Implementing Development Plans for Economic and Fiscal Health

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So you have a vision … now what?

Remember the 3 important factors affecting the future of our communities
1. The market is changing, especially for housing
2. The recipe for economic growth is changing
3. We can no longer afford to use tax money to subsidize inefficiency

1. The market is changing, especially for housing

Baby Boomers and Millennials Will Drive The Future Housing and Jobs Market

Americans Want More Walkable, Sustainable Neighborhoods
“Overall, Americans’ ideal communities have a mix of houses, places to walk, and amenities within an easy walk or close drive.”
• 77% of Americans want pedestrian-friendly features.
• 88% place more value on the quality of the neighborhood than the size of the home.

Attracting new residents
Young professionals
64% of college-educated 25- to 34-year-olds looked for a job after they chose the city where they wanted to live.
- U.S. Census

Smart growth responds to new market preferences
"The 2011 Community Preference Survey reveals that, ideally, most Americans would like to live in walkable communities where shops, restaurants, and local businesses are within an easy stroll from their homes and their jobs are a short commute away.”

2. The recipe for economic growth is changing
Encouraging Job Growth

1. Studies have shown that up to 80 percent of job growth is from existing businesses.
2. In the new era of specialized, networked businesses, growth is occurring.
3. Workplace strategies should focus on existing concentrations of workplace and target industries should relate to the City’s existing assets.

The New Model: Settings for Interaction, Serendipity

Shift in work activity → new work environments

The Old Model: Plenty of Open Space; no Public Space

3. We can no longer afford to use tax money to subsidize inefficiency

Current Patterns Are a Fiscal Strain

- Low-density suburban development rarely pays for itself.
- Costs are not just infrastructure related but also operations and maintenance.
- Burden usually falls on taxpayers.

Compact development lowers costs at the neighborhood/project level

And As Our Population Ages …

... these fiscal burdens on the taxpayers are likely only to get greater
SMART GROWTH BENEFITS PUBLIC BUDGETS: LOWER COSTS

Building infrastructure to serve new development on the fringe can cost the city up to three times more per acre than urban infill development.

SMART GROWTH BENEFITS PUBLIC BUDGETS: HIGHER REVENUES

Multifamily housing in near an area’s center can generate nine times more revenue per acre than traditional singles, single-family housing on the fringe.

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Why developers build what they build

Developers don’t build things because planners want them to … though they sometime agree to unrealistic ideas in order to win political approval.

Developers also don’t build things just because that’s what the code calls for … … if other things are not in place.

Developers do follow public investment.

They build what they can obtain capital to build.

They must show their lenders that the project “pencils.”

So what do you do?
1. Make sure the right people are at the table
- The public works folks?
- Landowners and developers?
  - Do you have developers/landlords who know how to do such a project? If not, where do you get them or how do you nurture them?
- The business folks who use built space and/or influence community decisions

2. Make sure the local economy can support what you want to do

3. Make sure the public sector is doing the right things

4. Prove that the financial payoff is there
- Developers will figure this part out in no time … so must you

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**The Parking Continuum**

**Pure Suburbia**
Character: All Activities Are Dispersion

Modes:
- Cars: Used for all Trips
- Transit/Biking: Never Used
- Walking: Never Used

**The Parking Continuum**

**Park-Once Home-Work**
Characteristics: Dense Residential Centers as well as Work & Fun Centers
- Cars: Used for Commuting and Major Errands
- Transit/Biking: Used Sometimes for Trips Between Centers
- Walking: Used for Trips Within Park-Once Centers

Transition Strategies:
- Built Environment: Add dense Residential/Park-Once Centers
- Transportation Infrastructure: Expand Shuttles/Transit
- Management: Overall Reduction in Parking Ratios

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**The Parking Continuum**

**The Park-Once World**
Character: Most Activities Located in Park-Once Centers
- Cars: Used Only Occasionally
- Transit/Biking: Used Frequently Between Centers
- Walking: Used for Virtually All Daily Errands

Transition Strategies:
- Built Environment: Add Markets and Businesses/Services
- Transportation Infrastructure: Upgrade From Shuttles to Streetcar
- Management: Further Reduction in Parking Rates, Congestion Pricing
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4. Bridging the financial gap
   • Any project can be built with a big enough subsidy
   • The question is whether it is worth it to the jurisdiction to provide the subsidy
   • So remember the long-term financial equation

SMART GROWTH BENEFITS PUBLIC BUDGETS: LOWER COSTS
Lower infrastructure costs
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SMART GROWTH BENEFITS PUBLIC BUDGETS: HIGHER REVENUES
Higher revenues per acre
Multifamily housing in near an area’s center can generate nine times more revenue per acre than traditional large-lot, single-family housing on the fringe.

Bridging the up-front financial gap
• TAD and other local tax subsidies
• Federal and state funds to assist
• Bring land to the table
• Other techniques unique to Georgia?

And even then …
The project might not work the way you want it to … at first!

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