



SB 375 and Cities:

Creating Choices for Your Community, Spurring Economic Recovery, Improving Health

Cities are understandably concerned with SB 375 implementation. Working together, we can resolve those concerns, ensure local governments have the resources to carry out SB 375, and move our communities and state forward. Successful implementation of SB 375 will help our communities by stimulating job growth and economic recovery, improving air quality, saving tax dollars and making our communities healthier. It creates an opportunity for local governments to take control of future transportation and growth decisions, accelerate new housing construction and improve everyday life for local residents.

No New Costs for Cities

- The League of Cities staff analysis states that SB 375 creates “no direct planning costs for cities” because the law’s new planning requirements apply only to MPOs, not cities and counties.
- In fact, SB 375 may actually reduce some city planning costs because it provides CEQA streamlining for development projects that are consistent with an adopted regional plan.
- The cost to develop an SCS and/or APS will be borne by California’s MPOs, who receive \$54 million each year from the federal government for planning. Further, the Strategic Growth Council has already set aside \$10 million for MPOs to implement SB 375, and MPOs are eligible to apply for additional funds from the Strategic Growth Council.

New Funding Opportunities

New state and federal funds for transportation and urban development are increasingly aligned with efficient smart growth and regional planning. In the San Joaquin Valley, local leaders have already shown that working together in past efforts like the Valley Blueprint meant more access to state transportation funds and federal stimulus dollars. SB 375 offers another way for local communities to work together and position themselves for state and federal funding dollars that reward environmentally sustainable building.

- Over the next three years, California’s Strategic Growth Council will allocate \$60 million in grants to cities, counties and MPOs for planning activities. Activities consistent with SB 375 are eligible for this funding.
- At the federal level, the new Office of Sustainable Communities at HUD is offering \$100 million in Sustainable Communities Planning Grants.

SB 375 Provides CEQA Relief to Stimulate New Construction

- Construction and homebuilding are two of the hardest hit sectors in this economic downturn -- SB 375 provides an opportunity to help out these industries. Developers can take advantage of a streamlined environmental review process – saving thousands of dollars per project – by building projects along transportation corridors and near existing neighborhoods. This helps create jobs in our cities.

SB 375 Will Save Municipal Tax Dollars

- SB 375 will help cities save money by using energy, water and infrastructure more efficiently. Municipalities are currently spending billions of dollars on services like police and fire protection to support housing developments that are increasingly far from work places and shopping. Applying efficient smart growth principles can reduce infrastructure costs by 25%. (source: *Cost-Effective GHG Reductions through Smart Growth & Improved Transportation Choices*, Center for Clean Air Policy.)
- The Sacramento region estimates that cities and counties will save \$16 billion by focusing new growth in existing communities. (source: Sacramento Area Council of Governments)

Thoughtful Development Patterns Attract Private Investment and Spur Economic Recovery

- A national study analyzing the economic effects of new development concludes that efficient smart growth attracts private investment and increases municipal revenues through real estate taxes. (source: *Cost-Effective GHG Reductions through Smart Growth & Improved Transportation Choices*, Center for Clean Air Policy, 2009)
- The Center for Transit Oriented Development reports that \$73 million invested in the Portland Streetcar helped attract \$2.3 billion in private investment within two blocks of the line.

SB 375 Supports Market Demand for Smart Growth and Walkable Communities

- Market trends show that people want and are willing to pay more for homes where they can walk or take public transit. A 2007 survey from the National Association of Realtors shows that 83 percent of Americans support building communities where people can walk places and use their cars less.
- This shift to city-centered growth is already happening in California, and SB 375 will help cities meet this demand. The City of Los Angeles' share of new residential construction in the Southern California region more than doubled between 1992 and 2008. Similarly, the City of Sacramento issued 27% of the region's building permits in 2008, compared to just 9% in 1992. SB 375 provides more certainty and stronger incentives for developers looking to take advantage of this trend. (source: *Residential Construction Trends in America's Metropolitan Regions*, Environmental Protection Agency, March 2010)

An Opportunity to Build Healthier Communities

- Air pollution related illnesses are leading to thousands of hospitalizations, emergency room visits and premature deaths every year in California. Building better planned, more compact communities will help reduce air pollution and related health and medical costs.
- Mixed-use communities designed around transit, walking and biking allow residents to breathe cleaner air and incorporate physical activity into their daily routines. Diseases such as cancer, asthma, lung and heart disease, obesity, diabetes are all affected by community design. Individuals who live in walkable neighborhoods have a 35% lower risk of obesity. (source: American Lung Association)
- Compact development saves water, because homes with smaller yards use less water than conventional suburban homes. Efficient growth patterns could save California 14 million acre feet of water by 2050. That's more water than Lake Shasta and Hetch-Hetchy combined. (source: Vision California).