

The following presentation is a great introduction for my fellow Commissioners on the topic of “mixed-use” development. However, what is different about this presentation than most, is that it is specifically tailored for suburban communities as opposed to urban as the intended audience. In other words, I found this particular presentation to be much more tailored in answering the questions and needs of a community such as Mission Viejo, than say the cities of Santa Monica or San Diego (who are more urban in nature). I am distinctly aware that this is a major concern of some residents and I want to address that issue head-on.

Furthermore, given that the topic is relatively new to the Commission, I thought the following should at least provide a brief introduction to the topic of mixed use and how mixed use can be a community-enhancing concept for Mission Viejo.

The issue at hand is basically the topic of “growth” for Mission Viejo and specifically how we can grow in ways that preserve the health and strength of our community and even improve it.



A Plan for Tomorrow

- » **The U.S. population is expected to increase 33% by 2030 to 376 million.**
- » **That's 94 million more people than there were in 2000.**
- » **About half of the homes, office buildings, stores and factories needed by 2030 don't exist today.**

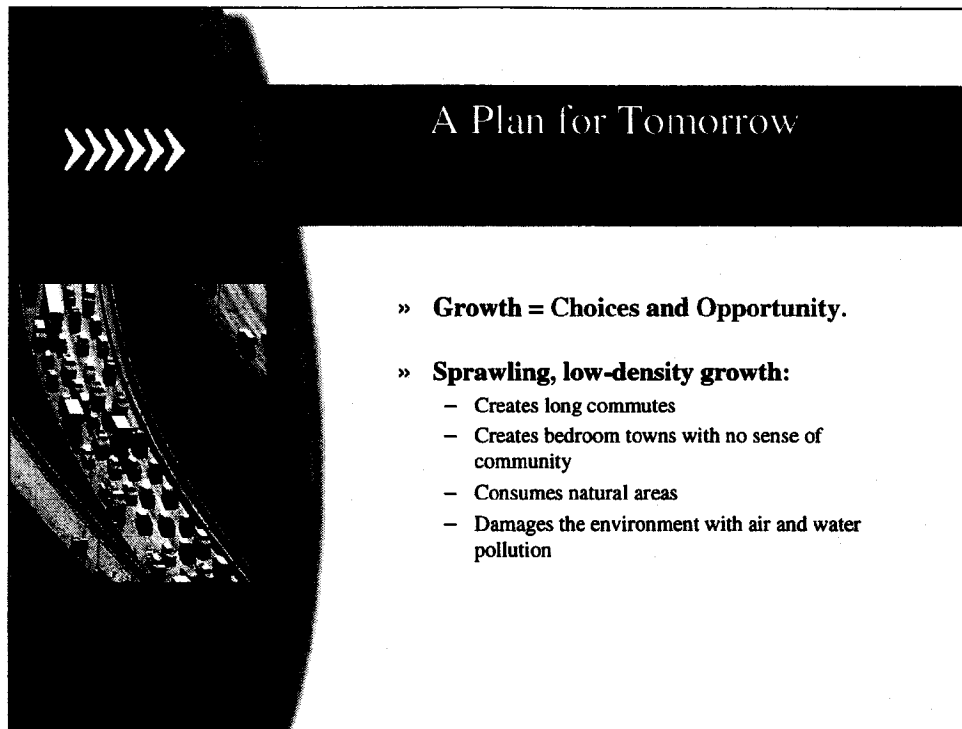
— Source: Brookings Institution

Before we talk about how we want to grow, we should look at the scope of population growth we'll be absorbing in the coming years. It's actually much greater than many people realize.

By 2030, there will be 94 million more people in the U.S. than there were in 2000. And all of these people need somewhere to live, somewhere to work and somewhere to shop.

Analysts say that this will fuel a construction boom over the next 25 years unlike anything we've ever seen.

Source: Arthur C. Nelson, *Toward a New Metropolis: The Opportunity to Rebuild America*, Brookings Institution, Washington, DC., 2004. Found at www.brookings.edu/dybdocroot/metro/pubs/20041213_RebuildAmerica.pdf



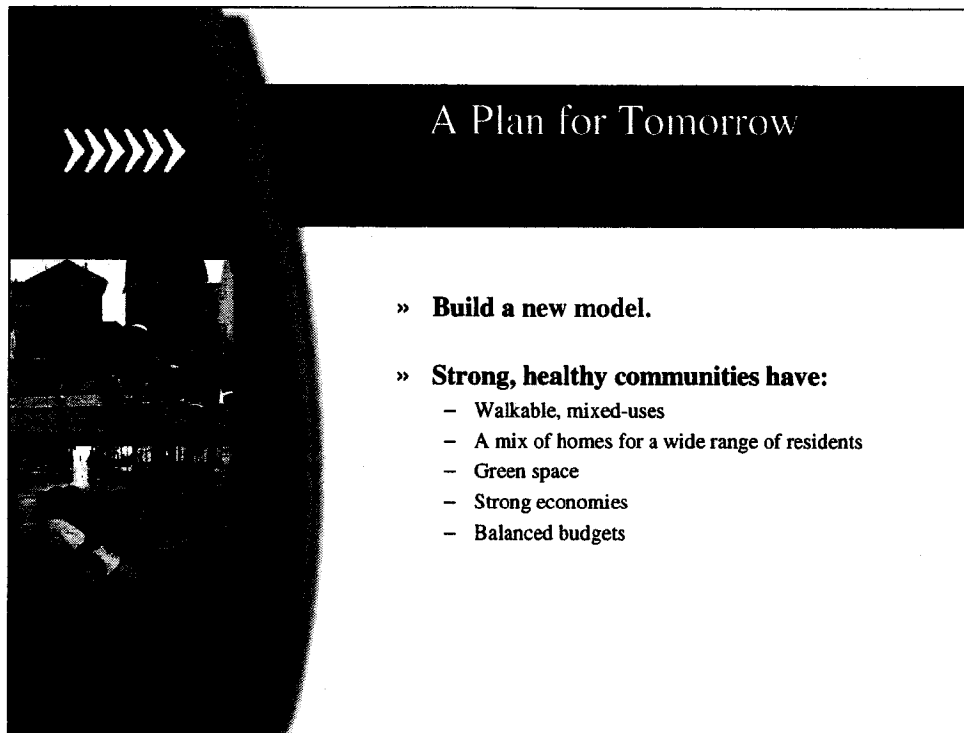
A Plan for Tomorrow

- » **Growth = Choices and Opportunity.**
- » **Sprawling, low-density growth:**
 - Creates long commutes
 - Creates bedroom towns with no sense of community
 - Consumes natural areas
 - Damages the environment with air and water pollution

The fact that we will be constructing nearly half of our future buildings in 25 years means we have an unprecedented opportunity to re-think the way we develop.

We can grow the way we have for the past 50 years with sprawling, low-density growth.

But anyone who suffers the long commute to work or lives in a bedroom town with no sense of community knows how unsuccessful that has been.



Or we can use this opportunity to create a new model.

When we look at America's most popular communities, they share some basic characteristics. In general:

- they are walkable and combine homes, work, entertainment and schools in the same neighborhoods;
- they have several different housing options; and
- they have lots of parks and green space.



A Plan for Tomorrow

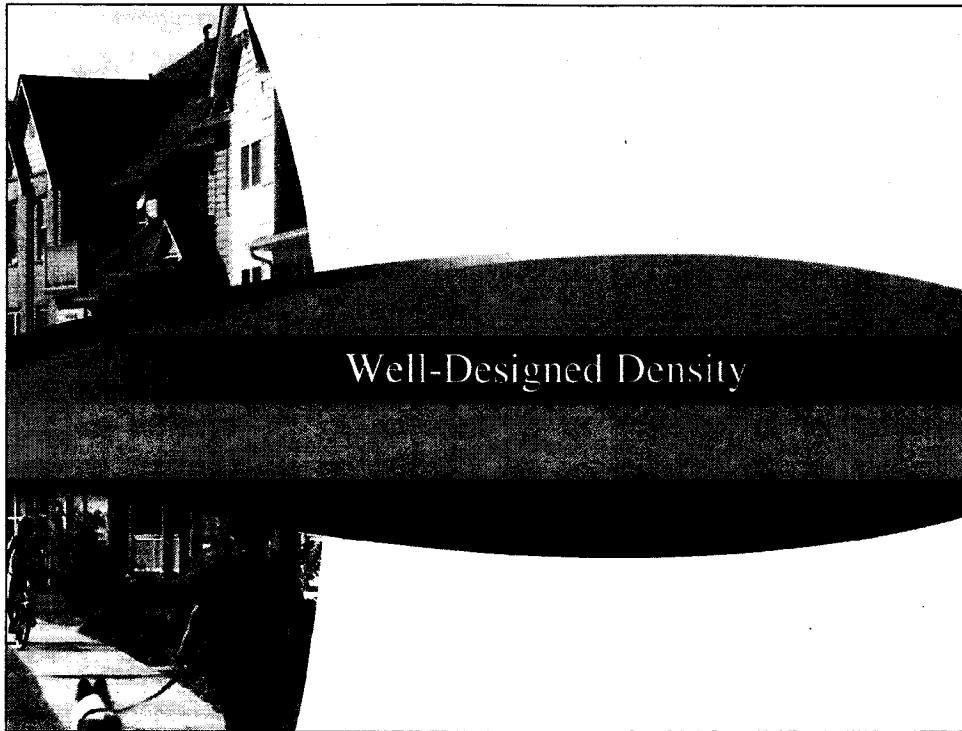
» **The critical ingredient...**



**...well-planned,
higher-density, mixed use development**

The single element that makes all of that possible?

Higher-density, mixed use development



For the twenty-million dollar question - So what is exactly is **“well-designed density?”**



Well-Designed Density

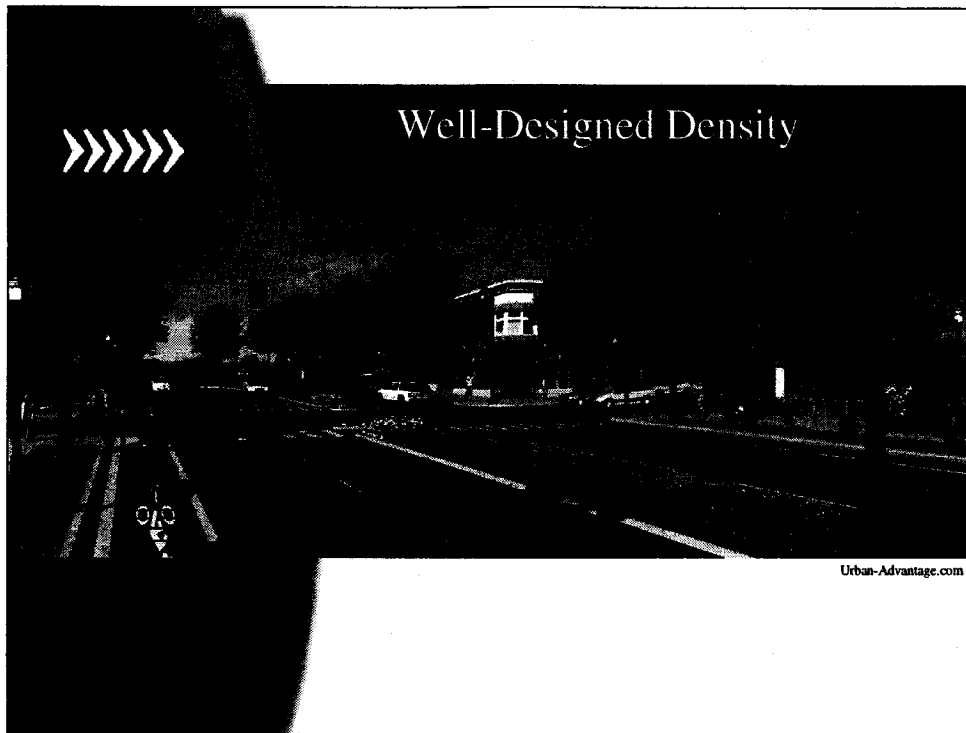
» We are not talking about this:



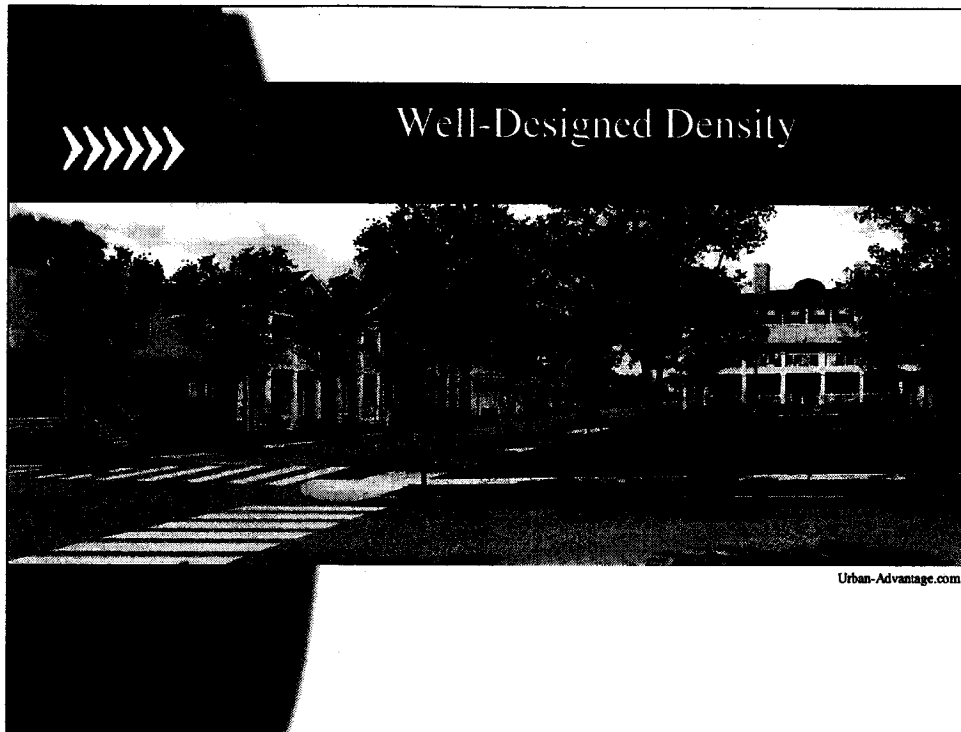
Well, we know what it isn't.

A lot of people think of this when they think of density. They think of ugly architecture, crime and poverty. And heck I have even read in handouts disseminated to residents in Mission Viejo – “vermin and disease..” OK – last time I checked, we do not live in Detroit in the 1950's.. But rather this is Mission Viejo in the 21st century.

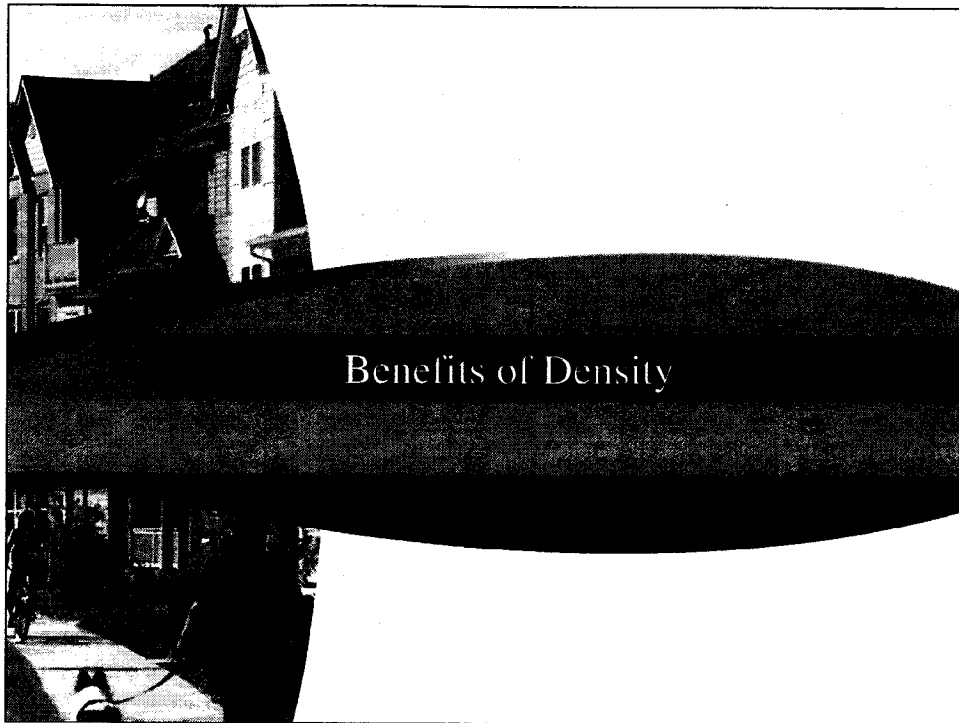
But the problems typically associated with density aren't caused by density but by poorly designed development.



These next few slides give us a visual example of how we can use well-designed density to reclaim neighborhoods and create great places to live.



Here's another example.



Beyond its visual appeal, higher-density development offers us valuable lifestyle and financial benefits.



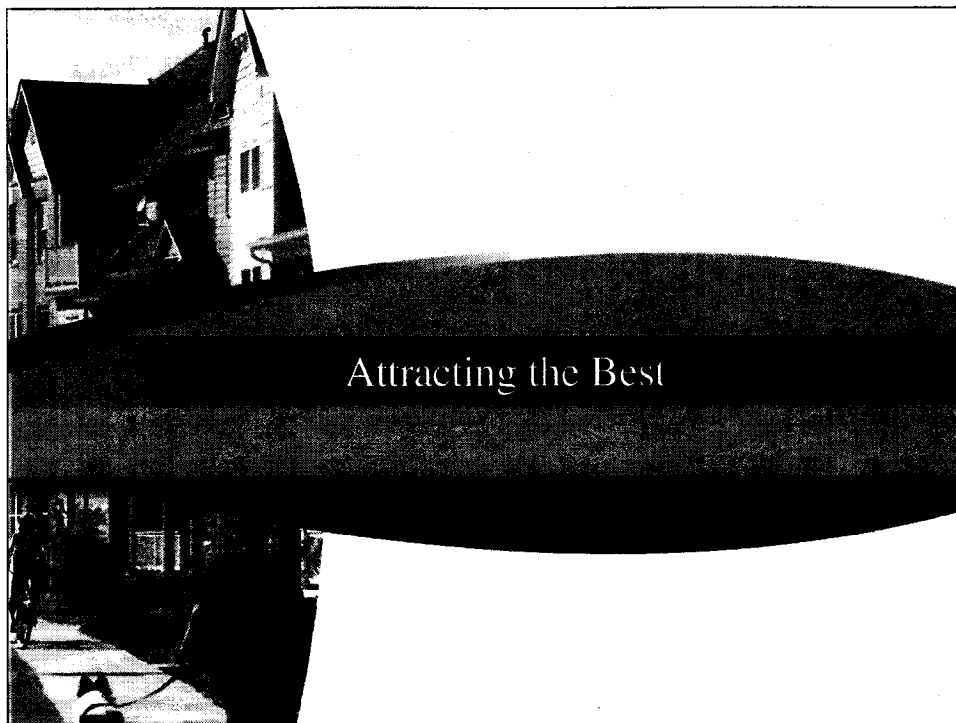
Benefits of Density

» **Good density can:**

- Enhance our economic competitiveness by attracting a diverse resident base
- Reduce pressure on local budgets
- Reduce commuting time
- Protect the environment

It can

- Strengthen our economy by offering enough housing for the workers our businesses need
- Reduce the cost of providing public services, like water, sewer and roads
- Reduce commuting time and traffic
- Help us preserve space for parks and outdoor recreation.



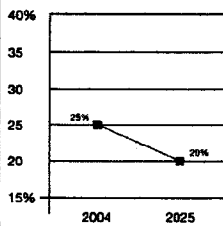
The good news is that density is not only needed, it's also desirable.

More than we realize, a lot of Americans actually want higher-density neighborhoods. If we want to attract the "best of the best" to our town, we need to understand how American's housing preferences are changing.



Attracting the Best

Projected decrease in percentage of married couples with children.



- » For 50 years, families with children drove America's housing industry.
- » But now, married couples with children make up less than 25 percent of American households.

— Source: U.S. Census Bureau

For generations, married couples with children dominated our housing markets and caused the suburbs to grow explosively.

But today those families are less than 25 percent of American households.

Source: U.S. Census Bureau. U.S. Census Bureau, "America's Families and Living Arrangements: 2003" (November 2004). www.census.gov/prod/2004pubs/p20-553.pdf



Attracting the Best



» **Today's fastest growing households are:**

- Young professionals
- Empty nesters
- Single parents
- Couples without children
- Senior citizens


» **They create demand for:**

- the Live/Work/Walk experience
- Apartments, condos and townhouses

In their place are young professionals, childless couples, empty nesters and single parents.

More than we realize, many of them prefer condos, apartments and townhouses to traditional suburban living.

Remember, businesses follow workers now, so if we want to retain our existing businesses and recruit new ones, we have to first attract the workers they need.



Attracting the Best

» **In a national survey, 6 out of 10 prospective homebuyers chose a higher-density, mixed use community.**

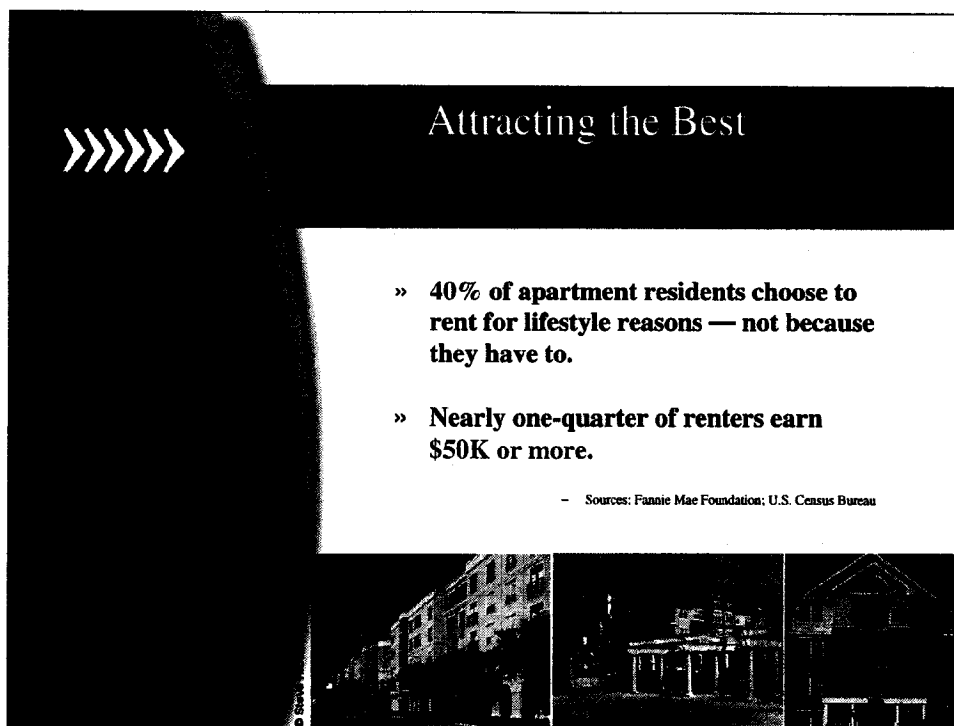
— Source: Smart Growth America and National Association of Realtors

Here's just one piece of evidence.

A recent survey asked prospective homebuyers if they would rather live in a large-lot neighborhood where they would depend entirely on cars to get around or in a more compact neighborhood with schools, shops, and restaurants nearby. Sixty percent chose the compact neighborhood.

In other words, we aren't protecting our community by opposing higher-density development. We are actually limiting its future potential by pushing desirable households out of our town.

Source: Smart Growth America and National Association of Realtors. 2004 American Community Survey: National Survey on Communities, Washington, DC., October 2004.

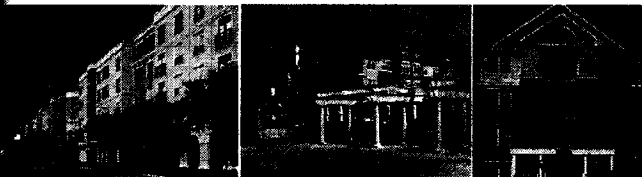


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Attracting the Best

- » **40% of apartment residents choose to rent for lifestyle reasons — not because they have to.**
- » **Nearly one-quarter of renters earn \$50K or more.**

— Sources: Fannie Mae Foundation; U.S. Census Bureau



We also need to re-think our attitudes about rental housing.

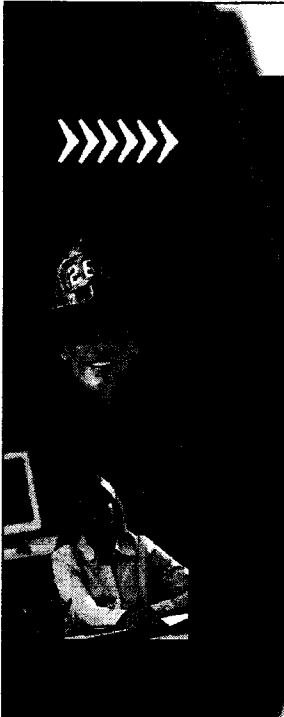
A lot of people assume that no one would rent if they could afford to buy, but that's no longer true as we see here.

A lot of higher-income households are happy to trade long commutes and weekend chores for the convenience of apartment living.

And if we don't offer it to them, they'll simply look elsewhere.

Sources: **Sources:** *National Housing Survey, 2001. Washington, DC: Fannie Mae.*

National Multi Housing Council tabulations of microdata for the U.S. Census Bureau's Current Population Survey, March Supplement 2004



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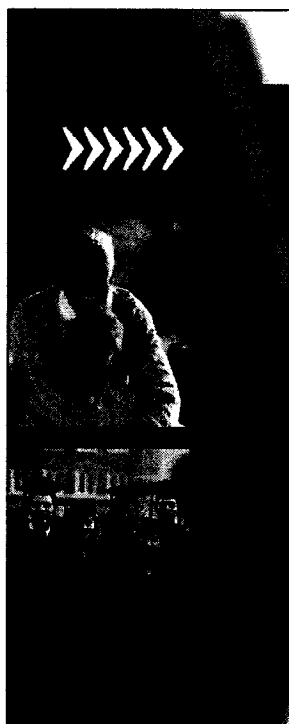
Attracting the Best

- » **Higher-density development offers homes that are within reach of vital community members such as:**
 - Teachers
 - Nurses
 - Fire fighters
 - Police officers
 - Retail salespeople
- » **And our own children!**

In addition to attracting higher-income households, we can also use higher-density housing to recruit vital service workers such as fire fighters, teachers and police officers.

Increasingly, these people can't afford to live where they work. If we offer them homes within their reach -- through less expensive higher-density building -- we can attract them to our town and raise the quality of life for all of our citizens.

Apartments, condos and townhouses are also important if we want our children to be able to afford to live here once they leave our homes.



Attracting the Best

» **Demand for higher-density homes will hit new highs by 2015 due to an influx of:**

- 78 million downsizing Baby Boomers
- 78 million children of the Baby Boomers graduating from college
- 9 million new immigrants
- Service and municipal employees priced out of the neighborhoods where they work

- Sources: U.S. Census Bureau, U.S. Department of Homeland Security Office of Immigration Statistics

We should also understand that this is not a short term change. The demand for higher density homes – by renters and owners -- is expected to increase significantly in the future thanks to changing demographics.

Sources: *Population estimates: U.S. Census Bureau, Population Division. Table 1: Annual Estimates of the Population by Sex and Five-Year Age Groups for the United States: April 1, 2000 to July 1, 2003 (NC-EST2003-01). June 14, 2004*

Immigration statistics:

Source: Population Projections Program, Population Division, US Census Bureau, Washington, DC. Found at www.census.gov/population/projections/nation/summary/np-t6-a.txt

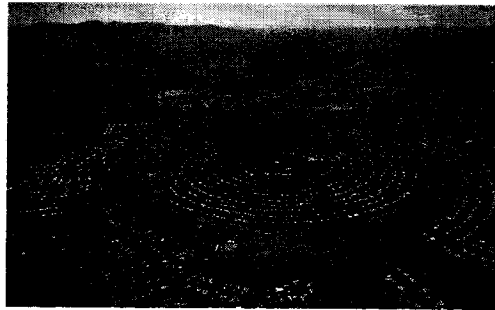


Higher-density development can also help us manage our local budget.



Balancing Our Budget

» **Sprawl is expensive!**



Sprawl is expensive!

It costs us a lot of money to extend water, sewer, electric, highway, police and fire protection farther and farther out.



Balancing Our Budget

» **Compact development reduces infrastructure costs and saves money.**

- Average annual cost to service a new family of four (police, fire, highway, schools and sewer):
 - Compact suburban Shelby County, KY = \$88.27
 - Sprawling Pendleton County, KY = \$1,222.39

- Sources: Brookings Institution

But compact development can save a lot of money.

Compare these two Kentucky counties. One spends less than \$90 for provide police, fire, highway, schools and sewer service to every new family of four. The other pays more than \$1200 simply because it is more spread out.

Source: Bollinger, Berger and Thompson (2001) as cited by the Brookings Institution in "Is Washington Ready for Smart Growth" presentation. October 2004



Balancing Our Budget

- » **Nationally, the U.S. can save over \$100 billion in infrastructure costs over 25 years by growing compactly.**
- » **Chicago can save \$3.7 billion over 20 years by growing compactly.**
- » **Charlottesville, VA can save \$500 million in transportation costs with compact development.**

- Sources: Urban Land Institute, *Chicago Metropolis 2020*; Thomas Jefferson Planning District Commission

The possible savings are significant. Nationally, they could total over \$100 billion.

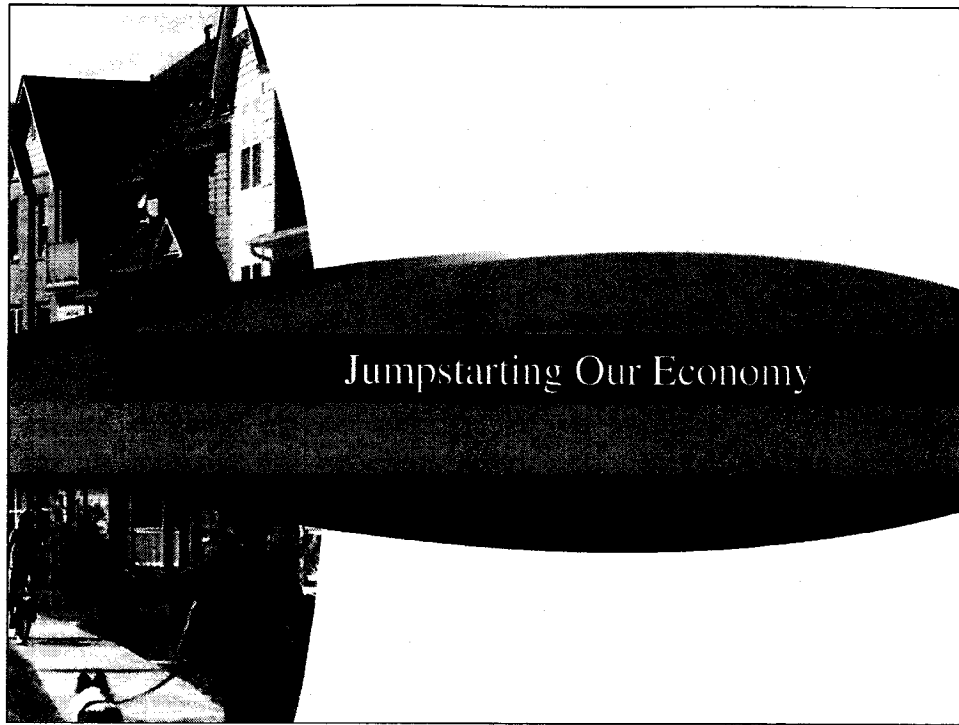
For Chicago, compact development can save \$3.7 billion. Charlottesville can save \$500 million.

The point is that all of those savings translate into lower taxes for us.

Source: *The Metropolis Plan: Choices for the Chicago Region*, Chicago Metropolis 2020. Chicago, IL, 2002. p. 24.

Source: *Building Livable Communities: Jefferson Area Eastern Planning Initiative*. Thomas Jefferson Planning District Commission. Page 5.

Source: Sam Newberg and Tom O'Neil, "Making the Case," *Multifamily Trends*, vol. 6, no. 3, Summer 2003, p. 47.



Higher density housing can boost our economic development efforts too.



Jumpstarting Our Economy

- » **Attract new employers and retain existing ones.**
 - Employers need workers.
 - Workers need housing.
 - Without housing, workers and jobs leave a community.
 - Towns lose out on consumer spending and tax revenue.

Let's look at the connection between jobs and housing. When towns don't have enough housing for the workers that businesses need, the businesses leave.

One of the main reasons firms relocate isn't high taxes or strict regulations, but the shortage of housing for their workers.



Jumpstart Our Economy

- » **Minneapolis-St. Paul region loses out on an estimated \$265 million per year in consumer spending and business taxes because it lacks sufficient housing.**
- » **New Hampshire's housing shortage will cost it 2,800 jobs annually, \$121 million in reduced personal income and \$33 million less state and local revenues**

– Sources: GVA Marquette Advisors and Maxfield Research; New Hampshire Workforce Housing Council

One study estimates that the Twin Cities lose out on \$265 million a year in consumer spending and business-related taxes because they don't have enough housing.

Another finds that New Hampshire is losing jobs, income and tax revenues because of its housing shortage.

In the past, workers followed the jobs. But these days, jobs follow workers. If we want to recruit a strong workforce, we need to create walkable, lively neighborhoods. Once the workers are here, companies will take notice.

Sources: GVA Marquette Advisors and Maxfield Research. *Workforce Housing: The Key to Ongoing Regional Prosperity* Found at www.fhfund.org/_dnld/reports/Workforce%20Housing_Full%20Report.pdf.

New Hampshire Workforce Housing Council. *Housing New Hampshire's Workforce*. Found at <http://www.workforcehousingnh.com/>.



Jumpstarting Our Economy

» Attract new retail development.

- Densities of 8 to 12 homes per acre can create compact low-rise centers that can support a lively business district, mixed uses, and public transit nodes.
- 1,000 to 2,000 new houses and apartments within a 10-15 minute walk can support new retail areas.

- Sources: Massachusetts Citizens Housing and Planning Association; Byrne McKinney & Associates and Goody Clancy Architecture, Planning and Preservation



Encouraging higher density housing will also help us attract more high quality retailers to our town since retailers look at the concentration of people when deciding on new locations.

And as we see here, we aren't necessarily talking about city-like density to attract retailer attention.

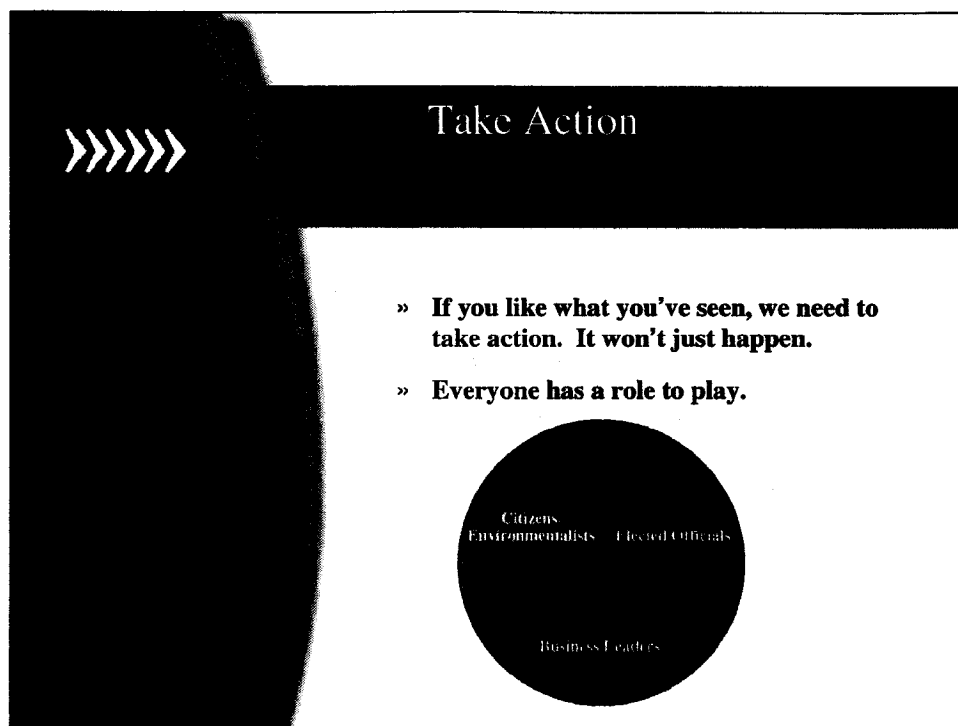
Source: *Regional Responses: Smart Growth and Affordable Housing presentation by Carol Burns and Kimberly Vermeer for the Massachusetts Citizen Housing and Planning Association.*

Source: *Density Myth & Reality presentation, Byrne McKinney & Associates Real Estate Appraisers and Consultants and Goody Clancy Architecture, Planning and Preservation.*



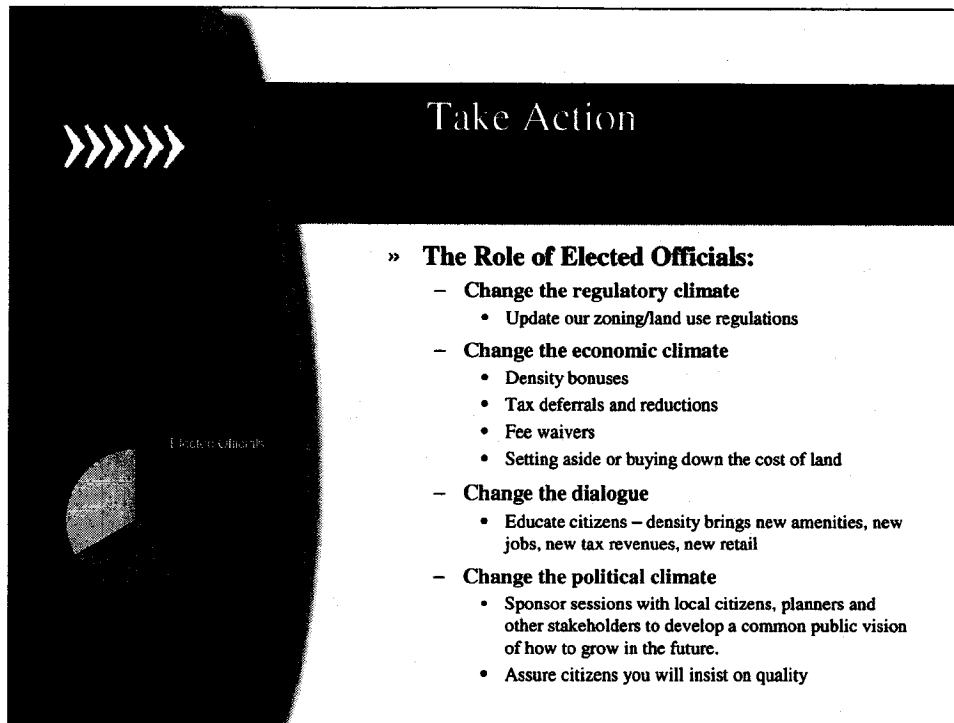
Now the important part. How do we get there.

CLICK TO NEXT SLIDE



We have a great opportunity here, but if we want to take advantage of it, we need to take action. Otherwise we'll simply end up with more expensive, sprawling, low quality of life development.

The important thing to understand is that this is a job that requires action by everyone. We can't assume that local policymakers will, or even can, do this on their own.



Take Action

- » **The Role of Elected Officials:**
 - **Change the regulatory climate**
 - Update our zoning/land use regulations
 - **Change the economic climate**
 - Density bonuses
 - Tax deferrals and reductions
 - Fee waivers
 - Setting aside or buying down the cost of land
 - **Change the dialogue**
 - Educate citizens – density brings new amenities, new jobs, new tax revenues, new retail
 - **Change the political climate**
 - Sponsor sessions with local citizens, planners and other stakeholders to develop a common public vision of how to grow in the future.
 - Assure citizens you will insist on quality

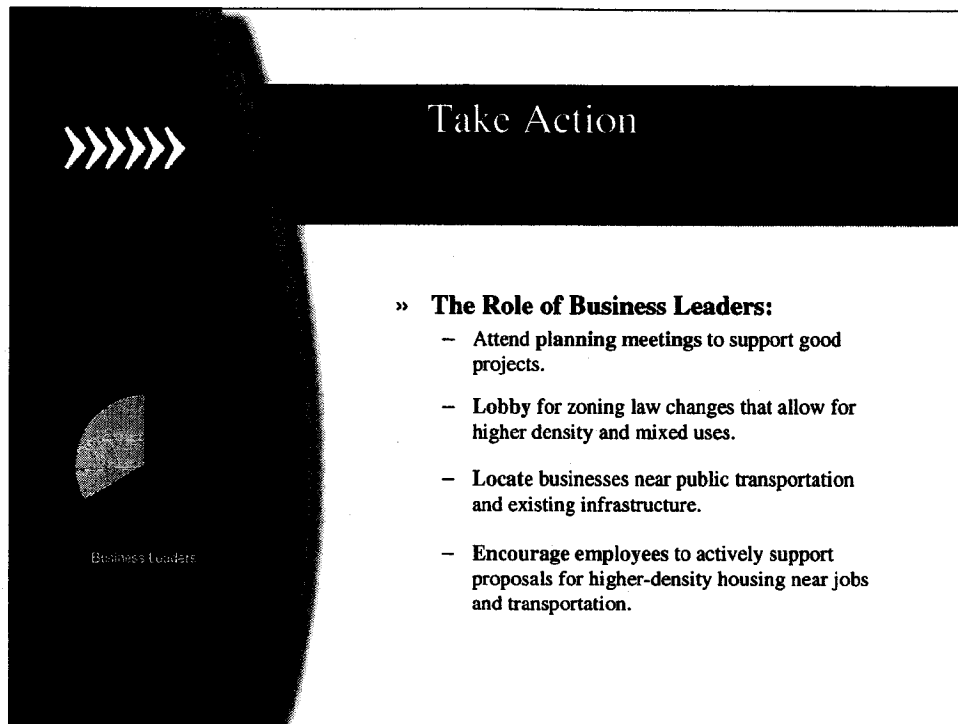
That said, elected officials do have an important role.

For instance, most zoning regulations are more than 50 years old and prohibit developments that mix residential and commercial uses. We need to change that.

In addition to updating planning laws, as an elected official, you can create economic incentives that encourage developers to build the kind of developments we want. We have lots of tools at our disposal to shape growth.

You can also help change the dialogue and help reduce citizen opposition to density. You need to educate citizens that density can bring new jobs, new retail, new tax revenue and more.

And you can reassure residents that you won't approve density unless it's done well.



There are also several things business leaders can do to make this new future happen.

For instance, you can attend planning meetings to support good projects. Too often, the only people at these meetings are the ones who oppose new development.

You can also

- lobby for zoning changes, and
- locate your business in already developed areas.

And you can help your employees understand the connection between housing and jobs and that when they oppose new development they could be putting jeopardizing their own jobs down the road.

Take Action

» The Role of Citizens:

- Get educated about the importance of compact, mixed use development and spread the word.
- Get involved early in comprehensive community planning.
 - Urge local leaders to create a community-based vision for future smart growth
- Attend planning meetings and insist on:
 - Quality design that fits in with the community
 - Track record of success
 - Integrated with the transportation system

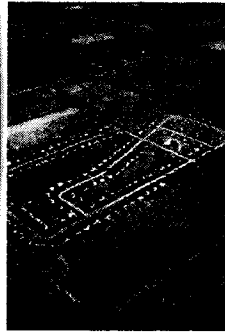
Finally, citizens themselves play a key role.

- You can get educated about the importance of compact development and help your neighbors understand that it can be a positive thing.
- You can get involved early in comprehensive planning efforts instead of opposing individual projects.
- You can urge policymakers to engage the residents and create a comprehensive smart growth plan for the town.
- and you can attend public hearings for new developments and ask the right questions:
 - Does it fit in?
 - Is it integrated with the transportation system?
 - Does the developer have a successful track record?



Take Action

» **The future is our choice.**



or



The future is our choice and it can be a great one if we understand three things:

First, we have tremendous opportunity ahead of us.

Second, we don't need to be afraid of, or oppose, higher-density development. Done well, it can provide great economic and environmental benefits.

Third, if we want this new vision of an even better community to happen, we have to work together.