SPUR'S AGENDA FOR CHANGE

IN THE
SAN FRANCISCO
BAY AREA

SPUR

1. **Concentrate growth inside existing cities.**
2. **Build great neighborhoods.**
3. **Make it affordable to live here.**
4. **Give people better ways to get where they need to go.**
5. **Lay the foundations of economic prosperity — for everyone.**
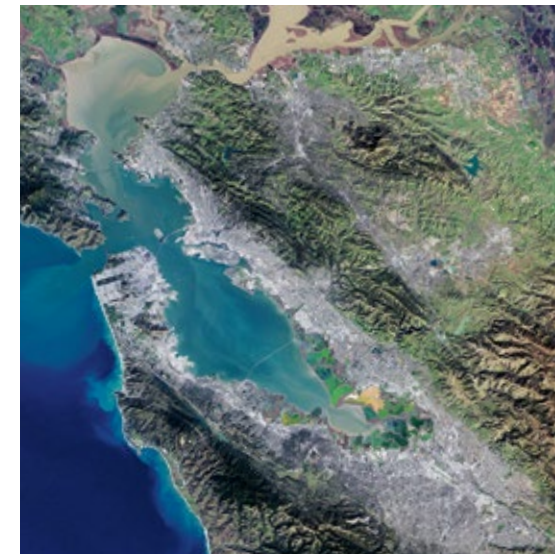6. **Reduce our ecological footprint and make our cities resilient.**
7. **Support local government.**

CITIES ARE THE KEY TO A SUSTAINABLE FUTURE

SPUR promotes good planning and good government in the San Francisco Bay Area.

We organize our work into seven policy imperatives, each with a detailed set of recommendations and an advocacy agenda:

Cities bring people together for every imaginable purpose. They foster economic innovation. They facilitate the invention of new art forms and new political movements. And they hold the answer to our ecological problems, from the destruction of natural lands to the onset of climate change. High-density city living minimizes humanity's footprint on the planet while making it possible for people to walk, bike and take transit — the solution to lowering carbon emissions from our species.

SPUR works to channel the Bay Area's growth into existing cities. We focus our efforts in **San Jose**, **San Francisco** and **Oakland** — the three largest cities in our region. These historic central cities of the Bay Area have the infrastructure in place to support continued growth, which means they have a special role to play in the success of the broader Bay Area.

SPUR's *Agenda for Change* represents our vision for the central cities of the Bay Area. It condenses the big ideas behind our work, based on decades of policy thinking adopted by the SPUR Board of Directors, and lays out our plan for making this vision a reality.

We welcome you to share in this vision and join our movement for a better city. www.spur.org/join

CONCENTRATE GROWTH INSIDE EXISTING CITIES
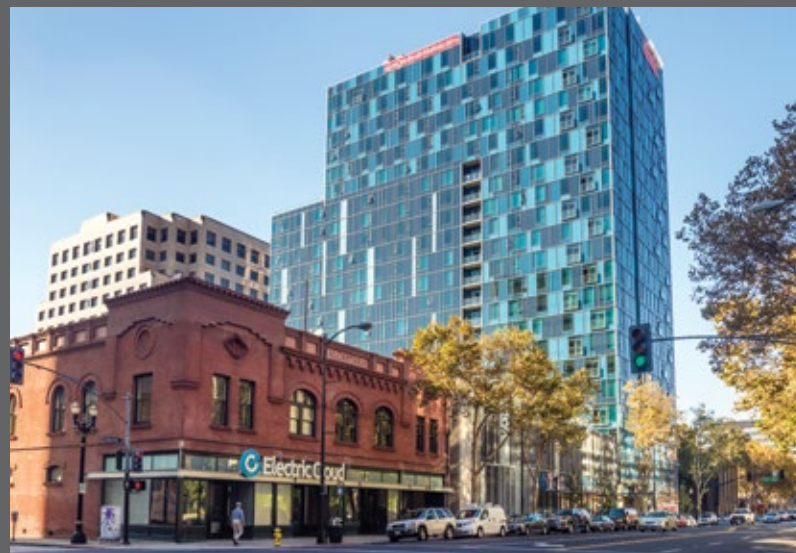
REGIONAL PLANNING

Our agenda begins at the regional scale, where we envision a network of thriving urban places linked by rapid, high-quality transit. Daily life is lived at the neighborhood scale, but these neighborhoods join together to form a metropolis. Our regional agenda works to bring about a metropolis that provides opportunities for connection, diversity and economic growth while reducing our impact on the planet.

The antithesis of this vision is suburban sprawl — the spreading of low-density human settlement across the land. Sprawl not only destroys the environment directly; it also forces people to drive to virtually everything they want to do. People cannot walk when there is nothing nearby to walk to. People cannot rely on transit unless there is a high enough density of potential riders to support the service.

The key is to manage growth in the Bay Area so that jobs, housing and other important destinations are located inside existing cities and within walking distance of transit, rather than on farmland at the edge of the region or in other places where people will be irrevocably car-dependent.

The Bay Area today reflects some of our country's greatest regional planning successes: the protection of the San Francisco Bay, the creation of the Golden Gate National Recreation Area and the development of the Bay Area Rapid Transit system (BART). Despite these successes, the fact is we built most of the Bay Area the wrong way — in sprawling, single-use subdivisions and office parks that force people to drive for every trip. We have done such a bad job managing our growth that now development is spilling outside the boundaries of the Bay Area into the Northern California megaregion — the large network of urban areas that includes Sacramento, Davis, Stockton, Salinas, Fresno and Santa Cruz.[1] The future of farmland in Northern California depends on whether we change course with our planning here in the Bay Area.

We are regionalists at SPUR. While life is lived at the neighborhood level and government is organized at the city level, we believe that our neighborhoods and cities will function better and provide a higher quality of life if they are part of a region that works. Regional planning helps individual cities make decisions that, when aggregated together, add up to a better place for all of us.

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1   "The Northern California Megaregion," *The Urbanist*, November/December 2007:
      www.spur.org/publications/library/article/mappingthenortherncaliforniamegaregion11012007

Focus housing growth in existing communities.
The population of the Bay Area is growing. Between 2010 and 2040, it is projected to increase from 7 million to 9 million. The question we face is: Where will these people go? Many current residents don't want to see their neighborhoods change, so they fight to prevent new buildings from going up nearby. This means the path of least resistance is to continue building subdivisions at the edge of the region. But if we push new housing "out of sight, out of mind," we get a region filled with traffic congestion and air pollution. We also drive up housing costs in the central cities. We need to accommodate housing growth inside existing communities rather than displacing it to "somewhere else." Fortunately, this can be done carefully, in ways that enhance livability for everyone — new and long-time residents alike. Plan Bay Area, the region's long-range plan, proposes places where we can accommodate this housing growth in a more sustainable way.[2] San Jose's Envision 2040 Plan[3] and San Francisco's Better Neighborhoods Plans[4] are solid examples of planning that adds housing in appropriate places while leaving most single-family neighborhoods alone. We can replicate these kinds of efforts across the region.

Add new jobs in transit-accessible employment centers.
Today, only a quarter of our region's jobs are within a half mile of a rail station.[5] We believe that the Bay Area can do much better. We already have a network of major employment centers in historic downtowns linked by rail transit. Downtown San Jose and downtown Oakland have enormous potential to add jobs — as do already-thriving centers like San Francisco and Palo Alto. The areas within walking distance of Caltrain and BART should be carefully planned as the ideal places for high-density employment that will contribute to the Bay Area's prosperity while making jobs accessible to everyone.[6]

Retrofit suburban office parks to increase density.
While it's important to put more jobs near transit, the reality is that many companies are going to locate on land they already own or land that is already zoned for jobs, even if those places are not within walking distance of a regional transit station.[7] Since we can't move these job centers, SPUR supports efforts to make existing office parks more dense and turn them into mixed-use, walkable urban places. To make this happen, we must reduce the number of people who commute alone by car so that parking lots can be redeveloped for more productive uses. Some employers are successfully shifting their employees' travel patterns through subsidized shuttles, guaranteed rides home, bike sharing and other programs. This can open up adjacent areas for dense, mixed-use development.[8]

Strengthen our regional agencies.
The big decisions about how the Bay Area will grow are made by city governments, not regional agencies. Nevertheless, the Bay Area has four primary regional planning agencies: the Bay Area Air Quality Management District, the Metropolitan Transportation Commission (MTC), the Association of Bay Area Governments (ABAG) and the Bay Conservation and Development Commission. Each can play a positive role in guiding the evolution of the region. SPUR works closely with these agencies, along with the regional transit operators, to help them be effective stewards of the broader public good. We believe that ABAG can play a more powerful role in providing cities with responsible growth targets. And we believe that MTC can play a more powerful role in using transportation funding to support smart land use policy at the local level — particularly if the agency adjusts its governance to more accurately reflect the region's population and employment.[9]

Explore tax sharing.
In the post–Proposition 13 era, California cities must scramble to find sufficient revenues to support needed services. Often they compete with each other for tax-generating businesses like big-box retailers and auto dealerships, with the winner putting these businesses on the city boundary — in order to reap the revenue while passing traffic headaches on to adjacent cities. The result? Too much auto-oriented retail and a reluctance to accommodate new housing. This competition has to stop. SPUR supports tax sharing between cities as one way to reduce inequities in tax revenues and avoid the disjointed land use decisions that result.[10]

2   MTC and ABAG report *Plan Bay Area,* March 2013: www.onebayarea.org/regional-initiatives/plan-bay-area.html

3   San Jose's Envision 2040 Plan: www.envisionsj2040.org

4   San Francisco's Better Neighborhoods Program: www.sf-planning.org/index.aspx?page=1699

5   SPUR report *The Urban Future of Work*, January 2012: www.spur.org/urbanwork

6   SPUR report *The Future of Downtown San Francisco*, March 2009: www.spur.org/publications/library/report/future_downtown

7   "Job Sprawl in the Megaregion," *The Urbanist*, September 2009: www.spur.org/publications/library/article/job_sprawl_megaregion

8   SPUR report *The Urban Future of Work*, January 2012: www.spur.org/urbanwork

9   SPUR report *Reforming Regional Government*, February 2012: www.spur.org/publications/library/report/reforming-regional-government

10   SPUR report for Joint Venture: Silicon Valley *Strengthening the Bay Area's Regional Governance*, February 2013: www.spur.org/publications/library/report/strengthening-bay-areas-regional-governance

SPUR'S AGENDA FOR **COMMUNITY PLANNING:**

BUILD
GREAT
NEIGHBORHOODS

COMMUNITY PLANNING

To build strong communities, we must embrace the complexity of cities and confront multiple issues at the same time. We need to make our cities affordable so that people of all means, not only the super-wealthy, can live here. We need to make it possible to walk, bike and take transit for most trips. We need to foster an ecological balance with nature. We need to support a dynamic, growing economy. And we need to create public spaces that people love to be in and buildings that people love to look at. All of these values must be integrated.

Ultimately, all of these elements take shape at the neighborhood scale. This is where we create great places and nurture a sense of belonging to a community. This is where we find out if our planning and policy work have managed to come together to form environments for daily life that are beautiful, diverse, comfortable, exciting and unique. Cities must change because they will always have new problems and needs to respond to. But they must change in ways that remain true to their unique culture, time and place.

Conduct neighborhood planning within a regional context.
Land use planning takes place at the city, and sometimes even neighborhood, level. This means there is a real danger of not seeing what our micro decisions will add up to at the city and regional scale. It is not enough to ask current residents what they would like to see in their neighborhoods. Instead, we need to set a regional sustainability agenda first, accounting for inevitable population growth in the city and region and allocating this growth to neighborhood plan areas. Through our involvement in neighborhood planning — be it on the 4th Street Central Corridor in San Francisco or the urban villages in San Jose's Envision 2040 General Plan — SPUR focuses on the relationships among neighborhoods, cities and the region.

Preserve our most important historic resources while allowing for growth and change.
Preservation is a core SPUR value. We think part of what makes cities so exciting is the mix of old and new that defines our neighborhoods. The San Francisco Downtown Plan is an example of how we can have the best of both worlds: Dozens of new high-rise buildings paid for the preservation of many more important architectural landmarks. We can apply this lesson to other parts of the region, finding ways to add new growth while retaining the important fabric of our past.[11]

Create new buildings that exemplify the highest-quality architecture.
Preservation also teaches us a major lesson about what we build today: New buildings should be worth preserving by future generations. We should encourage new projects to embrace the innovations of their day and to address their context without mimicking it. When you ask people why they resist the idea of increased height and density, they often point to poorly designed buildings in their neighborhoods. By nurturing a culture of good design, we can build a portfolio of "elegant density" that will change this public perception.[12]

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11   SPUR report *Historic Preservation in San Francisco*, July 2013: www.spur.org/preservation
12   SPUR's Project Review Committee evaluates proposed buildings for their potential to enhance city life through good urban design:
      www.spur.org/projectreview

Make public spaces that people love to spend time in.
What makes a city truly great is the quality of its public realm, the "life between buildings" expressed in the sidewalks, parks and plazas where we stroll, people-watch and hang out. The Bay Area has a wonderful heritage to build on, but it also has a long way to go. Our parks need reinvestment. Our sidewalks need to be widened and, in some cases, extended to create a complete network. We need benches for people to sit on. Across the world, a new movement is rethinking the purpose of streets as the most important network of public space in urban areas, drawing from European concepts of street design. SPUR seeks to return our city streets to their rightful place as the center of civic life. Let's give ourselves this gift. Let's allow public life to flourish on our streets.

SPUR'S AGENDA FOR **HOUSING:**

MAKE IT AFFORDABLE TO LIVE HERE

HOUSING

The high cost of housing in the Bay Area is a direct threat to everything that makes this place great. If current trends continue, and more and more parts of the region become unaffordable to people with modest resources, we will lose our diversity, our artists, our activists, our innovators — in short, our culture. Parents will have to work so much they won't be able to spend time with their kids. Young people will have to move somewhere else after college. We cannot keep the wonderful, uniquely open culture of the Bay Area intact for new generations unless we find a way to bring down the cost of housing.

The problem's immediate cause is clear: At the regional scale, we are not building enough housing for the people who want to live here. As we compete with each other for available housing, we drive prices — for both renting and owning — even higher. The underlying reasons are more complicated. They include an ineffective regulatory system, disproportionate political power held by people who oppose change, growing income disparities, and a lack of sufficient tools and resources to build affordable housing.

SPUR believes that a healthy housing market should provide plenty of options along the continuum: supportive housing for extremely low-income households, permanently affordable low-income rental housing, housing for the middle class, housing for our aging population and, yes, housing for wealthy people too. It is a mistake to pit market-rate and affordable housing against one another; we need more housing at all levels, of all types and sizes.

Zone for more housing—in the right locations.
The single most important step we can take to make housing cost less for most people is to change city zoning laws to allow more housing to be built. This does not mean opening up farmland at the edge of the region; it means increasing the allowable building heights and densities inside existing communities, in places that are within a reasonable walking distance of transit. In some jurisdictions, there may be market barriers to the construction of housing. And in cities like San Jose, there may be other priorities, such as adding jobs. But in much of the Bay Area, we need only change the rules to allow new housing to be built, and the private sector will do the rest. If this de facto supply constraint is removed, it should be possible to increase the supply to the point where people with average-paying jobs can afford to buy or rent homes without public subsidy.[13]

Invest in permanently affordable housing.
The major constraint on affordable housing is lack of funding. Affordable housing developers need subsidies to purchase land, to pay for construction and sometimes to cover operating budgets if affordable rents do not cover costs such as mortgage and utilities. Currently, California does not have a permanent source of affordable housing subsidy, and the elimination of redevelopment agencies has reduced what was the primary source of funding in the state. There are two ways to pay for affordable housing: public funds, which typically support housing for very low-income households and inclusionary zoning, which requires developers to pay for a certain number of below-market-rate units within market-rate projects (or pay fees to build affordable housing off site). SPUR believes we must increase the supply of both low-income and moderate-income housing. The exact levels of public funding and inclusionary zoning will vary depending on the economics of each jurisdiction, but the broader point is that we need to spend money on affordable housing even while we are working to add enough market-rate housing to drive down prices.

Enable more housing to be affordable by design.
Housing units that are "affordable by design" represent an underappreciated component of the region's housing market. These are units that cost less because they are small, efficiently designed and, in many cases, don't come with a parking space. We need to make a few key changes to planning and building codes to enable the construction of these "naturally affordable" unsubsidized units.[14]

Rethink parking requirements.
Parking structures are expensive to build. If we build less parking, we could see both reduced housing prices and a more efficient use of urban land. SPUR recommends eliminating requirements that mandate a minimum number of parking spaces for new housing development. There is no good reason for the government to force the private market to produce parking spaces for every housing unit built. In locations with high-quality transit, governments should instead set *maximum* parking requirements that limit how much parking each unit can have. We also recommend decoupling the cost of parking from the cost of the housing unit so residents can make their own decisions about whether to spend money to buy a parking space or not.[15] Finally, we should grow the market for car sharing and bicycle infrastructure — which enable people full mobility without owning (and parking) a car — as a key strategy to bring down the effective cost of housing.

Encourage secondary units.
A secondary, or "in-law," unit is an additional self-contained dwelling on the same lot as an existing residential building. Property owners often house extended family or caretakers in these units or may offer them as rentals. The advantages of secondary units are numerous. They distribute less expensive housing across the city rather than concentrating new affordable housing in a few neighborhoods. They have minimal impact on streets and neighborhoods. And they support flexibility and family stability over time. Cities should change building and planning codes to encourage legal, code-compliant secondary units.[16]

Get housing development fees right.
Charging developers fees on new housing can support some wonderful things: new parks, infrastructure, community facilities and affordable housing. Yet establishing the right formula is tricky: If fees are too low, cities lose out on public benefits they otherwise might have received. Too high, and housing becomes infeasible to build and projects do not move forward. This is not an ideological question but simple math. Financial feasibility studies can determine how much the public sector can charge before a particular development becomes infeasible. Getting the fee levels right will ensure that we make the most of new development and create communities that support all of life's needs.

13   SPUR report *Zoning for More Housing*, June 2006: www.spur.org/publications/library/report/zoning-more-housing

14   SPUR report *Affordable by Design*, November 2007: www.spur.org/publications/library/report/affordablebydesign_112107

15   SPUR report *Reducing Housing Costs by Rethinking Parking Requirements*, June 2006: www.spur.org/publications/library/report/reducing-housing-costs-rethinking-parking-requirements

16   SPUR report *Secondary Units*, June 2006: www.spur.org/publications/library/report/secondary-units

GIVE PEOPLE BETTER WAYS TO GET WHERE THEY NEED TO GO

TRANSPORTATION

Perhaps nothing would make a greater difference in the Bay Area than changing the state of transportation. Today, nearly 80 percent of all commute trips in the region are made by automobile. For our economy, our environment and our quality of life, we need to reverse this number, so that 80 percent of trips can be taken by foot, bike or transit.

The trouble starts with a land use problem: We built most of the region at such low densities that people have no choice but to drive. Without high densities, there isn't a robust enough "walk to" market to sustain neighborhood stores, and transit can't collect enough riders to be cost-effective. But even where our cities are dense enough, our transit systems are often not a viable alternative to driving. The transit that exists is too limited, too slow or too disconnected to serve as a reliable first choice for most people.

SPUR's transportation agenda aims to strengthen the role of walking, biking and transit. The automobile will continue to play an essential role for many trips, and it needs to be accommodated gracefully — but it cannot be the default travel mode of choice in a sustainable city and region. People want and deserve other options. We have an environmental and economic imperative to change the way people travel. Given how much the region is going to grow, the Bay Area will simply not be a desirable place to live or work unless we find a way to make the alternatives to driving more attractive.

Make our streets safe and inviting for pedestrians.

Our weather is one of the Bay Area's greatest assets; people here want to be outside. There is no reason why walking should be anything other than a safe, comfortable, convenient and enjoyable way to get around. Sidewalks are important public spaces and should be widened or extended wherever they are insufficient. Street trees and outdoor seating should be part of every complete neighborhood. Every neighborhood planning process provides an opportunity for our central cities to build great streets.

Complete our bicycle networks.

Many Bay Area commute trips are within a few miles of home, an almost perfect cycling distance in a place with almost perfect cycling weather. Many more jobs are accessible by a combination of cycling and transit: 80 percent of all Bay Area jobs are within 3 miles of a BART or Caltrain station. This means that most people in the region could access their jobs via transit if they were able to integrate a short bike ride into their commute. Completing our bicycle networks will connect neighborhoods to each other and to major destinations in a way that is safe and comfortable. While many of our cities already have striped bike lanes, we need to build vastly more physically separated lanes that make biking feel safe.

Increase capacity and speed on key bus and light-rail lines.

Why do transit systems operate some lines with nearly empty buses or trains when other lines are packed to the gills? One of the biggest efficiency gains transit operators can make is by shifting resources to the most heavily used routes, then focusing capital investments to remove delays on those lines.[17] In San Francisco, Muni should explore additional rapid services and bus-only lanes to speed up service on its core lines. In the South Bay, the Valley Transportation Authority's light-rail system is one of the least productive in the country. Changing this will require many small and large capital projects to speed up the trains and reduce trip time. Perhaps the most significant boon for speed and capacity will be building the proposed bus rapid transit networks around the region. These lines allow rubber-tired buses to attain the comfort and speed of light rail and have been built in cities around the world as a cost-effective alternative to rail.

Increase rail service in the region's urban core.

Ridership on BART and Caltrain continues to grow as more and more people leave their cars behind and opt for public transit, particularly in central urban areas. BART is approaching the upper limit of its capacity between Oakland and San Francisco. To remedy this situation, we need to invest in a train control system that allows us to run trains more frequently. We also should build a "turnback" so some trains can turn around at the edge of downtown San Francisco, rather than running all the way to the end of the line. To be effective, the new BART extension to San Jose must go all the way to downtown and connect seamlessly with Caltrain at Diridon Station. Eventually, BART will need a second tube under the bay as part of a major reinvestment in its system.[18] To complete our transit system, we must also extend Caltrain to the new Transbay Transit Center, which will link Caltrain, BART, Muni, regional bus lines and eventually high-speed rail. Connecting the peninsula rail line between Diridon Station in San Jose and the Transbay Transit Center in San Francisco will attract tens of thousands of new passengers daily.

Build out the state's plan for high-speed rail.

A high-speed rail network in California is perhaps the single most transformative investment the state could make to modernize its economy — equivalent to the creation of the UC system, the highway system or the state water projects in the last century. It will help integrate the economies of Northern and Southern California.[19] It will provide an organizing framework to manage the state's population growth by creating hubs where we can focus development. And, most basically, it will provide a viable alternative to driving or flying for many kinds of trips.[20]

Integrate the region's many transit operators to make a seamless experience for riders.

The Bay Area has 27 separate transit operators — more than any other region of its size. While there may be some benefits to local control, the downsides of this arrangement are huge for transit riders, who are forced to transfer between multiple systems and pay multiple fares. Transfers are often poorly timed, and there are near misses where systems don't quite connect. Perhaps most fundamentally, the Bay Area transit network is confusing and mysterious to people who don't already ride it — including tourists and the majority of Bay Area residents who drive to work. Solving this problem will be complicated. We should certainly merge some services. But in the meantime, we need to unify maps, fares, ticketing, schedules, signage and branding to make the region's transit system understandable and accessible to new riders.[21]

Control transit costs.

The Bay Area relies on more than $1.5 billion annually in taxpayer subsidies to operate its $2.2 billion transit system. But in the past 10 years, the cost of operating an hour of service has skyrocketed for many providers, threatening the continued existence of much of the Bay Area's transit service. This is a complex problem; facing it honestly will require management changes, labor reforms and hard choices about service priorities.[22] But these issues cannot be avoided if we want to grow transit ridership significantly.

Use pricing to manage traffic congestion.

The interstate highway system is at the end of its useful life, the gas tax is declining as a funding source and it is appears unlikely that the federal government will increase its role in paying for infrastructure. As a result, highway tolls may have to fill in the gaps. The Bay Bridge now charges higher rates during periods of peak traffic, giving drivers an incentive to shift the time of their trip and smoothing out the peaks and valleys of demand. We should take the same approach on portions of U.S. Highway 101, Interstate Highway 280 and Interstate Highway 80. Another incentive-based system, parking pricing on local streets, helps ensure that parking spaces are always available, which reduces congestion. We believe that the SFpark program, with its demand-based pricing of on-street parking spaces, should be replicated around the region. Congestion pricing in both of these forms makes the road system more convenient for drivers while helping to pay for the upkeep of the transportation system.

17   SPUR report *Reversing Muni's Downward Spiral*, September 2005: www.spur.org/publications/library/report/reversingmunisdownwardspiral_090105;
      SPUR report *Muni's Billion Dollar Problem*, February 2006: www.spur.org/publications/library/report/munisbilliondollarproblem_022806

18   SPUR report *A Mid-Life Crisis for Regional Rail*, November 2008: www.spur.org/publications/library/report/amidlifecrisisforregionalrail_110108;
      "How Will 1.7 Million More People Cross the SF Bay?" SPUR blog, August 2011:
      www.spur.org/blog/2011-08-16/how-will-17-million-more-people-cross-sf-bay

19   "Hollywood vs. Silicon Valley," *The Urbanist*, July 2012: www.spur.org/publications/library/article/hollywood-vs-silicon-valley

20   "Getting High-Speed Rail on Track," *The Urbanist*, July 2012: www.spur.org/publications/library/article/getting-high-speed-rail-track;
      SPUR report *Beyond the Tracks*, January 2011: www.spur.org/publications/library/report/beyond-tracks

21   "Two Transit Maps: The Current Reality and a Possible Future," *The Urbanist*, March 2012:
      www.spur.org/publications/library/article/two-transit-maps-current-reality-and-possible-future

22   SPUR report *A Better Future for Bay Area Transit,* March 2012: www.spur.org/publications/library/report/better-future-bay-area-transit

LAY THE FOUNDATIONS OF ECONOMIC PROSPERITY— FOR EVERYONE

ECONOMIC DEVELOPMENT

A strong and growing private sector is the foundation for economic prosperity in our region. Economic development policy works to create the conditions that will enable the private economy to thrive. This in turn provides jobs for residents and raises taxes to pay for our public sector.

But a thriving economy depends on many inputs, from an effective education system to well-functioning infrastructure. The focus of economic development policy must be to improve these factors, particularly in industries where we have a comparative advantage.

Although the Bay Area remains one of the most dynamic regional economies in the world, it faces a set of difficult challenges. Competition for investment and job growth is increasing between metropolitan regions; many regions around the world, from Shanghai to New York, are working very hard on their own economic development strategies and are increasingly successful in attracting the kinds of jobs that the Bay Area has traditionally specialized in.

At SPUR we care about how the economic pie is divided up, and we view growing inequality as an important social problem. But we also care about growing the overall size of the pie. We believe that economic growth has the potential to improve life for all Bay Area residents.

Grow our own firms; don't try to lure them from other places.

The economic development world increasingly recognizes that trying to attract new businesses is the least effective policy approach. Most new employment comes when existing firms add jobs. Instead of luring new businesses, we should focus on the companies we already have. The Bay Area is a world leader in entrepreneurship and the ability to convert ideas and innovations into viable businesses. We need to nurture this model and continue to ensure that our region is giving rise to the next generation of businesses. But even if we succeed at nurturing entrepreneurship, it's not enough for the Bay Area to simply be a region of start-ups. We must be able to keep companies from leaving as they grow. [23] Too often, the Bay Area's successful firms expand by adding employment in other regions. We need to work collaboratively across the region to encourage growing firms to stay and to add new facilities and additional workers in the Bay Area.

Make sure that the high cost of locating in the Bay Area is worth it.

The Bay Area is an expensive place to do business. Land, rents and wages all cost more here than in other locations in the United States. This means that the region does not compete on cost; it competes on innovation and productivity. Companies locate here because they have access to resources like a high-quality workforce, venture capital or research. As a region, we should focus on making sure we are adding enough value to make it worth it for firms to be here. That means eliminating unnecessary costs, such as cumbersome approval and permitting processes — particularly those processes that don't derive any added benefit from being lengthy and complex.

Align workforce and economic development strategies.

A comprehensive economic development effort includes both place-based strategies (which work to increase the prosperity of a region, city or neighborhood) and people-based strategies (which work to build the skills and capacities of individuals so that they can find employment). Our goal is to make sure these two strategies are fully linked in cities and counties throughout the region. [24]

Strengthen our public education systems.

The Bay Area's economic competitiveness is fundamentally linked with its education system, particularly higher education. We have excellent flagship public schools and great private schools, but maintaining a few standout programs is not sufficient to support an educated and prosperous region for the next century. Strong K–12 and community college systems are also critical, and recent fiscal struggles within these systems pose a serious threat to our long-term economic health. SPUR supports increased investment in these foundational education systems.

Maintain enough industrial land.

Future economic competitiveness and diversity will require maintaining a supply of industrial land that can be used for manufacturing, warehousing, distribution, maintenance and trucking. The Bay Area has long been an industrial and manufacturing region — from food processing to shipbuilding, winemaking to high-technology manufacturing — and we still play an important role in production activity linked to research and development, prototyping and introducing new products. In addition, industrial land is an important hedge against the economy's future needs. We may yet invent new industries that are more land intensive than our current ones. The Port of Oakland is an obvious industrial asset, with related distribution and manufacturing facilities. Meanwhile, the San Jose metro area has the largest concentration of advanced manufacturing facilities in the nation. This suggests that maintaining contiguous industrial land in key corridors of the East and South Bay is an important long-term strategic goal.

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23   SPUR report *Organizing for Economic Growth*, June 2010: www.spur.org/publications/library/report/organizing-economic-growth

24   "Sharing the Wealth," *The Urbanist*, August 2010: www.spur.org/publications/library/article/sharing-wealth

REDUCE OUR ECOLOGICAL FOOTPRINT AND MAKE OUR CITIES RESILIENT

SUSTAINABILITY + RESILIENCE

We live in an age of global warming, water scarcity and a growing fear of ecological collapse. But it is also an era of high-performance buildings, renewable energy and smart infrastructure. Today we know more than ever about our environmental problems — and their solutions. The challenge is to overcome the cost and policy barriers to make these solutions feasible.

SPUR believes that cities — with their compact land use, transit options, low water use and other benefits — are a key to the region's sustainable future. The urban environment we build today — buildings, roads, power plants, water systems and transit infrastructure — will shape the way we live, and the way we consume resources, for many decades. This means that we need to view urban infrastructure as a sustainability opportunity.

We must commit to reducing emissions sooner rather than later: We only have the next few years to stabilize carbon levels in the atmosphere or else face irreparable consequences from climate change. While we take steps to ensure our long-term survival, we must also act now to prepare our communities for the threats of climate change and earthquakes, designing our cities and our life systems to be resilient to the hazards they will inevitably confront.

Reduce local and regional greenhouse gas emissions.

Many cities in the Bay Area have adopted climate action plans to reduce greenhouse gas emissions. But almost across the board, these plans have proven ineffective and greenhouse gas emissions have not declined. We must do better. We advocate implementing the most cost-effective local and regional measures to reduce global warming. In analyzing approaches to reducing greenhouse gases, we found that compact land use, dynamic demand-based pricing for parking and roads, waste diversion and retrofits of old buildings offer the best combination of high effectiveness and low cost.[25]

Plan for the inevitable reality of climate change. Global and

local efforts to slow down climate change have largely failed. Even if we could stop producing greenhouse gases tomorrow, the high concentration of carbon dioxide already in the atmosphere will cause the climate to continue to change for decades and even centuries. As a result, we must not only intensify our local efforts to reduce climate change but start preparing for its inevitable effects. These include higher temperatures and heat waves, urban flooding, long-term drought and more (potentially much more) than a meter of sea level rise by 2100. Preparing and implementing adaptation strategies in advance will be much more cost-effective than trying to recover from disasters like flooding after they occur. Cities need to begin shoreline risk assessments, develop coastal inundation maps, and create flood protection plans and incorporate them into their general plans.[26] Local and regional transportation planners need to assess where their transportation systems are vulnerable to climate impacts and design new projects to withstand projected sea levels through the end of this century.[27]

Create disaster-resilient communities. According to the United States

Geological Survey, there's a 63 percent probability that a major earthquake will strike the Bay Area in the next 30 years. How will we recover from such a disaster? The answer depends on what we have done to help strengthen our buildings;[28] secure our lifelines to water, power and communications;[29] and prepare for long-term rebuilding.[30] We know our region is going to experience major earthquakes. We also know we are not ready. When disaster strikes, we should be able to rebuild our cities quickly, but not in a haphazard way that is driven by mere expedience. A smart approach means developing plans for how to access recovery funding and make the best possible use of it. SPUR's Resilient City initiative[31] lays out a comprehensive set of steps we must take now, before a major disaster, so that our prospects for long-term recovery are strong.

25   SPUR report *Critical Cooling*, May 2009: www.spur.org/publications/library/report/critical_cooling

26   SPUR is leading a multi-agency effort to address sea level rise on San Francisco's Pacific coast as part of the Ocean Beach Master Plan:
       www.spur.org/publications/library/report/ocean-beach-master-plan

27   SPUR report *Climate Change Hits Home,* May 2011: www.spur.org/adaptation

28   SPUR report *Safe Enough to Stay*, January 2012: www.spur.org/safe-enough

29   SPUR report *Lifelines*, February 2009: www.spur.org/publications/library/report/lifelines

30   SPUR report *On Solid Ground*, January 2013: www.spur.org/onsolidground

31   See all the reports in SPUR's Resilient City initiative: www.spur.org/initiative/resilient-city

Restore urban watersheds. Roads, sewers, pipelines and transmission lines are

aging nationwide. But infrastructure improvement is expensive, and maintenance programs have been chronically underfunded. SPUR advocates for an integrated approach to managing and sustaining water resources. We strongly support implementing retrofits that slow down, capture and reuse the water that currently runs off into the streets during rainstorms.[32] Such green infrastructure investments are an ecologically sound way to reduce the volume of water entering our sewer system during storms, which will reduce costs and lower the chances of an overwhelmed system releasing polluted water into low-lying neighborhoods, the bay and the ocean.

Develop local and recycled water supplies to reduce pressure on California's rivers. As our region grows, we must conserve our

imported water by recycling and reusing it before sending it to wastewater treatment plants and then out to sea. We also need water we can rely on regardless of changes in the climate — and water we can tap locally for emergencies. Taking less water out of the Tuolumne River and other Northern California rivers will also support the health and sustainability of these river systems, home to threatened salmon and steelhead trout. SPUR believes there is more we can do to conserve water and develop new local water supplies.[33]

Develop renewable energy sources. The bulk of our energy is derived

from fossil fuels, which are becoming ever more expensive to produce and distribute. But the up-front cost to develop newer sustainable technologies also tends to be high. Public investment can help finance the transition to clean technologies such as solar or wind energy. While cities cannot make investments that will transition the entire economy, they can provide rebates, retrofits and low-cost loans; build demonstration projects; streamline permitting for sustainable technologies such as residential solar panels; and reduce the energy demand of buildings through a host of programs and policy tools.[34] In addition, cities should work with PG&E to implement a "smart grid." This more flexible electricity network allows grid managers to shift power from where it is created to where it is needed and uses pricing tools to reduce and manage peak demands. Our analysis of local climate action measures found that implementing a smart grid could reduce energy demand by 12 to 20 percent.[35]

Strengthen our regional food system and reduce waste. Our region can reduce its ecological footprint by sourcing and recycling its material resources

closer to home. Locally produced food is a good example. Much of what we eat can be produced in our region. Creating a stronger tie between our central cities and the Bay Area's agricultural sector not only reduces the distance our meals travel but also reinforces ecological awareness and creates support to fight sprawl on agricultural land. Though urban agriculture will not become a large source of food, SPUR supports the production of food within the city because it reinforces our connection with our regional food system and provides health and community benefits.[36] As we shorten the distance between field and fork, we can complement these efforts by turning food waste into compost. Many Bay Area cities already have innovative programs, but we can and should do more to reduce the amount of material that goes to the landfill.[37]

32   SPUR report *Integrated Stormwater Management,* November 2006:
       www.spur.org/publications/library/report/integratedstormwatermanagement_110706

33   SPUR report *Future-Proof Water,* March 2013: www.spur.org/futureproofwater

34   SPUR report *Greening Apartment Buildings,* February 2011: www.spur.org/greenbuildings

35   SPUR report *Critical Cooling,* May 2009: www.spur.org/publications/library/report/critical_cooling

36   SPUR report *Public Harvest,* May 2012: www.spur.org/publicharvest

37   SPUR report *Locally Nourished,* May 2013: www.spur.org/locallynourished

SPUR'S AGENDA FOR **GOOD GOVERNMENT:**

SUPPORT LOCAL GOVERNMENT

GOOD GOVERNMENT

SPUR believes in local government as a force for good. From maintaining parks to running public transit, from cleaning streets to ensuring public safety, there is simply no way for our cities to work unless local government is adequately funded and well-managed.

If we want government to work, we have to pay for it. But if taxes or fees are going to be high, cities had better deliver a lot of value.

Cities in California struggle against many constraints imposed from outside. The state restricts everything from how a city can raise revenue to how it is governed. The voters constrain city government further through ballot-box management. And the constant financial uncertainties of federal and state budgets make it difficult to do long-term budget planning. SPUR works as an ally to local government, to help support a high-performance public sector that citizens can feel proud of.
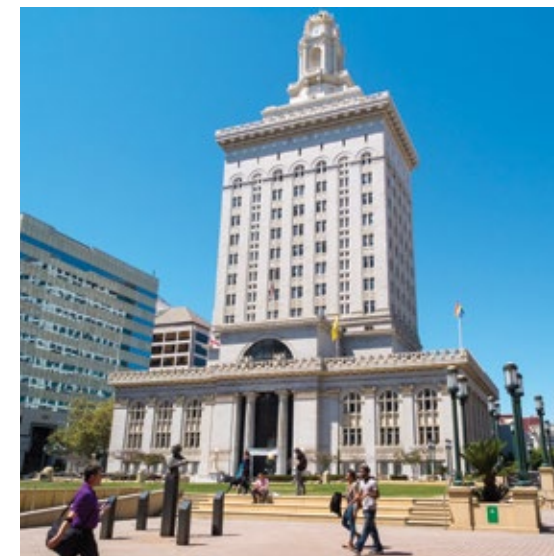
Put safety first.
The most basic job of city government is to keep people safe. This is easy to take for granted when safety is not a problem. But when crime, especially violent crime, is on the rise, nothing else in a community feels important. Cities across the Bay Area, and across the country, are struggling with the high cost of public safety. This is going to be a difficult problem to solve. Cities are going to have to explore new, smarter ways to provide safety. And we are all going to have to reexamine the social bargain we've made with the cops and firefighters we depend on.

Invest in infrastructure.
The next task of city government, after ensuring public safety, is to keep the public realm in good shape. Streets, parks, sewers, energy systems, transit systems and public buildings form the backdrop for city life. In order for people to love their city, and for businesses to make investments in it, this basic set of elements needs to be well-designed and well-maintained. But infrastructure spending and capital planning often take a hit in tough financial times because the impact of reducing street repaving funds, for example, is not as immediate or obviously painful as closing a public health clinic. Cities need to exercise real discipline to fund maintenance and capital investments at the right level in the face of these pressures. Cities that under-invest in capital are creating long-term problems for themselves that will be very difficult to solve. Cities should maintain long-term capital plans;[38] establish a budget set-aside for maintenance or capital; and carefully manage the flow of city bonds, particularly general obligation bonds that require voter approval.

Support a strong civil service system.
The first essential step in delivering high-quality public service is for public agencies to attract and retain the best people. The original goal of civil service systems was to make sure that people were hired and promoted based on merit, not political favoritism. Every city now has some form of civil service system. But these merit-based systems often coexist awkwardly with seniority-based systems of promotion. While recognizing that public sector unions and collective bargaining play an important role in local government, we think it's important to strengthen the merit-based civil service systems, especially to ensure that the best people are retained and promoted into higher-level jobs and that hard work and good performance are rewarded in government.[39]

Get better at contracting.
There are two ways that an organization can do its work: hire people to do it or contract with an outside firm. Governments do both — and they need to be good at both. On the contracting side, most city governments can make dramatic improvements by streamlining the contracting process so that they can attract bids from the best firms. In addition, cities need to make sure that the work they choose to contract out is scoped appropriately, that they select contractors in an objective way, that they encourage competition by bringing in multiple bidders in a transparent process and that they have rigorous systems in place for evaluating contractors after the fact.

Experiment with labor-management partnerships and demonstration projects.
Too often, relationships between labor and management are adversarial in the public sector. Some of this is inherent in the different positions and interests of the parties. But we think there is enormous potential to experiment with new models of labor-management partnerships that engage the workforce in active problem solving to improve the functioning of public agencies. This is a way to tap into the wisdom of employees at all levels of the organization and engage their full creativity in doing the work of government.
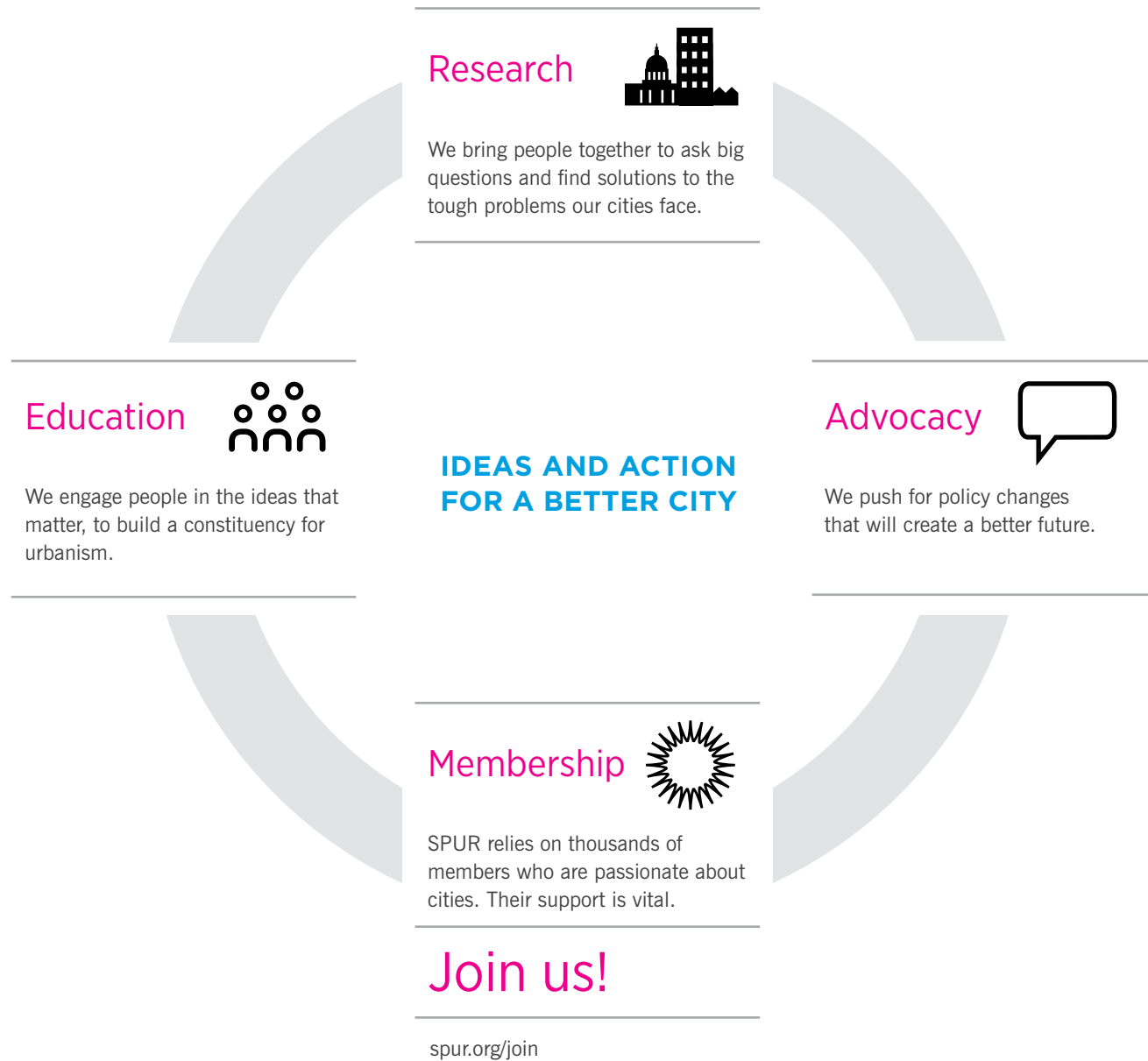
Deliver services at the neighborhood scale.
One of the most promising trends in urban governance is the emergence of business improvement districts and community benefit districts, which provide some services at the neighborhood scale. These entities are created by property owners, who levy taxes on themselves to provide targeted services in their neighborhoods, such as street cleaning and security. They can have a big impact on the way people experience city life, for a relatively small cost, and they are local enough to be highly accountable to their taxpayers. These districts have proven effective in the downtown areas of our central cities, and we think there is a lot of potential to expand their network in many other commercial districts.

Make public data easier to access.
Governments maintain a huge amount of public information about everything from the history of building parcels to water usage. Often this data is stored in different formats in various departments, making it difficult to access. It's hard enough for government staff to use the data to make decisions, let alone for outsiders to find or make use of it for broader public purposes. As we've seen in recent years, just-in-time transit data has improved the experience of bus travel; people are more likely to take transit if they can be sure when the next bus will arrive. This progress happened because government agencies made their data available to the public, and then entrepreneurs used it to develop their own applications. We can start to address many of our cities' long-standing problems by making public information easily accessible and open to all.[40]

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38   SPUR report *The Big Fix*, January 2005: www.spur.org/publications/library/report/thebigfix_010305

39   SPUR report *Reforming the Department of Human Resources,* May 2005:
      www.spur.org/publications/library/report/reformingthedepartmentofhumanresources_040505

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40   "Why Does Civic Data Matter?" *The Urbanist*, October 2012: www.spur.org/publications/library/article/why-does-civic-data-matter

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