MEMO

DATE: September 1, 2005

TO: Community, Economic and Human Development Committee (CEHD),
Energy and Environment Committee (EEC),
Transportation and Communication Committee (TCC)

FROM: Regional Comprehensive Plan Task Force
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SUBJECT: Expanded Regional Comprehensive Plan Approach and the California Environmental Quality Act (CEQA)

SUMMARY:

Potential changes in the California Environmental Quality Act (CEQA) may create a distinct role for regional plans. Through the RCP process, SCAG may be able to satisfy the requirements for a regional plan as discussed in the on-going negotiations at the State level. In order to anticipate and take advantage of changes to State law, SCAG would need to re-envision its RCP process to some degree. The purpose of this report is both to provide information to the policy committees as well as to gather feedback and comments for the Regional Comprehensive Plan (RCP) Task Force. Pending further discussion at both the task force and committee levels, staff anticipates Regional Council consideration for action at a future date. Additionally, staff will convene information and expanded dialogue sessions on CEQA issues for members of the Regional Council and Policy Committees.

BACKGROUND:

To date, staff has briefed both the RCP Task Force and the CEHD and EEC Committees on on-going CEQA reform discussions. In June, the Regional Council authorized staff to participate in legislative discussions, and to seek agreement on changes to State law based on a defined set of priorities. Briefly summarized, the California Resources Agency has proposed a system whereby regional growth plans, such as SCAG's RCP in process, would qualify supportive developments for streamlined environmental documentation. In light of those discussions, SCAG staff has prepared to approach the RCP process in such a way that the plan could take advantage of proposed provisions in the law for regional planning.

The RCP Task Force discussed this issue at is July 25 meeting, and directed this report to the policy committees. Further, the Task Force suggested that staff convene discussions for members of the policy committees and Regional Council that would provide background information on CEQA and CEQA issues, and allow for more in-depth discussion.

The benefit of pursuing a plan in this way would be a greatly expanded potential to actually implement the region's Compass Growth Vision by creating a preference for supportive plans and projects. The Growth Vision adopted by SCAG in 2004 identifies substantial benefits for the region's performance affecting not just the transportation system but also several environmental and quality of life factors. The basic assumption for SCAG's implementation efforts, including CEQA reform discussions, is that tools must be developed to facilitate growth and development that is identified in the Compass Growth Vision. Any tools

developed as part of the Compass effort, including those sought in a new CEQA structure, would be implemented locally at the option of the local government.

The attachment document titled "CEQA Improvement Advisory Group Concept Paper" was prepared and circulated by the California Resources Agency. It describes the elements that a regional plan would need to contain to qualify for streamlining. Summarized briefly, the regional plan should:

- Establish quantifiable plan outcomes across the full range of planning and resource categories.
- Be demonstrably beneficial for the environment.
- Include mitigation measures that are applicable at the project level.
- Propose funding and other incentive mechanisms for supportive implementation at the local level.
- Fully incorporate and reconcile various plans prepared at the State and regional level.

The RCP Task Force has previously discussed and agreed to pursue the addition of plan outcomes as a focus of activity for the 2005-2006 Fiscal Year. In addition, SCAG anticipates completing the RCP process at the same time that the Regional Transportation Plan is adopted. This will allow SCAG to combine the environmental review effort for both plans. At this time, staff is pursuing contacts with State and regional agencies that prepare overlapping plans in order to engage a dialogue on reconciling plan provisions and creating outcomes. The goal of such outreach would be to include these agencies as partners in the RCP process.

Attachment: CEQA Improvement Advisory Group Concept Paper,
SCAG Regional Comprehensive Plan: Comparison of Current Approach with Potential Expanded Approach (Chart)

DRAFT—PRELIMINARY AND TENTATIVE
FOR DISCUSSION ONLY

CEQA Improvement Advisory Group Concept Paper
Linking Voluntary Smart Planning with CEQA Improvement

A new chapter would be added to Title 7 (Planning and Land Use) of the Government Code that provides for the following.

1) A voluntary smart plan may be adopted by a council of governments as defined in Government Code Section 65582, or a joint powers agency formed by at least three public agencies with a combined population in excess of 100,000 residents, or a county with a population in excess of 100,000 residents. The voluntary smart plan must take into account the plans and planning activities of state, federal and other public and private agencies. To accomplish this objective, such other entities (including air districts, watershed councils, and other resource agencies) will participate in the voluntary smart planning process. The process will also take advantage of any existing planning exercises, including regional transportation plans, regional conservation planning concepts within any regional habitat conservation plans or natural community conservation plans, and any regional agricultural planning (such as Department of Conservation mapping of productive agricultural land).

2) The council of government, joint power agency, or county will enter into discussions with relevant local, state, and federal entities, as well as other relevant parties, to develop a voluntary smart plan that is designed to meet certain state goals and outcomes (described below), as well as incorporate the adopted general plans of the participating localities. There must be significant public outreach and education to ensure public input into the planning process.

3) If the participating local jurisdictions reach consensus on a voluntary smart plan, then each local jurisdiction shall agree to implement the voluntary smart plan and, if necessary, update its general plan and zoning ordinances to conform to the applicable policies within the voluntary smart plan. Future general plan updates or amendments of the general plans of the participating localities must also incorporate state goals that are applicable to the locality.

4) The voluntary smart plan must undergo CEQA review. The legislation may provide a special procedure for voluntary smart plans, similar to a General Plan EIR or the Master EIR, i.e., a front-loaded approach that seeks to eliminate or minimize subsequent environmental review. The entity undertaking the voluntary smart plan (i.e., the council of governments, joint powers agency, or county) would be the lead agency and would certify the EIR. Each local plan could be challenged only on the ground that it was not consistent with the voluntary smart plan.

5) After approval of the voluntary smart plan and certification of the plan's EIR, project sponsors can develop specified projects identified and evaluated within the voluntary smart plan EIR with little or no subsequent CEQA review. Legal challenges would

be limited to whether the project was consistent with the local plan and implemented voluntary smart plan requirements.

6) The State will develop a blueprint of goals and outcomes that will, among other things: (a) foster the development of more housing for all income levels; (b) improve transportation; and (c) protect open space, resource land, and productive agricultural land. The State blueprint will provide general parameters and directions that can then be applied regionally and locally. The voluntary smart plan must meet these goals and outcomes. Examples of goals and outcomes include:
   a) Adequate housing supply (parameters for adequate housing supply)
   b) Habitat and agricultural protection (parameters for smart conservation of valuable areas)
   c) Orderly pattern of development (e.g., growth in environmentally preferable locations; parameters for transportation, infrastructure)
   d) Efficient use of land (e.g., parameters for reduction of amount of raw land converted for development)
   e) Adequate water supply (e.g., parameters for insuring dry weather supply, reducing consumption).

7) Financial incentives for voluntary smart planning could come from a variety of sources:
   a) Regional planning law currently allows for tax levies; this could be modified to support voluntary smart planning.
   b) An infrastructure bond measure could provide infrastructure funding for voluntary smart planning areas.
   c) Environmental enhancement fund (project sponsors pay into a fund instead of doing an EIR). It has been estimated that developers might pay up to $20,000 per housing unit for certainty of development within 6 months of application, with no CEQA review.
   d) Federal transportation dollars or other federal funds
   e) Tax increment financing or Mello Roos financing.
   f) Half cent increase in sales tax.

8) Reporting and Accountability. The council of government, joint power agency, or county shall be responsible on an ongoing basis for monitoring the success of the voluntary smart plan in meeting the goals and outcomes identified by the state and reporting its findings on a periodic basis.

SCAG Regional Comprehensive Plan
Comparison of Current Approach with Potential Expanded Approach
DISCUSSION DRAFT
June 2005

	Current Approach	**Potential Expanded Approach**
Organizing Theme	Growth Vision, SCAG's urban form and development strategy for the region.	Broad principles or theme statements based on the Growth Vision.
Primary Content	SCAG Regional Council Policies, and associated action plans to implement regional policies.	Outcome/performance measures organized by CEQA resource categories.
Intent	To provide a clear path for independent implementation consistent with the Growth Vision.	To coordinate and integrate all of the planning work in the region under the loose umbrella of the Growth Vision. To provide the functional equivalent of CEQA documentation at the regional plan scale, thus facilitating project and mitigation delivery.
Outside Content (e.g. plans prepared by other agencies)	Referenced and limited incorporation based on mutually supportive ideas.	Major plans around CEQA resource categories are fully integrated. Outside entities must conform their plans to a) general themes, and b) outcome measures.
Environmental Review	Broad cumulative analysis of region's preferred and alternative growth patterns.	Identification of impacts for all supportive/consistent projects. Creation of locally applicable mitigation procedures for consistent projects.
Process	Content development and approval all under the purview of SCAG, but with broad public participation, input.	Collaborative among all responsible agencies for various resource areas (e.g. Public Utilities Commission, Water Agency, etc.).

Prepared by SCAG Staff, June 2005
#111789 v1 - rcp - bullet notes on expanded approach