

Livable Places Update

Emerging Trends in Community Planning and Design

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Preparing for a New and Very Different Future: At a recent LGC dinner forum in Sacramento, the former head of Santa Clara County's long range planning Department, Don Weden, provided our elected officials with some important food for thought. We all recognize that we are in a period of rapid change, however Weden noted that there are two types of change – cyclical and structural. With cyclical change, conditions will return to the way they were before; structural changes will not. An example of a structural change is the replacement of typewriters by computers.

The types of changes we are facing today tend to be more structural than cyclical, inspiring the phrase, "the new normal." Weden advised that local governments need to anticipate the structural changes that are coming at us and adjust accordingly. Things aren't going back to the way they used to be!

A Changing Retail Scene: *Urban Land*, the magazine of the Urban Land Institute (ULI), recently predicted a "tsunami of change" in the retail industry. Retail stores are rapidly losing market shares to online purchases. The ULI predicts that while the recession is causing a temporary decline in retail sales, the technology-induced changes in consumer behavior are far from temporary.

Members of Generation Y (15 to 29 year olds) now make almost all of their purchases on the internet. Meanwhile, a growing number of Generation X, (30 to 46 year olds) and baby boomers (47 to 65 year olds) are also shopping the internet.

Online shopping makes sense to the consumer. It is easier and less expensive than driving around town to pick up what you need. Online prices are generally lower because merchants don't have to rent retail space and often don't charge sales tax. Today, a city wooing a new mall or big box retail establishment with economic incentives or new infrastructure in order to increase sales tax income may not be making a good investment decision.

There are still things that municipalities can do to increase their sales tax revenues. They can support retail businesses that offer goods and services that cannot be provided on the internet. These may be local specialty shops, food and beverage facilities, health and beauty spas, pet spas and services, dry cleaners, and tailoring services. More importantly, cities can create locations for these businesses that will attract customers simply because they are exciting, appealing, and fun places to go.

Today, many communities are faced with the question of what to do with declining shopping malls. One idea is to redevelop the mall into a mixed-use center that includes rental units, retail space and restaurants — this has been successfully accomplished in Pasadena.



The Paseo Colorado in Pasadena, CA. A vibrant live/work/shop space in a redesigned shopping mall.

Another attractive option is to turn an old shopping center into a medical facility with clinics and doctors' offices. Once President Obama's health care legislation goes into effect, there will be a significant shortage of health care facilities, especially in low- and moderate-income communities. Thus, this is a measure to consider very soon.

Of course, a well-designed and vital downtown that mixes housing, office, government, entertainment, specialty shops and restaurants can be an incredible draw and make a significant contribution to a city budget. We highly recommend a trip to downtown Mountain View and/or the Third Street Promenade in Santa Monica if you want to experience a few suburban communities that have really hit the mark when it comes to revitalizing a dying downtown. These town centers are among California's own Cinderella stories, transforming in a decade from sparsely occupied, plain-Jane neighborhoods to downtowns that are lively and full of activity, seven days a week.

New Housing Requirements: While California's population has only slightly increased during the recession, it is projected to grow over the next several decades by the equivalent of adding another City of Los Angeles every eight years. Such rampant growth seems hard to imagine, but what is certain is that we will have to build a lot of new housing in the next 20 years.

The current aging population will require a different sort of housing than in the past. One in four adults in the Bay Area and Sacramento Valley will be 65 or older by 2030. A national study found that currently, 1 in 5 in this age group do not drive an automobile.

Seniors want to stay active, independent and engaged with family, friends and community. An isolated house in the suburbs with three bedrooms, two baths and a landscape to maintain no longer has the appeal for aging baby boomers that it once had. Instead, many are looking for townhouses near walkable downtowns where they can walk or take transit to meet their daily needs.

Younger adults, (19- to 29-year olds of Gen Y) are the second fastest growing segment of the population. This group is looking for the same type of housing as their baby boomer-grandparents. They enjoy the variety of the city. Unlike those who came of age a decade or two before them, they will not have the financial resources to purchase a home and perhaps not even a car. They want to be in a lively neighborhood with food and entertainment nearby, a place that is highly walkable and well served by transit.

Together, Boomers and Gen Yers constitute 162 million Americans whose housing preferences and needs will increasingly be found in central cities and suburban cities that every year become more dense, diverse, and offer more of what these folks want. If these facts mean anything at all, communities that have adopted smart growth policies will be the most economically successful in the future.

The change in housing preferences is already influencing what is being built. According to ULI, multi-family construction is "rebounding at a surprisingly heady pace." Investors are placing their money on this bet, and the interest rates they are demanding are low. *Emerging Trends*, a publication of ULI, recommends apartments as the ONLY viable place for developers to invest their money this year. The other message of this year's *Emerging Trends* report – all new development should be "green."

City Transforms Highway Access Road Into a Walkable Street: Smart local governments are working to increase the walkability of their existing neighborhoods. During a recent ribbon-cutting event, the City of West Sacramento celebrated the completion of the Tower Bridge Gateway, converting the former State Route 275 into a city arterial. Located west of the Sacramento River's historic Tower Bridge, the redesigned street opens up the city's entrance and creates new pedestrian-friendly connections in West Sacramento and downtown Sacramento.

Because it is now a city street rather than a quick path to Interstate 80, the Gateway limits traffic speeds to 35 mph. It features wider sidewalks, narrower intersections and more defined bicycle and streetcar routes. The street gives pedestrian and transit access to existing lofts, town homes and a baseball stadium (Raley Field) and increases the development potential of currently vacant infill areas that border the roadway.

Funding sources for the project were very diverse and included a SACOG Community Design Grant, the State's Proposition 1C Infill Infrastructure Grant, the Proposition 1B State-Local Partnership Program, the Community Facilities District 27-Bridge District Property Owners, and the West Sacramento Redevelopment Agency.

New Partners for Smart Growth Conference Offers Proven Strategies for Meeting Future Needs: It is clear that communities need to develop new strategies for meeting future housing and retail markets. However there are even more structural changes that communities will need to address in the future — think about the economy, water, public health, food and energy shortages, and climate change!

The challenges ahead could be overwhelming; this is a good reason to attend the annual New Partners for Smart Growth Conference, to be held in San Diego on February 2-4, 2012. This annual event also provides heady inspiration and a barrelful of great implementation examples.

Among the 100 workshops being offered is a session for smaller towns and rural communities demonstrating how some across the country are creating innovative partnerships to implement investment strategies and economic development techniques that build on and enhance community assets. Another session will focus on regional planning partnerships between the housing industry, higher education, the sustainable design and construction trades, and job training that can serve as a recession "bounce back." Several sessions will examine local government economic strategies that analyze the kinds of land use decisions that local governments need to make to be financially strong.

Among several excellent plenary talks is a session with one of the Local Government Commission's most inspirational speakers, Michael Freedman. He will examine the land use patterns that accommodate today's knowledge-based economy — one where innovation is key, and oil, water, and other natural resources are increasingly constrained. He will also describe why the knowledge-based economy is critical to almost every sector of the economy, including agriculture.

Based on our experience in years past and this year's diverse and forward-thinking program, we expect the conferees at the 2012 New Partners Conference to walk away full of new ideas, excitement, and optimism. For more information, and to register by the January 13th deadline, go to www.NewPartners.org.

THE LOCAL GOVERNMENT COMMISSION STAFF WISHES ALL OUR MEMBERS AND READERS A HAPPY HOLIDAY SEASON AND A PRODUCTIVE, SUCCESSFUL 2012!

