

Making the Most of Limited Dollars

Principles for Distributing Proposition 1C and Proposition 84 Incentives

1. Create an integrated program

Propositions 1C and 84 establish a number of accounts to support sustainable communities, transit-oriented development, and infill housing. These are closely related, mutually supportive concepts, and they should be treated as such. The accounts should be administered jointly through a single integrated program to maximize synergy.

2. Respect priorities established by regions

California is a state of regions. All of the largest regions have undertaken major regional planning efforts. These efforts, characterized by the State as "regional blueprints," share a common direction: all emphasize compact, infill development aimed at supporting and revitalizing existing communities, maximizing transportation efficiency, and conserving land resources. There are also sometimes subtle, but nonetheless important, differences among regions and among regional plans. There should be a clear and direct connection between the priorities established by these significant regional planning exercises and the distribution of state incentives.

3. Reward inclusive and collaborative planning

All the "regional blueprint" plans have been developed through inclusive and collaborative planning processes involving communities and stakeholders. The best local plans are also produced through participatory processes that give all affected parties ownership of the results. The development which the state is encouraging through incentives is more likely to happen and to be embraced as a positive outcome if it is planned through processes that are genuinely collaborative and inclusive of all relevant interests.

4. Make big differences

In total, Propositions 1C and 84 provide nearly \$2 billion in incentives. This can make a big difference or almost no difference at all, depending on how it is distributed. If it is spread too evenly and too thinly it will result in change only at the margins. The money needs to be strategically packaged and distributed so as to assist significant plans and projects achieve their tipping points. We need to aim for noticeable successes.

5. Set examples

Noticeable successes should be replicable. With limited funds, it will not be possible to support all good projects. Incentives should be directed first at potential trendsetters. State funds can help to reduce the impediments and risks for those first out of gate, but may not be as necessary for those who are able to learn from these early successes. To the extent possible, funds should be distributed to maximize learning potential for subsequent plans and projects for which incentives may be more limited.

6. Achieve real results

Projects and plans should be evaluated on the basis of short-term, on-the-ground results, such as actual infill housing units added to existing communities. Theoretical concepts, like vehicle miles traveled (VMT), do not provide sufficient accountability, as they are not directly observable and can only be assessed through assumption-laden mathematical models, which may or may not be accurate.