



SPRAWLBUSTERS: Strong Forces Pushing Back Against Sprawl

SUMMARY

1. We live in a rapidly changing world
2. To be successful, we need to adapt to changing conditions
3. Suburban sprawl has been our main model for accommodating population growth in California over the past 50 years
4. Sprawl will NOT be our model for accommodating population growth over the next 50 years
5. Strong demographic, economic, and environmental forces will be pushing back against sprawl
6. LAFCO's work may become easier, with these strong forces helping to achieve LAFCO's basic mission of:
 - a. Discouraging urban sprawl
 - b. Preserving agricultural lands
 - c. Promoting the orderly formation of local governments

CALIFORNIA'S POPULATION GROWTH – PAST AND FUTURE

1. California's population has grown by 20 million people, over the past 50 years
2. California's population is projected to increase by another 15 million, over the next 50 years
3. We should examine the basic assumptions that led us to become a predominantly suburban state over the past 50 years – and ask whether these assumptions are still valid as we look forward over the next 50 years

ASSUMPTIONS ABOUT SUBURBIA

1. There was never a formal debate about whether we should become a predominantly suburban state, but if there had been, these are some of the assumptions that might have been made:
 - a. Most of our households are families with children
 - b. We need to build homes with backyards for the kids to play in
 - c. Freeways will always bring us convenience
 - d. Governments will always have enough revenue to build, maintain, and expand our freeway and road networks
 - e. Gasoline will always be cheap
 - f. We will all be able to drive throughout our lives
 - g. We will always have inexpensive food from our abundant farmlands
 - h. California's climate will always be mild and benign
 - i. We will always have sufficient water to meet all our needs
 - j. No other country can compete with the American economy
 - k. Suburbs are preferable to urban areas as places to live
2. What may have been true back then may not be true now or in the future
3. We need to adapt to changing conditions

FORCES RESHAPING OUR FUTURE

1. Aging of Our Population

- a. California's population is projected to grow by about 6 million people between now and 2030
- b. 60% of that growth is projected to occur in the 65+ age group
- c. For every young person under age 18 added to California's population between now and 2030, we will be adding 4 people age 65 or older
- d. California is about to become a much older state (as is the rest of the US) as the Baby Boomers continue to enter their retirement years
- e. Currently, approximately one out of ten California residents is 65 or older; by 2030, that will be up to one out of five Californians; and, if you only consider the adult population, one out of four adults will be 65 or older – by far the largest percentage of seniors in California's history
- f. Why does the aging of our population matter?
 1. It will have enormous impacts on all aspects of our lives
 2. California's sprawling, automobile-dependent, suburban landscapes were built based on the implicit assumption that we would all be able to drive throughout our lives
- g. According to one national survey, however, one out of five Americans over age 65 does not drive – and other studies indicate that many additional seniors have significantly reduced the amount of driving they do since gas prices started rising
- h. A woman who reaches age 70-74 in America will have, on average, a life expectancy of an additional 21 years; but she will have a driving expectancy of only 11 years – meaning that she will spend the last 10 years of her life as a non-driver
- i. A man who reaches age 70-74 in America will have, on average, a life expectancy of an additional 17 years; but he will have a driving expectancy of only 11 years – meaning that he will spend the last 6 years of his life as a non-driver
- j. Becoming a non-driving senior can greatly impact your ability to remain active, independent, and engaged with family, friends, and community – three goals that most, if not all, seniors probably share
- k. The national survey referenced above compared the behavior of non-driving seniors and driving seniors and found that, compared to driving seniors:
 1. Non-driving seniors made 60% fewer shopping trips or trips to restaurants [Note: This is a loss not only to the quality of life of the non-driving seniors, but also to our local businesses that are losing the potential purchases and expenditures these seniors might otherwise add to the local economy]
 2. Non-driving seniors made 65% fewer trips for social, family, or religious activities [Note: This is an indicator of social isolation that can contribute to both physical and mental health problems for seniors.]
- l. A growing number of seniors, over the years ahead, will be looking for opportunities to move to vibrant, urban neighborhoods where they can continue to live active and independent lives without having to drive or own a car
- m. The aging of our population will be a strong force pushing back against sprawl

2. Changing Household Characteristics

- a. The composition of our households has changed dramatically over the past fifty years, and will continue to change
- b. Back in the early 1960s, roughly half of all households in the US consisted of

households with children; today, only about 30% of households in the US have children under 18 – meaning that about 70% of all households today do not have children under 18; and the percentage of households with children is projected to continue to decline in the coming years

- c. In 2010, about one-fourth of all households in the US were single-person households, and that percentage is projected to increase; by around 2025, there are projected to be as many single person households in the US as households with children
- d. The combination of fewer households with children and more single-person households will tend to diminish the “effective” demand for traditional single-family, suburban homes (“effective demand” being a combination of what consumers prefer, and what they can afford).
- e. Changing household characteristics will be a major force pushing back against sprawl

3. The Millennial Generation

- a. The “Millennial Generation” includes those who were born between 1980 and 2000; they are currently in their teens, twenties, and early thirties
- b. There are now more Millennials than Baby Boomers in the US (80 million vs 72 million)
- c. Millennials will very soon constitute the majority of the American workforce
- d. Millennials are the most educated generation in American history, with some 54% having some college education
- e. Because of their education and lifelong experience with computers and other technology, Millennials are sought after by the technology-driven companies of the New Economy
- f. Millennials have a very strong preference for living in urban areas, where they can

live active lives without having to drive – or even own – an automobile

- g. Millennials have significantly lower rates of home ownership than previous generations, lower rates of having drivers licenses and lower rates of automobile purchases
- h. Millennials are often renters, for various reasons:
 - 1. Economic necessity
 - 2. Their preference for living in urban areas where housing costs are higher
 - 3. The desire to have the flexibility to move quickly, if better employment opportunities arise
 - 4. Lack of confidence in the economics of the “American Dream” of owning a home (after seeing the value of their parents’ homes decline in value during the Subprime Mortgage Crisis)
- i. Millennials in large numbers, have, in effect, rejected the suburban lifestyle in which most of them were raised
- j. As the Boomers age and retire, and become more conservative in their spending habits, the purchases and expenditures of Millennials will become increasingly more important to our national and local economies
- k. The lifestyle preferences of the Millennial Generation will be a major force pushing back against sprawl

4. Housing Finance

- a. Mortgage loans to unqualified borrowers created the Subprime Mortgage Crisis
- b. Many of the subprime loans that were approved were for single-family homes in distant, sprawling, residential subdivisions; subprime mortgage loans were a major source of the economic “fuel” for sprawl
- c. The Subprime Mortgage Crisis experience, and some of the reforms that have followed, are likely to have a dampening effect on the willingness of financial institutions to provide loans to

builders in the future for similar, potentially risky, developments, thus depriving sprawl of some of its economic “fuel”

- d. Similarly, changes in lending practices for individual home mortgages, will also reduce the economic “fuel” for sprawl development
- e. Changes in housing finance practices are likely to be a major force pushing back against sprawl

5. Housing Market

- a. Over the coming years, a significant percentage of the sellers in the used home market will be Baby Boomers seeking to sell single-family homes in order to downsize to housing that better fits their needs at this stage in their lives
- b. Over the coming years, a significant percentage of the buyers in the overall (new and used) housing market will consist of Baby Boomers looking to downsize and Millennials who prefer urban living
- c. Neither of these categories of potential buyers will be looking for typical suburban, single-family homes
- d. As a consequence, we are likely to see a decline in demand for homes in “drivable suburban” neighborhoods, and an increase in demand in “walkable urban” neighborhoods
- e. The housing market is likely to be a major force pushing back against sprawl

6. Climate Change

[Note: See next section regarding “State Plans and Policies”]

7. State Laws and Policies

- a. The California Sustainable Communities and Climate Protection Act of 2008 (SB 375 – Steinberg) is intended to reduce greenhouse gas emissions from passenger vehicles by requiring California’s metropolitan regions to

prepare “Sustainable Community Strategies (SCSs)” that integrate land use, transportation, and housing policies in order to achieve regional greenhouse gas emission reduction targets

- b. Sustainable Community Strategies – such as Plan Bay Area, prepared for the San Francisco-Oakland-San Jose region – call for the accommodation of most future commercial and residential development to occur within existing urban areas, and particularly near jobs, transit, shopping, etc.
- c. California laws and policies related to combating climate change will be major forces pushing back against sprawl

8. Water

- a. Snowfall in the Sierra Nevada Mountains, and its subsequent melting and runoff, is a major source of water for California, acting like a large reservoir that captures water, stores it, and later releases it relatively slowly
- b. Experts predict that climate change will change both the amount of snowfall in the Sierras and the rate at which it melts and runs off; making California’s water supply in the future much more uncertain, as the state’s population continues to grow
- c. Water conservation will become ever more important over the years ahead
- d. About 50% of the water use by a typical suburban home goes for landscaping, particularly the lush green grass lawns that typify the suburban lifestyle
- e. As water shortages occur, one of the casualties is likely to be those water-thirsty, lush green grass lawns of suburbia
- f. Homes in sprawling residential subdivisions may be less attractive to potential home buyers without their lush green lawns (and swimming pools)
- g. Coming water supply challenges will be another major force pushing back against sprawl

9. Local Government Finance

- a. Local governments throughout California have been experiencing significant financial problems in recent years, often resulting in reductions in staffing and services
- b. These financial difficulties, which may be ongoing for some time to come, are likely to cause cities and counties to look more closely at the costs of maintaining infrastructure and providing services to sprawling land use patterns, compared to those for more compact development patterns; as a result, they are likely to see how inefficient and costly it is for them to serve sprawling development
- c. Local government finance is likely to be another major force pushing back against sprawl

10. Rising Food Prices

- a. Over the past 50 years, most American households have been able to assume that abundant, affordable food would always be available to them
- b. Over the next 50 years, increases in food prices are likely to be a problem that a greater percentage of American households experience
- c. Food prices are likely to increase substantially due to a variety of factors, including:
 1. World population growth roughly equal to four times the current US population, over the next twenty years
 2. Climate change, resulting in:
 - a. Greater uncertainty regarding production in historical food producing regions
 - b. More frequent and potentially long-lasting droughts
 - c. More frequent storms and floods
 3. Growing middle classes in other countries whose economies are

growing, providing them with greater ability to compete with the US in world food and commodity markets

4. Changes in the diets of many nations, moving toward greater consumption of meat and meat products
- d. Rising food prices, combined with a rapidly growing older population, living on modest retirement incomes, has the potential to create a "perfect storm" of problems
- e. Rising food prices are likely to increase both the economic and social value of farmlands in the US, resulting in greater attention to farmland preservation, and greater resistance to loss of farmlands to sprawling suburban development
- f. Rising food costs will be another strong force pushing back against sprawl

11. Traffic Congestion

- a. For many years, when California's population was much smaller, its freeway systems provided a quick and convenient means of getting to and from our various destinations
- b. Over the years, as California's population has grown significantly and traffic has also increased, traffic congestion on our major freeways has been an increasingly more common phenomenon, particularly during morning and evening rush hours (which, in some locations, now stretch throughout the day)
- c. Despite addition of more lanes to most of the state's freeways over the years, freeway congestion remains a serious problem (as it often also is on other roads and highways)
- d. As California's population continues to grow, traffic congestion is likely to get even worse
- e. As traffic congestion gets worse, more people are likely to begin looking for ways to reduce the amount of time they have to spend in heavy traffic

- f. As the number of vibrant, livable, walkable, transit-accessible urban neighborhoods evolve in many cities throughout California, they are likely to become magnets for suburbanites anxious to avoid traffic congestion and live more automobile-independent lifestyles
 - g. Automobile-free, urban living will become an increasingly more popular alternative to living an automobile-dependent lifestyle in the suburbs
 - h. Traffic congestion will be another strong force pushing back against sprawl
- important economic development strategy
- h. Economic competition will be another strong force pushing back against sprawl

12. Economic Competition Among Cities

- a. Changes in economic conditions have intensified economic competition at all geographic levels, including the local level
- b. In recent decades, particularly since the passage of Proposition 13, cities have actively competed with one another to attract sales tax generating commercial uses
- c. For many years this included competition to attract car dealerships and “big box” retailers
- d. Most recently, competition among cities has involved trying to attract the high tech companies of the New Economy
- e. Whereas, in the past, workers often relocated to where the jobs were located, in the New Economy, many high tech companies now seek to locate where the workers prefer to be
- f. Since Millennials – who have a strong preference for living in vibrant urban settings, where they can live car-free lifestyles – are among the most prized workers in the high tech New Economy, many tech companies are increasingly attracted to cities with vibrant urban neighborhoods
- g. Cities who wish to improve their local economies – and tax revenues – are beginning to recognize that creating vibrant urban neighborhoods can be an

13. LAFCOs

- a. LAFCOs’ basic responsibilities under state law already make them a strong force for pushing back against sprawl
- b. In the coming years, however, it is likely that LAFCOs will become even stronger, as they are called upon to play key roles in helping to implement the regional Sustainable Community Strategies, required under State law
- c. LAFCOs will continue to be a strong force pushing back against sprawl

CONCLUSION

1. California is at a critical turning point, with regards to sprawl
2. Major structural changes are occurring in the economic, demographic, and environmental forces that shape our world
3. Many things that were true in the past may no longer be true, including many of the assumptions that led California to become a predominantly suburban state
4. These changes are creating strong forces that will be pushing back against sprawl
5. These strong forces are likely to make it easier for LAFCOs to carry out their State-mandated responsibilities to:
 - a. Discourage urban sprawl
 - b. Preserve agricultural lands
 - c. Encourage the orderly formation of local governments