REPORT

DATE: July 7, 2005

TO: Regional Council
Community, Economic and Human Development Committee
Energy and Environment Committee

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SUBJECT: 2% Strategy Implementation Through California Environmental Quality Act (CEQA) Streamlining

EXECUTIVE DIRECTOR'S APPROVAL:

RECOMMENDED ACTION:
Proceed to implement recommendations in Compass program.

SUMMARY
Among the recommendations in the Compass Growth Vision/2% Strategy is that the California Environmental Quality Act (CEQA) should be streamlined for the purpose of facilitating key, strategic development envisioned by the region. Current discussions at the State level on potential reforms to CEQA present SCAG with an opportunity to pursue this portion of 2% Strategy implementation. This report describes, for the Committee's consideration, SCAG's objectives for any potential CEQA streamlining legislation, and the various options that are currently under consideration.

BACKGROUND:
The California Resources Agency has initiated a series of statewide discussions on potential reforms to CEQA. Mark Pisano, SCAG Executive Director, is a member of the CEQA Improvement Advisory Group formed by the Resource Agency for this purpose. Karen Tachiki, SCAG Counsel, is a member of the associated Technical Committee. The administration's purpose in pursuing this issue is to address the State's chronic housing supply shortage, and to make best use of planning and mitigation resources.

In participating in these discussions, SCAG staff has identified several ways in which the organization's on-going planning and implementation objectives might be enhanced. Pending approval from the Regional Council, SCAG staff would seek and support legislation based on the principles described here.

CEQA Principles; CEQA streamlining should:

- Ease the development of housing in appropriate, strategic locations (e.g. urban in-fill and transit oriented).
- Pursue environmental outcomes that are preferable to current conditions or "no-plan" future scenarios.
- Ensure that CEQA is used as intended rather than abused in order to stop/delay good projects.
- Promote regional planning.
- Address a number of environmental impacts at the regional, rather than project, scale.

- Allow regional plans meeting specified criteria to reduce required subsequent documentation for consistent projects.
- Create an incentive for local governments to pursue land use planning that is supportive of regional plans.
- Seek legislation that can be enacted and implemented this year based on regional planning work that is already in place (Compass, 2004 RTP and EIR, Subsequent 2% Strategy Products). Such legislation would streamline CEQA procedures for housing projects only.
- Seek legislation that can be enacted and implemented in 2-5 years based on improvements to regional planning (e.g. Regional Comprehensive Plan and EIR). Such legislation would streamline CEQA procedures for a wider range of projects.

Provisions of Current Proposals/Alternatives

There have been various proposals discussed as part of the statewide review. All of these proposals rest on the basic premise that growth and development planning work done by a region might allow for a reduction in environmental documentation for projects consistent with the regional plan. The variation in proposals, therefore, centers around, a) the requirements on a regional growth plan in order to qualify for streamlining, and b) the type of relief from standard CEQA procedures that would be available.

Short and Long Term Proposals

The statewide discussions have proceeded on the assumption that a short term program, based on regional planning work that is already done, can be implemented immediately. This short term approach would allow streamlining for housing and mixed use projects only. A longer term, more comprehensive, approach would require regions to prepare further planning work that identifies specific plan outcomes across the full range of environmental resource categories and creates a basic regional mitigation structure. SCAG envisions fulfilling these requirements through the on-going Regional Comprehensive Plan effort.

The discussion that follows pertains solely to the shorter term effort, as requirements for the longer term program have not been fully discussed to date.

Qualifying Regional Growth Plan

Currently, there is broad agreement about the basic elements of a regional growth plan that would qualify for CEQA streamlining for the shorter term program. The attached document lists the requirements proposed by the State Resources Agency for inclusion in legislation, along with notation on how SCAG planning work already in place would qualify Southern California to participate.

CEQA Relief for Projects

Discussion on exactly what type of relief will be given to projects which are consistent with the regional plan could take either of two forms. SCAG staff has proposed that qualified projects should be able to prepare focused, limited environmental documentation, rather than a full-scale Environmental Impact Report. Alternatively, an expanded exemption from CEQA, similar to the

exemption in current law for in-fill housing projects, may be considered. The exemption option would likely be conditioned on a number planning and regulatory actions at the local level, such as a standard mitigation fee program being in place.

Applicable SCAG Planning Work In Place

As described in the attachment, SCAG has either completed, or will shortly have completed, the elements required for "regional growth plan" as envisioned by current proposals. That work includes:

- Adopted 2004 Regional Transportation Plan (especially the growth distribution)
- Adopted 2004 Regional Transportation Plan Program Environmental Impact Report
- Compass Growth Vision
- Subsequent 2% Strategy Implementation Tools and Planning Products – includes maps of 2% preferred growth areas, as well as characteristics of desired development (building types, densities, parking requirements, floor areas ratios, etc.)

FISCAL IMPACT:
Work related to this item is included in the FY 2005-2006 Overall Work Program for Growth Visioning (05-050). Legal and legislative work is budgeted in the indirect budget and general fund.

Attachment: Criteria for "Regional Growth Plan" annotated for SCAG work in-place

Linking SCAG's Regional Plans to Implementation of the Compass Growth Vision Strategy for Outcome-Oriented Urban Infill Development

Analysis of Proposed CEQA Track 1 Legislative Language:
Defining a Regional Growth Plan

	Proposed Section 21159.28 (f) - **A Regional Growth Plan shall:**	SCAG's Response:
1	Identify the geographic location of specific areas that are appropriate for urban housing projects in existing urban areas	Land use analysis in the 2004 RTP and its PEIR analyses and supports development in strategic locations including town centers, transportation corridors, and urban in-fill locations; Subsequent Compass 2% maps delineating preferred growth areas are consistent with the RTP.[1]
2	Provide standards for the design and location of housing	Proximity to transportation infrastructure , mixed land use, higher density development in strategic locations are specified in RTP and associated PEIR. Design analysis, FAR, parking and other are being developed as part of subsequent work effort specified in PEIR mitigation plan, and are intended to be supportive of community design guidelines.[2]
3	Identify specific mitigation measures recommended for individual projects to address regional environmental issues	PEIR Mitigation Measures are suitable for regional-level analysis[3]
4	Have been adopted after the preparation and certification of an EIR that has evaluated direct, cumulative and regional impacts, identifies and adopts mitigation measures or alternatives that, where feasible, reduce or avoid significant environmental impacts	The land use analysis for the 2004 RTP PEIR did consider infill-oriented development in its growth alternatives analysis[1]

[1] 2004 RTP. http://www.scag.ca.gov/rtp2004/2004draft/FinalPlan.htm. See pages 94-96, *Thinking Out of the Box: Land Use-Transportation Connection*; pages 108-110, *Land Use-Transit Coordination*; pages 186-189, *Integrating the Growth Vision Strategy*. Also see 2004 Compass Growth Vision Report, pages 29-32, *Coordinating Land Use with the Regional Transportation Plan*.

[2] 2004 Compass Growth Vision Report.. http://www.socalcompass.org/about/report/index.html. See page 49, *Development Patterns Make the Difference*, and pages 56-62, *Implementation Tools by Principle*.

[3] 2004 RTP PEIR. http://www.scag.ca.gov/rtpPEIR2004/draft/2004/. See pages 3-1 through 3.13-22, *Environmental Setting, Impacts, and Mitigation Measures*.

5	Consult with all of the regional water quality control boards, air pollution control districts, air quality management districts and councils of government	All these agencies with jurisdiction in the six-county SCAG region were consulted with extensively. SCAG has very well-developed and time-tested interagency consultation processes already in place[4]
6	Finds, in writing: that it promotes the general welfare of the region; that it encourages higher density infill housing development and discourages lower density housing development, and reduces air pollution and traffic congestion when compared to other alternative forms of development	RC adopted finding and mitigation plan for EIR, which has been incorporated into subsequent analysis and tool development
7	Provides a written copy of the notice of determination	Filed with the State Clearinghouse on April 5, 2004

[4] 2004 RTP. http://www.scag.ca.gov/rtp2004/2004draft/FinalPlan.htm. See pages 30-33. Also see 2004 Compass Growth Vision Report, pages 21-28.