



scattered databases and effectively determine which lands the state should acquire, protect, and restore;

- create a Land Conservation Coordinating Council (LCCC) within the Resources Agency to provide a comprehensive view of the state's critical land conservation needs;

- use regional agencies to adopt, with LCCC approval, comprehensive regional land use management plans which protect unique collections of forests, parks, wetlands, riparian woodlands, and other critical wildlife habitats;

- rename the Department of Fish and Game as the Department of Wildlife Conservation, and redefine its mission so that it encourages a broad-based critical habitat conservation approach aimed at preventing species from becoming endangered; and

- employ land consumption and resource user fees to fund land conservation efforts and balance the toll which development is taking on California's natural resources.

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MAJOR PROJECTS:

Prosperity, Equity, and Environmental Quality: Meeting the Challenge of California's Growth (July 1991) contains the Senate Urban Growth Policy Project's recommendations regarding comprehensive reforms to manage growth in California. The Project, created in 1988 by SCR 39 (Presley), was assigned by the Senate Rules Committee to SOR. Previous reports prepared as part of the Project analyzed, among other things, economic and demographic trends underlying rapid growth and growth management and planning programs in other states.

According to the report, California added more than 790,000 residents in 1990, the most ever in one year; this trend of rapid growth is expected to

continue. Problems resulting from this unprecedented population growth include traffic congestion, pollution, shortages of housing and jobs, crowded facilities, and declining availability of services. The report attributes many of these problems to the state's failure to manage California's growth and set clear policies for conservation and development.

According to SOR, California's current growth management policies have three serious weaknesses: (1) a land use pattern that allows development to overburden public facilities and services; (2) conflicting economic, social, and environmental policies governing land use decisions; and (3) a public financing system which promotes destructive competition and undermines sound planning decisions.

To effect change, SOR recognized the need for California to reform its policy and fiscal framework to assure that better land use planning decisions are made. The report suggests that successful growth management reform would include certainty in policy and fiscal decisions, to minimize conflict and provide clear goals which may be linked to specific conditions and fiscal resources; a comprehensive management approach to guide decisionmakers toward more uniform policy objectives; and consistency between planning and financing decisions so that projects and investments complement, rather than contradict, one another.

Finally, SOR offered the following general recommendations for establishing new growth management policies, procedures, fiscal mechanisms, and institutions:

- the state should enact clear and definite state, regional, and local policies on development, conservation, and social equity to guide growth and minimize uncertainty;

- provide state, regional, and local agencies with sufficient authority, responsibility, and accountability to manage growth;

- adopt comprehensive plans to develop balanced and comprehensive land use plans;

- revise planning and development procedures to provide consistency and minimize conflict; and

- resolve fiscal issues concerning land use by making development more fiscally neutral and providing adequate fiscal resources to carry out plans.

Toward A More Effective Housing Policy (August 1991), prepared by the Senate Advisory Commission on Cost Control in State Government in conjunction with SOR, provides an analy-

sis of California's housing policy. The Commission examined the state's housing policy, programs, and statutes in order to develop recommendations on how the state could use existing state resources to provide more affordable housing to Californians with very low to above moderate income.

Initially, the report discusses findings and recommendations relating to the state's planning deficiencies, stating that California's housing plan does not provide substantive policy direction as intended by state law. Important issues not addressed by the plan include the potential for residential development in central urban sites to make more efficient use of existing infrastructure; the potential for high residential densities near transit corridors to make more efficient use of transit systems; the need for retirement housing; and the need for multi-family housing. The report recommends that the Department of Housing and Community Development (HCD) develop a bold strategy for addressing California's housing needs, including quantitative goals to meet state requirements for reducing the number of very low to moderate-income households paying more than 25% of income for housing.

The report also notes that the state does not enforce statutes which require local governments to meet their share of housing needs for low- and moderate-income households. The report recommends that the state withhold discretionary state development funds from local governments which do not meet the affordable housing goals.

Next, the report states that California does not evaluate, on a comparative basis, the effectiveness and efficiency of all state housing programs. In response, the Commission recommends that the state direct the Office of the Legislative Analyst to evaluate the cost-effectiveness of the housing programs administered by HCD. Also, the legislature should develop evaluative criteria for these programs, in cooperation with both the Legislative Analyst and a broad range of housing interests; the criteria should include the number of affordable housing units produced, the length of time that units will remain affordable, the length of time required for project approval and financing, and the household income level to be served.

Regarding under-used resources, the Commission notes that the state has not informed employers of the cost-effectiveness of employer-assisted housing programs. According to the report, about 100 businesses nationwide provide housing benefits to their employees;



these benefits include group mortgage origination plans, down payment assistance programs, housing sites, and cash donations. Despite the benefits of these programs, the state has not promoted these programs to California businesses. The Commission recommends that the Department of Commerce provide employers with information on how to implement employer-assisted housing programs.

Further, the report states that redevelopment agencies (RDAs) need additional motivation to generate the maximum number of housing units using existing resources. State law allows local governments to establish RDAs in order to revitalize depressed urban areas; according to the state law, a fundamental purpose of such redevelopment is to expand the supply of low- and moderate-income housing. However, RDAs tend to invest their resources in commercial, rather than residential, development. The Commission recommends that the state designate an existing funding source for an information clearinghouse to help redevelopment and other housing agencies use redevelopment funds more effectively.

Regarding program inefficiencies, the report states that communication between state and local housing agencies needs improvement. For example, local agencies must search for information because details regarding state programs are often unavailable. To improve communication, the report recommends that HCD and the California Housing Finance Agency (CHFA) conduct periodic regional meetings with local housing agencies and authorities. The meetings would provide information about state housing laws and programs; disseminate information regarding innovative local housing programs and prototypical plans for successful housing programs; and allow the state to receive comments on state housing programs.

The report also finds that HCD and CHFA have not established a joint procedure to maximize the number of housing units developed with state funds. According to the report, HCD and CHFA have different functions and do not work together on all projects. The Commission recommends that HCD and CHFA establish a one-stop process for developers, offering joint HCD/CHFA financing for projects which qualify for state housing construction or rehabilitation funds.

Next, the report notes that the state's construction monitoring of affordable housing projects is somewhat duplicative of local government monitoring; this duplication often leads to delays in

construction and ultimately results in higher housing costs. The report recommends that the legislature direct the Legislative Analyst to examine the cost-effectiveness and desirability of having the state delegate construction monitoring to local governments, which are already monitoring these construction projects.

Further, the report states that the application process for some HCD programs is overly burdensome for applicants. To reduce the burden, the report recommends that HCD streamline its application process by developing a standard application for information required by most state housing programs; developing supplemental applications for programs which require additional information; and investigating the feasibility of computerizing the application process.

Finally, the report notes that RDAs may not be placing adequate emphasis on cost-effective urban "infill" housing development, which includes underutilized central urban areas such as vacant lots and empty buildings. Infill sites tend to be cost-effective for development, improve the job/housing balance because they are usually near employment centers, and offer the potential for urban revitalization. The report recommends that the state require RDAs to utilize infill areas to their maximum feasibility.

