

# CEQA reform bringing smart growth to life

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California's transformative law for planning and development, usually called SB 375, comes to life this month in the Sacramento region, the very place that helped inspire its elaborate integrality five years ago. What is new to Sacramento and the rest of the state, however, is the law's component of CEQA reform that finally compels all the necessary actors to actualize a model that ties together climate impacts, regulatory streamlining, and such traditional planning priorities as transit and housing.

Two weeks ago, the Sacramento Area Council of Governments adopted its Metropolitan Transportation Plan that forecasts the region's investments in transportation infrastructure over the next twenty years. True to SB 375, the plan also includes a Sustainable Communities Strategy explaining how those transportation investments, together with housing plans and open space policies, can cut greenhouse gases from passenger cars by 16 percent.

Now the plan goes to the State Air Resources Board for its approval. And those involved with the process expect SACOG to experience far less turbulence than the San Diego Association of Governments hit last October. SACOG has been a national pioneer in integrated cross-jurisdictional planning since 2004, when it broke ground on collaborative "regional blueprints" that even helped inspire SB 375.

Yet despite SACOG's history as a trailblazer, at its geographic center, Sacramento County has historically struggled with housing. Since 1995, the County has faced a series of challenges and lawsuits to its housing plans, often falling short of its obligations to zone for affordable housing. In 2003, it was forced to impose a moratorium on commercial construction when its high-density housing fell below a required inventory. And in 2007, the County withdrew an ambitious inclusionary housing policy when developers sued.

A list of reasons might explain the County's housing struggles, but chief among them are: NIMBY ("Not In My Back Yard") neighbors who don't like low-income housing; the arsenal of tools available for NIMBYs to halt a project or plan, particularly in CEQA; and the run-up in Sacramento land prices over the last 15 years that increased the public cost of recruiting for-profit developers to build low-income homes, especially in the complicated and unwelcoming territory of infill development. Developers have required an ever-growing suite of perks – such as tax credits, forgivable loans, and write-downs – to make these projects pencil out. SACOG's new plan is not a silver bullet, but its approval under SB 375 has at least some answers to these problems.

Once a Sustainable Communities Strategy is approved, SB 375 grants privileges to residential or mixed-use transit-oriented development projects planned and built to fit the strategy's land use plan. Though that plan is voluntary, developers who implement it may skip major parts of the CEQA review process that otherwise pose serious hurdles and cost overruns, especially in the post-AB 32 era where CEQA analysis includes considering how much greenhouse gas a project might create, even if by changing people's driving habits. SB 375 carves a path around these obstacles.

The promise of a more rational, efficient, and effective planning model is already tangible in Sacramento. I recently joined a County Housing Task Force to help plan a 218-unit affordable housing complex in Sacramento's famously difficult Railyards district. The task force is part of a process funded by the U.S. Choice

Neighborhoods Initiatives Planning Grant, which requires a plan that transforms the 1940s-era public housing complex from an isolated chunk of entirely public housing into a modern, mixed-income neighborhood with access to public transportation and high-quality schools, possibly with a commercial element. The objectives are ambitious, and the plan will likely prescribe investments of upwards of \$31 million.

Before SACOG's Sustainable Communities Strategy, this project would have required the County to examine and explain how the new homes impact traffic and induce growth, and how much greenhouse gas we can expect from these effects – as if Sacramento County didn't already have enough trouble producing affordable housing. Rather than override the need to consider traffic impacts, SB 375 designates a plan – SACOG's plan in this case – to anticipate those impacts ahead of time, and regionally. And let individual projects piggyback on that regional work.

SB 375 exempts a residential or mixed-use project from CEQA requirements to discuss growth-inducing impacts, or project-specific or cumulative traffic-related impacts on global warming, so long as the project is consistent with the Sustainable Communities Strategy's use designation, density, building intensity, and other policies. Another part of the law simplifies CEQA review even more, for projects that are within a half-mile of a transit stop and contain at least 50 percent residential uses or high density. The timing of the Railyards housing project means Sacramento will likely get to use at least one of these breaks, saving potentially millions of dollars in predevelopment costs.

And so SB 375 saves local officials and developers untold headaches from the CEQA gauntlet and NIMBY enforcers, essentially by delivering on a lot of the growth characteristics that NIMBY groups generally want. Traffic impacts will be held to a minimum because SB 375 rewards housing next to transit, and alternatives to driving (in fact, SACOG's plan reduces congestion by 7 percent through 2035, despite sharp population growth).

SACOG's plan looks at the Railyards housing project not in isolation, but as part of the larger Railyards redevelopment plan, and its role in the general plan of the city, and in the regional transportation plan. It can reasonably anticipate the commutes to arise from the project's new homes because it accounts for employment growth hubs in the six surrounding counties.

This type of comprehensiveness is not new to SACOG. What is new, is the promise of CEQA relief that attracts developers to get on board, clears the tripwires embedded in project-specific traffic-impact analysis, and paves the way to a more effective affordable housing stock.