

DRAWING LESSONS FROM REGIONAL SUCCESSES:

“New Regionalism,” and the Prospects for Regional Cooperation in California

By

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EXECUTIVE SUMMARY

Background

The prospect and potential for regional cooperation, and possibly even regional government is a subject of interest to state and local policymakers in California. With varying degrees of success, regional and metropolitan-wide government is used in a variety of settings across the United States. The Report provides an overview of regional governments in the United States, and extrapolates lessons from this activity to regions in California pursuing a similar course. The Report contains the following components:

- ⇒ A brief description of the current challenges facing California regions;
- ⇒ A list of the regions or metropolitan areas in the United States where regional or metropolitan-wide government exists;
- ⇒ An analysis of the success that each of these forms of regional government has enjoyed, including a list of specific accomplishments;
- ⇒ A description of the common attributes that appear to make regional governments successful;
- ⇒ An analysis of how political support for regional governance was obtained, and an analysis of the lessons for sustaining viable regional governance units;
- ⇒ An analysis of “First Wave” county-level regional governance institutions in California, including Councils of Government (COGs) Commissions, and Local Agency Formation Commissions (LAFCOs);
- ⇒ An analysis of city-county consolidation in the United States;
- ⇒ An analysis of “New Regionalism” and the emergence of California’s Regional Alliances or Initiatives (CRIs), including types of CRIs, significant areas of CRI accomplishments, and the early lessons from the California CRI success;
- ⇒ Lessons on Building Viable CRI Organizations; and
- ⇒ Lessons on using CRIs to build sustainable regions, including best practices.

FINDINGS AND POLICY RECOMMENDATIONS

Specific policy recommendations on how the California Legislature could assist in developing greater regionalism and cooperation in the state are presented.

These recommendations include considering:

- ⇒ Creating a California Land Conservation and Development Commission (LCDC);
- ⇒ Authorizing an Inter-Regional Partnership Housing and Job Incentive Zones Demonstration Project building upon recent legislation, AB 2864 (Torlakson);
- ⇒ Shifting the local sales tax to California counties, and holding cities harmless via property taxes;
- ⇒ Using a percentage of property taxes to create regional per capita needs-based Fiscal Disparities Funds (FDFs);
- ⇒ Incentivizing the use of voluntary tax sharing within California counties authorized by recent legislation, AB 262 (Runner); and
- ⇒ Strengthening the regional role of LAFCO building upon recent legislation, AB 2838 (Hertzberg).

INTRODUCTORY STATEMENT

The Challenges Facing California's Regions

With 58 counties, 475 cities, 406 community redevelopment agencies, and over 3,800 special districts, it is an understatement to say that California has a multitude of local governmental units. While this vast sub-system of local governmental units is a source of great strength to California, it is also the source of a great weakness. Historically, each of the local governmental units has tended to maximize local self-interest, often at the expense of regional interests and regional opportunities for coordinated governmental action. Thus, within metropolitan regions encompassing several cities, individual cities often compete with neighboring cities to attract sales tax generators such as large-scale shopping centers and auto malls; a process known as the **“fiscalization of land use.”**¹

The fiscalization of land use leads to a process of **“bidding for business”** as areas within cities engage in intramural competition with each other.² In their turn central cities engage in intrametropolitan competition with neighboring suburban **“Edge City”**³ locales for office and high tech business and research campuses. Even neighboring counties often engage in intraregional competition for an economic advantage over competing county jurisdictions. While it is understandable and reasonable that local units pursue local objectives, doing so without coordinating with neighboring units of government within cities and engaging those neighboring units in fiscal bidding wars has put regional and state interests at risk.

Instead of rational regional economic development and coordinated land use California regions are characterized by a lack of intergovernmental coordination and a tendency towards inter-jurisdictional fiscal bidding wars. These bidding wars have exacerbated an increasing number of labor market **“spatial mismatches”**⁴ as households and firms relocate from center

city areas to the suburbs, creating a growing unemployment problem for California citizens living in the inner cities of California.⁵

Evidence of the mounting challenges facing regions in the Golden State includes the following:

- ⇒ Rapid urbanization and the loss of open space and agricultural land – Statewide, the Department of Conservation has documented that 70,000 acres of land were urbanized in California between 1996 and 1998; including a staggering 141% increase in agricultural land annexation in the California Central Valley region in the 1996- 1997 period alone;⁶ and
- ⇒ The antiquated “spider web” governmental systems within California’s regions - For example, Los Angeles County alone has 487 subdivisions of government, including the City and County of Los Angeles, 88 cities, and hundreds of special districts ranging from the massive Metropolitan Water District to parks and maintenance districts, sanitation districts, sewer districts, business improvement districts, and cemetery districts;⁷ and the
- ⇒ Interconnected “spill over” affects of modern California development and commute patterns in congested metropolitan areas such as San Francisco/San Jose and the Silicon Valley, or Los Angeles and the San Fernando Valley.

Purpose and Findings of Current Report

Recognizing that, *in many cases, regional challenges have outgrown the abilities of California's local governments to deal with them* - California Assembly Speaker Robert Hertzberg appointed a Commission on Regionalism⁸ in fall of 2000. This report is an effort to provide background research and information to the California Assembly and Speaker's Office, and for the Speaker's Commission on Regionalism. This Report provides a brief history of regional governments, mechanisms and strategies that have proved successful in California and elsewhere. The "**lessons of regional successes**" are applied to the California regional context, and policy recommendations drawn from these recommendations are offered in the final section of the Report.

The conclusion of this Report is straightforward. While there is no single answer or "silver bullet" to cure the challenges facing California's regions, there are several promising *New Regionalism* strategies with which California regions are experimenting. These include:

- ⇒ regional revenue sharing
- ⇒ pooling of redevelopment funds
- ⇒ expanding the regional role for Local Agency Formation Commissions (LAFCOs)
- ⇒ highly successful regional collaborations or regional alliances such as
 - Joint Venture Silicon Valley, and
 - the Economic Alliance of the San Fernando Valley, or
- ⇒ the innovative countywide land use planning and habitat preservation represented by the recently-implemented Riverside County Integrated Plan, or
- ⇒ the projected San Diego Regional Infrastructure and Transportation Agency.

Resolving the Challenges Facing California's Regions: Potential Solutions

Growth Within Bounds, the January 2000 report of the California Commission on Local Governance for the 21st Century – a commission authorized in 1997 by AB 1484 authored by Assemblyman Robert Hertzberg and enacted as Chapter 943 – identified five potential solutions to the problem of rapid growth and fragmented local governance in California, including:

⇒ **Regional Government**

⇒ **City-County Consolidation**

⇒ **Increased Coordination from Existing Government Agencies**

⇒ **Regional Compacts or Regional Alliances, and**

⇒ **Incremental Actions Promoting Regional Thinking & Regional Action⁹**

Section I. considers two prominent examples of successful regional governments – of which both take place outside the borders of California - and examines the common attributes of success of those regional efforts. The report speculates on the lessons of these examples for the California context, and the potential to apply this regional model in California.

Section II. inventories several California attempts at regional governance and cooperation, including successful examples of regional and city/county tax base sharing, the creation of the Riverside County Integrated Plan in 1999-2000, and the creation of the study for the San Diego Regional Infrastructure and Transportation Agency (SB 329 - Statutes of 2000, Chapter 764) in 2000.

Section III. traces city-county consolidations in California and non-California contexts, describes the common attributes of successful consolidation, and notes the difficulty of applying the consolidation model to the issue of regional governance in California.

Section IV. inventories existing California local agencies such as Councils of Government (COGs), the Local Agency Formation Commissions (LAFCOs), and Metropolitan Planning Organizations (MPOs) with regional or quasi-regional authority.

Section V. is an inventory of California regional alliances – regional compacts and public-private regional working groups, and an examination of the common attributes of success among such regional alliances.

Finally, *Section VI.* includes several specific policy suggestions that the California Legislature might consider in fashioning regional solutions to California’s pressing regional problems.

I. **SUCCESSFUL REGIONAL GOVERNMENTS: PORTLAND AND MINNEAPOLIS**

Background

The problems of California regions call for an approach that is inherently multi-county in perspective and design. Many regional issues – for example, air pollution, transportation, land use, the loss of agricultural land, sprawl development, the need to attract high paying jobs and the economy in general – spill over into a policy/problem “**catchment basin**” which includes two or more neighboring county jurisdictions. Although California has no examples of successful multi-county regional governments, California does have – as Section 2, illustrates, several examples of county-level regional governance and cooperation. The two leading examples of successful multi-county governance in the United States, Portland (Oregon) and

Minneapolis-St. Paul, are described in Table 1, below. Both jurisdictions have received national attention for addressing planning, infrastructure and tax equity questions within their regions.¹⁰

The Portland area established a council of local governments – the Columbia River Association of Governments (CRAG) – in 1969, a voluntary organization in which all local government members shared equal votes. Inspired in part by the success of the 1960s era San Francisco Bay Area Conservation and Development Commission (BCDC) and by the passage of Proposition 20 in 1972 creating the California Coastal Commission, the Oregon State Legislature enacted legislation (SB100) in 1973 creating the Land Conservation and Development Commission (LCDC). Under the new legislation, LCDC had statewide authority to require counties and cities to establish:

urban growth boundaries – within which cities and counties could be expected to grow over the next twenty years, and in which development would be encouraged. Outside these boundaries, land was zoned exclusively for farm use, making development much more difficult. The aim of the growth boundaries was to limit sprawl by making urban growth contiguous and stopping leapfrog patterns of development.¹¹

Rather than create a statewide agency responsible for writing plans for each Oregon county, counties were assigned the task of drawing up growth plans, subject to review and approval by LCDC. In 1973, the Legislature required three Portland-area counties to form into a combined metropolitan planning district, to become mandatory rather than voluntary members of CRAG, and assigned CRAG the legal authority to compel compliance with CRAG land use and growth boundary plans throughout the three county metropolitan Portland area.

Earlier in 1970, the Oregon state legislature had created the Portland area Metropolitan Services District (MSD), formed as a regional transportation agency, to cope with a growing solid waste disposal problem, and to secure funding for a regional zoo. In 1978, the state legislature enacted legislation allowing the MSD to assume the responsibilities of CRAG, disbanding CRAG and establishing a MSD governing board of directly elected commissioners. In 1992, Portland area voters adopted a home rule charter converting the MSD into Portland “Metro,” a body that has put in place a fifty-year planning vision. The new plan, *Portland 2040*, provides a planning process for incorporating a million new residents within identified development zones allowing for protection of green space, connection to a nationally-leading example of light rail regional transit, water quality protection, and independent authority by the 24 suburban communities within the MSD. Overall, “home rule” planning jurisdiction remains with Portland Metro which put in place a 1997 “Regional Framework Plan” for growth and development in the 3 county region. Given these achievements, Portland Metro is widely regarded as the leading example of successful regional growth management in the United States.

(Insert Table 1 about here)

The Twin Cities Metropolitan Council in Minnesota was created by an act of the state legislature in 1967, and covers a seven county and 189 municipality joint area. In 1967, the water/sewage problems in the suburban Minneapolis area were sufficiently serious for the federal government to threaten withholding authorization for home mortgage insurance. Formed originally to address this problem, the state legislature broadened the primary mission of the Met Council to include regional parks and, later in 1971, to address the declining economic fortunes of inner city areas of Minneapolis and St. Paul which at the time were losing jobs, incomes and tax base to their surrounding suburban jurisdictions.¹² In the early 1970s, as a direct result of the

Fiscal Disparities Bill passed by the state legislature in 1971, the Met Council put in place the Fiscal Disparities Plan (FDP), in which 40% of all area-wide increases in commercial and industrial property taxes were placed in the FDP fund. FDP funds were then dispersed based on population and the assessed value of properties within individual jurisdictions compared with values across the entire region. Interestingly, Minneapolis, which used to receive far more funds than the suburban jurisdictions in the early years of the FDP, now shares more in FDP funding with the suburbs than it receives. As the Twin Cities example proves, center city-suburban equity can be – over a number of years – a decidedly two way street.

Learning from Success: Eleven Lessons on Building Coalitions for Sustainable Regions

Portland and the Twin Cities have proved that regional government can be politically viable, have “generational legs,” plan for the future, and address tax base inequities within the context of a large and diverse metropolitan region.

The leading analysis of coalition building for regional governance in Portland is the University of California, Berkeley planning expert Margaret Weir. The leading national expert on regionalism in Minneapolis is University of Minnesota law professor Myron Orfield.

Weir argues that the “three common elements” of success in building supportive coalitions for regionalism in Portland and Minneapolis were: (1) mobilizing an influential coalition viewing regionalism as a desired outcome; (2) additional and successful efforts at bipartisan coalition building in support of regionalism; and (3) and the existence of “relatively weak opposing groups.”¹³ As Weir notes:

In Oregon, farmers, the environmental movement, and Portland city leaders, for different reasons, all supported the land-use legislation enacted in 1973. Oregon’s Republican governor, Tom McCall, was pivotal to success. In Minnesota, Minneapolis city leaders

pressed for legislation to create the metropolitan Council and found support in a sympathetic governor. As in Oregon, moderate Republicans were crucial to the victory.¹⁴

In both Portland and Minneapolis, as Weir documents, opponents to regionalism, primarily developers and suburban interests, were less effective than pro-regionalism environmental and urban groups, and – in the case of Oregon – were less effective than pro-regionalism agricultural interests.

The leading analyst of the success of coalition building for regionalism in Minneapolis, Myron Orfield, has distilled eleven key “**lessons**” in building coalitions for regionalism resulting from the Twin Cities experience. These are illustrated in Figure 1, below:

(Insert Figure 1 about here)

Learning from Success: Five Lessons on Building Regional Governmental Units

Weir and Orfield have established that success in building supportive coalitions for regionalism in Portland and Minneapolis relied upon several important ingredients. Support for the regional government itself, and the subsequent operational success of that governmental unit depends upon – as the case of both Portland and Minneapolis demonstrate - the presence of five crucial political, environmental and structural factors listed in Figure 2.

(Insert Figure 2 about here)

A Final Portland/Minneapolis Lesson: Regionalism is a Two Step Process

Three decades of regional governance in Portland and the Twin Cities prove that regional government can be popularly supported, that regional government can address key land use and tax base equity problems in metropolitan areas, and that regional governments can be sustained over time. *The Portland-Minneapolis experience suggests that regional governments may be*

fostered over time in areas that adopt a two-step process of region building. The first step is building a sustainable coalition for regionalism. The second step is building a sustainable district-based regional governance structure supported through state enabling legislation, and limited to the pursuit of modest, achievable, incremental regional goals and policies.

The Future of Regional Governments in California

Is regional government a good fit for our own state metropolitan and regional areas? That is a question likely to emerge again and again as one of the leading questions of the day throughout the first decade of the New Century in the Golden State; a question that eventually we have to confront, and more importantly, to answer.

Support for such proposals at the state level has increased markedly in the past decade. In 1990, the California Assembly considered legislation introduced by then-Speaker Willie Brown to create seven regional bodies throughout the state charged with the responsibility for land use planning, infrastructure planning and development, and to resolve conflicts involving the siting of locally undesirable land uses (LULUs).¹⁵ The Brown proposal (AB 3) was not enacted by the state Legislature. However, much has changed in the intervening decade. Note, for example: (1) the formation of the Commission on Local Governance for the 21st Century, the January 2000 *Growth Within Bounds* report of that Commission recommending the pursuit of local and regional efforts to “facilitate cooperation and planning consistency” among governmental units in California;¹⁶ similar recommendations contained in (2) the *Generating Revenue for Municipal Services* report of the State Municipal Advisory Team, presented by California State Controller Kathleen Connell in August 1999; and (3) the earlier recommendations contained in the 1996 *Final Report and Recommendations the Governor and the Legislature of the California Constitutional Revision Commission*.

Also noteworthy is the formation in October 2000 of the **Speaker’s Commission on Regionalism**, and the emergence in recent times of a “Smart Growth” caucus in the Legislature formed to promote integrated land use, transportation planning, and to enable area-wide tax base sharing.

II.

CALIFORNIA COUNTY-LEVEL ATTEMPTS AT REGIONAL GOVERNANCE: RECENT SUCCESS

Background

With the possible exception of the consolidated City and County of San Francisco, California has no current example of successful multi-county or countywide regional governance structures. Recent regional governance and cooperation efforts in California over the past decade demonstrate that successful sub county-regional governance and cooperation is possible. Section 2 considers several examples of county-level and sub county-level regionalism, ranging from tax base sharing to land use and planning, and the financing shared infrastructure.

Since consolidation by the state Legislature in 1856, the City and County of San Francisco have served as the leading example of county-level governmental unity and coordination in the state of California. Table 2, below, lists two additional – and far more recent - examples of planned or actual county-level integrated planning and service delivery in Riverside and San Diego counties.

Recent Successes

In September 2000, Riverside County and 10 governmental units reached agreement on development and conservation efforts within Riverside County. The agreement specifies the development of a cross-jurisdictional consensus on where development and preservation will unfold in a rapidly developing county projected to double in population to 3 million by the year 2020. At completion, the Riverside County Integrated Plan will include a blueprint for new roads, shopping centers, home construction, and the preservation of sensitive environmental areas.

In the last legislative session, Senator Steve Peace sponsored legislation (SB 329) subsequently enacted, calling for a study of the feasibility of creating a San Diego Regional Infrastructure and Transportation Agency, a regional agency that would assume major regional planning and infrastructure functions in San Diego County. Two more modest experiments in **“functional regionalism”** – multi-county coordination of functions and staff – include: (1) Sutter and Yuba counties which share joint health and police agencies; and, (2) in Northern California, the counties of Lassen, Modoc, Siskiyou, and Trinity share a welfare reform commission.

(Insert Table 2 about here)

As Table 3 illustrates, in addition to the examples of regional cooperation and coordination from the counties of Riverside, San Diego and San Francisco cited above, three California local jurisdictions share city funding with city, county or redevelopment agency partners within their region. These include: (1) the Antelope Valley cities of Lancaster and Palmdale; and (2) the City of Modesto and Stanislaus County, which share their sales revenue base; (3) local jurisdictions on the Palos Verdes Peninsula which engage share portions of their

sales revenue base in what might be labeled “informal revenue sharing;” and (4) local jurisdictions in the Coachella Valley that acted to pool their redevelopment funding base.¹⁷

Finally, as Table 4, below, illustrates, seventeen California counties have tax sharing agreements with cities. These agreements, dating back more than a decade in many cases, call for the cities to share between 2.5 percent and 10 percent of local *in situs* sales taxes collected within city limits with their regional county fiscal partners.

(Insert Tables 3 and 4 about here)

III: **CITY-COUNTY CONSOLIDATION IN THE UNITED STATES**

Background

Nationally, few consolidation attempts have been successful. In states that allow such consolidations, voters approved only nine consolidations from 1805 to World War II. Voters approved only 24 consolidations from World War II to the present day, while rejecting over 100 other proposals to combine city and county units of government. In the past decade, only four out of 17 consolidation efforts have passed electoral muster. A recent effort in North Carolina - the Charlotte-Mecklenburg county region - failed to reach the ballot.

Since 1980, Charlotte-Mecklenburg has been considered the most promising large metropolitan area candidate for city-county consolidation, and that effort, as noted earlier, has continued to encounter political difficulties. As Table 5, below, illustrates, from 1990 to the present, three small city-county consolidations have taken place in addition to the consolidation of Kansas City-Wyandotte County (Kansas) in 1997. However, the applicability of these consolidations to California metropolitan jurisdictions in terms of size, challenges or political context is highly questionable.

Voters in the United States are rejecting city-county consolidations by a ratio of three rejections for every favorable decision. The leading scholarly analysis of consolidations, referred to as “**metropolitan government**” by national urban scholars, concluded in 1997 that:

The few cases of metropolitan government in the United States do not provide reason to be overly optimistic about the performance of metropolitan government. Even if the record were better, the odds are against instituting any type of formal metropolitan government. This point cannot be emphasized enough: There have been *no new* metropolitan governments created in medium or large areas in the United States for nearly two decades.¹⁸

In short, as leading experts note: “City-county consolidation is not an easy path.”¹⁹

(Insert Table 5 about here)

Learning from Failure: Lessons on City-County Consolidation for California’s Regions

Not only is consolidation a “hard sell” to voters, its performance in cases where voters have opted for consolidation – most notably Jackson-Duval County, Florida in 1967 and Indianapolis-Marion County, Indiana in 1969 – has proved to be an equally difficult “sell” to urban and local government scholars.

Criticisms of consolidated city-county governments take four forms. First, few city-county consolidated governments display clear efficiency or economies of scale associated with the newly consolidated government forms.²⁰ Secondly, non-white ethnic minorities historically see a loss in political power and a weakening in their political base from consolidation as the center of power in such governments shifts from traditional older center city areas to newer metropolitan suburbs.²¹ Third, and following from the political shift to the suburbs noted above,

consolidated metro governments such as Indianapolis and Jacksonville have tended to **disinvest** in center city needs such as urban school systems, urban renewal and social programs generally, favoring instead investing in rapidly expanding the infrastructure needed by the fast growing suburban periphery.²²

Finally, consolidated city-county governments have historically proved unable effectively to broker necessary compromises between state mandates for the provision of scattered site social services or fair-share housing and largely suburban, and often center city, resistance to the siting of such **LULUS** or **locally undesirable land uses**.²³

Although the City and County of San Francisco legally merged in 1856 – with a governing body comprised of a mayor and a Board of Supervisors – no other city-county consolidation effort in California has succeeded. Sacramento county voters have rejected consolidation twice in the past thirty years. Consolidation efforts in San Diego and Stanislaus counties failed to reach the ballot.

The California experience with city-county consolidation efforts is consistent with the negative national trend opposing consolidations. Californians have rejected consolidation efforts in Sacramento, Stanislaus and San Diego counties. In fact, the trend in California is, if anything, even more hostile to large-scale consolidated metropolitan government. Far from favoring consolidated city-county governments, California residents from post World War II to the present have **“voted with their feet”** in favor of the creation of new cities, often suburban “bedroom” or high tech “edge cities” built on the outer rim of California’s metropolitan areas. Since the passage of Proposition 13 in 1978, California voters have moved out from the core center of older California cities and, by so doing, have formed over 50 new cities - five new cities in the 1997-2000 period alone.

For these reasons, several commentators have observed that it is unlikely that consolidation is a viable political option for building sustainable regions in California – or elsewhere in the nation - in the foreseeable future.²⁴ Consolidation, while not a successful strategy for meeting regional needs is still, nonetheless, instructive. It is, in fact, a short laundry list of pitfalls and outcomes that California regional leaders would be wise to regard as **negative indicators** in the quality of life of California regions. These “**negative lessons**” of consolidation are illustrated below in Figure 3.

(Insert Figure 3 about here)

IV.

EXISTING CALIFORNIA LOCAL AGENCIES WITH REGIONAL AUTHORITY – COGs AND COMMISSIONS

California’s “First Wave” of Regionalism: Creating COGs

Regionalism can be defined as the belief that larger-than-local problems require larger-than-local solutions. California’s “first wave” of regionalism, dates back to the environmental concerns raised in California in the 1960s and 1970s, and the emotional attachment that Californians feel – both then and now – to the visual beauty of scenic and fragile environmental areas such as Lake Tahoe, the San Francisco Bay, and – in larger terms – the whole of the California coastline. California’s first wave of regionalism produced three notable results. These are: (1) the creation of COGs; (2) the creation of three commissions to regulate growth management, water management, and environmental concerns; and (3) the creation of the Local Agency Formation Commission (LAFCO).

Influenced in part by the example of other states, and in part by the work of the 1960 Governor’s Commission on Metropolitan Areas, most large metropolitan California regions

formed local Councils of Government or COGs in the late 1950s and early 1960s. The COG movement was, in retrospect, what might be regarded as the “first wave” of regionalism and regional thinking in California government and public policy circles. Cogs formed in the 50s/60s era include: ABAG – the Association of Bay Area Governments (9 counties and 98 cities), SCAG - Southern California Association of Governments (6 counties and 150 cities), SANDAG (San Diego Area Association of Governments), and SACOG (Sacramento Area Council of Governments). Created with some optimism in the early 1960s to help in addressing regional issues, Cogs generally failed to exercise significant influence and policy direction within their home regions until rejuvenated, in part, by Congressional enactment of the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 – popularly referred to as “Ice Tea.” ISTEA mandated regional planning of transportation and required that one agency in each local area, typically an existing COG, be designated as lead agencies (Metropolitan Planning Organizations or *MPOs*) within a given region for transportation planning for state and local governments. Local governments in urban or metropolitan regions were required to develop integrated transportation plans, provide for environmental protections, and designate an MPO for the region.

The MPO then serves as a clearinghouse for federal transportation funding in the given region, and to supervise compliance with the mass transit and highway goals specified in the 1991 Act, and the 1997 ISTEA Reauthorization Act. Both ISTEA and its contemporary federal legislation, the Clean Air Act, have served to strengthen Cogs, to encourage regional planning, and promote metropolitan area-wide coordination and cooperation.²⁵ Since 1991, ISTEA has provided over \$155 billion in federal funding to COG/Mops in support of highway, bridge and transit construction and planning.

“First Wave” Statewide and Regional Commissions

Californians created three commissions to regulate regional issues such as land use and the environment during the 1960s/1970s **“first wave” era of California regionalism**. These include the: California Coastal Commission created by the passage of Proposition 20 in 1972; the Tahoe Regional Planning Commission and Tahoe Regional Planning Agency (TRPA) a bi-state California and Nevada land use entity created to protect the fragile Lake Tahoe environment and watershed; and the BCDC (Bay Area Conservation and Development Commission) created in the late 1960s to protect the interconnected tidal environment of the numerous jurisdictions in the San Francisco Bay Area. Viewed by many as an early regional governance success, BCDC served as the model for Oregon’s 1973 SB 100, which created the Oregon Land Conservation and Development Commission (LCDC).

LAFCO – The Local Agency Formation Commission

In addition to these regional governments, in the 1963 Knox Act, the California Legislature created the Local Agency Formation Commission (LAFCO) in each county of the state (except San Francisco). County LAFCOs are seven member commissions comprised of two representatives drawn from elected city council members in the respective county, two members of the county Board of Supervisors, two representatives drawn from the elected boards of independent special districts, and one additional public delegate. LAFCOs regulate annexation, incorporation and the official “spheres of influence” that are legally assigned to each city and special purpose district (except school districts) within a given county. While land use planning was not formally included as a primary responsibility of county LAFCOs, the January 2000 *Growth Within Bounds* report by the California Commission on Local Governance for the 21st Century recommended that:

Perhaps the most acceptable and feasible regional option now is to facilitate cooperation and planning consistency among local agencies. This would require establishing state goals and priorities that could be enforced through LAFCO policies...The Commission recommends that the State develop incentives to encourage compatibility and coordination of plans and actions of all local agencies, including school districts, within each region as a way to encourage an integrated approach to public service delivery and improve governance. State infrastructure financing should create incentives that further State growth planning goals, and priorities, and all State policies, regulations, and programs should be implemented in a manner consistent with these goals. LAFCO policies should be revised, as necessary, to support growth-planning goals.²⁶

Lessons from California's First Wave of Regionalism

California's "**first wave of regionalism**" of the 1960s and 1970s created a significant land use and growth management legacy including the formation of Cogs, the California Coastal Commission, TRPA, BCDC and county-level Local Agency Formation Commissions (LAFCOs). As Figure 4 illustrates, there are several lessons that emerge from analyzing first wave regionalism in California.

Each of the "first wave regionalism" agencies was created in a process described by long-time California Senate Local Government Committee lead consultant, Peter Detwiler, as the "**California Two Step agency formation process.**" In each case, legislative authorization was granted for a plan for conserving and developing resources for the problem area in question. Such plans, in turn, produced legislative or ballot initiative action creating the formation of commissions or agencies to regulate the problem in question. Why did such efforts succeed? In each case, in lessons listed in Figure 3, below, the efforts were supported by key interest groups,

buttressed by state studies calling for legislative action, and appearing at the same time as opinion polls showing public concern for the environment. They were also championed by effective coalitions in the state Legislature, and each was implemented effectively by the Governor. Support by the Governor was particularly crucial in the case of the California-Nevada Tahoe Regional Planning Agency, which found active support from both California Governor Ronald Reagan and Nevada Governor Paul Laxalt.

(Insert Figure 4 about here)

Learning from Failures: California's First Wave of Regionalism

Judged as a regional mechanism to accomplish effective land use planning and environmental regulation, "First Wave Regionalism" in California was, at best, only a partial success - i.e., LAFCO, TRPA and, more recently, MPOs. COGs succeeded at conducting surveys and studies, were somewhat less successful at persuading regional governmental units to "buy into" regional solutions, and were without the necessary authority to compel regional governmental cooperation. At worst – First Wave Regionalism, most notably LAFCOs and Cogs, failed to accomplish important regional governance tasks and responsibilities such as preserving sensitive environmental and agricultural land, planning for future growth and housing needs, or protecting the environment in California's regions.²⁷

Nevertheless, first wave regional governance institutions, however tentative and incremental in their growth and development succeeded in two important respects. First, they partially ameliorated some of the more egregious aspects of fast growth and inter-jurisdictional rivalries – i.e., LAFCO succeeded in the establishment of "spheres of influence" for local jurisdictions. Secondly, in large measure because in most cases they were designed to work within existing county boundaries, their political and regulatory authority has, over time, become

accepted as both routine and appropriate by both elected local official, and by the general public in California's counties.

First Wave regionalism institutions such as LAFCO and COGs were only partially successful in managing the fast pace of California's growth. Key among the problems with LAFCO, Cogs and commissions were the inability of such institutions to regulate issues such as regional open space and prime agricultural land preservation, pollution, regional transit, and the job-housing mismatch in areas such as the Silicon Valley. Ultimately the failure of Cogs and LAFCO as originally designed to adequately meet California's regional needs led in the mid to late 1990s to the emergence of a new approach, the "*New Regionalism*," and a new set of regional governance institutions, **Collaborative Regional Initiatives** or **Cries**.

V. "NEW REGIONALISM & CALIFORNIA'S EMERGING REGIONAL ALLIANCES

"**New Regionalism**" is the argument that it is time to try again with regionalism – the belief that **larger-than-local problems require larger-than-local solutions**. The current round of New Regionalism builds upon "first wave" regionalism institutions such as COGs and LAFCOs. New Regionalism also recognizes the need to up-date those institutions and agencies for increased efficiency, and recognizes the utility of newer approaches such as the "regional alliances" and "regional initiatives" that are increasingly emerging and proving effective in California regions and metropolitan areas.

One leading scholar described the New Regionalist perspective in this fashion:

The core thesis of this somewhat eclectic group is economic interdependence, or mutual dependence of all parts of the region. Distinctions within this camp relate primarily to

methodology and framework. Others and we frame the issue in terms of a single regional economy or labor market.²⁸

“New Regionalism” in California – including the recent efforts of the **Speaker’s Commission on Regionalism**, and the earlier **Commission on Local Governance for the 21st Century** – is an effort to learn from the record of accomplishment and successes of early California regionalism efforts, and to study a promising new development in regionalism - “regional alliances.”

Types of Regional Alliances

Regional alliances - often referred to as **Collaborative Regional Initiatives (CRIs)** - are area-wide collaborative partnerships, compacts or councils. California has more than twenty collaborative regional partnerships or regional alliances, each seeking to address significant public concerns within their regions. Tables 6-8 illustrate the wide range of regional initiatives in California – including regional workforce alliances (Table 6), regional development alliances (Table 7), and regional civic engagement alliances (Table 8).

(Insert Tables 6, 7 and 8 about here)

California CRIs: Three Significant Areas of Accomplishments

As Tables 6-8 illustrate, there is great diversity among the three major types of CRIs currently operating in California. A January 1999 report, *Getting Results and Facing New Challenges: California’s Civic Entrepreneur Movement*, prepared for the James Irvine Foundation by Doug Henton, James Melville, and Kim Walesh, documents three major accomplishments of California CRIs. These include: regional engagement, regional education, and regional action.²⁹

Regional Engagement: CRIs have provided neutral venues where regional stakeholders can – using conferences, meetings, public forums, summits, and consensus-building workshops – reach consensus on key issue facing the region. The Sierra Business Council, and the Sacramento Water Forum are noteworthy examples of such activity, as is the cross-border regional partnership in the Tijuana, Mexico and San Diego region represented by the activity of the San Diego Dialogue.

⇒ *Regional Education:* CRIs have been instrumental in facilitating the creation of regional vision statements, regional performance indicators and regional quality of life indexes. The San Francisco Bay Area Partnership, for example, has established regional performance benchmarks in healthcare, education, childcare, transportation and workforce development.

⇒ *Regional Action:* CRIs have been instrumental in initiating new programs within regions, and for monitoring their performance. Joint Venture Silicon Valley, for example, has raised over \$29 million in funding for local schools, encouraged cities within the region to adopt a uniform building code, and encouraged local employers to implement telecommuting, including the use of regional telecommuting centers. In Southern California, the San Diego Regional Economic Development Corporation inspired Partnership of the New Century Economy has successfully implemented a Study of Clusters of Innovation in the San Diego region.

Early Lessons from the California CRI Success: Building Viable CRI Organizations

As Table 9 illustrates, **there are 21 Collaborative Regional Initiative's functioning in 14 different California regions.**

The new California CRI network that has emerged in the past decade is less a set of identifiable organizations and institutions than it is a grass roots social movement of concerned civic entrepreneurs seeking to build sustainable regions. Although generalizations about the

emerging California CRI movement are necessarily tentative at the current juncture, two recent studies by the Irvine Foundation have succeeded in identifying common patterns exhibited by California CRIs. Civic entrepreneurs gathered at the 1997 and 1998 annual **Civic Entrepreneur Summits** distilled seven key behaviors common to all CRIs that have succeeded in building a sustainable CRI organization in their respective region. Figure 5, lists those seven CRI organizational “**rules of the road.**”

(Insert Table 9 about here)

(Insert Figure 5 about here)

Early Lessons: Using CRIs to Build Sustainable Regions – Best Practices

As noted earlier, the California CRI movement has achieved much but is still emerging as both a grass roots civic entrepreneur social movement, and a set of specific organizations functioning within fourteen California regions. Even at this early stage of the development of the California CRI network, some early or tentative lessons on “best practices” for CRIs seeking to build sustainable regions have emerged. In the January 1999 Irvine Foundation report, *Getting Results and Facing New Challenges: California’s Civic Entrepreneur Movement*, Doug Henton, the leading national authority on the civic entrepreneur movement, reports that ten lessons have been learned about CRIs seeking to build sustainable regions. These lessons are illustrated in Figure 6.

(Insert Figure 6 about here)

VI.

SPECIFIC POLICY RECOMMENDATIONS

The California Legislature, in attempting to craft legislation to build strong regional governance networks, and to promote sound environmental land use decision-making within each of California's regions, should examine a range of options aimed at strengthening the capacity of California regions to preserve regional assets and plan for the future. These options include:

➤ *Creating a Statewide Land Conservation and Development Commission.*

➤ *Creating California Regional Governance Options—*

One option that draws from the successful lessons of Portland and Minneapolis and adapts them to the California political landscape is described in the concluding section of this report.

➤ *Exploring County-Level Regional Governance Capacity-Building Options –*

The final section of this report outlines three county level revenue realignment proposals that would strengthen the regional governance capacity of California counties.

➤ *Exploring Options to Strengthen the Regional Capacity of LAFCO-*

One proposal to augment the regional governance capacity of Local Agency Formation Commissions (LAFCOs) is detailed in the final section of this report.

➤ *Continuing to Track and Encourage Regional CRI Activity and Capacity-*

No direct governmental options and policies to assist Collaborative Regional

Initiatives (CRIs) are presented in the final section of this report. CRIs, one of the most promising new developments in building the regional governance capacity now extant in the Golden State, are a grass roots movement of civic entrepreneurs. As such, CRIs function largely outside the parameters of state-encouraged incentives and policy assistance. Even a suggestion that the state engage in efforts by the appropriate agency, the Governor’s Office of Policy and Research (OPR), to track CRI “best practices,” would seem unnecessary at the present time. The James Irvine Foundation currently funds an annual Civic Entrepreneur Summit that admirably serves this function for CRIs.

POLICY RECOMMENDATION # 1 - Create a California Land Conservation and Development Commission (LCDC)

Background

As noted earlier in this report - inspired in part by the success of the 1960s era San Francisco Bay Area Conservation and Development Commission (BCDC) and by the passage of Proposition 20 in 1972 creating the California Coastal Commission - the Oregon State Legislature enacted legislation in 1973 creating the Land Conservation Development Commission (LCDC). Under the Oregon legislation, LCDC had statewide authority to require counties and cities to establish:

urban growth boundaries – within which cities and counties could be expected to grow over the next twenty years, and in which development would be encouraged. Outside these boundaries, land was zoned exclusively for farm use, making development much more difficult. The aim of the growth boundaries was to limit sprawl by making urban growth contiguous

and stopping leapfrog patterns of development.³⁰

In doing so in the early 1970s, rather than create a statewide agency responsible for writing plans for each Oregon County, counties were assigned the task of drawing up growth plans, subject to review and approval by LCDC.

Specific Policy Recommendation:

1. The State Legislature Should Consider Creating a California Land Conservation and Development Commission (LCDC)

With the possible exception of the recent September 2000 Riverside County Integrated Plan, no county in California has in place a comprehensive, twenty year growth plan which effectively designates future growth areas, while aggressively protecting open space and prime agricultural land. As metropolitan sprawl, leapfrog development and the urbanization of prime agricultural land increases in California, political pressure to create a statewide Land Conservation and Development Commission requiring counties to put in place 20 year growth and open space preservation plans is also likely to increase.

There are five reasons why the California Legislature might wish to consider hearings on legislation creating such a commission:

First, pressures to create a statewide regulatory entity with jurisdiction over issues such as land use, environmental regulation and habitat preservation will almost certainly increase as California continues to grow. As recently as January 2001, the state of California, including the state Resource Director and the state Department of Fish and Game, began considering expanding the jurisdiction of the California Coastal Commission (CCC). Under one proposal, the CCC would exercise jurisdiction over habit plans designed to mitigate endangered species losses resulting from development in coastal counties or coastal watershed. Created by the passage of a

state ballot initiative in 1972, the CCC was originally designed to exercise regulatory oversight in a narrowly drawn coastal zone. While expanding the jurisdiction of the CCC to land use regulatory issues beyond the original narrowly drawn coastal jurisdiction of the CCC is administratively feasible, such an expansion may prove less feasible than creating a statewide Land Conservation and Development Commission specifically targeted with non-coastal land conservation and development issues.

Secondly, the Oregon example proves that the Land Conservation and Development Commission (LCDC) approach can work effectively, and do so with minimal intrusion into legitimate county planning priorities and mechanisms.

Third, the Oregon Model of 1973 grew out of the earlier San Francisco Bay Conservation and Development Commission (BCDC) experience of the 1960s and the creation of the California Coastal Commission by the passage of Proposition 20 in 1972. As such, the LCDC model is firmly rooted in the California political and environmental context, and is a good candidate as a policy mechanism “transplant” back to the Golden State.

Fourth, some observers might well argue that the state of California has already tried less intrusive methods of encouraging effective growth management and planning in counties but that such efforts have failed. For example, in October 1999, the statewide planning agency – the Governor’s Office of Planning and Research (OPR) – sent letters to all California cities and counties requesting that each jurisdiction file an annual report “on the status of the General Plan and progress toward its implementation.” California Government Code 65400(b) mandates reports be prepared for city councils and county boards of supervisors, and sent annually to OPR by July 1. Citing reasons ranging from unawareness of the mandate to a lack of the appropriate

standardized form to an outright refusal to comply with the mandate, “only about 200 of 445 jurisdictions (charter cities are exempt) filed progress reports.”³¹

The low 45% compliance rate by local jurisdictions and the fact that the reporting requirements do not apply to charter cities – including most of the larger cities in the state – suggests that the current statewide regulatory mechanisms tracking metropolitan growth management efforts are exacerbating rather than ameliorating the tragedy of the regional commons in the Golden State. It is worth observing, as a recent study has documented, that of the top 100 counties in the United States in terms of population, 65% of the counties reported to have increased regional cooperation within the past ten years have up-dated their General Plan within the past five years.³² Correspondingly, only 38% of the counties reporting a decrease or the same level of regional cooperation as characterized the county in the prior decade had revised their General Plan within the preceding five years.

As William Fulton, editor of the *California Planning and Development Report*, has documented:

OPR sent letters to 77 cities and eight counties noting that they had not comprehensively updated their general plans in at least 10 years and had indicated that they had no intention of updating plans in the near future.”³³

Finally, should the Legislature fail to enact a land use planning and environmental protection mechanism such as the LCDC, it is probable that efforts to do so via a state initiative will result, and that such efforts would ultimately prove successful. In November 2000, California had 50 land use measures on local ballots – the highest number since 1990. This prompted one observer to compare “the backlash against rapid growth to the California tax revolt

of the 1970s, which produced the landmark tax cutting measure, Proposition 13.”³⁴ Bruce Katz, Director of the Center on Urban and Metropolitan Studies at the Brookings Institution, has identified 35 November 2000 statewide ballot measures tied to managed growth, natural resource protection, transportation and quality of life growth-related issues. Katz sums up the motivations of voters in stark terms:

What you’re seeing is growing citizen frustration with sprawl and the consequences of sprawl, whether it’s crowded schools or the loss of open space.³⁵

Thoughtful growth management legislation enacted by the State Legislature through the time-honored system of citizen feedback, public hearings and deliberation in two legislative chambers is preferable to blunter-edged statewide “ballot box planning” through the initiative process. It is probable, however, that if the State Legislature does not act on the issue of developing a coherent and enforceable statewide growth management policy and regulatory mechanism, that California will join the 35 other states now experiencing efforts to adopt statewide growth management policies via the statewide ballot process.

POLICY RECOMMENDATION # 2 - Create a California Housing and Job Incentive Zone (HJI Zone) Program

California has an excellent opportunity to apply the lessons of regional governments in Portland and the Twin Cities (See Figures 1 and 2, above) by building upon a current and successful regional governance partnership in the San Francisco Bay Area and the Central Valley – the five county *Inter-Regional Partnership*.

Background

In June 2000, the California Legislature enacted AB 2864 (Torlakson), creating the Inter-Regional Partnership (IRP) state pilot project, funding integrated computer mapping throughout

a five county area, including the Counties of Alameda, Contra Costa, Santa Clara, San Joaquin, and Stanislaus. AB 2865 recognized and funded the IRP which was formed as the result of a partnership between three regional councils of government with responsibility for overseeing land use and transportation planning issues within their respective regions. These Cogs - the Association of Bay Area Governments (ABAG), the San Joaquin Council of Governments, and the Stanislaus Council of Governments – were the prime movers in 1997 of the formation of the IRP – an organization of elected officials from each of the five counties, and from fifteen cities within the region.

The currently-funded Geographic Information System (GIS) mapping of job centers and housing centers is a first step in completing necessary research, outreach and negotiation leading to the creation of proposed “*jobs housing opportunity zones*” throughout the five county IRP area.³⁶ The five partner counties face a unique cross-commuting pattern centering on the Altamont Pass area. The Altamont pass area has 100,000 daily commuters, a figure projected to grow to 250,000 daily commuters; a commuting pattern driven primarily by the jobs-housing mismatch in the three county Bay Area which is positioned to create more than 800,000 jobs but only 300,000 housing units in the next 20 years.³⁷

Thirty of the sixty-nine local jurisdictions in the five county Bay area/Central Valley IRP partnership area are currently taking steps to address the jobs-housing mismatch in their region. These steps include: completing an inventory of vacant lands (23 jurisdictions); studying higher density and in-fill development options (17 jurisdictions); and seeking employers that match the skills of the resident workforce (16).³⁸

The five county Bay Area/Central Valley IRP proposes to expand upon this individual activity by local jurisdictions by asking for legislative approval to create five to ten “*housing and*

job incentive zones” throughout the five county region. IRP staff envision 50 to 250 acre zones on vacant or underutilized land designated for either housing or job creation, assisted by the creation of several incentives including:

- All property tax revenues generated within zone would be allocated to the city or county containing the zone rather than splitting revenues among all taxing entities.
- Streamlined environmental review within the zone under the California Environmental Quality Act.
- Priority for low-income housing tax credits, funds from the state infrastructure bank, and similar state funding sources, much like the “Smart Investments” proposals made by State Treasurer Phil Angelides.
- Brownfield-style environmental mitigation loans for up-front planning and environmental evaluation of the sites.³⁹

Specific Policy Recommendation:

2. The State Legislature Should Consider Enabling Legislation that Creates Statewide IRP Housing and Jobs Incentive Zone Program.

The Bay Area/Central Valley IRP Housing and Jobs Incentive Zone (HJI Zones) approach is the best California-based opportunity to craft legislation to help California regions build regional governance capacity. The state should consider enabling legislation that creates a statewide IRP Housing and Jobs Incentive Zone program designating perhaps as many as five IRP Zones in California regions. The legislation would:

- 1) establish an appropriate level of state funding
- 2) require the Department of Housing and Community Development (HCD) to solicit and consider comments from interested parties to be used in

- establishing program priorities and eligibility criteria;
- 3) require that regions seeking IRP and HJI Zone designation enter into either a joint-powers authority (JPA) or a memorandum of understanding (MOU) with a minimum of two COGs, two counties, and at least one-third of the municipal jurisdictions within their respective multi-county regional boundary.
 - 4) facilitate a competitive selection process managed by HCD, award as many as five regions official state designations as Inter-Regional Partnership HJI Zones, with an appropriate level of funding to accomplish specified housing and job creation, open space preservation, and regional planning objectives.

The IRP Housing and Jobs Incentive Zone (HJI Zones) legislative proposal builds on the passage of AB 2864 in June 2000, and allows California to strengthen the capacity of California regions to engage in shared regional governance and collaborative planning to meet pressing regional economic development and land use planning needs.⁴⁰

The proposed IRP Housing and Jobs Incentive Zone demonstration project legislation builds on regional successes in San Diego, Los Angeles, the Bay area, the Central Valley and Northern California⁴¹ to propose the outlines of a uniquely California approach to the possibility of encouraging and empowering collaborative regional governance. It is a proposal that draws upon and includes the lessons of successful regional governance systems in Portland and Minneapolis but which, importantly, seeks to build upon the specific growth socioeconomic and political conditions of the Golden State. *IRP region building is an effort, in effect, to build a California-specific regional governance system rather than trying to transplant effective regional governance systems developed in different state political environments such as Oregon and Minnesota to California.*

POLICY RECOMMENDATIONS # 3-5 – Stimulate Regional Governments by Realigning County Revenue Streams

Background

The inability of local governmental jurisdictions to address regional issues effectively and collaboratively is structurally exacerbated by the current revenue mismatch in California counties. Current revenue streams fuel the fiscalization of land use, and intraregional competition for relatively scarce large-scale sales tax generating land uses - i.e., shopping malls, factory outlet centers, big box stores, and auto malls.

A December 1999 study by the Public Policy Institute of California, *The State-Local Fiscal Relationship in California: A Changing Balance of Power*, noted that fundamental rethinking is needed to modernize California counties to meet their regional challenges. The authors noted: “If counties are to maintain their traditional general-purpose government functions, let alone provide any new services, some type of fiscal and governance reform will be necessary.”⁴² The Report recommends that:

the current 1 percent local sales tax could be converted from a tax levied by each city to one levied by counties and used to fund countywide services. In exchange, cities might receive a larger share of the property tax to replace the lost sales tax.⁴³

The 1996 *Final Report and Recommendations to the Governor and the Legislature* by the California Constitution Revision Commission contained similar language and similar recommendations. As that report noted:

The general purpose locally levied 1% sales tax, ...[should be allocated in manner that will] reduce the fiscal influence of land use decisions. Currently there is extensive competition among

the location of retail outlets. Since the sales tax is levied on transactions that are not sensitive to the political boundaries of a city, it would make more sense to allow the distribution of the sales tax to be based on a larger area covering more economic activity.⁴⁴

Specific Policy Recommendation:

3. Within Each California County – with the Exception of the Unified City and County of San Francisco – the 1 Percent Local Sales Tax Could be Converted from a Tax Levied by Each City to One Levied by Counties and Used to Fund Countywide Services. Cities Might Receive a Larger Share of the Property Tax to Replace or be Held Harmless from the Lost Sales Tax.

Background

One example, drawn directly from the experience of the Minnesota Twin Cities region would benefit California counties. As noted earlier, The Twin Cities Metropolitan Council in Minnesota was created by an act of the state legislature in 1967, and covers a seven county and 189 municipality joint area. After 1970, the primary mission in Twin Cities was to address the declining economic fortunes of inner city areas of Minneapolis and St. Paul which at the time were losing jobs, incomes and tax base to their surrounding suburban jurisdictions.⁴⁵

In the early 1970s, the Met Council put in place the Fiscal Disparities Plan (FDP), in which 40% of all area-wide increases in commercial and industrial property taxes were placed in the FDP fund. FDP funds were then dispersed based on population and the assessed value of properties within individual jurisdictions compared with values across the entire region. Interestingly, Minneapolis, which used to receive far more funds than the suburban jurisdictions in the early years of the FDP, now shares more in FDP funding with the suburbs than it receives. As the Twin Cities example proves, center city-suburban equity can be – over a number of years – a decidedly two way street.

As the fortunes of California center city, inner ring suburbs, “edge city” suburbs, and more distant “bedroom suburbs” ebb and flow, a regional or – at a minimum – countywide Fiscal Disparities Fund reintroduces tax equity considerations on a regional basis. A FDP approach – based on a per capita needs-based distribution formula – to the disbursement of new revenues from commercial/business property taxes insures that, in good economic times, a rising commercial and industrial tide “lifts all boats” within the region including those areas and neighborhoods with the greatest social and economic needs.

Specific Policy Recommendation:

4. Within Each California County – with the Exception of the Unified City and County of San Francisco – 40% of All New Commercial and Industrial Property Tax Could be converted into a Regional Fiscal Disparities Plan Fund, to be Disbursed According to a Needs-Based Per-Capita Formula.

It should be noted that the creation of countywide FDP commercial and business tax revenue stream – as with the sales tax proposal discussed above in Recommendation # 2 - would, presumably, be subject to the requirements of Proposition 218 which require that new taxes or new tax rates be subject to voter approval.

Specific Policy Recommendation:

5. The Legislature Should Consider Legislation and Policies that Within Each California County – with the Exception of the Unified City and County of San Francisco – Would Incentivize the Use of Voluntary and Formal AB 262 Regional Tax-Sharing Agreements.

As noted earlier, in AB 262 (Runner), the California Legislature enabled local jurisdictions to enter into voluntary revenue sharing agreements to promote sound land use policies, and to decrease the fiscalization of land use. The City of Modesto, for example, shares

the city share of local sales taxes with Stanislaus County, as do the cities of Lancaster and Palmdale in Southern California's Antelope Valley region.

POLICY RECOMMENDATION # 6

Strengthen the Regional Role of LAFCO

Background

Growth Within Bounds, the January 2000 Report of the Commission on Local Governance for the 21st Century recommended⁴⁶ that California's LAFCOs should be legislatively required to consider:

- water supply consideration when reviewing annexations and spheres of influence;
- declining to approve boundary changes that would lead to the loss of open space or prime agricultural acreage if feasible alternative to such can be shown to exist;
- density and in fill development possibilities when considering annexation proposals; and
- that LAFCOs should respect urban limit lines and existing regional growth policies.

In Fall 2000, the State Legislature enacted AB 2838 (Hertzberg), the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. AB 2838 makes numerous changes to the Local Agency Formation Commission law, including incorporating the first two suggestions noted above – the requirement that water supply, open space and the preservation of prime agricultural land be considered when LAFCOs review annexation, sphere and municipal incorporations.⁴⁷

Specific Policy Recommendation:

6. The Legislature Should Consider Legislation to Require Five Year Periodic “Sunset Reviews” of Both the Numbers and Functions of Special Districts within Each County Jurisdiction.

The original LAFCO legislation called for LAFCOs to establish spheres of influence for each local governmental agency within the respective county jurisdiction no later than January 1985. AB 2838 strengthens the regional mission of LAFCO by requiring that LAFCO review and update the sphere of influence of each local agency not less than once every five years.

The regional mission of LAFCO would also be strengthened by extending the same review period to a periodic “sunset review” of both the numbers and functions of special districts within each county jurisdiction, to be conducted by LAFCOs once every five years. This Report recommends that this change -and the other five policy options discussed in this Recommendations Section -be adopted by the California State Legislature.

Table 1
U.S. Areas with Successful Multi-County Regional Governments

Name, Region & Scope	Type	Date
<p><i>Twin Cities Metropolitan Council</i> – Minneapolis/St. Paul, MN</p> <p>Minnesota area: 7 counties, 189 municipalities. Leading national example of successful regional tax sharing. Created by the state legislature in 1967. Currently administers the regional Fiscal Disparities Plan, which was authorized by state legislature passage of the Fiscal Disparities Bill in 1971. Met Council functions like a state agency. Divided into 16 districts. Governor appoints 16 district representatives and Met Chair. May evolve into an elected body in near future.</p> <p>Responsibilities:</p> <ul style="list-style-type: none"> ⇒ Land use planning ⇒ Regional tax sharing ⇒ Regional waste water treatment ⇒ Regional transit ⇒ Regional parks 	Appointed	1967
<p><i>Portland Metro</i> – Portland, Oregon</p> <p>Area-wide metropolitan services district: 3 counties, 24 municipalities. Leading national example of successful regional growth management. The Metropolitan Services District (MSD) was created by state legislature in 1970 as a 7 member federated body of local city & county elected officials. Changed by legislature in 1977 to 12 member directly elected body, and by voters in 1992 to 7 member directly elected “Portland Metro” via adoption of home rule charter. Administers “Portland 2040,” the leading successful regional planning and land use policy in the U.S.</p> <p>Responsibilities:</p> <ul style="list-style-type: none"> ⇒ Land use planning – “Portland 2040” ⇒ “Future Vision,” a 50 year planning document, and the ⇒ 1997 “Regional Framework Plan” ⇒ Regional solid waste management ⇒ Regional zoo 	Elected	1977

SOURCES: Robert Waste, *Independent Cities: Rethinking U.S. Urban Policy* (New York: Oxford University Press, 1998), pp. 103-105; and Margaret Weir, “Coalition Building for Regionalism,” in Bruce Katz (ed.), *Reflections on Regionalism*, (Washington DC: Brookings Institution Press, 2000), pp. 127-153.

Table 2
Examples of Successful County-Level Regional Governments in California

Name, Region & Scope	Type	Date
<p><i>San Francisco-San Francisco County, California</i> City-county consolidated government in place since 1856. Sole example of consolidated city-county government in California.</p>	Legislative	1856
<p><i>Riverside County Integrated Plan</i> September 2000 agreement between 10 government entities on development and conservation in Riverside County. Creates consensus on where development will be allowed and what land sites will be preserved in an area expected to double in population to 3 million by the year 2020. The plan includes a blueprint for new roads, shopping centers, home construction and the preservation of wildlife habitat.</p>	Land Use	2000
<p><i>San Diego Regional Infrastructure & Transportation Agency</i> A feasibility study for this agency was authorized by the California Legislature in SB 329 in the Fall of 2000.</p>	Legislative	2000

Table 3
Examples of Successful Regional Revenue Sharing Partnerships in California

Name, Region & Scope	Type	Date
<p><i>Antelope Valley, Southern California</i> A partnership between the cities of Lancaster and Palmdale. One of the leading California examples of successful regional tax sharing.</p>	Voluntary Use of AB 262 - Share Local 1% Tax	1999
<p><i>Central Valley</i> The City of Modesto and Stanislaus County. One of two leading examples of city-county tax sharing agreements in the state.</p>	Voluntary Use of AB 262 - Share Local 1% Tax	2000
<p><i>Coachella Valley</i> Use of pooled redevelopment funds.</p>	Voluntary	2000

Table 5
Successful City-County Consolidations in U.S., 1805-2000

City/County Government	Type	Date
New Orleans-Orleans County, Louisiana	Legislative	1805
Boston-Suffolk County, Massachusetts	Legislative	1821
Nantucket Town-Nantucket County, Massachusetts	Legislative	1821
Philadelphia-Philadelphia County, Pennsylvania	Legislative	1854
New York-New York County, New York	Legislative	1854
San Francisco-San Francisco County, California	Legislative	1856
New York & Brooklyn-Queens & Richmond Counties, New York	Legislative	1898
Denver-Denver County, Colorado	Legislative	1902
Honolulu-Honolulu County, Hawaii	Legislative	1907
Baton Rouge/East Baton Rouge Parish, Louisiana	Referendum	1947
Hampton-Elizabeth City County, Virginia	Referendum	1952
Newport News-Warwick County, Virginia	Referendum	1957
Nashville/Davidson County, Tennessee (previously defeated in 1958)	Referendum	1962
Virginia Beach-Princess Anne County, Virginia	Referendum	1962
South Norfolk-Norfolk County, VA	Referendum	1962
Jacksonville-Duval County, Florida (Previously defeated in 1935)	Referendum	1967
Indianapolis-Marion County, Indiana	Legislative	1969
Juneau-Greater Juneau Borough, Alaska	Referendum	1969
Carson City-Ormsby County, Nevada	Referendum	1969
Columbus-Muscogee County, Georgia (previously defeated in 1962)	Referendum	1970
Sitka-Greater Sitka Borough, Alaska	Referendum	1971
Lexington-Fayette County, Kentucky	Referendum	1972
Suffolk-Nansemond County, VA	Referendum	1972
Savannah-Chatham County, Virginia	Referendum	1973
Anchorage/Greater Anchorage Area Borough, Alaska	Referendum	1975
Anaconda-Deer Lodge County, Montana	Referendum	1976
Butte-Silver Bow County, Montana	Referendum	1976
Houma-Terrebonne Parish, Louisiana	Referendum	1984
Lynchburg City-Moore County, Tennessee	Referendum	1988
Athens-Clarke County, Georgia (Defeated in 1969)	Referendum	1990
Lafayette-Lafayette Parish, Louisiana	Referendum	1992
Augusta-Richmond County, Georgia (Defeated in 1969)	Referendum	1995
Kansas City-Wyandotte County, Kansas	Referendum	1997

SOURCE: *Growth Within Bounds: Report of the Commission on Governance for the 21st Century Structural Reforms in Municipal Government* (Sacramento, CA: January 2000), Figure 7-4, p. 109.

Table 6
Successful Workforce Regional Alliances in California

Name/Locale
<i>Institute for the North Coast</i> – Humboldt County Workforce Development Partnership
<i>Sacramento Regional Action Partnership</i> - Business Education Partnership
<i>Joint Venture Silicon Valley</i> – San Jose/Santa Clara area. Workforce Partnership Initiative One of California’s earliest and premier CRIs. This CRI raised over \$29 million in local funding to aid local schools, encouraged cities to adopt a uniform building code, and encouraged local employers to encourage telecommuting and use of regional telecommuting centers.
<i>Gateway Cities Partnership</i> – Los Angeles area Workforce Initiative
<i>Economic Alliance for the San Fernando Valley</i> – Education and Workforce Development Initiative
<i>San Diego Dialogue</i> – Closing the Achievement Gap in San Diego’s Public Schools

SOURCE: Table constructed from case studies and data available from: The James Irvine Foundation Civic Navigator/Collaborative Regional Initiatives (CRI) Network Internet Web Site (<http://www.civiconavigator.com/>).

Table 7
Successful Integrated Development Regional Alliances in California

Name/Locale
<i>Sierra Business Council</i> – 400+ miles, over 500 businesses in the Truckee Sierra Nevada mountain region. Succeeded in joining economic development and environmental preservation issues, sparked reinvestment in historic town centers, and encouraged village-style growth development in and near Sierra Nevada towns.
<i>Valley Vision</i> – 6 counties and 23 cities in the Sacramento region. Currently, 12 cities and 18 local governmental units in the region have signed a “Regional Compact” a voluntary agreement to address regional growth management issues. Valley Vision merged with the Sacramento Regional Action Partnership in January 2000.
<i>The Sacramento Water Forum</i> - 40 water districts, cities, counties, businesses, and environmental groups in Sacramento-American River watershed region.
<i>Sacramento Regional Action Partnership</i> – Green Valley Initiative.
<i>Bay Area Alliance for Sustainable Development</i> – Bay Area Livability Footprint.
<i>San Francisco Bay Area Partnership</i> – Four federal Region IX directors, staff provided by the United Way, 10 counties, 15 non-profits, 20 state and independent agencies, with school districts and universities. Established regional performance benchmarks in healthcare, education, childcare, transportation, and workforce development. Also established extended day and after school programs, and nutrition programs for low-income school-aged children. Regional data base to track regional changes in Bay Area established.
<i>Joint Venture Silicon Valley</i> – San Jose/Santa Clara area coalition raised over \$29 million in local funding to aid local schools, encouraged cities to adopt a uniform building code, and encouraged local employers to implement telecommuting and use of regional telecommuting centers.
<i>Fresno Business Council</i> – Landscape of Choice.
<i>Tri-Valley Business Council</i> – San Francisco East Bay Area – Planning for Prosperity.
<i>Riverside County Integrated Plan</i> – September 2000 agreement between 10 government entities on development and conservation in Riverside County. Creates consensus on where development will be allowed and what land sites will be preserved in an area expected to double in population to 3 million by the year 2020. The plan includes a blueprint for new roads, chapping centers, home construction and the preservation of wildlife habitat.
<i>San Diego Dialogue</i> (with Tijuana, Mexico). Cross-border regional partnership aimed at decreasing poverty, and increasing cooperation on both sides of the border.

SOURCE: Table constructed from case studies and data available from: The James Irvine Foundation Civic Navigator/Collaborative Regional Initiatives (CRI) Network Internet Web Site (<http://www.civiconavigator.com/>).

Table 8
Successful Civic Engagement Regional Alliances in California

Name/Locale
<i>Sierra Business Council</i> – 400+ miles, over 500 businesses in the Truckee Sierra Nevada mountain region. Succeeded in joining economic development and environmental preservation issues, sparked reinvestment in historic town centers, and encouraged village-style growth development in and near Sierra Nevada towns.
<i>Great Valley Center</i> – Modesto-based Institute for the Development of Emerging Area Leaders (IDEAL).
<i>Bay Area Alliance for Sustainable Development</i> – Community Capital Investment Initiative.
<i>San Diego Regional Economic Development Corporation</i> – Partnership of the New Century Economy and Study of Clusters of Innovation.
<i>Metropolitan Forum Project</i> – Los Angeles area - New Schools/Better Neighborhoods initiatives.

SOURCE: Table constructed from case studies and data available from: The James Irvine Foundation Civic Navigator/Collaborative Regional Initiatives (CRI) Network Internet Web Site (<http://www.civiconavigator.com/>).

Table 9
The California CRI Network

<i>Regions</i>	<i>Collaborative Regional Initiatives</i>
Eureka and the North Coast	Institute for the North Coast
	Humboldt County Workforce Development Partnership
Sonoma	Sonoma County Economic Vitality Partnership
Sacramento	Sacramento Regional Action Partnership
	Water Forum
Sierra Nevada	Sierra Nevada Business Council
	Placer Legacy
San Francisco Bay Area	San Francisco Bay Area Partnership
	The Bay Area Council
	Bay Area Alliance for Sustainable Development
East Bay Area	Tri-Valley Economic Community Project
Silicon Valley	Joint Venture Silicon Valley
San Luis Obispo	Foundation for Community Design
Fresno	Fresno Business Council
Santa Barbara	Santa Barbara Economic Community Project
San Fernando Valley	Economic Alliance of the San Fernando Valley
Los Angeles	Gateway Cities Partnership
	Metropolitan Forum Project
Riverside	Riverside County Integrated Plan
San Diego Border Region	San Diego Regional Economic Development Corp.
	San Diego Dialogue

Figure 1
Eleven Lessons Learned:
Building Coalitions for Sustainable Regions

- Lesson 1: Understand the Region's Demographics and Make Maps*
- Lesson 2: Reach Out and Organize the Issue on a Personal Level*
- Lesson 3: Build a Broad, Inclusive Coalition*
- Lesson 4: "It's the Older Suburbs, Stupid" Build Central City, Older Suburb Coalitions Where Possible*
- Lesson 5: Reach into the Central Cities to make sure the Message Is Understood*
- Lesson 6: Seek Out the Region's Religious Community*
- Lesson 7: Seek Out the Philanthropic Community, Established Reform Groups, and Business Leaders*
- Lesson 8: Draw in Distinct but Compatible Issues and Organizations*
- Lesson 9: With the Coalition: Seek Out the Media*
- Lesson 10: Prepare for Controversy*
- Lesson 11: Move Simultaneously on Several Fronts and Accept Good Compromises*

SOURCE: Myron Orfield, *Metro-Politics: A Regional Agenda for Community and Stability, Revised Edition* (Washington, D.C.: Brooking Institution Press, and Cambridge, MA: The Lincoln Institute of Land Policy, 1998), pp. 167-171.

**Figure 2 - Five Additional Lessons:
Building Sustainable Regional Governmental Units**

- (1) ***A Sustained Effort by Civic Entrepreneurs*** committed to a multi-jurisdictional and multi-year campaign to promote regional government In Minneapolis, state legislator and law professor Myron Orfield championed regional governance repeatedly and skillfully in the Minnesota Legislature.
- (2) ***A Consensus Developed Within the Region About the Existence of Regional Problems and the Appropriateness of Regionalism as a solution*** to those problems. In the case of Portland, land use and planning were the shared regional problem. In the case of Minneapolis, the perceived problem was initially a water/sewage problem so severe the federal government threatened to withhold mortgage insurance approval. Later the perceived regional problem was a growing tax base inequity between the older center city and newer surrounding bedroom communities.
- (3) ***Enabling Legislation Enacted by the State Legislature***, as was the case in Oregon and Minnesota;
- (4) ***Adoption of District Rather than a Federated Governance Structure***. Federated regional governance systems – bodies with memberships comprised of local elected city and county officials (i.e., the California LAFCO model minus the Public Member) - have evolved into district representation formats (Portland), or have been challenged successfully in litigation (Seattle). Each of the successful regional governance systems has evolved into district representation systems. In the case of Minneapolis, this takes the form of a gubernatorial appointed district system; in the case of Portland, it has taken the form of a directly elected “home rule charter” district system.
- (5) ***Small, Incremental First Steps in Reaching Regional Government are Useful in Building Public Support for Regional Governance***. Portland, the most far-reaching example of metropolitan regional governance in the United States, was initially funded to address the modest issue areas of regional transportation, recycling used automobile tires, and securing funding for an economically troubled area zoo.

Figure 3
Five Negative Lessons Learned
From Examining City-County Consolidated Governments

- Lesson 1: The Odds are Long - Three Out of Four Consolidations Fail.*
- Lesson 2: Consolidations Tend to Fail to Show Increased Efficiencies or Economies of Scale.*
- Lesson 3: Building Broad, Inclusive Coalitions is Difficult - Political Power Tends to Shift to Suburban Jurisdictions*
- Lesson 4: Building and Investing in Central City, Older Suburbs Decreases- Investment in Newer Suburban Infrastructure Increases*
- Lesson 5: Scattered Site Social Programs and Fair Share Housing Become More Highly Politicized, and Increasingly Difficult to Build*

Figure 4
***Five Lessons Learned from “First Wave” Regionalism:
Building Institutions and Policies for Sustainable Regions***

- Lesson 1: Use a Two-Step Process, Building from a Study to a Legislatively Authorized Agency or Commission*
- Lesson 2: Support of Key Interest Groups is Crucial*
- Lesson 3: The Public Must Perceive a Significant “Problem” or “Crisis”*
- Lesson 4: Build a Broad, Inclusive Coalition in the Legislature*
- Lesson 5: Gubernatorial Support is Crucial for Implementation*

Figure 5
Building Viable CRI Organizations
Seven “Rules of the Road”

- Lesson 1: Make a Unique and Valued Regional Contribution*
- Lesson 2: CRI Leaders Need to Fill Different Roles at Different Times – Credible Conveners are Needed Early, Experienced Managers and Project Directors are Needed Later*
- Lesson 3: Track Results to Build Momentum, and to Learn for Continuous Improvement*
- Lesson 4: Balance Big Vision with Small Wins*
- Lesson 5: Communicate Both Internally and Externally*
- Lesson 6: Involve Your Investors*
- Lesson 7: Be Patient but Persistent*

SOURCE: Condensation and graphical presentation of data and conclusions presented in Doug Henton, John Melville, and Kim Walesh, *California Regions Take Action: The Emergence of California Civic Entrepreneurs* (San Francisco: The John Irvine Foundation), May, 1998, pp. 11-13.

Figure 6
CRIs and Creating Sustainable Regions: Ten Lessons on Best Practices

- Lesson 1:** ***Call to Action.*** Without a strong call to action, it is not possible to organize groups for action around these complex, long-term issues.
- Lesson 2:** ***Focus on Urgent Issues.*** To get attention, focus on urgent issues such as traffic congestion, housing affordability, or air quality, and then move to identifying deeper causes.
- Lesson 3:** ***Remember that Language Matters.*** How you define the issue and what you call it will determine whether you can rally a response in the community. How the region views sustainability or other key words matters.
- Lesson 4:** ***Engage Major Employers.*** Getting things done in most regions requires engaging the major employers around crosscutting issues that affect their employees' quality of life and their bottom line.
- Lesson 5:** ***Create an Integrated Approach.*** Recognize the interdependencies of the economy, the environment, and the community, and create a more integrated approach to the region's challenges.
- Lesson 6:** ***Identify a Shared Vision.*** Build on common values and concerns to create a shared vision that the region can mobilize before moving to specific action.
- Lesson 7:** ***Use the Vision to Engage People.*** The vision can be the means for engaging a broad group of people to address critical issues.
- Lesson 8:** ***Build Unusual Alliances.*** Reach out to diverse groups to build alliances around sustainability. Focusing on common values and a shared vision rather than on narrow policy issues can help in creating these unusual alliances.
- Lesson 9:** ***Hold a Big Vision; Take Small Steps.*** Take small steps that can help move toward the vision, and recognize that success will breed success. Initial wins are important to motivate people.
- Lesson 10:** ***Involve all Stakeholders.*** Involve all the right people from the start. If you leave stakeholders out at the beginning, they may try to block your efforts later on.

SOURCE: "Ten Lessons Learned: Creating Sustainable Regions," in Doug Henton, John Melville, and Kim Welsh, *Getting Results and Facing New Challenges: California's Civic Entrepreneur Movement* (San Francisco: The John Irvine Foundation), January, 199, p. 12.

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6. *Survey of Current Area Needs (SCAN) Report* (Modesto, CA: Great Valley Center, spring 2000), p. 8. See also, Mark Baldassare, *Special Survey of the Central Valley* (San Francisco: Public Policy Institute of California, 1999).
7. See the analysis of the complex California “spider’s web” local governance system by Assembly Speaker Robert M. Hertzberg, in “California’s Problems Need Regional Solutions,” *San Jose Mercury News* (October 17, 2000). For a detailed summary of local governance units in California, see Jennifer Swenson, “City, County, Special District and Redevelopment Agency Fact Sheet,” Sacramento, CA: California Senate Local Government Committee (October 2000).
8. The Speaker’s Commission on Regionalism is scheduled for a one year time-span, from October 2000 to October 2001 and has the following mission:

- “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.” *Mission Statement for the Speaker’s Commission on Regionalism*
9. *Growth Within Bounds*, Report of the Commission on Local Governance for the 21st Century (Sacramento: January 2000).
 10. For an analysis of regionalism and regional government in Portland, Oregon and Minneapolis-Twin Cities, see Myron Orfield, *Metro-Politics: A Regional Agenda for Community and Stability, Revised Edition* (Washington, D.C.: Brooking Institution Press, and Cambridge, MA: The Lincoln Institute of Land Policy, 1998; and Robert Waste, *Independent Cities: Rethinking U.S. Urban Policy* (New York: Oxford University Press, 1998). See also, Margaret Weir, “Coalition Building for Regionalism,” in Bruce Katz (editor), *Reflections on Regionalism* (Washington, D.C.: Brookings Institution Press, 2000); and David Noack, “Crossing the Boundaries,” *American City & County* (September 1993), Vol. 108, No. 10, pp. 86-96.
 11. Weir, “Coalition Building for Regionalism,” p. 130. For background on the development of the Portland, Oregon regional governance system, see H. Jeffrey Leonard, *Managing Oregon’s Growth: The Politics of Development Planning* (Washington, D.C.: Conservation Foundation, 1983); Carl Abbott, *Portland: Planning Politics and Growth in a Twentieth Century City* (Lincoln: University of Nebraska Press, 1983); Carl Abbott, “The Capital of Good Planning: Metropolitan Portland, Oregon Since 1970,” in Robert Fishman (editor), *The American Planning Tradition: Culture and Policy* (Washington, D.C. and Baltimore: Woodrow Wilson and Johns Hopkins University Press, 2000); Carl Abbott, “Land Use Politics in Oregon,” in Carl Abbott, Deborah Howe, and Sy Adler (editors), *Planning the Oregon Way: A Twenty Year Evaluation* (Corvallis, OR: Oregon State University Press, 1994).
 12. For background on the development of regional governance in Minneapolis, see Myron Orfield, *Metro-Politics: A Regional Agenda for Community and Stability, Revised Edition* (Washington, D.C.: Brooking Institution Press, and Cambridge, MA: The Lincoln Institute of Land Policy, 1998; John J. Harigan and William C. Johnson, *Governing the Twin Cities: The Metropolitan Council in Regional Perspective* (Minneapolis: University of Minnesota Press, 1978); and, Judith Martin, “In Fits and Starts: The Twin Cities Metropolitan Framework,” in Donald Rothblatt and Andrew Sancton (editors), *Metropolitan Governance: American/Canadian Intergovernmental Perspectives* (Berkeley, CA: University of California, Institute of Governmental Affairs, 1993). See also, Judith Martin, “Renegotiating Metropolitan Consciousness: The Twin Cities Faces Its Future,” in Donald Rothblatt and Andrew Sancton (editors), *Metropolitan Governance Revisited: American/Canadian*

- Intergovernmental Perspectives* (Berkeley, CA: University of California, Institute of Governmental Affairs, 1998).
13. Margaret Weir, "Coalition Building for Regionalism," in Bruce Katz (editor), *Reflections on Regionalism* (Washington, D.C.: Brookings Institution Press, 2000), p. 128.
 14. *Ibid.*, p. 128.
 15. Peter Detwiler, "Planning for a New California," *Land Use Forum* (Winter 1992), Vol. 1, No. 2, pp. 87-90.
 16. *Growth Within Bounds*, Report of the Commission on Local Governance for the 21st Century (Sacramento: January 2000), p. 108.
 17. See Joshua Hamilton, "Creative Evasion: The Blighted Desert," Case No. 10 in Barry Keene (editor), *Making Government Work: California Cases in Policy, Politics and Public Management* (Berkeley: University of California – Institute of Governmental Studies, 2000), pp. 151-170.
 18. Ronald Vogel, Metropolitan Government," in Ronald Vogel (editor), *Handbook of Research on Urban Politics and Policy in the United States* (Westport, CT: Greenwood Press, 1997), p. 300. This section of the report builds on an earlier study of city-county incorporation conducted by the author. See Robert Waste, "Regional Challenges in the Sacramento Valley: Challenges and Potential Solutions," in Robert Fountain (editor), *Regional Futures Compendium* (Sacramento: Capital Research Institute, May, 2000).
 19. H. V. Savitch and Ronald K. Vogel, "Perspectives and Lessons," in H. V. Savitch and Ronald K. Vogel, *Regional Politics: America in a Post-City Age* (Thousand Oaks, CA: Sage Publications Inc., 1996), p. 300. See also, Ronald Vogel (editor), *Handbook of Research on Urban Politics and Policy in the United States* (Westport, CT: Greenwood Press, 1997).
 20. Ronald Vogel, Metropolitan Government," in Ronald Vogel (editor), *Handbook of Research on Urban Politics and Policy in the United States* (Westport, CT: Greenwood Press, 1997), p. 187. See also, Stephen Condrey, 1994, "Organizational and Personal Impacts on Local Government Consolidation: Athens-Clarke County, Georgia," *Journal of Urban Affairs*, Vol. 16, No. 4, pp. 371-383; 1994.; Edwin J. Benton and Darwin Gamble, 1983, "City/County Consolidation and Economies of Scale: Evidence from a Time-Series Analysis in Jacksonville, Florida," *Social Science Quarterly*, pp. 190-198; and F. James Horan and G. Thomas Taylor, *Experiments in Metropolitan Government* (New York: Praeger, 1977).
 21. Bert Swanstrom, 1996, "Jacksonville Consolidation and Regional Governance," in Ronald Vogel (editor), *Handbook of Research on Urban Politics and Policy in the*

- United States* (Westport, CT: Greenwood Press, 1997), pp. 229-252. See also, Myra Jones, 1991, "Remarks," in C. James Owens (editor), *Workshop in Metropolitan Government Strategies: Proceedings 1990*. (Fort Wayne, IN: School of Public and Environmental Affairs, Indiana University-Purdue University at Fort Wayne). See also, Ronald Vogel, "Metropolitan Government," in Ronald Vogel (editor), *Handbook of Research on Urban Politics and Policy in the United States* (Westport, CT: Greenwood Press, 1997), p. 187.
22. *Ibid.*, p. 187. H. V. Savitch and Ronald K. Vogel, "Perspectives and Lessons," in H. V. Savitch and Ronald K. Vogel, *Regional Politics: America in a Post-City Age* (Thousand Oaks, CA: Sage Publications Inc., 1996); and I. M. Barlow, *Metropolitan Government* (New York: Routledge, 1991); and Peter Self, *Planning the Urban Region: A Comparative Study of Policies and Organizations* (University: University of Alabama Press, 1982).
23. *Ibid.*
24. Reports analyzing the support of California local governments for regional government, potential models of regional governance applicable to California, and existing regional arrangements for assisting local governmental units in meeting regional and statewide growth management needs, include: Mark Baldassare et al., "Do Local Governments Support Regional Government: A Survey of City Planning Directors in California," (Berkeley: California Policy Seminar, University of California, Berkeley, 1992); Kevin Conner, "Models of Regional Government," (Sacramento: Governor's Office of Planning and Research, October 1991); and Senate Selecte Committee on Planning for California's Growth & Senate Local Government Committee, "Growth Management: Local Decisions, Regional Needs, and Statewide Goals," Report # 373-S (Sacramento: December 13, 1988).
25. For the link between ISTEA and regional planning and coordination see Bernard Ross and Myron Levine, *Urban Politics: Power in Metropolitan America, 6th Edition* (Itasca, N.Y: F. E. Peacock Publishers, 2001).
26. *Growth Within Bounds*, Report of the Commission on Local Governance for the 21st Century (Sacramento: January 2000), pp. 109-110.
27. "Think Middling," *The Economist (US)* August 10, 1991, V. 320, No. 7719, P. A18. See also Stephanie Pincetl, "The Regional Management of Growth in California: A History of Failure," *International Journal of Urban and Regional Research*, Vol. 18, No. 2 (June 1994), pp. 256-74; Margaret Weir, "Coalition Building for Regionalism," in Bruce Katz (editor), *Reflections on Regionalism* (Washington, D.C.: Brookings Institution Press, 2000); and William Fulton, *The Reluctant Metropolis: The Politics of Urban Growth in Los Angeles* (Los Angeles: Solamar Research Group, 1997).
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 30. Margaret Weir, “Coalition Building for Regionalism,” in Bruce Katz (editor), *Reflections on Regionalism* (Washington, D.C.: Brookings Institution Press, 2000), p. 128.
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 35. Ibid.

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39. Ibid.
40. See the recent report by Doug Henton and Kathie Studwell, *Informed Regional Choices: How California’s Regional Organizations are Applying Planning and Decision Tools* (San Francisco: The Irvine Foundation and the California Center for Regional Leadership – November 2000). The report documents planning and regional decisionmaking activities by the following regional collaboratives: the Northcoast Leadership, the Great Valley Center, Placer Legacy, Bay Area Footprint, Tri-Valley, Santa Barbara Regional Economic Community Project, Neighborhood Knowledge Los Angeles (NKLA), and the San Diego Area Association of Governments (SANDAG). Other regional collaboratives providing significant economic development, job creation or housing and land use planning, community indicator and Geographic Information Systems (GIS) mapping activities include: the Humboldt County Workforce Development Partnership, the Sonoma County Economic Vitality Partnership, the Sacramento Regional Action Partnership, the Sierra Nevada Business Council, the San Francisco Bay Area Partnership, the Bay Alliance for Sustainable Development, Joint Venture Silicon Valley, the San Luis Obispo Foundation for Community Design, the Fresno Business Council, the Economic Alliance of the San Fernando Valley, the Los Angeles Gateway Partnership, the Metropolitan Forum Partnership, the Riverside County Integrated Plan, the San Diego Regional Economic Development Corporation, and the San Diego Dialogue.
41. Note that the proposed IRP and HJI Zone legislation incorporates several of the lessons of the Portland and Minneapolis regional governance experience. Specifically, such a program would recognize, facilitate and require that participating regional partnerships:
 - a. understand the region’s dynamics and make maps;
 - b. build a broad and inclusive coalition;
 - c. draw in distinct but compatible issues and organizations;
 - d. move simultaneously on several fronts and accept good compromises;
 - e. develop a consensus within regions about the existence of regional problems, and the appropriateness of regionalism as a solution; and
 - f. provide for small, incremental first steps in reaching regional government [i.e., regional job center and housing needs GIS mapping projects] which are useful in building support for regional governance.

California
Environmental Law Reporter (May 2000), pp. 101-108.

47. See AB 2838 Assembly Bill - Bill Analysis, available on the Internet at:
http://www.leginfo.ca.gov/pub/99-00/bill/.../ab_2838.