**CITY AND COUNTY OF SAN FRANCISCO**
**BOARD of SUPERVISORS**

**OFFICE OF THE LEGISLATIVE ANALYST**

OLA No. 006-00

# LEGISLATIVE ANALYSIS

TO: HONORABLE MEMBERS OF THE BOARD OF SUPERVISORS

FROM: Carol Roos, Sr. Legislative Analyst

DATE: August 18, 2000

FILE: Not Assigned

**SUBJECT: SMART GROWTH**

## SUMMARY

### SUMMARY OF REQUESTED ACTION

The San Francisco Board of Supervisors requested that the Office of the Legislative Analyst conduct research and prepare findings on how Smart Growth polices have enabled other cities and counties in the Bay Area and across the country to address growing transportation and housing needs.

### EXECUTIVE SUMMARY

"Smart Growth" refers to a general set of planning principles intended to create communities in which people have a variety of transportation choices for work, shopping and other activities, and a range of housing types in an environment that is not dominated by private automobiles. Smart growth includes ideas and tools used by city planners and builders over many years, in the areas of growth management, transportation, commerce, housing (including affordable housing) and open space, in livable communities. Transit oriented development (TOD) is a basic element in smart growth planning. There are different ways to plan and implement smart growth, as indicated in the examples below, ranging from Seattle to New York City. Most effective smart growth policies are implemented as part of a clear, consensus-based state, regional, and/or local vision of how to accommodate projected growth in a certain timeframe. This vision serves as a framework in which localities can plan, based on their particular needs and circumstances. Implementation of planning for smart growth generally includes increasing housing densities with attention to design that will make developments acceptable to the community, and creating mixed use development near convenient, reliable transit. The fiscalization of land use is a smart growth issue, and is being considered in state and local legislation being developed to implement smart growth policies. Cities planning for smart growth need to consider and integrate all these factors into a solution that works for them and is supported by the community.

This report attempts to present smart growth policies in a number of jurisdictions in a consistent format. First, distinguishing framework and/or characteristics of a particular locale's policies are described, followed by a more specific discussion of transportation and housing.

## BACKGROUND

Smart growth is an outgrowth of land use planning as it has evolved over more than 50 years, referred to over time as growth management, new urbanism, smart planning, and sustainable development. Smart growth assumes growth will take place, and endeavors to direct that growth. The term is currently attracting interest outside planning departments and academia as jurisdictions nationwide are confronted with urban sprawl, population growth, housing shortages and traffic gridlock which, in some parts of the country including the Bay Area, have reached critical levels. There is now a general consensus that the country can no longer carry on old land use approaches without some change. This consensus and sense of urgency are causing governmental officials, citizens, and interest groups ranging from environmentalists to home builders to come together to find solutions. Transportation congestion and unsustainable commutes, such as Modesto to Silicon Valley and Hollister to San Francisco, have combined to raise quality of life issues. And, the high cost of suburban infrastructure makes expansion farther out "at the edges" problematic.

Changing demographics of United States households are, at the same time, producing conditions amenable to urban living. Factors include emergence of new technologies; advances that make brownfields developable, enabling reuse of former military bases and other lands requiring hazardous waste clean up, such as Mission Bay in the City; and an increase in the perceived value of urban environments. An example of culture driven by urban values is the phenomenon of numbers of people who work in Silicon Valley and want to live in San Francisco.

Smart growth is a product of the national debate about sprawl. Historically, from the 1950's to the present, population trends included migration from the inner cities to suburbs, and then beyond, to exurbs. The trend has been reversing, even in places such as Austin and Dallas. The out migration was accompanied by corresponding investment in the suburbs and disinvestment in cities. The first generation of smart growth planning resulted in planned communities such as Seaside, Florida which have since generated criticism as insulated, artificial communities. The current generation of smart growth emphasizes rethinking suburban development and a return to, and revitalization of, cities with their already existing infrastructures.

Out migration directly affected population diversity, creating issues of social equity. Suburban "white flight" and the consequences for the populations, including those of color, that remained in the cities, particularly the effects on inner city school systems, are well documented. As the reverse migration to the cities proceeds, these same population groups are again at risk as their inner city neighborhoods gentrify, putting pressure on existing residents of the Mission and Bayview-Hunters Point in the City, and areas like Richmond in the greater Bay Area. Besides residents, these equity issues extend to include homeless citizens throughout the region.

Today, smart growth has been embraced as a suburban issue, as suburbs face the results of auto-oriented development and the resultant sprawl. Attempts are being made to "retrofit" older suburbs and create more pleasant, efficient new ones. This involves emulating some characteristics of older towns and cities. Cities face smart growth issues, shaped somewhat differently than in the suburbs by their particular urban circumstances: histories, demographics, geography, density, housing, and transportation factors. Fundamental to smart growth, are the relationships between jobs, housing and transportation and the related goals of putting housing, including affordable housing near jobs and convenient transit.

The central component of smart growth is an intelligent and strong link between land use and transportation. Transit oriented development (TOD), (also referred to as the transit village), is a prominent part of this planning.

TOD's are integrated, livable communities which generally:

- are located at, or near, convenient transit or transit centers
- include neighborhood serving mixed use development (commercial, retail and residential)
- include relatively high residential density
- focus on design that makes the TOD an asset to its neighborhood and emphasizes building fronts rather than garage doors/parking lots
- include public open space
- are pedestrian-oriented with many destinations, including transit, available by walking, and
- de-emphasize dependence on private auto use and parking, in favor of transit, pedestrian, bicycle and other travel modes

Incentives are generally offered to achieve TOD's, including, but not limited to, density bonuses (especially for affordable housing), reduced parking requirements, car sharing and shared parking.

## ANALYSIS/FINDINGS

### OTHER JURISDICTIONS

*Washington State/Kings County/Seattle*

In Washington smart growth policies are coordinated at state, county and local levels. Under the state Growth Management Act (GMA), technical and financial resources are available from CTED (the Washington State Community, Trade and Economic Development Department) to help local governments develop county-wide policies, comprehensive plans and development regulations. In their comprehensive plans, local governments set out how they will manage growth for the next 20 years. The GMA calls for the fastest-growing counties, and cities within them, to plan extensively for land and water use. Twenty-nine counties and 215 cities, representing 95 % of the state's population, are planning under the GMA. The state Growth Management Program (GMP) administers the GMA, to assist and enable local governments to design their own programs to fit local needs.

The Seattle Comprehensive Plan includes elements required by the GMA: land use, transportation, housing, capital facilities and utilities. Kings County requires an economic development element, and a neighborhood planning element and human development element have been added. The plan was developed over a five year period with extensive public participation. Upon completion of the Seattle Comprehensive Plan, the city initiated a four-year program of neighborhood planning for high growth neighborhoods (called urban villages and urban centers). Seattle voters approved a light rail system that will be operational in 2006, which will link a corridor of these urban villages and centers through the downtown and to the airport south of the city limits.

Seattle has an extensive ferry system, operated by the state, and has had a free transit zone in the downtown since the 1970's. Seattle's Strategic Planning Office includes a Station Area Planning (SAP) component. The city has produced a Light Rail Station Area Atlas that includes for each station area: aerial photograph of existing conditions; map of existing land uses and tabulation of acreage in each land use category; map of existing zoning districts and opportunity sites for transit oriented development; map of urban design opportunities and constraints; summary statistics, including dwelling units, commercial floor area, residential density, market trends, growth projections, and population and employment with and without light rail transit (LRT); proposed station location and alignment; highlights of issues raised in the

neighborhood planning process; photographs that convey the scale and character of the station area; and a summary of potential development strategies. Station area profiles separately provide a narrative to accompany the atlas.

The Strategic Planning Office is conducting a comprehensive parking study as part of station area planning and implementation of the transportation strategic plan. The purposes of the study are to recommend effective parking management strategies that support transit use and vital neighborhood business and residential areas, particularly in the Light Rail Station Area Planning areas, and provide background information for determining whether changes to the city's parking requirements are warranted to further the city's current transportation, economic development, environmental, and affordable housing goals. Parking study tasks include: develop flexible and maximum parking requirements; identify locations for shared parking; assemble innovative marketing programs for public parking; develop bicycle parking requirements; and study financial feasibility of specific centralized parking structures.

*Portland, Oregon*

Portland is considered a national model of smart growth. The Portland region is two and one-half decades into smart growth planning, centered around a regional planning authority. This planning is different in two primary respects from traditional land use planning. First, it is simultaneously testing both alternative land use and transportation futures, and second, the legal authority and political will to implement the regional plan are in place. In the 1970's the region began to consider urban growth boundaries (UGB's), and eventually determined that one UGB for the region made more sense than a number of small ones, following consensus against sprawl in the Willamette valley. The region was also out of compliance with air quality standards. In 1990, Portland voters gave Metro legal authority to require local governments to change their plans and zoning codes to be consistent with Metro's adopted regional framework plans. In 1992, the 2040 Growth Concept was approved, initiating planning for a 50 year horizon, in twenty-year increments. The Growth Concept is designed to accommodate about 720,000 additional residents and 350,000 additional jobs. Twenty-four cities and portions of three unincorporated areas are within Metro's jurisdiction. Total population within Metro boundaries is about 1.8 million residents. Portland Metro's smart growth policies are notable for using transit as a framework for development in the region. Basic to the Growth Concept is a multi-modal transportation system that assures mobility of people and goods throughout the region. Mixed-use urban centers inside the UGB are one key of the growth concept. The concept uses interrelated types of centers. The central city is the largest market area, the region's employment and cultural hub. Regional centers serve large market areas outside the central city, connected to it by high capacity transit and highways. Connected to each regional center, by road and transit, are smaller town centers with local shopping and employment within a local market area. Planning for all these centers seeks to balance jobs, housing and unique blends of urban amenities so that more trips are likely to remain local and become more multi-modal. The Portland Metro functional plan includes policies that set the minimum number of parking spaces that can be required by local governments and the maximum that may be allowed. Recognition and protection of open spaces inside the UGB and in rural reserves outside urban reserves are part of this planning.

*San Jose*

San Jose has experienced a population and industry explosion since the 1960's, largely driven by development of electronic technologies. Of two million people in Santa Clara county, there are almost one million people in San Jose; the other million are spread throughout the remaining 14 cities in the county. Historically, a "bedroom community", the city worked to change its jobs/housing imbalance and attracted high tech companies to north San Jose. The downtown core was developed as part of a redevelopment program. In the 1980's the city created an urban service line, and began to consider concentrating growth along transit corridors. The Valley Transportation Authority (VTA) consolidated six county transit carriers into one system. In the mid 1990's a greenline was established. San Jose also developed an aggressive housing program. Between 1988 and 1998, San Jose produced about 8,500 units of affordable housing, an average of 850/year, for more than 28,000 people (San Jose's current total population is 909,100), and $1 billion of associated construction activity. From 1990-1998, San Jose constructed an average of about 2,840 total units/year (A Decade of Affordable Housing; San Jose Department of Housing). For comparison, in San Francisco with its population of 801,377, during the four year period, 1994-1998, affordable housing construction totaled 1,895 or 42 %of total new construction, an average of 474 units/year (San Francisco Planning Department, 1998 Housing Inventory; June 1999).

San Jose's housing production efforts include city council member and community involvement, a Housing Action Coalition, and a Housing Leadership Council made up of industry leaders. San Jose continues to face housing production issues. Housing starts are up, but housing remains unaffordable for many.

San Jose is currently pressing for a BART extension to San Jose. The city is receiving external pressure to solve its housing and transportation problems, which surged in the 1990's with the boom in information technology and jobs. This pressure is coming from adjacent areas such as Monterey and Salinas whose own housing stock and transportation systems are affected by San Jose's growth. This summer, the city council will consider a proposal from Cisco Systems, the city's largest private employer, for a new campus in Coyote Valley for 20,000 workers. The Cisco development site is about 700 acres. The San Jose general plan and zoning ordinances have designated the property as industrial use since 1983. However, the proposal is generating controversy including concerns in communities to the south, and is raising questions about whether single-purpose zoning remains appropriate in the year 2000, compared to mixed use development zoning. Transportation and housing for Cisco employees are primary concerns.

*Other Bay Area Localities*

Other localities throughout the Bay Area are also implementing smart growth strategies including, but not limited to, Hayward, Mountain View, San Mateo, Palo Alto and Petaluma. The Bay Area's third central city, Oakland, is pursuing smart growth strategies, including, for example, transit village developments at the Fruitvale and Macarthur BART station areas, and a city planning program to accommodate 10,000 residents downtown.

*New York City*

New York City (NYC) actively encourages office space at locations well-served by mass transit. Most of the office space is located in Manhattan. However, the city has promoted satellite office centers in Downtown Brooklyn, and Jamaica and Long Island City in Queens, and an additional regional center has emerged in Flushing, Queens. The city does not impose exactions on office development. However, tax assessment compared to California is much higher, including business and corporate taxes, and the central business district essentially underwrites city programs through taxes. New York City's economy (concentrated largely in Manhattan) accounts for about 54% of the income of New York state, and Manhattan is the richest county in the nation.

About 5% of Manhattan workers drive to work. Transit ridership has increased about 20 % in approximately the last four years, and the city recovers more than 100% of subway operating costs through fare box revenues, enabling a recent fare reduction. In NYC, much of the congestion is related to goods and services movement within the city, and other vehicles like taxis. Traffic congestion, to some degree, is accepted as part of a thriving city; at the same time, the city is working to move goods and service vehicles more smoothly. Public policy has focused on improving traffic flow using the existing system, through transportation improvements and/or improving bottlenecks. Extensive bicycle route planning is underway, adding both on- and off-street routes. According to the Director for Strategic Planning, car ownership is currently rising again (after falling during the last recession) due to rising incomes, and auto use is increasing with rising income and with distance from the center city to the outer suburbs. City parking requirements for Manhattan were reduced the 1980's as part of settlement of litigation over non-compliance with air quality standards. No parking is required and maximum parking thresholds were lowered from 1961 requirements. South of 60$^{th}$ Street, the maximum is 1:5 (parking spaces: dwelling units), and for the upper East and West sides the maximum is 3.5: 10. Commercial parking is restricted. It is generally not allowed, except that accessory parking is allowed at 1 space: 4,000 sq.ft. not to exceed 100 spaces, for tenants and employees only. Construction of public parking requires a special permit.

During the period 1986-1997, the city has rehabilitated about 97,000 dwelling units for low and moderate income residents, and subsidized construction of 16,000 new dwelling units, at a cost of about $5.1 billion. The primary funding source is the City's capital budget. General obligation bond funding is the primary source of capital budget funds including those used for capital costs of subsidized housing. The Director for Strategic Planning notes that a 1989 study (Berenyi) found NYC spent 3.7 times as much of its own money on housing as the next 50 largest cities combined. A

1998 study (Basolo) found that New York spend $786 million on housing in 1995 compared to $251 million in the next 32 largest cities combined. (The 1990 Census set NYC's population at about 7.3 million and the Census Bureau estimates the current population at about 7.4 million, both of which according to the city represent a substantial undercount.)

*Europe*

Europe has historically implemented what are now called smart growth strategies. "Car free cities" is a recent European effort, offering a further disincentive for reliance on the private automobile. In 1998, municipalities in France, representing a total of eight million citizens, restricted access to city centres to clean-fuel cars and public transport only, on certain days. As reported by Environment News Service, early figures showed that in central Paris, levels of carbon monoxide (CO) dropped 30 % and those of nitrogen oxides (NO), 15 %. Noise levels also dropped. Ninety-two Italian towns participated, with observers from the UK, Spain and Greece. Two Spanish car-free experiments were carried out earlier in that year with mixed results. In Paris, public information campaigns preceded the events and opinion polls of pedestrians and shopkeepers followed, with a majority reporting satisfaction. Europe, historically, has had disincentives to auto use in the form of high gas prices, reliable and convenient transit, as well as traffic congestion in populous cities.

*Other Smart Growth Projects*

<u>*The Natural Resources Defense Council,*</u> (NRDC), with two non-profit partners, the Center for Neighborhood Technology (CNT) and the Surface Transportation Policy Project (STPP), is nearing completion of a research project that studies the dependence of driving on a wide range of variables using regression analysis, (funded by the Environmental Protection Agency (EPA), Department of Energy (DOE), and the Federal Transportation Agency (FTA)).
For example, northeast San Francisco and San Ramon, were found to differ in car ownership by a factor of three.

Data were gathered on approximately 1,100 traffic analysis zones (TAZ's) in the metropolitan Bay Area, about 2,000 TAZ's in the Los Angeles metro area, and about 600 TAZ's in the Chicago metro area. Preliminary results appear to show that four variables are highly statistically significant, influencing average car ownership and vehicle miles traveled (VMT). These include housing density, household income, transit service density (the number of buses (or equivalent) per hour within walking distance), and household size. Another variable with modest statistical significance and more modest effect on the result is pedestrian friendliness. According to preliminary data, some areas in San Francisco were found to have such high values of density and transit service that the need to drive is reduced by more than 60 %, compared to a suburban situation. Preliminary results indicate that trips are not simply transferred 1:1 from auto to transit, but that the transfer from auto results in a disproportionately higher reduction in trips and vehicle miles traveled (VMT), with the possible implication that the presence of public transit reduces the need to drive for different purposes and may reduce the number of overall trips by all modes (including transit). Further study would be necessary to test the validity of this preliminary finding. If valid, it means that expanding transit service levels could produce large reductions in traffic and congestion, as well as improving air quality, which is correlated with VMT. The results of the study are expected to be available in summer 2000.

NRDC staff make the case that if parking is continuously added to a system, street capacity becomes the constraint to circulation, and gridlock is the end product. However, if limits are imposed on parking supply, traffic congestion rather than street capacity is the constraint, and traffic, including auto alternatives such as taxis and transit, can still move.

NRDC urges greater financial recognition of benefits of transit oriented development and compact residential planning through mechanisms such as Location Efficient Mortgage services. Location Efficient Mortgage services recognize the fact that a resident of an area with ample transit and retail services may travel less that one-half the VMT of a suburban counterpart, for a savings of about $4,000/year. Currently, these mortgages are offered only through Fannie Mae, in partnership with two lenders in the San Francisco area, and carry a loan limit of $252,700.

The <u>*Sierra Club*</u> is engaged in a Challenge to Sprawl campaign, including among other things, use of the NRDC project data discussed above.

*The Bay Area Alliance for Sustainable Development , is* a multi-stakeholder (federal, state and regional agencies, private corporations, utilities and activists) coalition established to develop and implement an action plan that will lead to a more sustainable Bay Area. The Alliance emphasizes economy, environment and social equity.

*SPUR* (the San Francisco Planning and Urban Research Association) has been engaged in smart growth issues, particularly in the areas of expanding the City's public transit system, promoting transit oriented development, and channeling growth into the urban core instead of the suburban periphery. SPUR is currently supporting the transit oriented community planning program of the Planning Department, discussed below.

*The Council of Community Housing Organizations (CCHO),* is composed of about 26 religious and community based non-profit affordable housing development corporations and other affordable housing advocates. Over the last 20 years, members have applied smart growth strategies in central city neighborhoods in the eastern half of San Francisco, through affordable housing-centered community development. According to CCHO, about 12,000 units of affordable housing and more than 2,000 permanent jobs have been provided in these low income neighborhoods by CCHO members.

*The San Francisco Housing Action Coalition (HAC),* made up of business, civic, neighborhood and environmental groups and housing developers (both for- and non-profit) was formed to support housing-friendly policy changes for the City. HAC has supported the Better Neighborhoods 2002 program of the Planning Department, and has advocated policy changes regarding the residential permit process, residential parking requirements, downtown housing, inclusionary affordable housing, and transit-oriented mixed use commercial districts.

*Other organizations*, including the San Francisco Chamber of Commerce, the Bay Area Council, the Greenbelt Alliance, and other non-profits and activists have been and are becoming involved with smart growth. Homebuilders groups are part of the smart growth dialogue. Representatives of this group indicate a willingness to consider both denser housing, if convinced of market demand, and affordable housing requirements. Primary concerns are for a shorter and more predictable approval process.

**SAN FRANCISCO**

San Francisco's natural growth lines, and its growth pattern, predate the more recent concept of urban limit lines for development enacted across the country. San Francisco is less than 7 miles square, a total of only about 47 square miles in area, located on a peninsula bounded on three sides by San Francisco Bay and the Pacific Ocean. Included in this area are large, dedicated open spaces such as the Golden Gate National Recreation Area, Golden Gate Park and parts of the Presidio. The City developed densely in multi-unit buildings, supported by a dense transit network. Many neighborhoods have narrow streets and dense residential development which predate the automobile and parking requirements, and cannot easily be adapted to accommodate large numbers of automobiles. (Figure 1 shows the City/County's relative size and central location in the regional context.)

"Smart growth" currently often describes a regional and suburban approach to land use planning. At the local level smart growth focuses on residential density, affordable housing, pedestrian and transit orientation of development, and reduced reliance on the private automobile. Historically, the City developed according to smart growth concepts. With their dense, mixed use development pattern, extensive transit networks and small blocks, many San Francisco neighborhoods embody smart growth ideals. Both the General Plan and Planning Code incorporate smart growth planning objectives and policies. This is especially true for the downtown core C-3 districts. Some code sections have existed essentially for decades, and some citywide Planning Code requirements vary from smart growth principles. For example, parking requirements in the City date from 1955. The base requirement remains one, independently accessible parking space per dwelling unit, regardless

of location, type of unit (e.g., studio, 2-bedroom), or transit availability. In 1978, citywide rezoning "down zoned" large parts of the City from higher to lower density residential development.

According to Planning Department staff, of people who work in San Francisco, about 50 % live in the City. Of working San Franciscans, eight out of ten work in the City. Various area plans of the General Plan, including the Chinatown, Van Ness, and Rincon Hill Plans, and their implementing ordinances in the Planning Code

Figure 1: San Francisco and the Region


**Note to Figure 1: The Bay Area covers 7,041 total square miles. The North Bay represents 53 % of that total, the East Bay 21 %, the South Bay 25 %, and San Francisco less than 1 % of land area in the region. Population densities in San Francisco are by far the highest in the Bay Area. (Commerce and Industry Inventory, 1999; SF Planning Department)**

include incentives for housing production and have resulted in a number of housing developments. The Van Ness and Rincon Hill plan areas were the subject of program EIR's that streamline the approval process for subsequent residential projects. The Redevelopment Agency has produced new and denser housing, as well, for example in the Rincon Point South Beach redevelopment area near downtown.

In the 1980's the City developed its Downtown Plan and implementing ordinances in the Planning Code, incorporating smart growth strategies. For example, no parking is required for office development in the downtown core; parking is required for downtown housing at a ratio of 1 space to 4 units compared to the base requirement of 1:1 citywide; the highest density zoning districts are located along the Market Street transit spine and the Transbay terminal at which transit systems from the north, east and south bay converge. Linkage fee requirements for childcare, affordable housing, transit, art and open space are part of the approval process for downtown office development. Housing is encouraged in order to create a vital, 24-hour downtown core; and affordable housing downtown is exempt from Floor Area Ratio (FAR) calculations. The plan and ordinances address protection of sunlight in public spaces from shading by large buildings, reduction of ground level winds, and include a pedestrian network.

Historically, regional and local mass transit diversified and expanded during the 1970's and 1980's. In 1973, the Planning Commission and Board of Supervisors adopted "Transit First" as City policy, giving top priority to public transit investments as the center of the City's transportation policy and adopting street capacity and parking policies to discourage increases in auto traffic. BART (Bay Area Rapid Transit system) began service in the east and west bay in 1972-73, and transbay service in 1974. Marin-San Francisco commuter ferry service was reinstated in 1970. And the Golden Gate Bridge Highway and Transit District and Sam Trans took over transit operations in the north bay and the peninsula. The Municipal Railway (Muni) upgraded its surface streetcar operation to a surface and subway light rail network in 1979. And, the California Department of Transportation took over peninsula rail service as Caltrain in 1980, succeeded by the Peninsula Joint Powers Board (JPB), in 1993.

By the early 1990's, twenty years from the adoption of Transit First, its implementation appeared successful: nearly all the substantial growth in commuter travel to and from the Financial District since 1970 was accommodated on transit. According to Planning Department staff, employment doubled downtown during the 1970's and the increase was accommodated on transit, without a significant increase in automobiles.

The Transportation Element of the General Plan contains the City's Transit First policy:

• Maintain public transit as the primary mode of transportation in San Francisco and as a means through which to guide future development and improve regional mobility and air quality, (Objective 11). Other objectives and policies include:
• Develop and implement a plan for operational changes and land use policies that will maintain mobility and safety despite a rise in travel demand that could otherwise result in system capacity deficiencies.
• Develop and implement programs that will efficiently manage the supply of parking at employment centers throughout the city so as to discourage single-occupant ridership and encourage ridesharing, transit and other alternatives to the single-occupant automobile.
• Permit minimal or reduced off-street parking for new buildings in residential and commercial areas adjacent to transit centers and along transit preferential streets.

These General Plan policies and objectives have been incorporated, in part, into the Planning Code.

The Intermodal Surface Transportation Efficiency Act in 1991, signaled the federal government's new emphasis on funding transportation projects with a multi-modal emphasis.

The benefits of the City's investment in alternatives to the single-occupant vehicle (SOV), extended beyond its relatively clean air and stabilized traffic congestion. In 1992, surveys of automobile and transit use showed the City, unique among all other cities in the Bay Area, was in compliance with the standards set by the Bay Area Air Quality Management District (BAAQMD). Therefore, the District determined the City did not need to develop either a trip reduction ordinance or additional employer programs to reduce automobile commuting, saving the City and its large employers from costs and penalties that would have otherwise applied. The high transit modal split fostered over the twenty years by official City policy thus positioned San Francisco uniquely among California cities in 1993, exempting many of the City's employers from burdensome regional regulations. The air quality in San Francisco and the nine-county Bay Area was maintained above all applicable federal standards of pollutants, such that in 1995 the Bay Area became the only large metropolitan area in California to be designated as an attainment Region by the EPA. This designation removed the threat of relevant federal sanctions in San Francisco and the Bay area , removed administrative burdens on its industries and relieved them from imposition of more extreme emission controls. In 1995, as noted, EPA redesignated the Bay Area as attainment for the national (1-hr) ozone standard in recognition of improved conditions through the early 1990's.

However, in 1998, US EPA reinstated the former nonattainment designation for this standard based on monitored violations in some parts of the Bay Area in 1995 and 1996. The Bay Area remains nonattainment for the state ozone standards and respirable particulate matter (PM-10) standard and unclassified for the national PM-10 standard. Trends in carbon monoxide (CO) emissions are downward, due to cleaner fuels and more efficient vehicles. With VMT increasing at a greater rate than the population of the air basin, however, there is a risk that these gains could be negated.

During the decade 1988-1998, Muni ridership declined. By the late 1990's, after low funding levels for Muni stemming, in part, from a recession economy, Muni was experiencing difficulties, including the infamous Muni meltdown of the LRV system in 1998. Some transit riders gathered signatures for a Rescue Muni ballot initiative. A Charter amendment encompassing the goals of the initiative, supported by a broad spectrum of interests, was passed by voters in November 1999. It created a Municipal Transportation Agency (MTA), guaranteed a revenue stream for Muni and included performance standards and accountability measures, and strengthened the City's transit first policy.

At the present time, San Francisco is experiencing somewhat of a backlash. Some residents, officials and news media are expressing frustration about lack of parking, and support parking at, or above, requirements, including in the downtown core. In spring 2000, the Planning Commission approved the First and Howard Street development adjacent to the Transbay Transit Terminal transit center, a prime TOD site, zoned for the most dense development in the downtown core, with maximum height limits of 200 and 400 feet. The approved development will include about 854,000 gsf of office space; 31,800 gsf of ground floor retail space; and about 346 valet parking spaces (reduced by the Planning Commission from 1,500). The development will be constructed in three buildings of 9 and 10 stories (144 and 158-ft-tall). There will be three plazas (totaling 22,580 sq.ft.), and 3,825 sq.ft. of pedestrian walkways. No residential space is proposed. Four blocks are included in the overall phased development parcel, which could include future development like that approved. The development is not, overall, a smart growth project by most TOD standards. It includes jobs near convenient transit, fewer parking spaces than originally proposed, and publicly accessible open space, and will allow sunlight into the south side of the terminal site. Unlike TOD, however, it provides parking, where none is required, at a transit hub; includes mid-rise structures rather than the denser highrises envisioned under area zoning, and lacks the residential component of TOD.

The site is part of the Transbay area. The City is currently participating on the Transbay Improvement Panel under the auspices of MTC; the five decision makers on the panel (which includes numerous advisory representatives) are San Francisco (Mayor and Board of Supervisors), MTC, Caltrans, AC Transit, and the Peninsula Joint Powers Board. A conceptual plan for a multi-modal terminal is in progress. At present, the panel envisions use of Caltrans parcels in the area as TOD's with high density housing, office and retail in high-rise structures. Development of these former freeway parcels and terminal ramps would provide revenue to fund a rebuilt terminal.

San Franciscans remain willing to get out of their cars, if presented with good alternatives. The new downtown Giant's ballpark is one example. According to Department of Parking and Traffic staff, it appears that at Pacific Bell Park, roughly 50 % of fans are using transit: BART carries about 7,000 people to the games, Caltrain about 5,000, Muni about 10,000 (many of these are also BART users), and ferries about 1,000. PacBell Park holds about 41,000, and there are 83 games/year, which are currently sold out. Annual transit use is, thus, about 1,660,000 or roughly 1.5 million people. So far, these numbers validate the predictions of planners and advocates of a downtown, transit accessible ballpark.

By comparison, according DPT staff, about 15-10 % of 49ers football fans now take the bus (Muni, Sam Trans, Golden Gate Transit, Santa Clara Valley Transportation, private charter bus) to Candlestick-3Com Park. The percentage on the bus to Giant's baseball games was only about 2-3 % for games at Candlestick-3 Com Park. Attendance was from 1.2 -1.8 million people per year.

Nationally, regionally and locally, smart growth is focused on the neighborhood level. In San Francisco, the Planning Department is currently coordinating development of neighborhood plans for several "transit rich" areas including the Balboa Park BART station area, the upper Market-Octavia Boulevard area, and the Central Waterfront area. (All three studies are funded by the General Fund; the Balboa Park Station Area study is partly funded by a Federal Highway Administration grant.) The program includes intensive public participation, a specific plan process including public review of draft plans and public hearings. The associated Environmental Impact Reports (EIR's) for the specific plans will streamline permit review and expedite subsequent development conforming to the specific plan.

The ABAG General Assembly 2000 (April 2000) on Smart Growth (discussed below), focused on implementing smart growth, especially in suburbs, for example, encouraging residential densities of 4 units/acre to 25units/acre up to 40 plus/acre instead of only single-family detached homes on large lots. In contrast, San Francisco is very dense, according to Planning Department staff, the most dense U. S. city after New York. San Francisco's density is about 15.6 dwelling units/net acre not including streets. (If federal land within the City, such as the GGNRA [Golden Gate National Recreation Area] is subtracted, the density increases further.) Some of San Francisco's most prized neighborhoods are its most dense, as are some of its poorer neighborhoods.

The following are representative densities for different parts of the City. These existing densities in the City are generally at, or beyond, the maximum goals for density in other parts of the Bay Area. For example, the density within a ¼ -mile radius of Geary and Leavenworth in the Tenderloin is about 160 dwelling units/net acre; for Broadway and Columbus in North Beach it is 90 dwelling units/net acre; for Mission and 24th Street in the Mission, 40 dwelling units/net acre; for Judah and 45th Avenue in the Sunset, 25 dwelling units/per net acre; and for Mission and Ocean, edge of Balboa Park Study area, 17 dwelling units/per net acre. Planners believe that housing needed to accommodate the demand created by job growth only, to the year 2020 can be accommodated by infill development (including vacant and underutilized parcels) generally within the existing

zoning envelope, while maintaining the character of the City's neighborhoods. Planners also believe that there are opportunities in the City to modify zoning to address the City's overall housing need and improve livability, in both transit intensive areas and underutilized commercial and industrial areas such as portions of the central waterfront.

San Francisco and the Bay Area are now in the midst of a booming economy and a housing crisis. And, according to ABAG Projections 2000, there will be about 58,500 additional jobs in San Francisco between 2000 and 2010. Over the entire 20-year forecast period, the number of jobs in the City will increase by about 102,800. For the 2000 to 2020 period, ABAG forecasts an increase in employed residents of about 45,200 individuals, and projects about 25,886 new households. In its Regional Housing Needs 1999-2006 Allocation, a state mandated process, ABAG projects an average yearly need for San Francisco of 2,700. Under the state Housing Needs Allocation program, the local Residence Element must incorporate this estimate.

**THE STATE AND THE REGION**

At the state level, legislators are considering smart growth issues. Four legislative initiatives, authored by Assemblymember Tom Torlakson, originated from a public hearing process of the Assembly Select Committee on Jobs-Housing Balance. These bills include AB 2048-Jobs-Housing Opportunity legislation; AB2054-Inter-Regional Partnership (IRP) State Pilot Project to Improve the Balance of Jobs and Housing; AB 2033-State Land Inventory for Strategic Growth Planning; and AB 779 - Density Bonus for Transit-Oriented Development. On the Senate side, SB 2017 (Perata) also addresses jobs-housing balance in the Bay Area. AB 779 among other things, would grant a 25% density bonus for developments within ¼-mile of a transit station, including allowing developments to exceed local height limits. SB 2017 requires the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG) to evaluate whether Cities and Counties are accepting their fair share of housing starts and participating in regional congestion reduction plans. These prospective bills would affect San Francisco. AB 779, in particular, highlights the distinction between cities and suburbs in the state and the region. As just one example, the relative portions of suburbs affected in the bill would be expected to be much lower than in San Francisco, much more of which would be expected to be within ¼-mile of a transit station, depending on the definition of "station".

Relevant regional agencies includes the Bay Area Air Quality Management District (BAAQMD), discussed above in relation to transportation in the City. The Metropolitan Transportation Agency (MTC) coordinates transportation throughout the region. It coordinates grant applications and distributes funding for the nine Bay Area counties. Funding decisions now include consideration of smart growth components. MTC also oversees area ferry plans.

The Bay Area Rapid Transit agency (BART), serves primarily the central Bay area, with cities such as San Jose pressing for BART extensions. BART is currently actively participating in station area planning throughout the Bay Area, using smart growth concepts and criteria.

*ABAG Conference: Issues And Approaches*

The ABAG conference jointly with the Urban Land Institute (ULI) Leadership Forum on Smart Growth (ABAG General Assembly 2000) produced the following ten recommended priority actions:

1. Develop a regional smart growth strategy.
2. Link urban growth boundaries with the establishment of complementary policies and incentives to ensure that needed housing is accommodated within the boundaries.

3. Exchange one-half cent of the locally levied sales tax for an equivalent amount of property tax. Jurisdictions will continue to benefit somewhat from retail growth. (Currently, for example, big box retail may be more profitable for local jurisdictions than residential development.) This recommendation would also however reward growth in property values. Therefore, communities that encourage housing development and otherwise see an increase in property values would be rewarded.
4. Create regional revenue pools to reward smart growth behavior.
5. Reform regional housing needs determination process so that needed housing is allocated according to smart growth principles.
6. Provide incentives for creating housing at all income levels.
7. Provide grants or loans to jurisdictions to develop transit-oriented development (TOD) plans, establish zoning and perform specific area CEQA analysis in order to address community and environmental concerns and streamline future development in these areas.
8. Add infill rail stations and transit-oriented development within existing rail networks, where feasible. Consider augmenting service to create new limited transit lines.
9. Extend rail lines only when station areas are rezoned to appropriate densities and allow mixed use and mixed income development.
10. Improve public schools.

Other funding mechanisms include in addition to item 3) above, a proposed ERAF (Education Revenue Augmentation Fund) settlement. This would return $1billion in property taxes collected by localities and transferred to the state to bail out state education during the recession in the early 1990's. In addition, Permanent Vehicle License Fee Subvention is being considered to maintain the per capita subvention and replace the revenue lost due to the reduction in the Vehicle License Fee, and Permanent Countywide Sales Tax Authority so that voters, upon approval of the proposal, would have the assurance that the resultant revenues could not be used to supplant State spending .

The conference included exchange of information regarding models for developing consensus about growth; transit oriented development including the importance of citizen participation and "buy-in" to the process versus from-the-top-down mandates; the necessity of higher housing densities including secondary units (in law units); the importance of design in implementing higher density housing development; use of tools such as GIS systems and visual computer programs to show how proposed development scenarios would actually appear, at scale in their setting; funding sources and mechanisms including state tax reforms to return revenues to localities for use toward smart growth; the commitment of political will; and success stories.

## CONCLUSION

The different characteristics of suburbs and center cities in the region call for different specific approaches to implementation of transit oriented development, and balance in the region is an important component of smart growth planning. Smart growth continues to be relevant for the City at this time of economic and population growth, housing demand and traffic congestion. Smart growth principles and policies are a "good fit" for San Francisco, consistent with its historic development patterns, built form and geographic constraints. The City needs to maintain its commitment to smart growth planning or it could find itself at an increasing disadvantage as other jurisdictions in the region take up smart growth policies with new energy. Coordination with these other jurisdictions regarding land use, development and transportation planning will help the City with its own

planning. Successful smart growth efforts in Seattle and Oregon, for example, include a clear state, regional and local vision of land use and growth, that provide for effective planning and positive results.

Innovation is also important. The City is known as a center for new ideas. The cable car, for example, was invented here in response to the constraints of the geography of the City. The City can continue to apply this ingenuity to issues of design and density and improving an already heavily used transit system. A continuing thread in the smart growth dialogue is how to provide needed densities of development, especially residential development, that are an asset for the community.