ULI's Low-Income Neighborhood Panels Program

The problems of deterioration, blight, and disinvestment that the West Dallas area was asked to address are common to many older downtown neighborhoods. Launching comprehensive revitalization efforts in these areas can be daunting. Sometimes, an objective look at the situation by persons outside the local political process can focus attention on the right issues and provide specific direction and strategies. A ULI panel, members chosen for their expertise in the various development fields involved in a given panel assignment, provides just such an objective and catalyzing perspective. A panel spends a week on site, inspecting the area or project under review and interviewing interested and affected parties. Then the panel generally publishes a report on its findings and recommendations for the use of its sponsor. ULI has completed nearly 200 panel assignments since 1947. West Dallas was the first panel assignment carried out under a new program of panels targeted at low-income neighborhoods and conducted under the auspices of the Institute's Low- and Moderate-Income Housing Task Force. (The first was in Fort Wayne and is described in Urban Land, September 1986.) The aim of the program, which will offer panels at half price to six sponsors over three years, is to develop successful strategies for providing low-income housing and/or improving the physical and economic conditions of low-income neighborhoods. ULI will review the six panel assignments for commonalities that could suggest solutions to similar problems in other cities. The low-income neighborhood panels are made possible in part by grants from the following organizations:
- The Rinco Foundation, Inc.
- Eliza Realty Investors, Inc.
- Chicago Title Insurance Company Foundation
- Coldwell Banker Real Estate Group and Sears
- Mortgage
- Equitable Life Assurance Society of the United States
- Equitable Real Estate Investment Management, Inc.
- Lincoln National Corporation
- Teachers Insurance and Annuity Corporation

The deadline for applying for one of these special panels is September 1, 1991. To obtain more information or an application form, contact Diane Suchman, ULI's director of housing and community development research, at 202-624-7094.

In addition, a locally based nonprofit development corporation—a partnership of residents, community leaders, government agencies, corporate leaders, and others (such as Southern Dallas Development Corporation)—will be formed to oversee and coordinate the redevelopment of West Dallas.

We talk about a new nonprofit entity that ultimately determines the future of this area, with membership from within and without that involves not only residents but corporate leaders as well. We are stepping on some toes but it is necessary and most likely they need support in bringing about change. We are convinced the corporate community is the real secret to unlocking... dreams. Its members have access to real power. We sense a new leadership in Dallas. Gone are the bankers of yesterday. Gone are the few oil men who dominated Dallas. There is now energy and vision from outsiders who have brought their corporate headquarters here from New York City and bankers who have come from Ohio and North Carolina. There are corporate leaders... who know what they are in West Dallas are wrong and they must do something. Many of them truly want to help.

The consent decree, new leadership at DHA and in the city, and HUD's new commitment to progress offer Dallas a moment of opportunity to effect positive change in this neglected community. In the course of a week, the panel learned of many untapped resources and encountered many people in leadership positions who are eager to do the job. It feels good. It feels very good. All the panelists who spoke, spoke not just with strong technical knowledge but with passion in their hearts for the people of West Dallas and a genuine desire to see their lives change. . . . We gather for lunch, for a last time together. . . . We feel the great and only that there is a chance this city will pick up the challenge and go forward. Deep down we believe there is the leadership and vision in Dallas to make this happen. We believe it has been here all along and our only role has been to expose and unleash it.

Diane R. Suchman, a member of ULI's West Dallas panel, is director of housing and community development research for ULI. Marcia C. Lamb, also a member of the panel, was assistant secretary for housing in Massachusetts from 1985 to January 1991.

The other members of the West Dallas panel, which met August 26-31, 1990, were Robert Engstrom (chair), Jack Bloodgood, Tony Freedman, Vincent Lane, Ted Liebman, John Parker, and Joseph Schollard.

The panel's full published report is available from ULI for $10 to ULI members, $12 list. To order, call toll-free 1-800-204-5011 and ask for catalog number W16.

The southern California region, of which Long Beach is a part, plays a pivotal role in the Pacific Rim economy—a $3 trillion international economy that is growing by $1 billion per week. That kind of economic engine demands population growth, and growth in Long Beach challenges any efforts to understand it, much less to manage it. But Long Beach, in its ongoing transportation planning process, has taken a giant step in the direction of the long-range accommodation of growth. Its experience in this regard is instructive.

Emerging from the shadow of Los Angeles on the foundation of a redevelopment effort started in the 1970s, Long Beach is booming. With its port and airport doing record business, the city's convention center is scheduled for expansion, and a second phase of its Greater Los Angeles World Trade Center is underway. The Pike, a 3 million-square-foot mixed-use development, is entitled and finalizing first-phase plans. Downtown is flush with new office buildings, new tenants, and new high-rise residences, served by an increasing number of restaurants, cinemas, major hotels, and other urban amenities. Complementing the physical transformation is a strong public arts program that includes the city's own symphony, ballet, civic light opera, and art museum.

The demographically diverse city runs the ethnic and socioeconomic gamut and boasts many distinctive and characterful residential neighborhoods. The Walt Disney Company proposes to build a waterfront theme park and public facilities, collectively known as Port Disney, that would attract an estimated 15 million visitors per year.

The fiscal picture, however, is less bright. Revenues from the late-starting downtown renaissance have not made up for a loss of tax revenues from oil production and the constraints placed on taxation by California's Proposition 13. The city is playing commercial tax-base catch-up, just when the office sector of the economy is experiencing a major nationwide slump.

And though the no-growth movement is relatively weak in Long Beach, growth and its consequences are moving to the forefront of citizen concerns. Suddenly, the topics of growth, traffic, and the quality of life are monopolizing public discourse.

This is the environment in which work on the city's 20-year plan is being completed. Long Beach's effort to build consensus among citizens and business/development interests regarding transportation and growth has become a test of the planning process and of public/private cooperation.

The $597 million transportation improvement program may take Long Beach through a long period of growth without the identity crisis experienced by many growing communities, a cri-
sis that more often than not leads to moratoriums and acrimonious no-growth battles that put preparations for the future on hold.

The Long Beach Process

Long Beach's vision of its future— as set forth in its 1986 Strategic Plan—accepts the growth that appears to be coming, but calls for it to be managed to provide “an overall beneficial impact upon the city's quality of life.” The Strategic Plan set the stage for the city's formal planning process. In 1989, the city initiated a process to develop the transportation element of its General Plan. The process has three primary goals:

- collecting the best technical information possible on the transportation system through a study conducted by Barton-Ashman Associates, Inc.;
- obtaining informed citizen input through a citizens transportation task force; and
- designing feasible public/private implementation and funding program through an advisory committee on funding transportation improvements, composed of representatives of the business and development communities as well as city officials.

The primarily analytical part of the process has been completed. The political part is well underway.

Figure 1

Key Elements in the Long Beach Transportation Planning Process

- Agreement on Goals
- Technical Information
- Citizens and Business Input with Support from City Staff and Consultants
- Policy Proposals
- Community Debate
- Political Leadership
- Specification of Policy
- Shaping and Enforcement
- Implementation by Public Works and Planning Departments

and predicted the effects of future development. It included variables related to population and employment growth, existing and planned land uses, and assumptions regarding transit ridership, vehicle occupancy, and future system improvements. It also accounted for regional traffic.

The result of any set of variables was a plot of traffic volume and congestion in the city during the peak afternoon rush hour. Not only were traffic counts quantified, but levels of service were color-coded so that congestion was plainly evident.

Barton-Ashman performed computer runs involving various combinations of growth assumptions and system improvements for its study, as well as for the task force and advisory committee. The task force was able to see the actual effect of improvements or lack thereof on specific neighborhood streets or major corridors and intersections. It recognized that an advisory committee could isolate traffic growth factors, an ability that provided it with the means to allocate mitigation costs and benefits fairly.

The study concluded that stopping growth was not a solution to transportation problems. If Long Beach were to stop growth entirely and make no improvements in the transportation system, traffic stemming from regional growth would gridlock the system quickly into gridlock.

A second major conclusion was that a package of system improvements would maintain a level of service D without a strong demand-management program that might get 20 percent of their single-occupant vehicles into carpools, vanpools, or public transit. Long Beach could not simply build its way out of its transportation problems.

Finally, a package of improvements, even with a demand management program, would be effective if freeway improvements of $300 million in and around Long Beach contemplated by the state are not realized, and if $300 million of port-related transportation improvements are not completed. Otherwise, regional traffic from the freeways and port traffic would quickly overload an improved city transportation system. Fortunately, recent gas tax increases will improve the likelihood of the freeway improvements, and the port-related improvements appear more likely as time goes on.

But given adequate demand management and planned regional transportation improvements, the study concluded that expected growth to the year 2010 could be accommodated at service D with $207.1 million (1985 dollars) of transportation system improvements, as follows:

- Roadway Improvements
  - To Correct Existing Deficiencies $10.0 million
  - To Accommodate Growth $124.0 million
- Transit
  - Fleet Expansion $34.0 million
  - Downtown Shuttle $14.0 million
- Replacement Parking
  - $7.1 million

(Excluded from the $207 million price tag are improvements under the control of state and federal agencies, such as widening freeways, $500 million for port-related transportation improvements, and $24.9 million for remote parking facilities to be provided by the private sector in lieu of on-site parking.)

The Task Force

The 26-member citizens transportation task force, appointed by the mayor and city council, represented the city's district and neighborhood organizations, and also included several individuals—not necessarily city residents—appointed at large and as representatives of the Chamber of Commerce, major employers and real estate development interests, and the print media. Meeting as a group once a month and almost as often in the form of four subcommittees (traffic, systems management, demand management, and regional and capital improvements), the task force completed its work in 10 months. It worked closely with city staff to convert its recommendations to a format that was comprehensive enough to become the city's working draft of the transportation element of the General Plan.

The task force took little for granted and challenged the transportation study's assumptions and recommendations. It recognized that the study was unavoidably dependent on its assumptions regarding population and employment growth and commuting behavior, and therefore could only show the study results of possible futures, not the future.

The task force commissioned at least 20 Barton-Ashman computer runs to test its own recommendations.

Although quality-of-life issues, including the growth would affect traffic into neighborhoods, were its number one concern, the remarkably balanced task force did not lose sight of development concerns. It expressed the need for fostering "market-responsive" reasons for growth, and said that the processes for implementing the transportation plan should not be over-bureaucratic or over-politicized to the point of discouraging or delaying timely and desirable projects.

The task force generally endorsed the conclusions of the
transportation study, agreeing that growth could be accommodated with the recommended improvements but suggesting that some roadway improvements be accelerated, others be concentrated on regional transportation corridors, and still others be postponed or eliminated. It recommended overseeing the city's mechanisms for obtaining citizen ideas on planning issues in general and transportation issues in particular. Citizen views, it said, need to be systematically solicited, acknowledged, and acted upon.

The task force also acknowledged the lack of easy solutions to transportation problems. Solutions require a willingness to compromise and share burdens, and a change in habits—not the least of which is driving alone. Although recognizing the need to change habits through demand management and endorsing a strong program in that regard, task force members acknowledged such techniques were relatively untested. They also doubted the practicality of fixed-route transit in a metropolitan area that may have neither the central area nor the corridor density to support it. (That doubt may be allayed by the operations of the region's first light-rail line, between Long Beach and Los Angeles. Original projections were for ridership of 5,000-8,000 per day; in October 1990, the average was 17,500 per day during the week, slightly higher on Saturdays, and 19,000 on Sundays. Ridership on feeder buses was also up.) Finally, the task force recognized that growth, however well planned, still occurs at the whim of the market.

The Advisory Committee

The city manager appointed 12 representatives of the business and real estate development communities to the advisory committee on funding transportation improvements, which also included the director of planning and building (as chairman); the director of public works; the city engineer; the city attorney; the directors of finance, community development, and redevelopment; principals of Barton-Archanian Associates and of Freilich, Leitner, Carlisle & Shortlidge; the city's legal consultant; and at least one liaison from the citizens task force. The advisory committee met two to four times monthly for almost seven months.

In forming this group, the city was attempting to avoid onerous impact fees and other funding structures that could alienate businesses and development interests and choke growth in a competitive market. It attempted to accommodate private sector concerns while maintaining public trust. At the first meeting, City Manager James Hankla simply asked members' advice as to what fee levels and structures could be tolerated without driving out business or deterring development, an approach that contrasted with the dictatorial style some of the developers had encountered in other cities.

The committee's task was to devise a public/private program for funding the improvements recommended by the transportation study and the task force, a program that

- distributed the financial responsibilities equitably;
- met political and legal feasibility requirements;
- permitted mitigating improvements to be in place before or concurrent with development's impacts; and
- allowed Long Beach to remain competitive in attracting commercial and residential development, tenants, and businesses.

The remaining issues in the traffic mitigation program involved structuring the impact fees. Because much of the city's growth will be in the CBD, existing development will benefit from transportation improvements. Consequently, a CBD assessment district has been proposed to raise money from existing developments. Developers participating in the process voiced concerns about projects under construction that were facing additional scrutiny from construction lenders. The lenders were unwilling to finance additional impact fee costs, and thus the imposition of fees would require equity, which was unavailable. In response, the city agreed to allow developing commercial and industrial projects (those under construction and without certificates of occupancy) to pay the proposed citywide impact fee over an extended time. In addition, the impact fee would be waived for developing projects (similarly defined) in the CBD, which would be subject only to the assessment district annual payments.

Though small relative to the other funding sources, the business license tax and CBD assessment district are one of the city's primary concerns. As bondable, immediate sources of funds, along with new public sources of funds, they provided the city with the upfront funding required to seed the mitigation funding program and put in place a first cut in place concurrent with or in advance of their need.

Tools and Models for Addressing Growth

Long Beach's transportation planning process—a prelude, rather than a reaction, to policy formation—gave citizens, neigh-

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**Figure 2**

*Cost Allocation Model (In Millions)*

<table>
<thead>
<tr>
<th>Description</th>
<th>(In Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Transportation Improvement Program</td>
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</tr>
<tr>
<td>Improvements Due to CBD Growth</td>
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<tr>
<td>Other Improvement</td>
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<tr>
<td>CBD Commercial Development</td>
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<tr>
<td>Glynnis Commercial Development</td>
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<td>Economic Development</td>
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<tr>
<td>Convention Center</td>
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<tr>
<td>Business Hotels</td>
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<td>Business Tax</td>
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<tr>
<td>Developer Impact Fee</td>
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<td>City Impact Tax</td>
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<td>City Prop Tax</td>
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<tr>
<td>Total Private Funding</td>
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Figure 3
Revenue Sources

- ...in the transformation of Long Beach’s CBD from a suburban-style office center to a downtown that offers the residential, retail, entertainment, and business choices of a multifunctional city.

- Until such a model is devised, public debate about growth will continue to be characterized by single-interest, reactive, and myopic rhetoric. With such a paradigm, public debate can be more productive, public policy more consistent. And developers should have less difficulty in determining and meeting a community’s real needs and demands.