals and policies being results rather than how you get there.

Second, some form of coordination is needed among existing regional agencies. Single purpose agencies addressing transportation and other subjects should act in harmony. All of the proposals, including OPR's, recommend some form of agency consolidation, from AB 3's powerful new regional agencies with independent boards, to San Diego County's use of SANDAG's existing structure.

Third, there seems to be agreement that some local decisions have regional effects and should be considered in a regional context. The corollary is that local general plans should recognize State and regional planning policies. AB 3 and the other legislative proposals would impose such policies upon local government from the top by establishing a hierarchy wherein the plan of each agency -- regional, subregional, and local -- would be reviewed by the agency above it. The local proposals avoid the idea of State review of regional plans, but retain some form of regional review of local agencies. OPR's process envisions local plans that

are consistent with regional policies, but no regulatory or operational powers for the regional agency. OPR also recommends that the regional agency play a part in mediating local disputes over larger projects.

A fourth common opinion is that creating a new layer of government is not advisable. Nonetheless, AB 3, AB 76, SB 929 and the 2000 Partnership recommend the formation of strong subregional agencies where none currently exist. OPR recommends allowing subregional planning, but believes that formal subregional agencies must be used judiciously. Only the Southern California and San Francisco Bay Area regions have the size and level of complexity to warrant creating subregional agencies.

Despite the above commonly held goals, OPR's proposal differs in several respects from the proposals set forth by the Legislature and local groups. There are 468 cities and 58 counties in California, plus hundreds of special districts. State review of local plans or direct involvement in local regulatory activities would require substantial additional staff as well as additional funding. This would be ill-advised. OPR does not recommend the formation of a new State planning agency or detailed State review of projects. An effective effort to improve planning throughout the State should result in fewer agencies, not more. The OPR proposal will require the preparation of a framework of State policies through a State comprehensive plan to guide the activities of State agencies. Conflicting State policies would be eliminated or reconciled while developing this framework. This should increase the level of cooperation among agencies and make State policy more coherent.

OPR proposes changes to planning law that will streamline the local planning process while simultaneously making it more practical. OPR's recommendations address two shortcomings of current planning law: redundant general plan requirements and the failure to integrate infrastructure planning. The OPR proposal would weed out unnecessary planning detail (reducing the current seven mandatory elements to four components, for example), and require that infrastructure and the means to finance infrastructure be considered as an integral part of the planning process and included in the comprehensive plan. This would include mandatory cooperation with special districts.

Along the same lines as the above, OPR recommends changes in CEQA that make environmental concerns an integral part of the planning and land use regulatory process, while concurrently reducing the need for separate environmental analyses of individual projects. Requiring the preparation of a Master EIR for local comprehensive plans is not much different than the practical application of current law. OPR's departure occurs with the recommendations that: (1) the general plan will identify special study areas which on the basis of the MEIR will need supplemental environmental review when subsequent projects are proposed; (2) the plan will specify the scope of review for environmental documents

within such areas; (3) future environmental documents will build (or "tier") upon the MEIR rather than starting from scratch; (4) the jurisdiction must adopt specific regulations, by ordinance, that will implement the mitigation measures identified in the MEIR; and (5) development outside of the special study areas that is consistent with the comprehensive plan will not be subject to CEQA.

In addition, OPR recommends that the CEQA Guidelines offer general guidance for determining thresholds of significant adverse environmental effect. This would help reduce local indecision over which projects will require an EIR.

CONTROVERSY

Any changes of the magnitude set forth in the various growth management proposals will, necessarily, engender great controversy. The following discusses some of the more likely areas of dispute.

Cost/Funding

The financial shortfalls of government at all levels are well documented. Any of the growth management proposals may be deemed to create new State-mandated programs for regional and local governments. If something is to be done to manage California's growth and improve coordination among State, regional, and local governments, such costs are an unfortunate and unavoidable consequence. The ability of California to meet the challenge of managing its growth may ultimately rest with its ability to finance and implement sound planning. Long-term reductions over current levels of local planning costs may result if the CEQA and planning reforms lead to fewer environmental documents and less need for plan amendments and rezoning.

State Role

Should the State take a major role in directing the activities of regional agencies and local governments? The OPR proposal takes an intermediate position somewhere between the strict control envisioned in AB 3, and the hands-off approach of the San Diego model. OPR proposes to create a State policy framework that will guide State, regional, and local decision making, and establish enabling legislation that will create a cohesive regional planning structure that will, in turn, both guide and at the same time be guided by, local planning.

In some quarters, this approach may be criticized as being too weak. However, in a state as diverse and fast changing as California, it is unrealistic to believe that the State can take an active part in local land use decisions. A system of micromanagement would be unmanageably large and unable to react quickly to local needs. Instead, the role of the State should be to provide broad policy guidance and cohesive rules and regulations.

In this same vein, regional approaches based, like COGS, on local government representation is much closer to the "action." This approach offers local government officials the opportunity to cooperate when responding to common problems, share local information of regional interest, and pursue cooperative goals and policies. On the State side, OPR recommends new legislation that would bind regional agencies together through the State policy framework and interagency planning consistency. State policies may guide some local decisions, but for the most part local decisions would remain at the local level under the alternative proposal.

Housing

The proposed changes to general plan law may appear to de-emphasize housing concerns by eliminating the requirement for a separate housing element. This would be quite incorrect. Instead, the rest of the general plan would be pulled up to the same level and integrated with the current housing element. In general, OPR is recommending changes that will improve the efficiency of planning efforts. Substantive policies and goals in housing as well as other areas should be addressed in substantive legislation and regulation. A focus on improved planning process should better integrate these areas. New approaches are needed in order to address housing, transportation, air quality and the myriad other growth management issues more effectively.

Regional Variation

Some argue persuasively that State policies toward growth management must vary on the basis of region. The situation and needs of Crescent City and Los Angeles, for example, are obviously very different. The OPR proposal recommends that State policies recognize this variation and offer differential approaches as well as the flexibility to allow local governments, individually and together, to arrive at their own solutions.

Regional Certification of Local Plans

Some in local government contend that a COG or regional agency does not need to review the plans of cities and counties for consistency. They argue that local agencies, when left to their own initiative, can be trusted to carry out regional plans. However, the OPR proposal would ensure that strengthened COGs represent locally-elected officials and that they have to power to consider, on appeal, local plans' compliance with the regional plan. Financing and other incentives are conditioned upon compliance with State framework goals, and some mechanism must be found to evaluate local plans for that purpose. New COGs are closer to home than the State, and should be used for that purpose. This is substantially less heavy-handed than some other proposals.

New Plans

The proposed revisions to general plan law would, over time, change the way planning is done in California. They represent a departure from the past State legislation that has imposed increasing detail on plans. Is such a change necessary?

Current planning law encourages the preparation of detailed general plans, yet ignores crucial components of planning such as infrastructure and environmental impact. The alternative proposal attempts to focus local planning efforts on the development of comprehensive, integrated, and effective long-term policies, rather than on hollow detail.

New Environmental Review Laws

The California Environmental Quality Act (CEQA) was enacted for the purpose of providing government decision makers with objective information about the possible adverse environmental effects of projects subject to their consideration. Unfortunately, for a variety of reasons, CEQA has come to be seen as a procedural mechanism to defeat or delay project approvals. It has become the preferred route for litigating projects. Project challenges are not common, but they cause a chilling effect that leads to greater uncertainty in the CEQA process, greater delay in preparing documents, and increased detail in EIRs. The OPR proposal will be controversial because it would create new exemptions under CEQA for projects that are consistent with the local comprehensive plan or that are also subject to a performance zoning ordinance.

OPR is sensitive to the need to identify and mitigate adverse environmental effects. Indeed, the alternative proposal provides for cumulative impacts assessment under CEQA that is integrated normatively and temporally with comprehensive planning. No such requirement currently exists. At the same time, decisions over whether to approve or deny an individual project should be based less on CEQA, which after all is applied on a narrow, project-specific basis, than on the panoramic analysis provided by the comprehensive plan. The alternative proposal would require CEQA consideration at the time the comprehensive plan is adopted in order to evaluate broad, long-term environmental effects of the proposed level of development. Areas that will need subsequent CEQA review and the scope of that review would be identified in the Master EIR and in the comprehensive plan. Those areas will be subject to CEQA. Development elsewhere, where no significant effects are noted or where their effects can be mitigated by development standards, will not be subject to the Act. This would effectively shift CEQA challenges to the comprehensive plan level and away from project-by-project reviews.

7. CONCLUSION

This paper has engaged in a somewhat eclectic review of planning and growth management issues, opportunities, and proposals. California's growth necessarily depends upon the State to provide policy guidance and interagency coordination. Clear policies are needed in order to move State, regional, and local governments in the same direction toward common goals. Planning, whether at the State, regional, or local level, should occur in the context of comprehensive policies and with the cooperation of the affected agencies. At the same time, the indicated framework of State growth management policies should proceed with the objective of making government responses to growth less parochial and more efficient than today.

Second, strong leadership is needed to bring order to the competing growth management interests and proposals. In every other state that has tackled the growth management issue on a statewide basis, there has been a Governor who provided strong support. Only the Governor has the broad mandate necessary to bring these forces together in a meaningful way.

Third, further work is necessary to build a balanced growth management program. As this paper has discussed, California is a diverse state and growth management is a multi-faceted issue. The State should pursue a program that is concise and realistic, yet that retains sufficient flexibility to account for regional differences. Constructive debate over the alternative and other proposals should be guided by the principle that the cure should not be worse than the affliction.

Decisive and timely action is needed on this issue. California can no longer afford the inefficiencies that plague most aspects of its current system of planning.