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Infrastructure for Infill

The California Planning Roundtable

California is directing most future growth closer to jobs so people can commute by multiple means to reduce vehicle miles traveled and greenhouse gases. Consequently, cities will mostly grow with infill development and property redevelopment rather than sprawl, with more housing and healthier travel options. Good, but we must plan and fund the infrastructure and public facilities needed to support this change. If not, we risk diminishing rather than enhancing our communities.

Complete communities with sustainable infrastructure — water and sewer, waste and recycling, energy, storm management, sidewalks, streetscapes, mobility, digital; and public facilities — schools, libraries, parks, day-care, health services, and public safety is needed not only to serve this growth, but to remedy deficiencies.

The challenge is not in recognizing the need; it lies in organizing to address this need. Without adequate infrastructure, plans will not result in the development envisioned because of system failures, unacceptable impacts, growing costs, or resulting public opposition.

Infrastructure for infill, more so than greenfield development, involves coordinating many interests — property owners, renters, businesses, workers, developers, and governments. Infrastructure itself comes in varied sizes, conditions, and types. Who benefits and pays are not always clear or apportioned fairly. Those who have already paid or are still paying are less willing to tax themselves more unless their services improve too.

Unlike planned communities with private facilities, there are no homeowners' associations to fund and maintain the public realm. Resources for a broader population are required. Yet, older and vulnerable communities often include populations with less capacity to fund these costs. The greater good may require subsidies to address inequities, where the broader public and development help fund costs for the good of the whole jurisdiction. This leads to a different nexus concept of "One City" where all benefit from public investment directly or indirectly.

Some mechanisms, such as Community Facility Districts, exist but their formation procedures are biased towards limited property ownerships or large land holdings. Most special taxes require a supermajority of voters, often proposed jurisdiction-wide, a challenge when the need is for a subset of the jurisdiction and some voters asked to approve new taxes already have adequate infrastructure and facilities. Other special district mechanisms, such as assessment districts and business improvement districts, are used, but mostly for services, maintenance, and programming rather than impactful public facility capital costs. Redevelopment tax increment was a major source in blighted communities, but the current laws are more constrained and less effective unless multiple taxing jurisdictions participate.

User fees only work when access to a service, resource, or facility can be controlled and managed; for example, access to potable water is controlled and people pay a fee; access to public parks or clean air are not and are supported by general taxes and regulation; access to roadways can be free or limited to toll payers or managed with congestion charges.

Impact fees cover costs to mitigate impacts attributed to infill development but are often flawed depending on how impacts are calculated, standards are established, and mitigation improvements are designed one facility at a time. Multi-purpose design of infrastructure in the same right-of-way to achieve co-benefits can cost less than locating each service individually.

By law, impact fees cannot be used to fund existing deficits, so their use is limited to addressing the costs of new impacts. Other funds, which could be combined with impact fees, are needed to fund existing deficits, common in older communities where infill development is planned.

General Plan standards influence costs. Suburban standards are often inappropriate for infill contexts where land is expensive, uses are mixed, parcels are smaller, and ownership is disaggregated; they may not work in urban locations. Mixed-use patterns, however, can be fiscally more efficient, saving costs per taxpayer. Facilities in mixed-use districts are shared amongst more properties and users throughout the day and week because of joint-use efficiencies. More compact housing development patterns with common area greenspaces may require less land and water per capita than lower-density subdivisions with more private yard space.

The State needs to provide more local tools to fund infrastructure for infill if it expects to sustain support of California's growth strategy. State and Federal attention is understandably placed on big regional infrastructure, such as regional transportation, energy, broadband, and water/sewer systems, many supported by user fees. State grants and subventions, or California's share of Federal sources, seem large in aggregate dollars, but look smaller on a per-capita basis when distributed over the breadth of communities where infill development is targeted. State and Federal bond programs help access capital but still require a source to service the debt. Most of these programs support capital costs, but few cover operations and maintenance over a facility's useful life span.

As the State takes a more direct role in regulating housing, land use, and mobility to further sustainability, resilience, and equity policies, it needs to take a more direct role in providing localities the tools they need to provide smaller — but in aggregate, just as important — infrastructure and facilities that are necessary to create and maintain the balanced communities and quality-of-life that Californians of all incomes want. Density without parks and mobility options is just congestion. More population without enhancing schools and libraries diminishes education and access to opportunity. Without effective design, cities may create walls of units without a sense of place.

Communities need enabling tools to raise funds locally for these facilities and services, such as flexible special tax and benefit assessment districts that are easier to establish at the community level and across jurisdictions, more effective redevelopment tax increment financing, and value-capture techniques. In short, mechanisms that localities can design for their specific contexts, needs, and capacities. Ideas to link regional growth to fund facilities in targeted growth areas, such as with mitigation banks or transfer-of-development rights tied to infrastructure funding, may work.

With better local tools, State and Federal government dollars can be leveraged to create the types of complete, sustainable communities Californians deserve. Without them, the quality of our neighborhoods is at risk.

The California Planning Roundtable has prepared a paper making this case, available at <https://cproundtable.org>. Contributors to the paper are William Anderson, FAICP; Ann Cheng; Tom Jacobson, FAICP; Marc Roberts; Woodie Tescher; and Al Zelinka, FAICP.