

# Ahwahnee

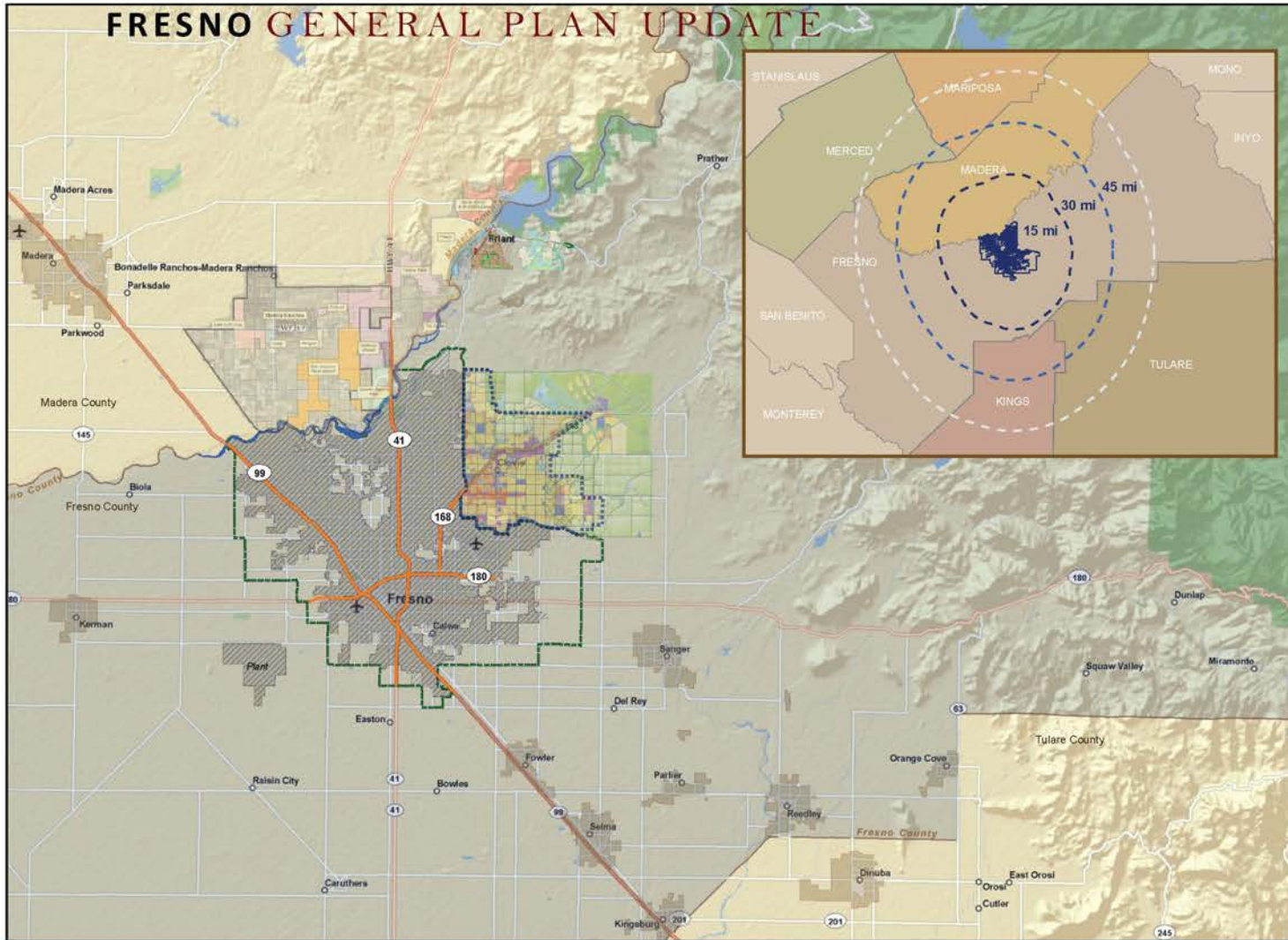
## Local Government Commission Annual Conference

Fiscal and Environmental Stewardship - Striving for a Healthy and Sustainable Communities Framework

KR Bergthold – Fresno Metro Ministry

March 16, 2014

# FRESNO GENERAL PLAN UPDATE



## Regional Setting

### Boundaries

-  Fresno SOI
-  Fresno City Limits
-  Fresno County
-  Clovis SOI
-  California Cities
-  San Joaquin River

### Circulation

-  State Highway 99
-  State Highway 41
-  State Highway 180
-  State Highway 168



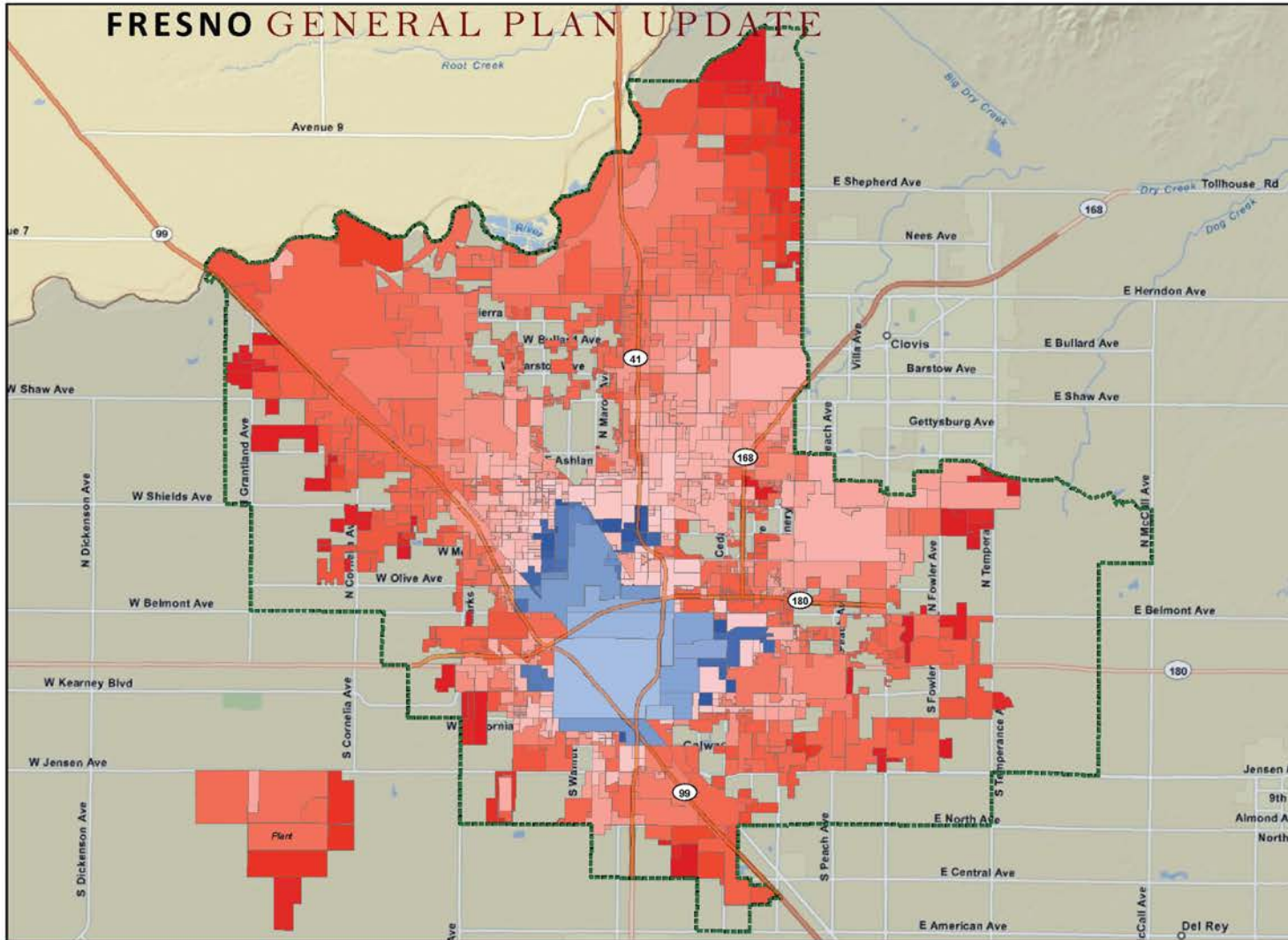
0 1.25 2.5 5 7.5 Miles

Source: Boundary and circulation information, City of Fresno Development And Resource Management Department, 2010; World Street Map, developed by Esri using DeLorme basemap layers, Automotive Navigation Data, USGS, UNEP-WCMC, Tele Atlas Dynamap, 2009, City Boundaries, CA Department of Transportation, 2008

# Rapidly Growing, Changing , Stressed and Uncoordinated

- **RAPIDLY GROWING & CONSUMING FARMLAND** - Fresno and Madera Counties – Represent population growth areas above the state average with growing cities and unincorporated areas and changing demography near the center of the most productive farmland in the world – Projected 500,000 (2010) to over 900,000 (2050)
- **STRESSED & CHALLENGED** - The region also has a growing pattern of inner city disinvestment, neglected existing neighborhoods, urban decay, local government fiscal stress, rapidly accumulating deferred maintenance, high poverty, high unemployment, poor educational attainment, water aquifer overdraft, poor air quality, high incidences of chronic asthma, diabetes, and other disease, rural community water quality and quantity issues, and more
- **WEAK MARKET DEMAND FOR INFILL** - There is continued strong current market demand for traditional and relatively low density single family suburban expansion and new towns in unincorporated areas – and little market demand yet for infill, transit-oriented, and higher density development that would achieve Smart Growth objectives
- **NO SUBSTANTIVE REGIONAL POLICY COORDINATION** - A lack of coordinated inter-jurisdictional regional growth and development policies among cities and counties – and tension around competition for new development - threaten to diminish the potential for successful implementation of SB 375, Sustainable Community Strategies, Smart Growth, and General Plan updates that call for shifts to more compact, efficient, and multi-modal connected urban and regional form with greater infill, refill, downtown and neighborhood revitalization
- **SOME CITIES & COGs ARE WORKING TOGETHER** – The City of Fresno and Fresno Council of Governments have and continue working together to integrate and mutually support the Fresno General Update and Fresno COG Sustainable Community Strategy – to encourage implementation of SB375 through coordination

# FRESNO GENERAL PLAN UPDATE



## Local Setting

### Boundaries

- Sphere Of Influence
- Fresno City Limits
- Fresno County

### Historic Growth Patterns

- Post 1945 Growth
- Pre 1946 Growth

### Circulation

- State Highway 99
- State Highway 41
- State Highway 168
- State Highway 180



0 0.45 0.9 1.8 2.7 Miles

Source: Boundary and circulation information, City of Fresno Development And Resource Management Department, 2010; World Street Map, developed by Esri using DeLorme basemap layers, Automotive Navigation Data, USGS, UNEP-WCMC, Tele Atlas Dynamap, 2009, City Boundaries, CA Department of Transportation, 2008



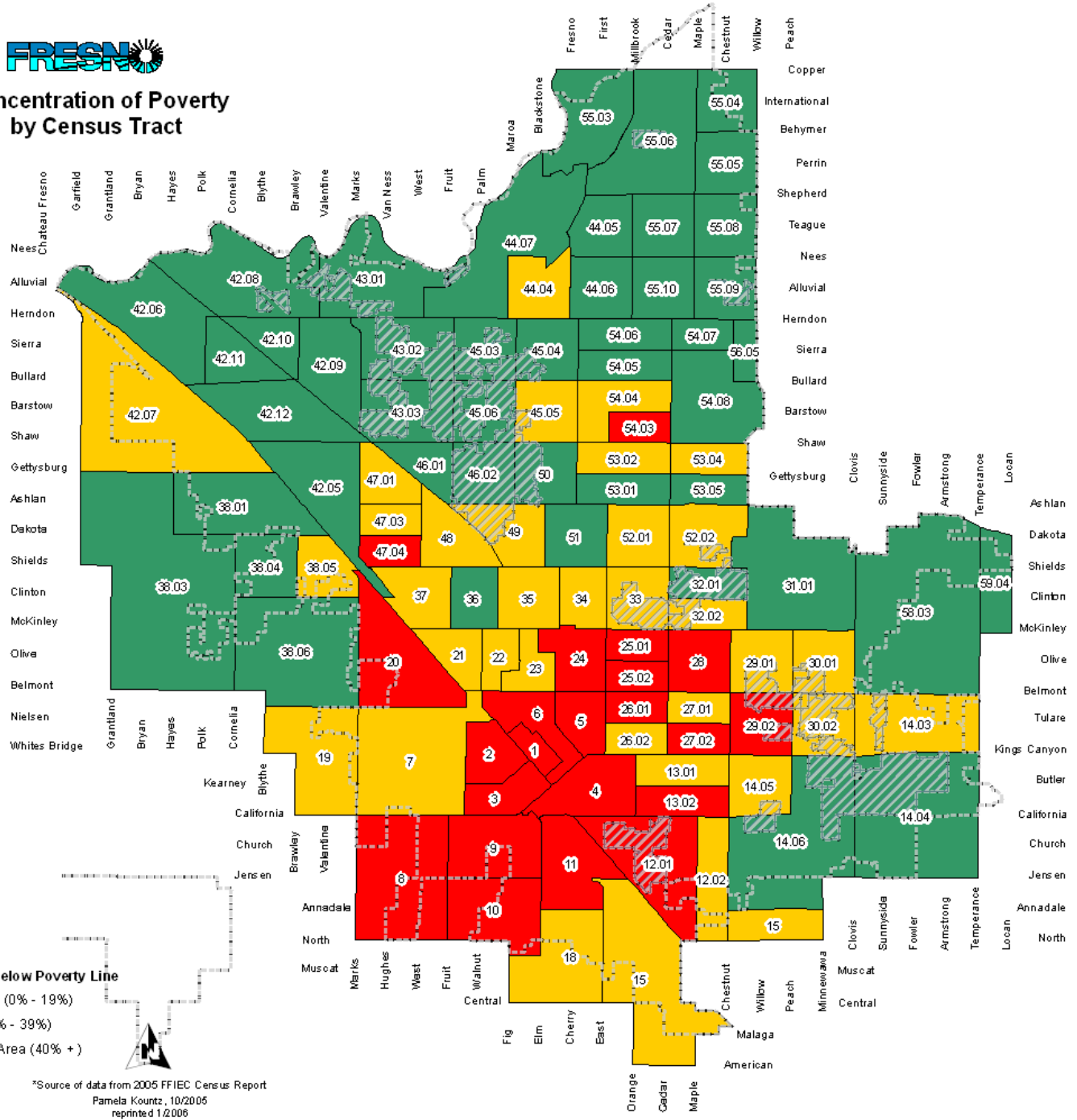
## Concentration of Poverty by Census Tract

### Percent of Population Below Poverty Line

- Low Poverty Area (0% - 19%)
- Poverty Area (20% - 39%)
- Extreme Poverty Area (40% +)

- City
- County

\*Source of data from 2005 FFIEC Census Report  
 Pamela Kountz, 10/2005  
 reprinted 1.2.006



# Concentrated Poverty and Its Impacts

- **Fresno SMA – 4<sup>th</sup> Highest suburban poverty in U.S. and City of Fresno typically ranked in the Top 10 Metro Areas in U.S. with concentrated poverty – No. 1 in 2005**
- **Brookings 2011 Study – concentrated poverty can:**
  - **Limit educational opportunity**
  - **Lead to increased crime rates and poor health outcomes**
  - **Hinder wealth building**
  - **Reduce private-sector investment and increase prices for goods and services**
  - **Raise costs for local government**

**Cities and Regions are Complex, Dynamic, and Interdependent Ecologies  
To be Sustainable - Need to be Envisioned as a System of Healthy Communities**

## **A healthy community:**

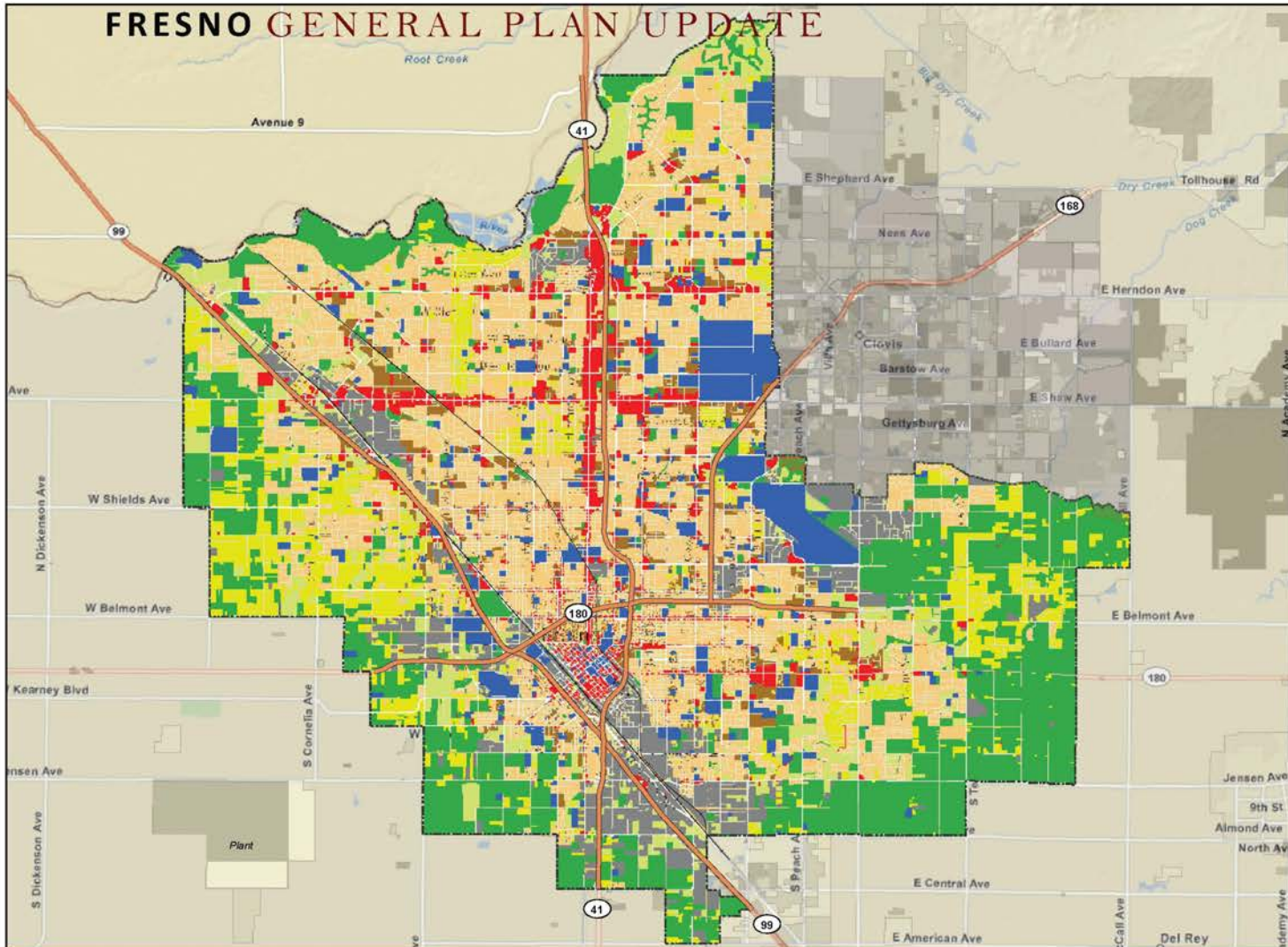
- **Strives to meet the basic needs of all residents;**
- **Is guided by health equity principles in decision-making processes;**
- **Empowers organizations and individuals through collaboration, civic and cultural engagement for the creation of safe and sustainable environments; and**
- **Is vibrant, livable, inclusive, and provides opportunities to thrive economically, environmentally and culturally, all which must begin with a commitment to health.**

But we are not a system of Healthy Communities yet . . .

We are not a system of Healthy Communities  
yet . . .



# FRESNO GENERAL PLAN UPDATE



## Existing Land Use

- Rural/Estate Residential
- Multiple Family Residential
- Single Family Residential
- Vacant
- Open Space/Ag
- Public/Government
- Industrial
- Office/Commercial

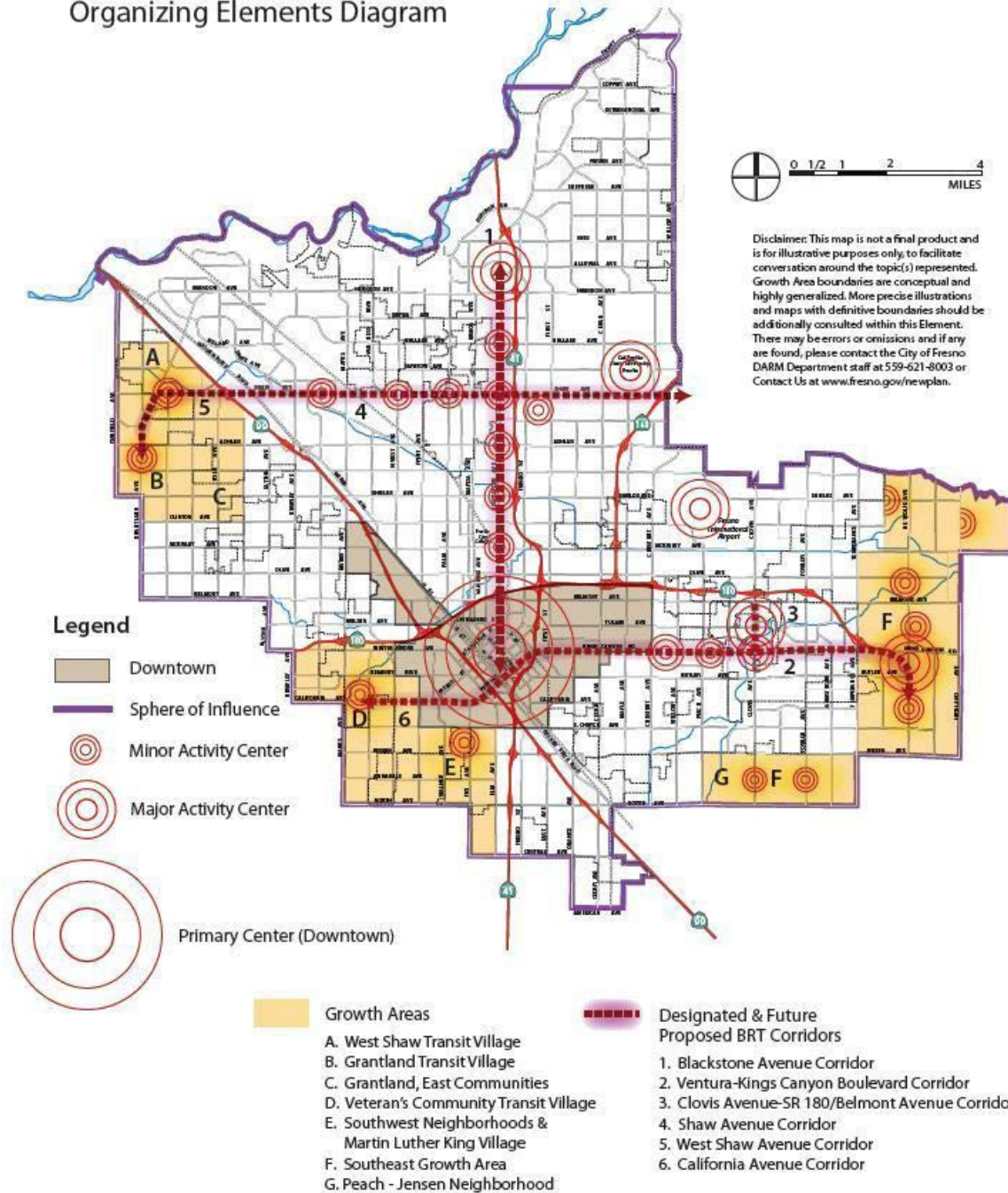
## Circulation

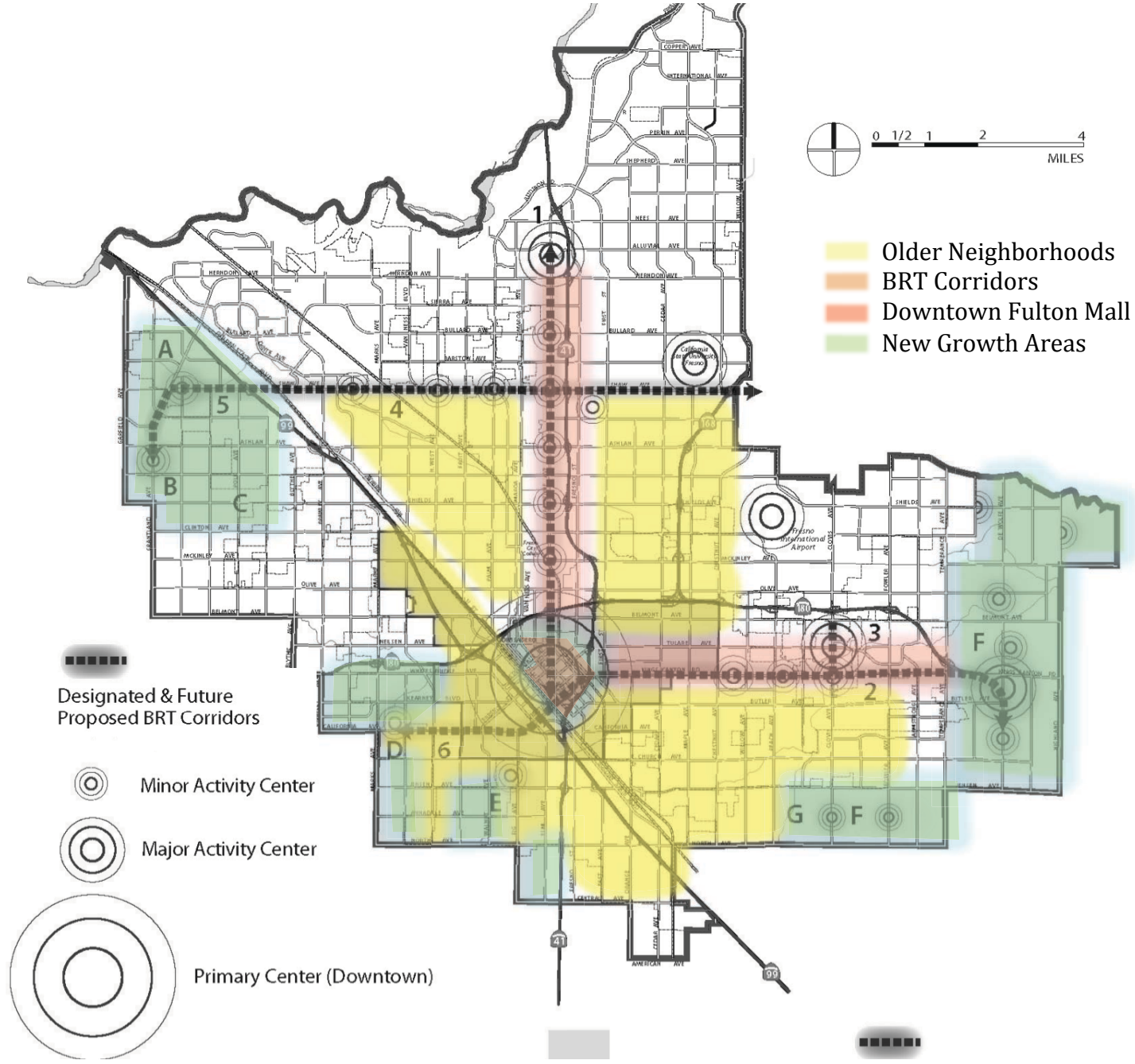
- 99 State Highway
- 41 State Highway
- 168 State Highway
- 180 State Highway
- Rail Lines



Source: Existing Land Use GIS layer, DARM, Long Range Planning Staff, City of Fresno, 2010.  
Primary Land Use, County of Fresno, 2010

# Conceptual Urban Form Organizing Elements Diagram





# Land Use as a Systemic Challenge for the Success of Interdependent Issues

- Getting local and regional land use and transportation policies oriented toward **efficient development patterns (and sustainable fiscal efficiency)**- is a systemic contingency for healthy communities that if not achieved will trump the success of any efforts to improve health, education, employment, and safety for all residents and especially children, youth, and families in neglected and disadvantaged neighborhoods in Fresno and throughout the San Joaquin Valley.

# What Are Efficient Development Patterns?

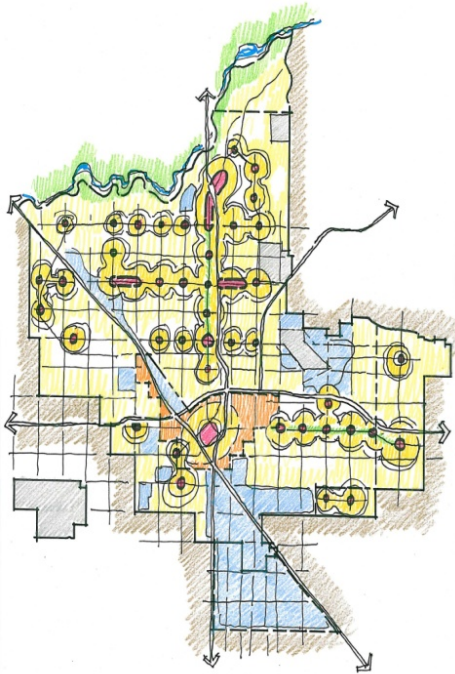
- **Efficient Development Patterns:**
  - **Sufficient affordable housing development in appropriate locations**
  - **Mix of land uses and built environment that support walking and biking**
  - **Multimodal, affordable transportation choices**
  - **Infill and compact development appropriate to the setting (urban, suburban and rural)**
  - **Safe public spaces for social interaction**
  - **Conservation and restoration of open space and preserve agricultural lands**

## Some Interrelated Land Use and Transportation Planning and Policy Issues that Impact Fresno's Present and Future

- Bus Rapid Transit
- Fresno Council of Governments – Sustainable Community Strategy
- City of Fresno General Plan and Code Updates
- County of Fresno General Plan Revision
- Downtown Fresno Plans and Code
- Climate Change . . . Water . . . Energy . . . Etc.

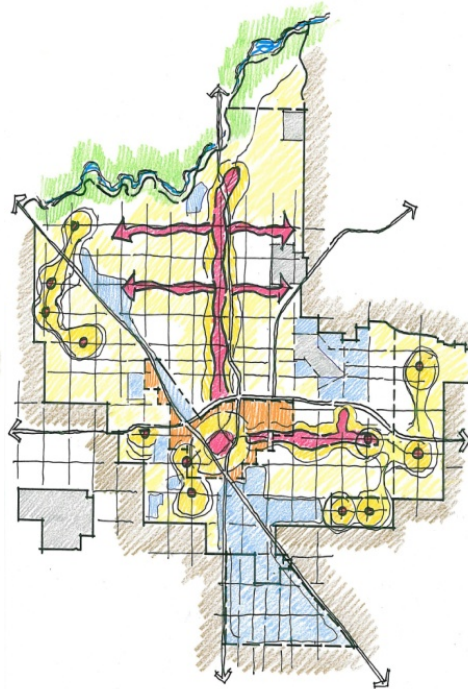
A

*Boulevard Plan*



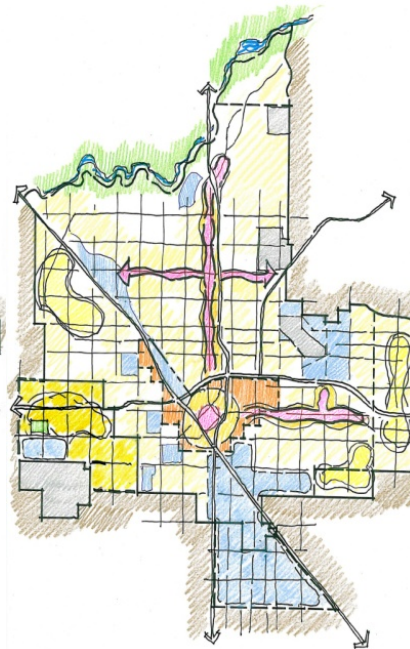
B

*The Growth Areas Plan*



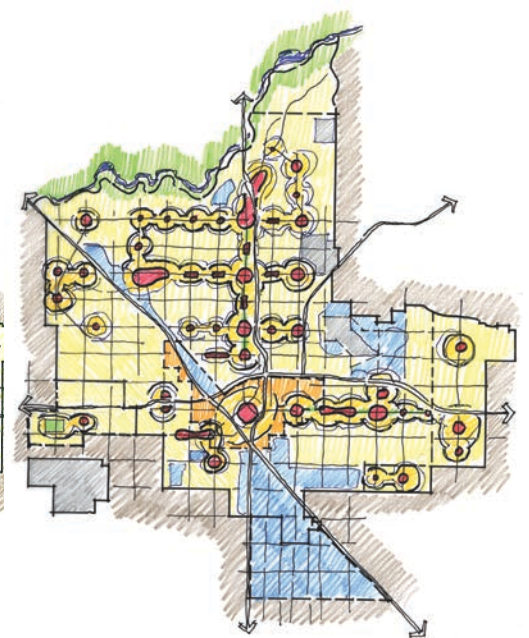
C

*The Expanded Boundary Plan*



D

*The Hybrid Plan*



# GP Alternatives Comparison

- **Alt A:** Emphasizes revitalization, infill, transit corridors, and compact growth in balance with growth area development with least annexation of unincorporated land of around 17,500 acres to 2035
- **Alt B:** Emphasizes both growth area and infill with second highest amount of land annexation of approximately 23,000 acres to 2035
- **Alt C:** Based upon continuation of existing densities and development patterns in Fresno, SOI expansion to southwest, and requires the most annexation of land of about 26,000 acres to 2035
- **Alt D:** Combination of concepts in Alternatives A, B, and C, with SOI expansion to southwest, and annexation of 21,000 acres to 2035



## Two Key Data Driven Analyses for Evaluation of the Conceptual General Plan Alternatives

- Rapid Fire Scenario Analysis by Calthorpe Associates of 4 GP Alternatives
- Fiscal Impact Analysis by Economic Planning Systems (EPS) – 4 GP Alternatives
- Both Analyses Available on GP Update Website: [www.fresno.gov/newplan](http://www.fresno.gov/newplan)

# Rapid Fire Model

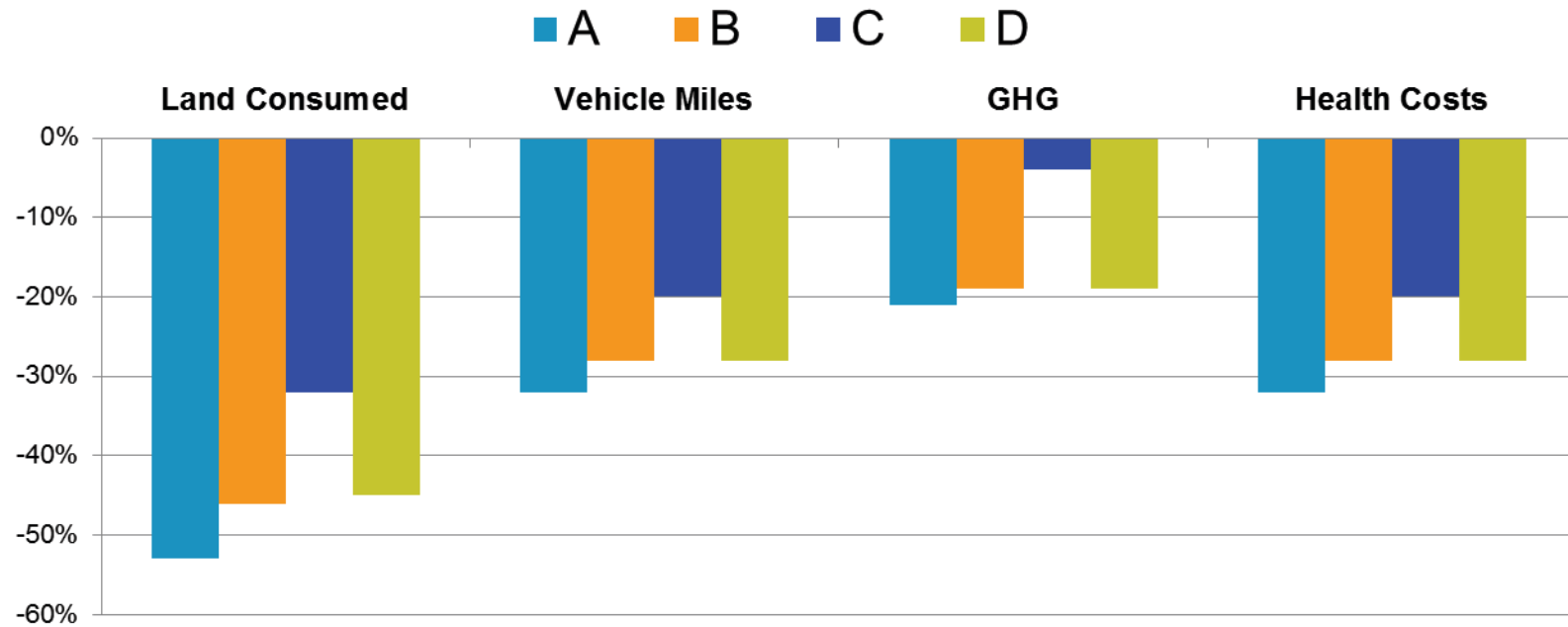
The Rapid Fire model is used to quickly and efficiently develop scenarios that express the impacts of varying growth and infrastructure patterns on a variety of critical sustainability indicators, including:

- Land consumption
- Infrastructure cost (including capital and operations & maintenance (O&M))
- City/jurisdictional revenues
- Vehicle miles traveled (VMT) and fuel consumption
- Transportation GHG and air pollutant emissions
- Building energy and water consumption and related GHG emissions
- Household costs for transportation and utilities
- Public health (air pollution-related) impacts and costs

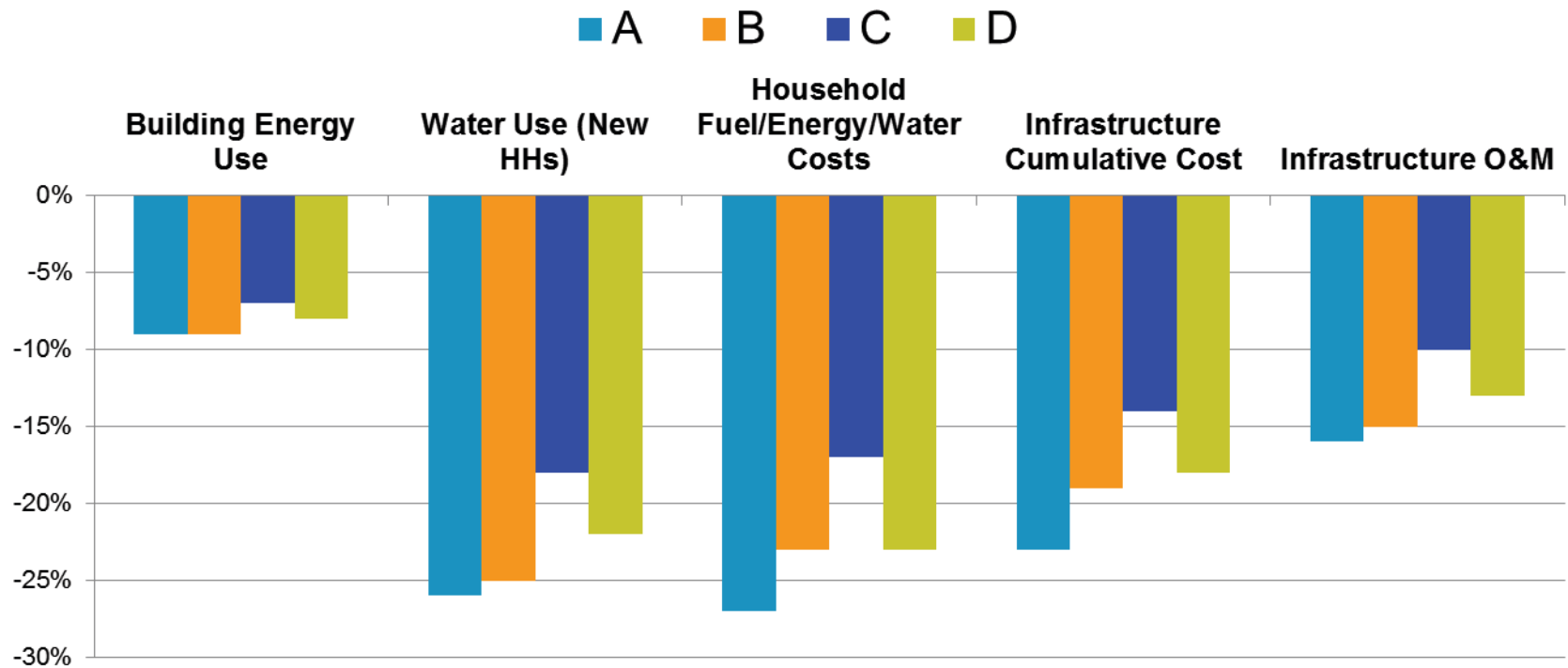
## Rapid Fire Model Projections to 2035 – Comparing Alternative 'A' to Continuing Existing Growth Trends

- **19%** reduction in **GHG emissions** from transportation and buildings
- **31%** reduction in **VMT**: The equivalent of taking **40,000 cars** off of Fresno roads for a year. Reduces gasoline use by 14.4 million gallons in 2035.
- **32%** reduction in **public health cost**: Saves **\$13.8 million** in health care costs due to reduced air-pollution related illnesses in 2035.
- **26%** reduction in **water consumed** for new households: Enough water to serve **7,500 homes**.
- **33%** reduction in **infrastructure costs**: Reduces capital and O&M costs for infrastructure by **\$162 million** to 2035.
- **26%** reduction in **costs to households**, including fuel and auto, energy, and water costs: Saves households an average of **\$1,240 a year** from reduced auto fuel and utility bills.
- **11%** reduction in **building energy use** (natural gas and electricity): Enough to power over **9,000 homes**
- **53%** reduction in **land consumption** (among the most valuable agricultural land in the U.S.): Nearly **10 square miles of land**

# Vs. Business As Usual



# Vs. Business As Usual



# EPS Fiscal Impact Analysis

- The EPS Fiscal Impact Analysis **focused on the City's General Fund budget**, comparing the costs of providing public services and maintaining public facilities with the primary revenue sources available to cover these expenditures
- **EPS studied** City documents, interviewed City Staff, and reviewed applicable budget trends at both the City and State level

# EPS Fiscal Impact Analysis

- **The goal** was to quantify the impact of the Four Conceptual General Plan Alternatives on the City's long-term fiscal health to help formulate policies, growth patterns, and public service standards that are fiscally sustainable over the General Plan buildout

## EPS Fiscal Impact Analysis - Key General Plan Related Policies and Issues informed by EPS Fiscal Impact Analysis – Include but not limited to . . .

- **Public Service Levels and Standards:** Level of Service (LOS) for streets, parks, police, fire  
Implications for existing vs. optimal LOS and deferred maintenance
- **Location for Growth:** Infill within the City vs. Urban edge new growth - fiscal implications of growth by geography
- **Type of Growth:** Differentiates land use categories based upon density, product types, and other factors
- **Tax Rates and Fees:** Goals, standards, and financing mechanisms and requirements to ensure fiscal sustainability, promote economic development, and other objectives

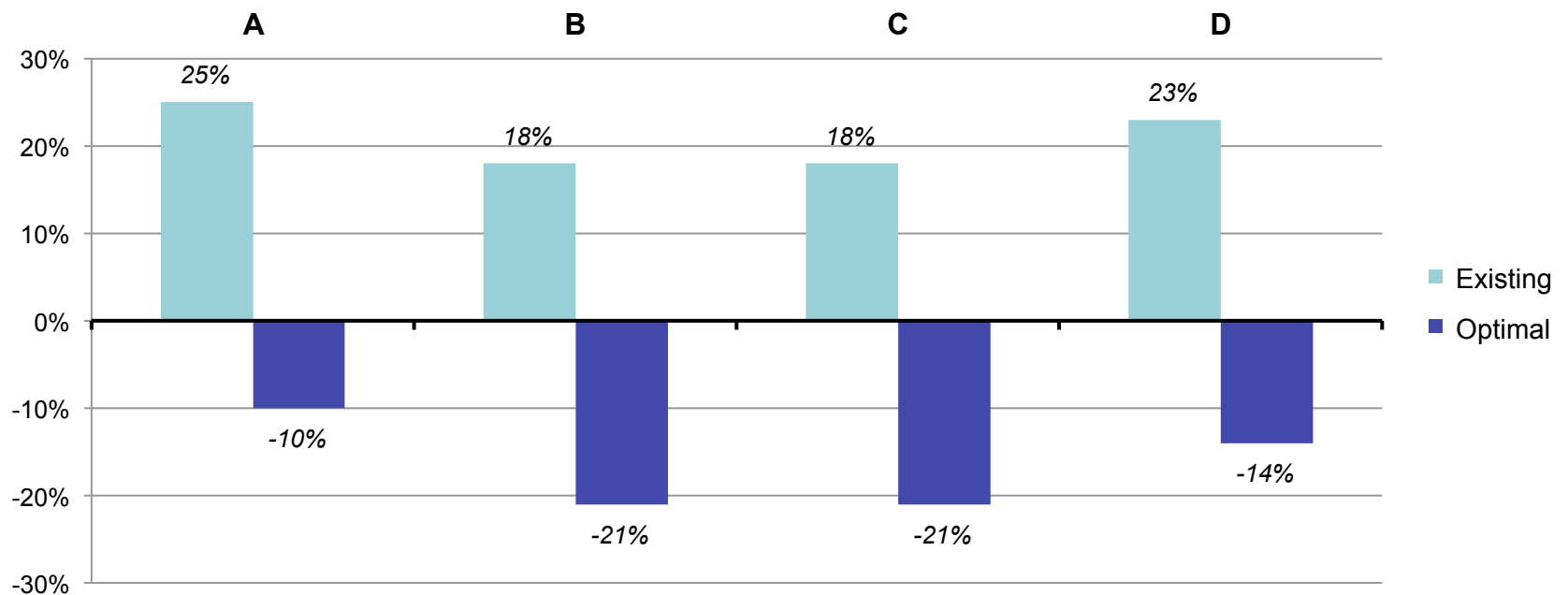


# EPS Fiscal Impact Analysis: Key Finding Number 1.

- All four GP Alternatives are projected to generate net General Fund **surpluses under the current (sub-optimal) service level** standard but significant deficits under more optimal service standards
- General Fund surpluses range from \$17 million to \$24 million for all alternatives under sub-optimal LOS – **vs. producing deficits of \$10 million to \$22 million at higher more optimal LOS**

# General Fund vs. Service Levels

EPS analysis of impact on General Fund at existing and optimal service levels



# EPS Fiscal Impact Analysis: Key Finding Number 2.

- **Alternative A reflects the most fiscally advantageous outcome** for the City General Fund while Alternatives B and C are the least fiscally favorable
- Alt A is the most favorable in absolute and relative terms under both existing and optimal LOS
- **Location and type of development are key factors** – For example: the General Fund captures **22.1%** of new assessed value growth for development within the existing city limits vs. **15.2%** for annexed property, based upon the existing city-county tax sharing arrangement = **31% greater revenue** from comparable development within the existing city limits vs. requiring annexation –this is true for all alternatives

# EPS Fiscal Impact Analysis: Key Finding Number 3.

- The application of “**optimal service standards**” to both new and existing residents and development would **generate General Fund deficits that significantly exceed those calculated for new growth only**
- **Improvement in the existing service** provision by Police, Fire, PARCS and Public Works departments would result in the **additional annual cost of \$74 million** to the existing population, compared to a net cost increase of \$13.9 million to new growth only for a total cost of providing “optimal service standards” of \$88 million –not including additional capital replacement funding deficiencies

# EPS Fiscal Impact Analysis:

## Table 3 – Cost of Providing Optimal Services

**Table 3**  
**Cost of Providing Optimal Service Level**  
**Fresno General Plan Fiscal Impact Analysis; EPS #20132**

	<b>Total</b>
<b>Additional Service Cost to Existing Residents (1)</b>	
Police	\$42,388,746
Fire	\$10,303,200
PARCS (2)	\$ 1,887,600
Public Works	<u>\$19,545,800</u>
Total Cost	\$74,125,346
<b>Fiscal Impact Shortfall to Service New Residents (3)</b>	
Total Cost	\$13,896,971
<b>Total Cost for Service Level Improvement</b>	
Total Cost	\$88,022,317
% Share of Projected Buildout Budget 27%	

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(1) Does not vary; constant across all alternatives.

(2) Does not reflect an additional capital replacement funding deficiency.

(3) Based on development alternative D.

Source: Economic & Planning Systems, Inc. (EPS)

# EPS Fiscal Impact Analysis

## Public Service Levels and Standards – Slide 1

- Existing LOS is fiscally sustainable but not for maintaining quality-of-life public services and facilities and attracting private investment - **Sub-optimal LOS has negative implications**
- None of the GP alternatives generate sufficient revenue to provide optimal LOS
- Improved public services and facilities enhance quality-of-life which in turn improves property and sales taxes

# EPS Fiscal Impact Analysis

## Public Service Levels and Standards – Slide 2

- There is a distinction between existing deficiencies and cost of growth
- **Fiscal benefit of new growth is significantly below the costs associated with expanding service standards to cover existing deficiencies** faced by existing residents, let alone uncalculated cumulative deferred maintenance
- **Service standards articulated in the GP Update should account for the cost of serving existing and new residents**

# EPS Fiscal Impact Analysis

## Public Service Levels and Standards – Slide 3

- **Deferred maintenance** is a major issue going forward – Magnitude of cumulative amount across different City services and facilities is not available
- **Many capital replacement costs** have not been historically budgeted through the City's Capital Improvement Plan
- **A major issue is whether fiscal benefits from new growth should be available to fund a portion of existing deferred maintenance costs in the City?**



# EPS Fiscal Impact Analysis

## Locations for Growth

- **Infill development within the city limits** of similar type/intensity to Greenfield development to be annexed **performs better than Greenfield** overall – driven primarily by General Fund revenues rather than cost
- Although as Joe Minnicozzi shows – particular types/intensity of infill perform at multiple times various other types of development
- **On the revenue side, the key fiscal disadvantage of Greenfield development relates to annexation as noted previously – based upon tax sharing differentials 22.1% vs. 15.2% to the General Fund**

# EPS Fiscal Impact Analysis

## Type of Growth – Slide 1

- **Type of growth** affects fiscal balance through impact on property values – GP Alternatives differ in mix of density and product type and level of growth
- **Residential is slightly less favorable** than non-residential
- **Cost of providing public services** per net increase in assessed value is **higher for residential than non-residential**
- **Residents create more service demands** than employees

# EPS Fiscal Impact Analysis

## Type of Growth – Slide 2

- **Complex range of internal and external factors drive total property value growth – LOS provided by City and broader socioeconomic factors are two**
- Fiscal benefit from non-residential development depends on market demand and tenants seeking new developed space within the City

# EPS Fiscal Impact Analysis

## Type of Growth – Slide 3

- Fiscal analysis is based upon current real estate market values
- Rebound of **15%-25%** in assessed property values over those assumed in fiscal analysis required to generate property tax revenue necessary **to cover cost of optimal LOS for new growth only**
- **Significantly greater increase in property values required to cover both new growth and existing development in the City**
- RDA played a role in City's assessed value growth – using tax increment to incentivize development in the City' core areas - **Loss of RDA investment and incentive more likely to spur outward growth affecting vitality of existing urban areas**

# EPS Fiscal Impact Analysis

## Tax Rates and Fees

- **Different areas of City generate different tax revenue** depending upon historical agreements such as Community Facility Districts (CFD) and tax sharing allocations with the County
- Changes in these rates could potentially improve fiscal performance to the extent such actions do not deter growth
- **IF CFDs could be assumed for all new growth** – General Fund share of Public Works costs could no longer be necessary (Funding for Police, Fire, PARCS still needed)
- **IF CFDs could be applied for all new growth** – would only represent 0.1% - one-tenth of a percent – of Greenfield assessed value (Funding for Police, Fire, PARCS still needed)
- **RDA elimination has a mixed impact** – providing net revenue to the General Fund before obligations are considered – **but creates a lack of incentives for new investment and property value improvements in core areas of City**

## EPS Fiscal Impact Analysis

# General Policy Considerations – Slide 1

- Land use polices have broad implications for the City's well being
- **Major question:** Continue expansionist land development patterns or a more compact urban form with distinct boundaries, infill and revitalization of existing urban areas?
- Will General Plan succeed in improving the City's quality-of-life with strong public safety and municipal services so it will attract and retain residents and employers who have other choices?

## EPS Fiscal Impact Analysis

# General Policy Considerations – Slide 2

- **Increasing population and employment can create a POSITIVE FEEDBACK LOOP – by:**
  - Boosting property values and household incomes
  - Improving economic and social conditions
  - Which increases quality-of-life factors
  - That also boost City's tax base, and
  - Enable further investment in the types of public services and infrastructure need to sustain economic growth and quality-of-life

## EPS Fiscal Impact Analysis

# General Policy Considerations – Slide 3

- City must **treat economic and fiscal performance as fundamental and integrally linked components** that over the long run will rise and/or fall together
- GP Update effort should **evaluate planning alternatives and policies holistically**, rather than as distinct or independent items
- **Over-emphasis on ‘Big Box’ retail** will not necessarily improve long-term fiscal health if household incomes do not support growth in consumer demand or if new stores ‘cannibalize’ existing retail areas



## EPS Fiscal Impact Analysis

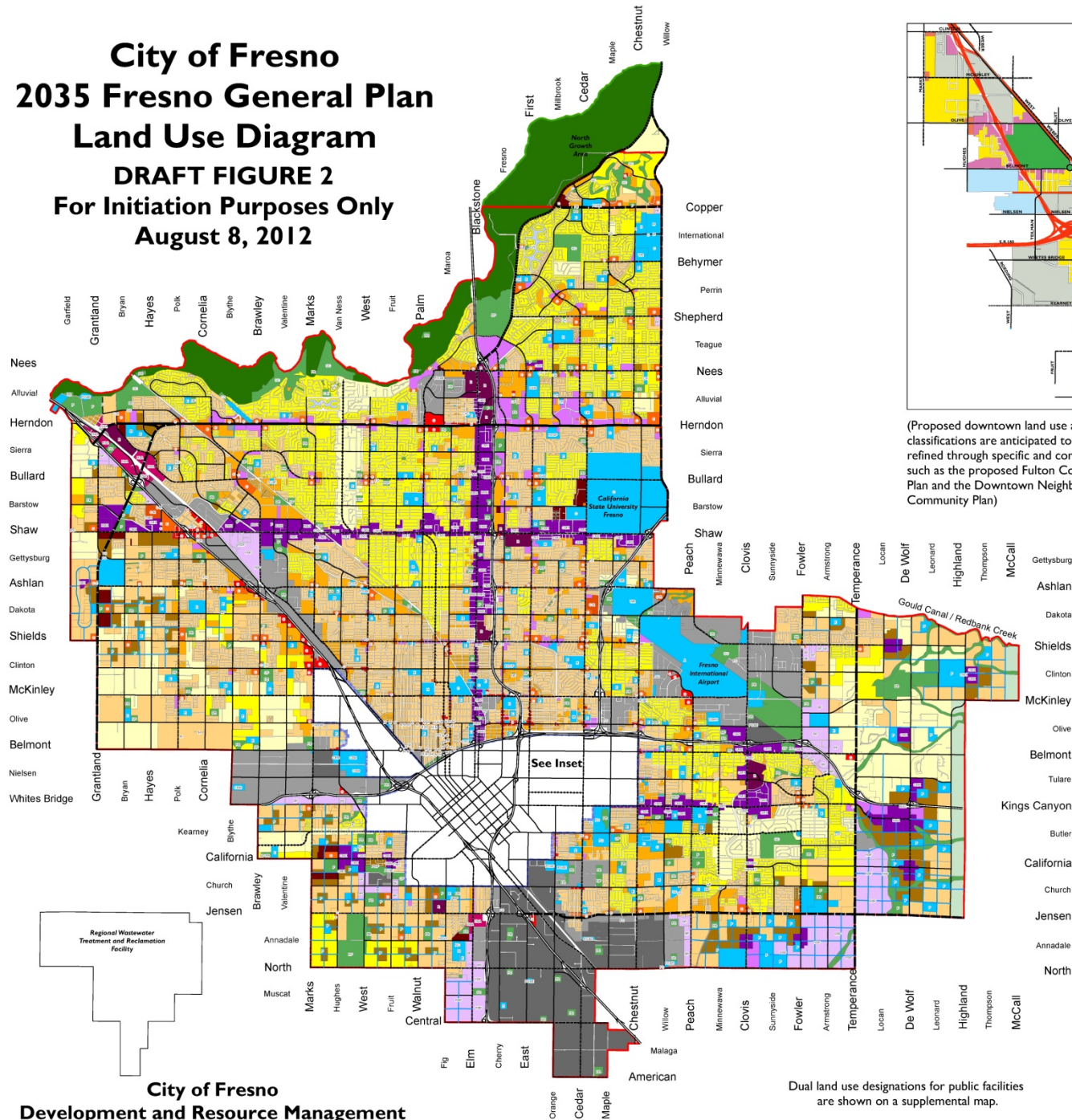
# General Policy Considerations – Slide 4

- Permissive standards will not encourage net new growth if over the long-run if they result in an urban landscape that is unappealing, one-dimensional, discontinuous, or is neglectful of existing neighborhoods
- In the long-run, Fresno cannot win the economic and fiscal interplay by ‘competing for the bottom’ (being a low cost producer) or expecting a ‘silver bullet’ to appear
- **A balanced and integrated approach to planning and investing in public services and facilities that improves quality-of-life for existing and new residents is the best way to ensure sustainable growth and economic and fiscal well-being**

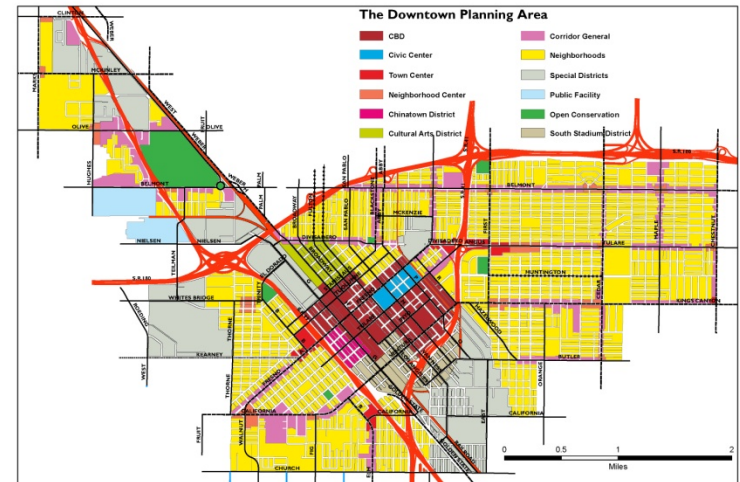
City of Fresno Rapid Fire Model and Fiscal Impact  
Analysis of General Plan Concept Alternatives

**Questions?**

# City of Fresno 2035 Fresno General Plan Land Use Diagram DRAFT FIGURE 2 For Initiation Purposes Only August 8, 2012



City of Fresno  
Development and Resource Management  
Planning Division



(Proposed downtown land use and circulation classifications are anticipated to be further refined through specific and community plans such as the proposed Fulton Corridor Specific Plan and the Downtown Neighborhoods Community Plan)

- ### LEGEND
- RESIDENTIAL**
    - Low Density (1-3 D.U./acre)
    - Medium Low Density (3.5-6 D.U./acre)
    - Medium Density (5.0-12 D.U./acre)
    - Medium High Density (12-16 D.U./acre)
    - Urban Neighborhood (16-30 D.U./acre)
    - High Density (30-45 D.U./acre)
  - COMMERCIAL**
    - Main Street
    - Community
    - Recreation
    - General
    - Highway & Auto
    - Regional
  - EMPLOYMENT**
    - Office
    - Business Park
    - Regional Business Park
    - Light Industrial
    - Heavy Industrial
  - MIXED USE**
    - Corridor/Center Mixed Use
    - Regional Mixed Use
    - Neighborhood Mixed Use
  - OPEN SPACE**
    - Clear Zone
    - Commercial-Recreational
    - Community Park
    - Flood Control Project
    - Golf Course
    - Lake, Pond
    - Multi-Use
    - Neighborhood Park
    - Outdoor Environmental education area
    - Open Space
    - Park
    - Ponding Basin
    - Ponding Basin (Park use)
    - Regional Park
  - PUBLIC FACILITIES**
    - Public/Quasi-public Facility
    - Special School
    - Elementary School
    - Elementary & Middle School
    - Elementary, Middle & High School
    - Middle School
    - High School
    - College
    - Airport
    - Cemetery
    - Church
    - Community Activity Center
    - Convalescent Hospital
    - Fairgrounds
    - Fire Station
    - Government Offices
    - Hospital
    - Medical Center
    - Neighborhood Center
    - PG & E Substation
    - Police Dressing Station
    - Water Recharge Basin
    - Waste Water Treatment Facility
  - BUFFER**
    - Buffer
  - BOUNDARIES**
    - Existing Fresno Sphere of Influence
    - Growth Areas
    - Downtown Neighborhoods
  - Circulation Legend**
    - Freeway
    - Expressway
    - Scenic Expressway
    - Connector
    - Super Arterial
    - Arterial
    - Scenic Arterial
    - Ramp
    - Scenic Drive
    - Collector
    - Scenic Collector

Dual land use designations for public facilities are shown on a supplemental map.

# Fresno's Current Diversity

## City of Fresno - 2010 U.S. Census - Roughly 500,000 Population

- **46.9%** **Hispanic or Latino of any race** - 42.7% Mexican, 0.4% Salvadoran, and 0.4% Puerto Rican
- **30.5%** **White Non-Hispanic**
- **8.3%** **African American**
- **1.7%** **Native American**
- **12.6%** **Asian** - 3.6% Hmong, 1.7% Indian, 1.2% Filipino, 1.2% Laotian, 1.0% Thai, 0.8% Cambodian, 0.7% Chinese, 0.5% Japanese, 0.4% Vietnamese, 0.2% Korean, 0.2%, Pacific Islander

# Fresno's Future Diversity

## City of Fresno - 2050 Forecast - Roughly 913,000 Population -

for S.J. Valley COGs -by County  
The Planning Center - DCE- 3/27/12

- **66.0%** **Hispanic or Latino of any race -**  
Mexican, Salvadoran, Puerto Rican, and other
- **10.5%** **White Non-Hispanic**
- **4.3%** **African American**
- **0.1%** **Native American**
- **4.4%** **Other**
- **14.7%** **Asian -** Hmong, Indian, Filipino, Laotian, Thai, Cambodian, Chinese, Japanese, Vietnamese, Korean, Pacific Islander, and Other