

Strategic Growth Council (SGC) Meeting Minutes



February 15, 2013 Meeting Minutes **DRAFT**

Council Members present: Chair Ken Alex, Director, OPR; Vice-Chair Bob Fisher, Public Member; Secretary John Laird, California Natural Resources Agency; Undersecretary Gordon Burns, California Environmental Protection Agency; Secretary Diana Dooley (*partial meeting*), California Health and Human Services Agency; Deputy Secretary Brian Annis, California Business, Transportation and Housing Agency.

Agenda Item: Call to Order

Chair Alex called the meeting to order.

Agenda Item: Biennial Election of Council Chair and Vice-Chair (Action Item)

Secretary Laird nominated Ken Alex to continue to serve as Council Chair. Gordon Burns seconded the motion. The motion passed unanimously. Secretary Laird nominated Bob Fisher to continue to serve as Council Vice-Chair. Chair Alex seconded the motion. The motion passed unanimously.

Agenda Item: Approve November 7, 2012 Minutes (Action Item)

Secretary Laird moved to approve the minutes. Deputy Secretary Annis seconded the motion. The motion passed unanimously.

Agenda Item: Executive Report – Executive Director Mike McCoy

Executive Director Mike McCoy spoke to five points:

1. Status of the SGC-funded UrbanFootprint model: All technical documentation has been delivered and will be reviewed by March 1st. SACOG, SANDAG, and SCAG have all taken important steps forward toward using Urban Footprint for their scenario modeling and Sustainable Communities Strategies (SCSs). Executive Director McCoy explained that he is pleased that the SGC's investment in Urban Footprint is beginning to pay off and that the tool will help local governments achieve the state's targets for GHG reduction.
2. SGC Urban Greening Grants program: The grant staff at the Natural Resources Agency issued its third round solicitation for project concept proposals, which will be due on April 5th. Executive Director McCoy congratulated the work of Natural Resources Agency staff for making this process easier for grantees and more efficient for the State through a new online concept submittal system.
3. Sustainable Communities Planning Grants: SGC staff is conducting a review of the 50 Round 1 planning grants. This will include a survey of all the grant recipients and follow-up interviews with a select sampling. The goal of this review is to find out how to improve the grant management process and to ensure the success of all of our grantees.
4. The Health in All Policies Task Force continues to make progress on its various SGC-endorsed implementation plans. In part due to our HiAP Task Force's success, there is growing interest in the Health in All Policies model at the local level and among other states.

5. Executive Director McCoy explained that the Council continues to build a tremendous Executive Staff and Key Staff supplemented by some talented undergraduate student assistants. Executive Director McCoy introduced Liz Grassi, who joined the SGC staff as a Sustainable Communities Policy Analyst, and he then recognized the Key Staff present at the meeting.

Vice-Chair Fisher asked when the Health in All Policies Task Force will next provide the Council with a progress report. Executive Director McCoy responded that he hopes to have a presentation from the Task Force at the May 16th Council Meeting.

Agenda Item: Comments from the Chair and Council

Deputy Secretary Annis expressed his interest in recently reading the Governor's Zero Emission Vehicle Action Plan, and that he is pleased to see that BT&H departments such as Caltrans, DMV, and HCD have prominent roles to play. He emphasized the importance of rail electrification, and how existing rail modernization efforts support the goals of the Zero Emission Vehicle Action Plan.

Deputy Secretary Annis went on to provide multiple examples of the ongoing work to coordinate housing and transportation. For example, HCD's upcoming Notices of Funding Availability include Caltrans's latest measures to evaluate transportation factors of applications. When housing and transportation are no longer in the same agency, Caltrans, the CTC, and HCD will continue to hold ongoing, periodic meetings to coordinate between housing and transportation (pursuant to statute).

Secretary Laird reported on a recent all-day meeting he co-chaired regarding the future of the Biodiversity Council, at which the group determined that the Biodiversity Council has value and should continue, and that the group can provide unique opportunities for interagency collaboration. Secretary Laird then mentioned that since the last SGC meeting, a marine protected area has been approved and set into regulation; roughly 20% of state waters across the coast are now either Protected or Conservation Marine Areas. He then provided a brief update on the Desert Renewable Energy Conservation Plan, which is making progress despite broad ambitions and some transitions among federal partners. Finally, Secretary Laird reminded the Council that the Department of Water Resources will deliver a Water Plan update next year (every 5 years), and it is including a broader outreach effort, particularly to tribes and other audiences.

Undersecretary Burns reported that there are three upcoming workshops (February 2013) regarding the Cap and Trade Investment Plan. These are an opportunity for the public to provide input to agencies regarding how to invest proceeds from cap and trade auctions, and the agencies will share maps for identifying disadvantaged communities.

Chair Alex shared his thoughts about the difficulty and importance of cross-agency collaboration. The budget process and supervisory structure present institutional barriers to collaboration, but promoting work between agencies is a priority of this administration. Chair Alex went on to report to the Council that he and Executive Director McCoy continue to have very constructive discussions with the High Speed Rail Authority regarding planning and mitigation, particularly in the Central Valley. Further, the City of Fresno has asked OPR and SGC to help them work together with Fresno County and Madera County to plan how the region will further develop. Chair Alex, Executive Director McCoy, and Deputy Director Allison Joe visited the region, conducted interviews, and are identifying ways in which they can help. This may include providing some scenario modeling resources to the city and counties.

Vice-Chair Fisher asked if there would be value in developing a repository of best practices learned from the many ongoing cross-departmental projects. He also suggested that the Council consider holding a Council Meeting in Fresno. Chair Alex responded that the Council and staff could explore these possibilities.

Agenda Item: Preview of the 2013 Environmental Goals and Policy Report

Chair Alex described the Office of Planning and Research's work developing the 2013 Environmental Goals and Policy Report (EGPR). Statute calls for OPR to develop an EGPR every four years, although the last EGPR finalized was Governor Brown's 1978 Urban Strategy. OPR is currently developing a new EGPR, and later this year there will be opportunities for public input. The EGPR will take a 20-30 year perspective on California's environment, with a focus on enduring indicators that measure environmental health. This EGPR will be built around the state's efforts to address climate change—reducing emissions and building a resilient and ready state to deal with the change.

The report's broad goals will include transforming the state's energy and transportation systems; building a diversified, reliable, and sustainable water system; valuing and protecting natural resources to preserve species, habitat, and ecosystem services; and building healthy and sustainable communities. Chair Alex expressed his hope that these broad goals will become part of the fabric of how the State makes decisions, including infrastructure decisions.

Chair Alex explained that after the Governor reviews the draft, there will be review by state agencies, and this spring he hopes to begin extensive public review and outreach, followed by revision and adoption.

Agenda Item: SGC's Role in Promoting Sustainable Infrastructure

Chair Alex explained that the SGC has a role in ensuring that sustainability criteria are part of infrastructure planning. He stated that infrastructure planning and spending is all the more important due to the changing climate and the resulting need for resiliency and readiness.

Executive Director McCoy gave an overview of the various statutes that call for sustainability to be considered in the State's infrastructure decisions. He stated that due to the confluence of several developments (including the upcoming EGPR, Five-Year Infrastructure Plan, Water Plan Update, AB32 Scoping Plan, and more), this is an opportune time to determine how to apply sustainability principles to infrastructure decision-making. He notified the Council that SGC staff intends to pursue this, and that staff hopes to present a concrete recommendation to the Council at its November meeting.

Undersecretary Burns suggested that the Council consider climate adaptation strategies in this process. Executive Director McCoy concurred.

Vice-Chair Fisher asked what the Council can do to make sure the Department of Finance's Five-Year Infrastructure Plan is more rigorous than it has been in the past. He also asked what can be done to include schools in the Five-Year Infrastructure Planning process. Executive Director McCoy agreed that the Five-Year Infrastructure Plan's consideration of sustainability objectives should be more robust, and he expressed optimism about progress in relation to school infrastructure spending, citing encouraging collaboration and interest from the Department of Education.

Secretary Laird responded to Vice-Chair Fisher's comments by explaining that the Five-Year Infrastructure Plan is intended to be a compilation of the needs identified by the various departments and agencies. However, he noted that while the structure and purpose of the plan make it difficult to reflect a strong government-wide focus on sustainability, he believes that both the Governor's rigor and changing attitudes in some departments suggest that the plan will improve.

Chair Alex opened the floor to public comment.

Amanda Eaken from Natural Resources Defense Council thanked Chair Alex for the update regarding the EGPR and supported the recommendation to create sustainability criteria for infrastructure funding. Ms. Eaken suggested that while working on these important long-term documents, the Council should also conduct near-term analysis, such as a meeting or workshop to review Council member agencies' budgets, and a briefing on steps each agency is taking to enhance sustainability.

Agenda Item: Infill Development Priorities (Action Items)

Vice-Chair Fisher summarized the work of the infill barriers project. He spoke to the interagency value of lowering barriers to infill development, explaining its relevance to many of the SGC goals including preservation of farmland, active transportation, energy use, housing affordability, economic vitality, and more. He emphasized the need for interagency collaboration to achieve these goals.

Vice-Chair Fisher thanked the many public- and private-sector stakeholders who discussed infill development with him and with SGC staff. He acknowledged that infrastructure finance and CEQA were the two infill barriers that were the most prominent in his discussions with stakeholders. With regard to infrastructure finance, he mentioned Senate President pro Tem Steinberg's SB 1, and he expressed his hope to see progress on that issue during this legislative session. Vice-Chair Fisher clarified that the recommendations in this staff report are separate from (but compatible with) this legislation or others. With regard to CEQA, he acknowledged that the staff report's recommendations do not resolve all infill-related CEQA issues, and their goal is simply to provide information and analytical tools to support improved environmental analysis and better use of CEQA tiering. He stated that he will track evolving CEQA reform discussions and that he expects the Council's work will be complementary.

Vice-Chair Fisher invited Nancy McKeever (SGC staff) to walk through the staff report and its four priority areas. Ms. McKeever explained that the staff recommendation is based on many hours of stakeholder input, which was then distilled into actions that the Council and its staff can lead.

Ms. McKeever described Priority 1: "Provide more and better access to infill financing mechanisms." Staff will convene experts in state government and the private sector to explore ways to make some existing financial options more available for infill development. First, staff will convene an infill finance workgroup to review existing infrastructure finance options and settle on a short list of those most likely to meet the needs of future infill development. Then this workgroup and SGC Key Staff will help prepare a scope of work and budget to contract the financial expertise needed to perform a professional assessment of the options on the short list. This recommendation includes a Council Action to authorize staff to encumber an amount not to exceed \$50,000 to secure the financial expertise needed to perform the analysis and form recommendations for the Council to consider.

Ms. McKeever described Priority 2: "As a Component of Strategic Plan Action 4, Address Infill Development Infrastructure Needs to Implement SB 375." She explained that the goals of AB 32, SB 375, and the State Planning Priorities rely on infill development, and that as the larger infrastructure coordination work (described earlier in the meeting) progresses, attention will be paid to the needs of infill development. This Priority does not propose any independent actions, but it is included to note its importance to the success of reducing barriers to infill development

Ms. McKeever described Priority 3: "Provide Information and Tools to Help Address Conflicting Policies, Outdated Rules and Promote Full Access to the CEQA Streamlining Benefits of SB 226 and SB 375." Ms. McKeever reported that stakeholders pointed to many General Plans and Zoning Codes that are not sensitive to the unique differences between urban infill and less urban development, presenting barriers to good infill development projects. Ms. McKeever stated that there is a need for an infill planning analysis

tool, many components of which already exist, but which would be of great value to local governments if combined into a comprehensive tool. She mentioned TransForm's GreenTRIP tool and the work of the San Joaquin Valley MPOs and the Local Government Commission as examples of components that could be built upon. She expressed her hope to be able to report to the Council on this progress in fall 2013.

Regarding infill barriers presented by CEQA, Ms. McKeever outlined staff's plan to make the most of infill benefits already embodied in SB 226 and SB 375. This includes supporting the development of VMT maps (facilitating the use of SB 226 streamlining) and funding an MPO self-assessment of the first round Sustainable Community Strategies (SCSs). She explained that prior to funding this MPO self-assessment, a workgroup and SGC Key Staff will help develop a scope of work and budget. This recommendation includes a Council Action to authorize staff to encumber an amount not to exceed \$50,000 to contract expertise to manage and complete the SCS self-assessment.

Ms. McKeever described Priority 4: "Coordinate with the California Department of Education to Revise K-12 School Facilities Policy and Investments to Improve Existing Schools in Infill Areas and Better Integrate the Siting of New Schools with Regional and Local Land Use Planning." Ms. McKeever reported that stakeholders representing regional and local government, school districts, and infill builders all wanted better planning coordination in relation to school facility siting. Council staff plans to support the California Department of Education as they work to tackle better coordination of school planning and city/county planning. This will include collaboration on OPR's General Plan Guidelines update and the California Department of Education's future update to Title 5, which guides school facility siting. Both updates will better link school facility planning with regional and local land use planning.

Vice-Chair Fisher invited any public comment specific to any one of these particular recommendations.

Jennifer West, representing TransForm, spoke regarding Priority 3. She expressed her support for the staff recommendation and explained that Transform facilitates project-by-project infill development through its GreenTRIP certification tool. Ms. West stated that the type of comprehensive analytical tools called for in the staff recommendation are a priority for TransForm, and that they would be of great value to local decision-makers. Ms. West stated that TransForm is happy to partner with the SGC to look at this component of an analytical tool.

Chair Alex asked if any Council Members had questions or comments regarding the staff recommendation.

Secretary Laird commended the direction of this project and emphasized its significance.

Secretary Laird then asked what funding source would provide the funds that staff would encumber, if the staff recommendation were approved. Liz Grassi (SGC staff) responded that these are bond funds for monitoring and planning. Secretary Laird asked if this encumbrance is consistent with the bond and is an existing appropriation. Ms. Grassi answered in the affirmative. Secretary Laird asked if the Council is committing to any additional work by approving this staff recommendation. Ms. McKeever answered no. Secretary Laird asked if there would be a specific timeline and set of deliverables for the proposed encumbrances. Ms. McKeever responded that yes, she will meet with Key Staff and with experts to develop timelines and scopes. Secretary Laird asked if the Executive Director and Chair will look at the timelines and scopes before any agreement is signed. Ms. McKeever responded in the affirmative.

Secretary Laird observed that this infill development topic spanned three of the bonds in the 2006 bond package. He asked if the Council, through its work via Proposition 84, is coordinating with any projects funded through the other two relevant bonds (which focused on affordable housing and transportation).

Ms. McKeever stated that SGC staff is working closely with the Department of Housing and Community Development and others, though she also stated that she does not know what sources are funding partners' programs. Deputy Director Allison Joe mentioned that the Proposition 1C housing bond does include funding for a specific infill infrastructure program, and that there is an opportunity to work with others. Secretary Laird suggested that by connecting with the mandates of those other bonds, there may even be the potential of securing funding from those bonds. He encouraged staff to ensure the Council isn't talking about infill development in a silo.

Chair Alex suggested that the Council direct staff to identify other bond programs that are related, to look for synergies, and to see if additional funds are available.

Deputy Secretary Annis stated that Secretary Kelly was interested in seeing these scopes of work as well. He also stated that some work related to the proposed SCS assessment has already been completed, such as work in the Caltrans Interregional Blueprint and a recent NRDC report. He suggested that the Council incorporate the work of others to avoid unnecessarily reinventing anything.

Executive Director McCoy stated that the majority of funding for Priority 1 would be used to test a handful of promising financing mechanisms against real-world settings, helping reveal what mechanisms work in what place types. To his knowledge, this has never been done. Further, Executive Director McCoy stated that staff is trying to synchronize this effort with legislative activities related to SB 1.

Undersecretary Burns asked if Priority 4 includes an assessment of what the State can do ensure school districts participate in, and make land use decisions consistent with, their region's SCS process. He emphasized the impacts school districts have on local land use patterns. Ms. McKeever responded that staff is not considering anything mandatory, but that they hope to attract schools into the regional planning process by showing the potential benefits of participation, such as opportunities for sharing data and forecasts. Further, she stated, there may be opportunities for aligning funding. For example, the State is investing in transit priority areas, and some of these areas have low-performing schools that are losing enrollment. If state funds for transit priority areas were related to state funds for modernizing schools in that area, these synergies could attract families and investment in the community. Undersecretary Burns suggested that the State look at ways to be more aggressive on this issue so that schools act consistently with the State Planning Priorities.

Chair Alex thanked Ms. McKeever and Vice-Chair Fisher for their ongoing work on this project. He announced that the infill-related CEQA streamlining provisions of SB 226 became available for use, and that OPR will be closely tracking their use. Chair Alex also stated that OPR's effort to update the General Plan Guidelines will include a piece relating to infill. In response to the discussion about school facilities, Chair Alex told the Council that OPR is working closely with the California Department of Education on the General Plan Guidelines, and that these guidelines will include some suggestions for how schools are sited.

Chair Alex opened the floor to public comment.

Connie Gallippi spoke on behalf of The Nature Conservancy. Ms. Gallippi expressed support for the staff report and related efforts but stressed that addressing barriers to infill alone doesn't necessarily reduce pressures on agricultural lands and open space. To reduce these pressures, she stated, further action is necessary: as long as infill still must compete with greenfield, there will still be problems, so the playing field must be leveled.

Amanda Eaken from the Natural Resources Defense Council commended the work of the staff and Council. She spoke in support of many specific components of the staff recommendation and offered to partner in the effort to help locals and developers understand the CEQA provisions of SB 226 and SB 375, if appropriate. She suggested that the Council also assess if/how current infill and affordable housing CEQA exceptions are being used and, if they are not used, examine why not.

Bill Higgins, Executive Director of the California Association of Councils of Government, thanked SGC staff and Vice-Chair Fisher for their work. He explained that addressing barriers to infill would improve the work of his member agencies. He also expressed support for the proposed work regarding school facilities, which he described as a very appropriate topic for the Council to address. Vice-Chair Fisher thanked Mr. Higgins and the many state agency and regional leaders that participate in the MPO/State Agency Working Group.

Secretary Laird moved the recommended actions authorizing staff to encumber funding, with the understanding that the Chair will review the contract scopes and timelines, and that staff will look into opportunities to coordinate with other bond programs. Undersecretary Burns seconded the motion. The motion passed unanimously.

Agenda Item: Timeline and Process of Planning Grant Guidelines Update

Michael Larsen (SGC staff) and David Thesell (Department of Conservation) presented the staff report regarding the timeline and process for updating the Sustainable Community Planning Grant program guidelines. Mr. Larsen reminded the Council that at its November Council Meeting, the Council took action directing staff to re-open the planning grant guidelines in May 2013. Mr. Thesell walked through the anticipated process to do so. SGC staff is currently performing a review of the Round 1 Planning Grants to develop some recommendations that will inform this guideline update process. These findings and recommendations will be presented to the Council at its May meeting. SGC staff will convene a group of state agency personnel to create a first draft of the revised guidelines. This draft will be discussed in two public workshops—one in Northern California and one in Southern California—in July, leveraging technology to reach the largest audience possible. Based on feedback from the workshops, staff will prepare a revised draft for the Council to discuss at its August meeting. Following this Council input will be a 30-day comment period. These comments will inform a final draft, to be adopted by the Council in November. Mr. Thesell stated that the Department of Conservation will be prepared to issue the Round 3 solicitation in November if the guidelines are approved by the Council.

Secretary Laird suggested that there be significant outreach to the Central Valley and other areas of the state beyond the traditionally-defined “north” and “south,” even if workshops do not take place there.

Chair Alex opened the floor to public comment.

Amanda Eaken from Natural Resources Defense Council cited Sacramento County’s recent approval of the Cordova Hills development project, and she suggested that the revised guidelines include a precondition that a city or county receiving funding be in good faith implementing its region’s adopted SCS.

Agenda Item: Demonstration of California Geoportal

Chair Alex referred to the California Geoportal as one of the less noticed and most important projects in development at the State, and stated that it can have a dramatic impact on planning and decision making. Scott Gregory, the State Geographic Information Officer with the California Technology Agency, provided an overview of the Geoportal project.

Mr. Gregory explained that Geographic Information Systems (GIS) technology has been used throughout the state for nearly 30 years, but that the State has lacked a comprehensive geodata library that is accessible across organizations. The purpose of the Geoportal is to provide authoritative, relevant data across government, to individuals, and to businesses. Success relies on participation from stakeholders that have the data: state, federal, county, city, tribal, and education organizations.

Mr. Gregory conducted a demonstration of the Geoportal, including the gallery, text search, and geographic search features; and he explained that new data is appearing daily. Mr. Gregory explained that residents could use the Geoportal to develop tailored maps to bring to local planning workshops.

Chair Alex asked Mr. Gregory to clarify the use of parcel-level data. Mr. Gregory explained that parcel-level data is perhaps the most important data set government can have, so the California Technology Agency is now providing a website where government agencies can log-in and examine parcel-level data from all 58 counties, updated quarterly. This can reduce the cost of state agency efforts and local planning efforts, as individual entities will no longer need to purchase or stitch together this data.

The California Geoportal is accessible at portal.gis.ca.gov.

Chair Alex opened the floor to public comment.

Jennifer West of TransForm stated that the cost and management of data has been the biggest impediment to TransForm's work developing tools. Ms. West stated that TransForm could expand its GreenTRIP program to a larger scale if data were available, but there are data gaps. She expressed her enthusiasm about the possibility that the Geoportal could help make important data available to everyone. Chair Alex responded that they are working to identify gaps and will then try to fill them.

Dave Michel, Program Manager of the California Energy Commission's Local Energy Assurance Planning Program, explained that his program works with local governments to help them plan for major disaster events. He expressed his excitement about the Geoportal and said that he would address some questions directly to Mr. Gregory, including some questions about data-sharing rules.

Chair Alex stated that he hopes to link the Geoportal with UrbanFootprint to make both more powerful.

Agenda Item: Meeting Adjourned

Chair Alex adjourned the meeting.