

Elements of a Framework for Collaborative Regional Decision-Making in California

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Purpose

The purpose of this paper is to provide additional perspective to the Commission on Regionalism as it considers a new state framework for regional decision-making in California. The Commission was established in 2000 by Speaker of the California State Assembly Robert Hertzberg "to develop innovative state government policies and strategies that will encourage and support regional collaboration among local governments; and to encourage regional collaboration among local governments and civic, business, and other community organizations, to better enable our governments and our citizens to address California's major economic, social, and environmental challenges in the years ahead."*

The paper considers options for three major elements of a regional planning framework: policies, programs, and resources. It considers which combination of elements might be most conducive to promoting a collaborative approach to regional planning.

* Commission on Regionalism, Mission Statement, www.regionalism.org.

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1. The Need for Collaborative Regional Decision-Making in California

As California enters the new century, a strategy to guide investment and planning to accommodate expected growth has become a matter of critical debate. Our future prosperity will depend on our ability to balance economic growth, equality of opportunity, environmental preservation, and quality of life goals. This balance may be struck most effectively through a collaborative regional approach to planning and investment.

The current condition of California's infrastructure highlights the need for a more systematic approach. The recent economic boom drew attention to the deteriorating condition of major systems, including transportation, water, and power supply. Substantial new investments costing billions will be needed to accommodate projected population growth of nearly one-third over the next two decades. Thoughtful planning is needed to guide new state and local investments.

However, the state government currently lacks an integrated set of growth policy goals and objectives to guide its planning and investment decisions. Likewise, local governments often pursue growth policies in an uncoordinated fashion, and many of their decisions affect neighboring communities and even the region as a whole. All too often, the result of this system is inefficient development that erodes the state's quality of life and promotes unequal opportunity across municipalities.

The state can no longer afford uncoordinated growth. Without more careful strategic planning, public resources could be overwhelmed by the level of growth projected for coming decades. As urban development butts up against prime farmland and valuable natural habitat, economic and environmental planning goals must be reconciled. The health of our regional economies depends on the quality of the natural and social environment – on livable communities that provide a range of housing opportunities for all workers close to their places of employment, on the revitalization of inner cities and reinvestment in disadvantaged areas, on high-quality education and workforce opportunities, and on the preservation of open space and the natural environment. Achieving these goals is impossible without regional coordination of planning and investment.

Regions are the appropriate scale for many critical decisions related to growth and development, including those concerning affordable housing, workforce development, jobs and housing balance, and environmental and open space preservation. Many infrastructure investments – for transportation, airports, water, and waste disposal systems, for example –

are also regional in scale. For the most part, however, the planning and regulatory efforts undertaken by the federal, state, and local governments at the regional level have been narrowly focused or limited in impact.

The state's institutional framework for regional planning needs to be enhanced. Two models have predominated for decades. First, local governments have pursued cooperative planning on a voluntary basis under the Joint Exercise of Powers Act. Local governments have preferred this model because it provides a flexible structure in which to achieve mutually agreed-upon goals. Neighboring governments have often established joint powers authorities (JPAs) to provide services more efficiently than they could on their own. Localities have also used the JPA model as a basis for establishing regional Councils of Governments as forums for discussion and research. JPAs are excellent vehicles for joint action on matters of mutual concern; but because they rely on the force of cooperation alone to secure collective action, they often fail as frameworks for designing and implementing regional policies in areas where deep conflicts must be resolved.

The second predominant model for regional planning relies on functional agencies controlled by the state and federal governments. These agencies helped build large-scale infrastructure in California, including the highways and water supply systems, and they have also regulated protection of the environment. However, they are generally organized along single-purpose lines, and they have little control over land use, a prerogative of local governments. As a result, key areas of planning – land use, transportation, and environmental protection in particular – are largely disconnected because they fall under the control of different levels of government or functionally narrow agencies.

Recognizing the need for better coordination, local governments, civic leaders, and voters have increasingly adopted growth management strategies that cross geographic and functional boundaries. Through state leadership, California has become a laboratory for innovation in multi-jurisdictional planning to reconcile environmental and economic goals in programs such as the Natural Communities Conservation Planning Program. These innovations, however, have often been organized only after planning conflicts have reached a state of crisis. The state government could take a more active approach, helping to create forums in which the interconnections between key regional concerns may be addressed more effectively. Federal, state, and local policies could be aligned with private-sector efforts to empower regions to define and implement new visions for prosperity and sustainable growth. Opinion polls suggest that the public is ready for such reforms. A recent PPIC statewide poll, for example, revealed overwhelming public agreement

(89 percent) that local governments should work together on local growth issues rather than make growth decisions on their own.*

Collaborative regional planning should also include representatives of civic organizations, the business community, labor, and the public at large. Growth and development result from the interplay of private and public sector decisions, so leadership from business as well as government must help guide regional planning. Disadvantaged communities need an effective voice in regional decisions not only to address their own concerns, but for the sake of the region as a whole; regional economies prosper best when no one is left behind. Advocates for the environment should help design regional plans to ensure that development is pursued in a sustainable way. Local governments need to be involved to ensure that local priorities and needs are addressed in the context of larger regional concerns. Finally, members of the public should be involved because an informed, active citizenry is the best assurance of effective planning.

* Mark Baldassare, *PPIC Statewide Survey: Special Survey on Growth*, Public Policy Institute of California, May 2001.

2. Elements of a New Framework for Regional Collaboration

We believe that any meaningful approach to improved regional decision-making will include the following elements: 1) a state policy and program framework, 2) an institutional vehicle for regional initiatives, and 3) a commitment of resources.

A State Policy and Program Framework

Policy Options

A state policy framework to guide regional planning and investment would include some or all of the following elements: **policy goals, performance standards, and program measures**. An assertive state approach would integrate all three elements and make compliance mandatory, in a fashion similar to programs established by states such as Florida and Oregon. A moderate approach might establish policy and outcome goals and program options but make compliance voluntary and leave program implementation to local and regional actors. A passive approach might establish only broad goals and no specific policies or programs.

The status quo is the weakest option. Although the state influences growth and development through its continuing investment in infrastructure of various kinds, it does so in the absence of an integrated set of growth management goals and policies. A slightly stronger alternative would be for the state to establish by statute a set of broad goals to help guide regional decision-making without specifying program or performance measures to achieve them. The goals might address areas of compelling state interest such as:

- Ensuring efficient use of land and infrastructure and provision of public services,
- Encouraging economic development and streamlined regulation,
- Encouraging investment in disadvantaged areas,
- Promoting high quality education and workforce development,
- Providing affordable housing near work opportunities, and
- Conserving natural resources and protecting the environment.

A moderate state policy approach might go beyond articulating broad goals to define outcome measures and program options for achieving them.

While recognizing and accommodating regional differences in priorities, the state would also have an affirmative obligation to develop policies and performance measures sufficiently detailed to determine the extent to which they were being implemented.

Outcome measures can provide a moderate form of policy guidance if specific standards and timelines for compliance are not defined, and if implementation is left up to local and regional agencies. In this case, the measures could be used in evaluating alternative policy and program choices. To be useful, such measures need to be quantifiable. The state could provide guidance in this regard, and indicate the relative importance of different measures. Examples of outcome indicators include reducing growth in vehicle miles traveled in the region, maximizing cost-effectiveness of infrastructure investment, achieving compliance with federal and state air and water quality standards, designating and preserving key natural resource areas, and improving school outcomes.

The state could also define specific program options that state, regional, and local agencies might adopt. In general, this is a more assertive form of policymaking than outcome measures because programs call for specific action. However, if the measures are made optional, the policy guidance is only moderate. Numerous program measures could be considered; to ensure efficient use of land and infrastructure, for example, programs might call for increasing residential densities near transit stations, providing infrastructure and services concurrent with development, or increasing provision of multi-family housing. Other program measures, such as requiring that local general plans assess the effects of development on regional transportation and other infrastructure systems, could enhance regional planning coordination more directly.

In defining a flexible policy framework for collaborative regional planning and development, the state would also need to consider articulating areas of overriding statewide concern, such as the provision of infrastructure with statewide effects, the provision of adequate and affordable housing, preservation of the state's natural heritage, and resolution of conflicts of statewide concern between and within regions.

The most assertive policy framework would be one in which program and performance measures were made mandatory, compliance was monitored, and sanctions were imposed for non-compliance. Performance measures might include specific standards to be met within specified time periods. To varying degrees, this approach characterizes many of the state growth management systems established elsewhere in the U.S. over the past two decades. In such a model, the state government adopts an active role in helping guide future growth and development.

In our estimation, a moderate level of state policy direction could be an effective model for California, especially if that direction emphasizes outcome measures and allows for local choice in implementation strategies. Although a weak policy framework has pitfalls for California, the state's regional diversity, its tradition of home rule, and the strength of its local planning tradition tend to discourage a more interventionist approach by the state government. Accordingly, institutional flexibility is an important consideration. A moderate policy course can allow for this flexibility even as it signals a new state commitment to regional planning.

Without this commitment, a flexible institutional model may resemble existing legal arrangements such as Joint Powers Authorities, prompting the question of why any new arrangements are needed. Also, the outcome measures in a moderate policy framework could provide a focus that has been lacking in previous efforts at regional planning. Existing regional institutions are not answerable to regional constituencies, and they often find it difficult to define and implement policies that address the needs of a region as a whole. At the same time, the state government's functionally narrow approach has worked against the emergence of regional visions for growth and development. A state framework that articulates clear, broadly supported goals and preferred program options can play a useful role in shaping regional growth and development.

Program Options: Expressing a State Interest in Regions

The state government could establish a **Commission on Regions** or other such body with continuing authority to facilitate and coordinate the state's role in regional planning arrangements. Such a body might be comprised of representatives of local governments, regional and state agencies, civic and business organizations, and the public at large. It might be accorded a range of functions and powers, including the following:

- Proposing a policy framework for regional planning after consulting with representatives of federal, state, regional, and local public agencies as well as business, social equity, environmental, and other civic organizations.
- Coordinating the efforts of state and federal agencies in collaborative regional initiatives.
- Approving regional boundaries for purposes of collaborative regional initiatives.
- Providing technical assistance to collaborative regional initiatives and maintaining regional databases.

- Providing oversight for self-certification or other means of ensuring that the provisions of collaborative regional plans conform to state and federal law and are furthered by local, regional, and state policies and programs.
- Acting as an appeals board for conformity of local plans and policies to provisions of collaborative regional plans, and conformity of regional plans to state and federal laws and policies.

A Framework for Regional Initiatives

In creating a new institutional framework for regional planning coordination, the state could adopt a directive, collaborative, or devolutionary approach. A directive approach might entail state oversight and certification of local and regional plans and programs for conformity with state policies for regional growth and development. Although this approach has been adopted by other states, it would likely meet with resistance in California.

A collaborative approach might encourage coordinated planning among existing state, regional, and local agencies, employing decision-making and administrative techniques like cross-acceptance and self-certification of conformity of jointly developed plans with relevant statutory requirements. By using such techniques, this model could operate without the establishment of new administrative authority. A devolutionary approach, in contrast, would provide regulatory authority to regional agencies. Such an authority might oversee local government compliance with regional plans or place regional growth and development plans before voters for approval.

We believe that a collaborative approach is a useful model for California. One version might be for the state to authorize by statute, but not require, local governments within regions to establish regional planning compacts with state, regional, and federal agencies for the purposes of developing multipurpose regional plans. The compacts would form the legal basis for collective action within regions to address multi-faceted, multi-jurisdictional problems in a more comprehensive way.

A regional planning compact might be designed to:

- Commit participants to an ongoing, collaborative process for the development, adoption, implementation, and evaluation of a multipurpose regional plan.
- Rely on local governments within a region to jointly determine a basis for defining a minimum adequate level of local participation in the compacts.

- Designate roles and responsibilities of state, regional, and local agencies in developing and implementing the plan.
- Establish regional review boards or other mechanisms for resolving disputes.
- Determine the geographic boundaries for the compact pursuant to a statutory definition for an appropriate scale, for example, as one that respects the integrity of the region's physiogeographic, environmental, and/or socioeconomic features as they pertain to the goals of the compact, and for which political jurisdictional boundaries are accorded secondary significance.

A multipurpose regional plan might be defined as one that:

- Addresses state, regional, and local growth and development goals through integrated, coordinated policies.
- Is developed and adopted on the basis of collaboration and cross-acceptance among participating governmental agencies and representatives, and through an open and inclusive process that provides for input from representatives of business, environmental, social equity, and other civic organizations as well as the general public.
- Conforms to state and federal law and is reflected in state, regional, and local policies and programs as verified through self-certification by participating agencies, subject to judicial review.
- Includes any relevant fiscal, regulatory, or public expenditure provisions such as arrangements for tax base sharing, streamlined regulation, and capital expenditure plans.
- Incorporates and facilitates more limited planning processes – limited either in geographic or functional scope – when appropriate.

We also believe that a devolutionary model – for example, one that includes voter approval of regional plans – holds promise for California. Voter approval can help provide accountability to ensure that plans address regional needs rather than more parochial concerns. A devolutionary approach could be meshed with a collaborative model, for example, if regional capital expenditure plans (as defined through collaborative regional compacts) were placed before voters. In a devolutionary approach, careful consideration of geographic scale is especially important. If the geographic

scale for voter approval of funds for transportation or habitat preservation, for example, did not match the scale of the affected regional transportation or bioregional system, then voter approval could serve to distort outcomes.

State Resources for Regional Planning and Coordination

To create a more effective system of regional decision-making, the state will need to commit resources. State incentives would be especially critical for a voluntary or collaborative approach to succeed. Such incentives might include resources for communities that participate in the development of regional plans and programs, such as state matching funds for local tax set-asides, increased property tax allocations, technical assistance, or priority funding for state infrastructure investments. Other incentives might be based on regulatory relief – for example, the presumption of plan or project approval or expedited development review by state agencies for projects identified in mutually agreed-upon plans. Finally, the state's commitment to collaborative regional plans would need to extend to its own departments and agencies. For example, state capital expenditures and infrastructure bonds might be made to conform to and further the provisions of adopted multipurpose regional plans.

A devolutionary approach to raising resources for regional planning might include the creation of region-level financing mechanisms for raising revenue. For example, one of the Commission's fiscal recommendations is to enable voters within regions to approve capital expenditure plans at a lowered voter threshold.

Because a voluntary or collaborative approach to regional planning is more likely to succeed in California than a state-dominated process, the state's commitment of resources will be a critical determinant in the success or failure of a new planning framework. However, this observation does not imply that success depends only on increasing state spending to induce local governments to participate in collaborative regional planning initiatives. Instead, the state government's approach to its own investment decisions could form the basis for many incentives. Like other states, California could direct its own state investments to help achieve clearly articulated growth and development goals and to reward regional collaboration. This type of state commitment will be essential, not only because fiscal constraint would render an approach that relied primarily on new spending more difficult to achieve, but also because state investment is an essential component of coordinated multipurpose regional planning.