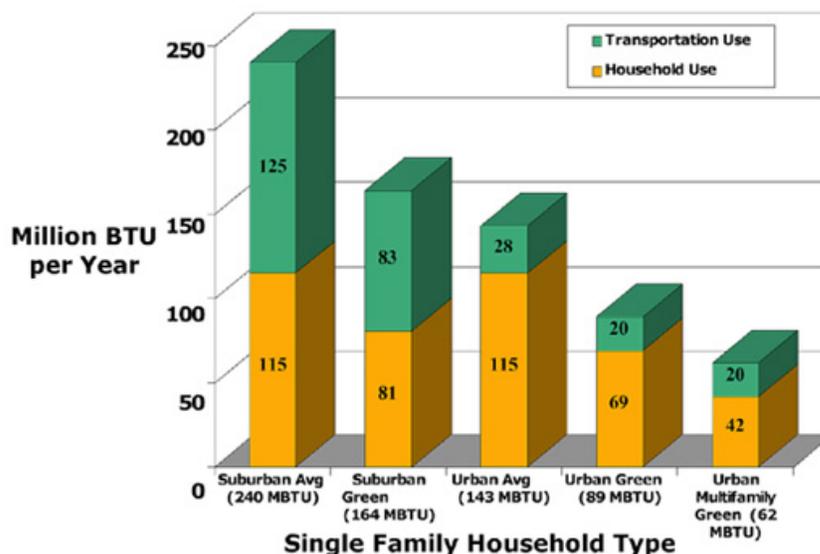




Smart Growth: Good for the Environment and for Business



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Transportation accounts for more than half of suburban family energy consumption. Improving urban designs and land use policies is an important way to reduce miles traveled and the corresponding energy consumption. *Chart courtesy of Jonathan Rose Companies LLC.*

The Land Use-Climate Change Connection

In 2006, Americans drove 3 trillion miles, and will drive 7 trillion miles per year by 2035. Vehicle miles travelled (VMT) is increasing faster than the population, as people on average are driving more. We all know this leads to increased congestion, longer commute times, hampered goods and customer mobility, and limits to economic growth.

There's also a clear harm to the environment: people are driving so much that if we can't cut down on VMT, we'll cancel out the substantial environmental benefits we expect from better cars and cleaner gas.

But how do you get people to drive less? Traffic does not seem to deter people; the price of gas has not noticeably changed driving habits; and trying to make people feel bad about driving, or their choice of car, to get them to drive less doesn't work, either. One thing we do know is that the *design* of our cities, communities and regions has a major impact on why, and how much, we drive.

Many traditional American suburbs give us no choice but to drive to get our needs met: even if we want to walk, we find nothing within walking distance and little or no public transportation. The challenge of housing affordability has also forced millions of us to drive until we find

affordable housing, resulting in longer commutes. Given the development we've encouraged over the past 40 years, we should not be surprised that it is so hard to get people to drive less.

If instead we design communities with a mix of uses (so people can walk to do their errands), a pleasant, walkable environment (so walking is convenient and attractive), and with slightly higher densities (so there are people to support local businesses and public transportation), we can expect that people will own fewer cars, make fewer car trips and drive fewer miles.

This is what "smart growth" is all about.

Smart Growth and Climate Change

As the chart above illustrates, transportation is the largest component of personal energy use. The chart converts home and vehicle use into common energy terms (BTUs) so they can be directly compared. If we want to reduce energy demand and the corresponding greenhouse gas (GHG) emissions, it is better to move into the city than to "green" your home in suburbia.

California officials are currently evaluating how to achieve reductions in greenhouse gas emissions from land-use planning. A recent report¹ by the California Energy Commission commented that VMT is expected to continue to increase by nearly 3 percent per year for the foreseeable future.

E2 recently participated on the California Economic & Technology Advancement Advisory Committee (ETAAC (see www.etaac.org)). The Committee's just-released report² studied policies for reducing VMT, including:

- Planning: Smart Growth and Transit Villages
- Pay-as-you-drive Insurance
- Congestion Charges
- Employer-based Commute Trip Reductions

California's Climate Action Team calls out "improved land use" as a specific area for as much as 14 percent of the State's total greenhouse gas reduction required under AB 32.³

A recent report from the Urban Land Institute, Smart Growth America and others, entitled *Growing Cooler: The Evidence on Urban Development and Climate Change*,⁴ concludes that more compact, smart growth-style development can lead to a **20-40 percent reduction in vehicle miles travelled**. This is clearly better for the environment, combats congestion and will lead to communities that are more livable and attractive. The *Growing Cooler* report is essential reading for anyone interested in this topic, and offers a detailed, straightforward analysis of the climate change-land use connection.

¹ California Energy Commission. The Role of Land Use in Meeting California's Energy and Climate Change Goals. Final Staff Report. August 2007. Available online at <http://www.energy.ca.gov/2007publications/CEC-600-2007-008/CEC-600-2007-008-SF.PDF>.

² ETAAC. Recommendations of the Economic and Technology Advancement Advisory Committee. Report to the California Air Resources Board. 11 Feb 2008. Available online at <http://www.etaac.org/jsp/genericdoc.jsp>.

³ E2 Climate Campaign web page: <http://climate.e2.org/jsp/controller?cmd=e2c2growth>.

⁴ Available online at <http://www.smartgrowthamerica.org/gcindex.html>.

Smart Growth and Economic Development

With increased congestion and the tremendous economic costs of traffic and delay, people are looking for new ways for America and its regions to remain competitive for investment and employees. Market studies are showing that smart growth, walkable neighborhoods and urban areas with vitality are becoming increasingly attractive. The economic benefits of smart growth are lesser known, but when paired with its environmental benefits, smart growth emerges as a comprehensive approach to two of America's biggest challenges.

Some of the economic benefits of smart growth are outlined in the Brookings Institution's *Investing in a Better Future: A Review of the Fiscal and Competitive Advantages of Smarter Growth Development Patterns*,⁵ and they include:

- Higher real estate value through more intensive development;
- Increased labor productivity in counties with more density and cities that are more compact;
- Increased potential for economic growth through more convenient access to suppliers, contractors, customers and employees; and,
- Reduced costs of providing infrastructure and reduced utility and operating costs.

Other reports point to the desirability of communities with a strong sense of place and a higher quality of life, and the attractiveness of vibrant and diverse urban communities to members of the "creative class" that is driving new economic growth.

What we do know is that far-flung development of nearly identical homes with two-hour commutes is not an equation for sustained economic development. Smart growth strategies help us bring people closer to their jobs and house them in pleasant, walkable neighborhoods.

How to Get to Smart Growth

In the United States, control over land-use policy resides largely with cities, counties and other local jurisdictions. The State of California alone has more than 500 jurisdictions with land-use control and they jealously guard this power from any infringement by the State and Federal government. With such important decisions fragmented among so many different decision-makers, how can we possibly change land use for the sake of the economy and environment?

Option 1: Compliance

One way is through government action to require reduced emissions. In California, Attorney General Jerry Brown has aggressively pursued local jurisdictions and dozens of development projects to require them to consider, and mitigate, greenhouse gas emissions. He sued San Bernardino County after determining that their General Plan failed to sufficiently address climate change and air pollution. In settling, the County agreed to embark on a 30-month public process aimed at cutting greenhouse gas emissions attributable to land-use decisions and County government operations. He has also given warning letters to roughly 14 other regional planning agencies and companies about development plans and projects and their potential impact on greenhouse gas emissions.

Option 2: Better Regional Planning

SACOG (the Sacramento Area Council of Governments) - a federal transportation funds-

⁵ Available online at <http://www.brookings.edu/reports/2004/03metropolitanpolicy_muro.aspx>.

dispersing association of officials from the six-county region around Sacramento - has become a nationwide model for comprehensive and effective regional planning, all done voluntarily by member jurisdictions committed to a new vision of growth.

Three years ago, SACOG's members adopted a preferred "Sacramento Region Blueprint" to guide land-use and transportation choices over the next 50 years. The Blueprint sets forth a vision for the region that reflects many smart growth principles, and calls out an estimated 14-percent reduction in per-capita carbon and particulate emissions through 2050 under the Blueprint.⁶ Preliminary data already show measurable VMT reductions after just three years. In land-use and development time, that's almost instantaneous.



Expected land use patterns before and after the blueprint. See appendix (page 6) for enlarged image.

What Can E2 Members Do to Help?

In California, efforts are underway to improve land-use and transportation modeling and planning through Senate Bill 375 (Steinberg (D-Sacramento)), sponsored by NRDC and the California League of Conservation Voters.

With so many local jurisdictions in California in control of land-use planning, and with fewer and fewer Californians living, working, shopping and recreating in the same community, a regional framework like SACOG's is best-suited to ensuring that our land-use policies support California's GHG reduction goals. **SB 375** creates such a framework. More specifically, the bill:

- **Requires GHG reduction targets for each region** - The California Air Resources Board has agreed upon a statewide GHG reduction target from better land use, but without some local accountability, it's too easy to pass the buck. SB 375 will require regional-level targets to be set, to motivate local jurisdictions to do their part and let them know when they have.
- **Require regional plans to reach those targets** - Regional plans would direct future development to areas near transit and existing infrastructure and would have to demonstrate likely reductions in GHG emissions from cars and light trucks. Areas to be preserved from development would also be included in the plans.
- **Direct state infrastructure funding to support those regional plans** - Where we invest in infrastructure plays a major part in where development occurs and the character it takes. To ensure our infrastructure spending leads to real GHG emissions reductions, and as a reward for regions that have committed to reductions through planning, SB 375 would provide transportation infrastructure funding as an incentive for cities and counties to implement the regional plan.
- **Streamline review of projects that support the regional plans** - Developers hoping to build more compact communities want certainty that their projects will move forward. Currently, much local land-use planning does not provide this certainty. SB 375 would change this by streamlining review of projects that comply with the regional plans.

⁶ Sacramento Region Blueprint web page:
<<http://www.sacregionblueprint.org/sacregionblueprint/home.cfm>>.

By giving regions the primary role in planning, SB 375 preserves local control over land use without putting unfair burdens on individual jurisdictions. By rewarding local governments who implement regional plans with transportation dollars, the state creates its biggest incentive for smarter growth. By streamlining review of individual projects that work with the regional plan, SB 375 rewards those builders who play their part in meeting the state's GHG reduction goals. SB 375 is a comprehensive approach to incentivizing land-use planning that maximizes environmental benefits. By adopting SB 375, California would continue the lead it has established on climate and the environment.

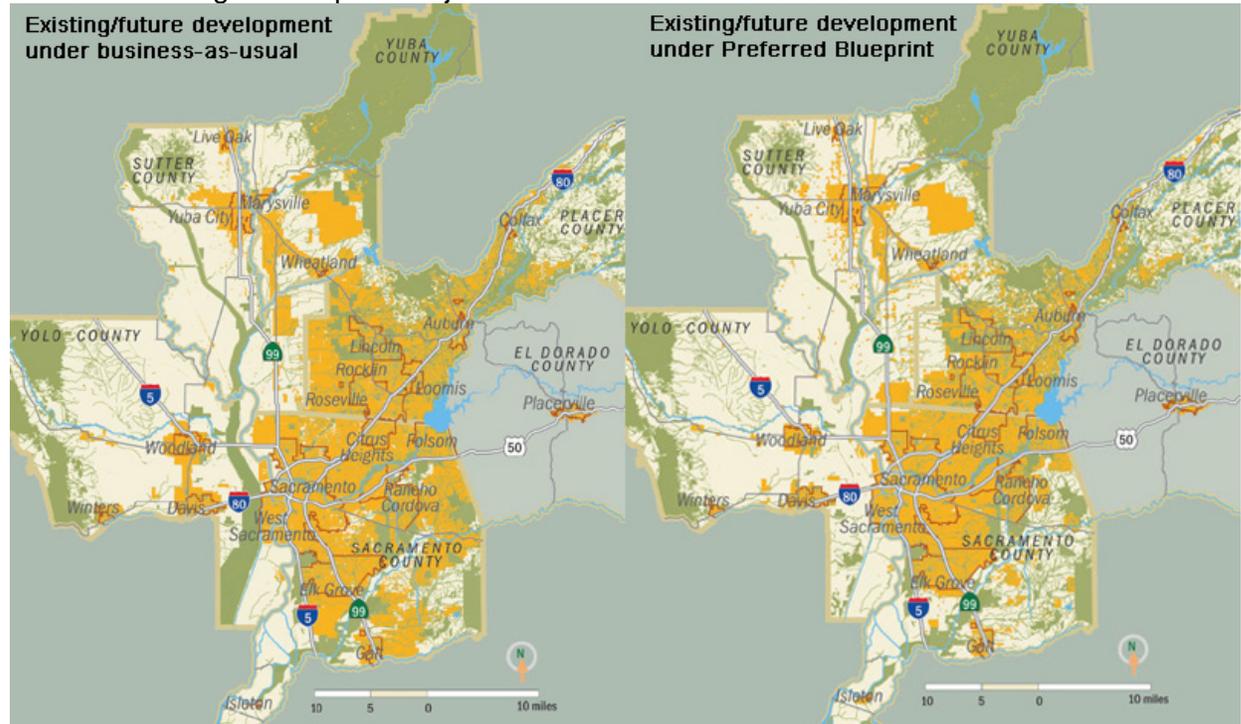
In September 2007, E2 sent a letter supporting SB 375 with 207 signatures⁷ to the State Assembly. The bill passed out of the Senate and is currently waiting approval from the Assembly Committee on Appropriations. It must be approved by the full Legislature by August. E2 will continue working closely with NRDC land-use efficiency staff Amanda Eaken and Justin Horner to build a broad coalition of support for SB 375, and we plan to feature the bill as a priority ask on our annual trip to Sacramento on March 26.

If you are interested in contributing to E2's efforts in California to support SB 375, please contact April Mo, E2 Program Associate, at amo@nrdc.org or (415) 875-6100, for more information.

⁷ Available online at <<http://www.e2.org/jsp/controller?docId=13571>>.

Appendix

Sacramento Region Blueprint Project: Preferred Growth Scenario⁸



⁸ Business-as-usual map available online at http://www.sacregionblueprint.org/sacregionblueprint/the_project/maps/Basecasepp.jpg. Preferred Blueprint map available online at http://www.sacregionblueprint.org/sacregionblueprint/the_project/scenariomap_region.html.