



April 22, 2014

San Joaquin Council of Governments
C/o Diane Nguyen
555 E. Weber Avenue
Stockton, CA 95202

RE: San Joaquin Council of Governments – Sustainable Communities Strategy Development

Dear Board Members of the San Joaquin Council of Governments:

The Council of Infill Builders is a 501(c)(3) nonprofit corporation of real estate professionals committed to improving California through infill development. The organization seeks to educate the public about the benefits of infill for revitalizing neighborhoods, providing transportation choices, creating viable close-knit mixed-use communities, reducing greenhouse gas emissions, aligning jobs with housing and improving the overall economy.

As longtime real estate professionals, our organization's network of builders has experienced firsthand the growing market for walkable and transit-oriented communities. Numerous consumer preference surveys, including those conducted in the San Joaquin Valley, verify the trend. Last year, the National Association of Realtors' Community Preference Survey found that 60 percent of Americans want to live in mixed-use, walkable communities. Surveys in the San Joaquin Valley similarly indicate that up to 48 percent of total housing demand in the Valley will be for single-family homes on smaller lots (6,000 square feet or less) and another 42 percent for townhomes and condos. Residents also increasingly demonstrate a preference for homes within easy walking distance of services and retail.

Yet local land use policies and regional transportation spending have not caught up with these trends, making infill development harder and more costly to build. To help San Joaquin Valley leaders overcome these barriers, we released a report last week entitled "Bringing Downtown Back: Ways to Boost Infill Development in the San Joaquin Valley." The report resulted from a convening of real estate developers, finance leaders, and other economic stakeholders – including builders and experts from San Joaquin County – to discuss the future of infill development in the San Joaquin Valley and how local and statewide partners can work together to overcome the challenges experienced by infill builders. It contains numerous recommendations to help local and regional leaders position themselves to meet emerging demand and grow their economies through revitalized centers that can attract businesses and residents alike, including through regional transportation policies.

We believe your 2014 Regional Transportation Plan, which includes San Joaquin's first ever Sustainable Communities Strategy, is critical to aligning transportation investments with a regional growth pattern that can accelerate this infill development. However, we are concerned that the growth scenarios contained in the current plan do not meet market demand for infill. Specifically, the projections appear

to overestimate the amount of “traditional suburbs” that will be needed, including a substantial amount of low-density, auto-oriented suburbs, strip malls, and office parks – the business-as-usual development that was vulnerable to economic collapse in the last recession and that fails to capitalize on consumer preference trends. Instead, the plan should increase its estimate of 15 percent of new homes in infill areas significantly and correspondingly decrease business-as-usual percentages. Allowing growth in these areas will increase transit ridership and maximize investments in civic infrastructure.

We also encourage you to use your investment authority to steer transportation dollars to accelerate infill development, rather than auto-dependent projects. For example, the regional transportation plan could prioritize and frontload the transportation investments that make for great and convenient neighborhoods for all, such as through transit, sidewalks, bike lanes, and street trees. In addition, with your leadership, you can fulfill voters’ preference, as demonstrated through the sales tax measure that provides millions of dollars for “Smart Growth Incentives.” Spending those funds now will help local governments that are struggling to fill the financing gap left by the demise of redevelopment agencies. Those funds will help them jumpstart catalytic infill projects that can revitalize underperforming neighborhoods – just in time to capitalize on a recovering real estate market.

Our organization stands ready to help you as you chart a new, economically sustainable direction for growth and transportation. Your leadership will help local governments build the neighborhoods that residents increasingly want, while leaving them with a much stronger financial foundation to attract new businesses and avoid the fiscal collapse associated with outdated, business-as-usual development patterns.

Thank you for your commitment to this effort, and we look forward to working with you and local stakeholders to identify successful strategies to move San Joaquin County forward.

Sincerely,

A handwritten signature in black ink, appearing to read "Curt Johansen", with a long horizontal flourish extending to the right.

Curt Johansen
President, Council of Infill Builders