FORMALLY INITIATE A COMPREHENSIVE AMENDMENT OF THE 2035 GENERAL PLAN

RECOMMENDATION

It is recommended that the City Council approve a motion to formally initiate a comprehensive amendment to the General Plan and approve the Overall Work Program as described herein.

Summary

Staff is requesting that the City Council approve a motion authorizing a comprehensive General Plan Amendment to provide a new approach to policies affecting land use, growth, sustainability, economic prosperity, and the recovery and revitalization of Downtown Stockton and the City as a whole.

DISCUSSION

Strategic Initiative

Staff’s proposal is in response to the City Council’s Strategic Initiative, which calls for a comprehensive revision of the 2035 General Plan in recognition of the new era that the City is operating under.

The City of Stockton adopted the 2035 General Plan in December 2007 amid the optimism and economic prosperity of the housing and economic boom of that era. Its policies anticipated a sustained level of economic growth and municipal stability that was never realized. On the contrary, the years following its adoption were marked by the Great Recession and the conditions that led to the City filing bankruptcy. Though the 2035 General Plan is a professional and elegant document, it guides a city that, in large part, no longer exists. It is that magnitude of change that brings into question the applicability and utility of the 2035 General Plan. Absent the insertion of applicable and helpful policies, the City of Stockton has only outmoded guidance to lead the city’s recovery and revitalization following the recent economic downturn. As such, staff recommends that the City undertake a comprehensive amendment to the General Plan to introduce current policies that will promote and catalyze the revival of the City’s various neighborhoods.

Beyond the general conclusion that the 2035 General Plan does not serve today’s Stockton, there are multiple legislative and legal impetus that further warrant a comprehensive update, which are described in greater detail below.

1. **Settlement Agreement**: Following the adoption of the 2035 General Plan, the Sierra Club filed suit claiming inadequacies in both the environmental review and the document as a whole. The Attorney General joined the conversation and, to avoid litigation, the City of Stockton
entered into a Settlement Agreement with both parties in October 2008 (Attachment A). The Settlement Agreement obligated the City to perform a series of actions including: drafting and consideration of a Climate Action Plan, a Green Building Program, a Transit Gap Study, and General Plan Amendments, among other requirements. Due to massive reductions in staffing and other factors, the City has not yet satisfied these obligations under the Settlement Agreement, though it continues to make meaningful progress. Per the Settlement Agreement, the General Plan Amendments are to address periphery growth and infill development, with an overall goal to balance the two by promoting and requiring the development of residential units in the Greater Downtown Stockton Area. These General Plan Amendments have not been fully drafted or presented for consideration. However, a comprehensive General Plan Amendment provides the opportunity to integrate and satisfy this requirement in a more holistic manner. Piecemeal amendment to the General Plan would not necessarily provide the scale of policy change required to bring about the ambitious change envisioned by the Agreement or to actually generate the level of infill and Downtown reinvestment needed for recovery. The problem is much graver and the challenges much more severe and, as a result, the solution must be broader and more determined in order to be successful. Staff fully intends to meet the letter and spirit of this obligation under the Settlement Agreement and believes that the comprehensive General Plan Amendment is the most prudent approach to achieve this goal.

2. **Sustainable Communities Strategy**: Senate Bill (SB) 375 required the development of Regional Transportation Plans and Sustainable Communities Strategies (SCS) by Local Municipal Organizations, which is, in Stockton’s case, the San Joaquin Council of Governments (SJCOG). An SCS provides a regional blueprint that guides transportation improvements, as well as housing and growth policies. The intent of the SCS is to provide a more sustainable path forward that reduces greenhouse gas emissions. SJCOG is currently underway with adoption of its SCS and staff anticipates that the resulting growth projections and boundary policies contained in the SCS will differ greatly from those contained in the 2035 General Plan. In order to conform to the SCS, the City must amend its General Plan and failure to do so would deny the City access to needed transportation funding. The new boundaries set forth by the SCS should be considered as the Sphere of Influence (SOI) for the City of Stockton’s General Plan and staff would recommend that this boundary be used as the Planning Area for any forthcoming General Plan Amendments which would allow a realistic implementation of the plan.

3. **Floodplain Management**: SB 5 requires a regional approach to floodplain management and defers to the California Department of Water Resources (DWR) and other regional and local agencies to establish new guidelines related to the 200-year flood zone. Previously, the 100-year floodplain was used as the basis for adequate flood protection. However, with a higher standard, the City is required by SB5 to update its General Plan to incorporate a comprehensive Central Valley Flood Protection Plan by July 2015. A corresponding update of the City’s Development Code is required by July 2016. Thereafter, without a finding of adequate 200-year flood protection, the City will be prevented from entering into Development Agreements, approving discretionary permits, approving ministerial permits for new residences, and approving subdivision and parcel maps that would result in construction within urban or urbanizing areas. A comprehensive General Plan Amendment would afford the City the opportunity to integrate the implications of this new floodplain standard into broader policies and to program capital improvements accordingly. Bottom-line: a finding of adequate flood protection is possible, should the City comply with the State mandate for modifications to
the General Plan and Development Code, in concert with other cooperative work on levee improvements and public education by the City, Reclamation Districts, County Flood Control and the San Joaquin Area Flood Control Agency.

4. **Transportation Policy**: SB 375 eliminated two cornerstones of past transportation planning that previously drove transportation policies away from infill development and downtown investments. Specifically, SB 375 resolved that level of service (LOS) and parking impacts would no longer be viewed as significant impacts during the environmental review process under the California Environmental Quality Act (CEQA). Previously, cities were obligated to consider the negative impacts of a project or plan on the LOS or parking in the affected region. As a result, parking lots were generally required and roadways had to be widened or expanded to maintain acceptable traffic flow. Although this approach may still hold merit in certain areas of the City where alternative transit options are limited and conversion away from vehicle dependence is unlikely (Hammer Lane, for example), SB 375 now allows for new development in established pedestrian-capable areas without obligatory regard for traffic or parking impacts. This will enable infill projects to move forward without enormous corresponding obligations to widen streets or provide additional off-street parking. The City may still elect to apply this standard occasionally, but it is not obligated under CEQA to apply it universally or face threat of a CEQA challenge. Without this burden, the City can pursue transportation and circulation policies that serve the whole of the community, inspire infill development, and improve the overall quality of life for certain neighborhoods. The Downtown, for example, would certainly benefit from a departure from vehicle traffic towards bicycle or pedestrian options. A comprehensive General Plan Amendment would enable this shift in policy and further promote infill development.

5. **Growth Policy**: During the housing boom of the early 2000s, the City of Stockton approved through Development Agreements and/or Vested Tract Maps, nearly 26,500 housing units that have yet to be built. Considering that the City currently contains approximately 100,000 housing units, this entitlement surplus represents a 26% growth even without additional housing approvals - a sizeable portion of the development of these 26,500 housing units may occur without further regard to future policies. The expected growth from these entitlements alone over the coming 20 years approximates the development of the 1990s and 2000s in terms of overall number of housing units. This situation suggests that a new approach to the City’s baseline should be considered that recognizes the obligation of these prior approvals and determines how they are to be accommodated in light of the City’s efforts to improve upon basic services to its existing residents and businesses. Further, the City should develop new policies to address requests above and beyond these 26,500 and how, when, or if they should be accommodated. Staff estimates that an additional 23,000 units will be requested over the coming decade, bringing the overall total to 50,000 units (a 50% increase in residential units above baseline, an estimated population increase of 150,000, and a corresponding increased demand for infrastructure and public services). These units are entirely at the periphery of the City and do not include the substantial increase expected through infill development. This issue is very critical to the future economic stability of the City and these policies should be vetted and in place early. A comprehensive General Plan Amendment would provide the arena for this discussion and would ultimately house the resulting policies.
6. Redevelopment Agency: In 2012, the State of California eliminated the Redevelopment Agency and, in doing so, removed a critical tool in the public/private partnerships that had, for decades, enabled significant revitalization in downtowns and other Redevelopment Areas statewide. The 2035 General Plan was drafted and adopted with the powers and abilities of the Redevelopment Agency intact and many of the policies presume its participation in the programs, especially those affecting the revitalization of Downtown. Without the Redevelopment Agency, the City of Stockton needs to re-assess its resources, alternative funding and enabling mechanisms, and create a new approach to public/private partnerships. A comprehensive General Plan Amendment creates an opportunity to reshape the City’s role in revitalization.

The Envisioned General Plan

In light of the City’s current economic situation, Staff is committed to applying a streamlined and lean approach to the General Plan Amendment process. The Planning Commission, by Charter, is charged with the development and maintenance of the General Plan and, besides staff, is the sole advisory body to the City Council on this matter. As such, Staff would use the Planning Commission and the public meeting process for all outreach and deliberation purposes. The content of the General Plan would be drafted by Staff with limited consultant services for limited highly-technical studies, as needed, and the content would be reviewed continually by the Planning Commission. Staff is committed to engaging the entire community and would reach out to all interested and affected parties for inclusion in the process. In sum, staff expects that the process would require 18 months to two years and would expect costs not to exceed $850,000. This is significantly less than typical efforts of this magnitude and 1/7 of the cost incurred during the last General Plan development. Overall, Staff is committed to returning the development of this document to Stockton’s residents, its appointed Planning Commissioners, and to those closest to the communities that it will affect.

The bedrock of the General Plan will be an Economic Development Element. It is staff’s contention that the overall prosperity of the City is based on its ability to attract new industry, commerce, and jobs. Without economic development, there is no basis for further investment in underserved communities, a revitalization of Downtown Stockton, municipal recovery, or emergence from the recession that still plagues much of the City. Failing to understand who Stockton is economically will prevent the City from reaching its true potential. Rather, knowing what real economic constraints and opportunities exist will empower the City to pursue industries that will invest in the community and employ residents. This new employment will generate new incomes that will support retail and service uses and will create a market for abandoned or neglected commercial and residential neighborhoods. This Economic Development Element will then inform other policies related to zoning, land use, capital improvement, transit, and other related components.

California Government Code requires seven essential elements in each General Plan, though cities retain the ability to adopt additional content or elements as they see fit. Most of the subject matter described above can, and should, be contained within these seven elements, except for an additional Economic Development Element. The General Plan, at its core, is a plan for the physical development of the community. Though other cities have used the General Plan to describe policies for all aspects of life in the city, the City of Stockton would be better served by exercising considerable restraint and focusing on those subjects critical to the economic and physical growth of the City. This will also ensure cost-efficiency and timely delivery.
The City of Stockton is composed of a broad collection of individual communities and neighborhoods. Though North Stockton and the Downtown have been the focus of much discussion, there remain numerous neighborhoods throughout the City of Stockton that warrant unique consideration and attention. Staff intends to establish a network of policies that speak to these communities and their unique opportunities and challenges. It is clear that there remain opportunities Citywide for infill development, reinvestment, and invigoration. Staff hopes to identify gaps and to offer policies to bring critical services, retail opportunities, and infrastructure to underserved neighborhoods and to preserve those elements where they exist in other neighborhoods. This approach is consistent with general sustainability principals and would ultimately work towards quality of life improvements Citywide.

The Downtown Plan

Staff also recommends that a Downtown Plan be initiated concurrently with a comprehensive General Plan Amendment. The issues facing Downtown are significant and affect the property value, service delivery, and morale of the entire City. A new Downtown Plan would enable immediate development of new policies that would remove any remaining barriers to Downtown reinvestment and would put forth the surety and confidence that currently discouraged Downtown development. By concurrently undertaking The Downtown Plan, the City would have the opportunity to achieve efficiencies, especially from consultant services - a study could be expanded slightly to focus on the Downtown, for example. In addition, Staff anticipates that many General Plan conversations would default to Downtown discussions and would like to be able capture that energy and comments rather than defer them to a future conversation.

FINANCIAL SUMMARY

The past experience of creating an open-ended, over-inclusive General Plan consumed considerable resources of time and funds. The proposal before the City Council envisions a much leaner, more focused and timely effort. It is by design rooted in technical analyses and driven by the co-priority focus of Economic Development and the Sustainable Communities Strategy.

The following represents an estimated two-fiscal year budget for this effort.

1. Consultant Work ~ $700,000
   a. Citywide Traffic and Circulation Study
   b. Citywide Infrastructure Study
   c. Citywide Economic Analysis (reduced scope)
   d. Housing Element production
   e. Environmental Hazards Inventory
   f. CEQA Review

2. Public Outreach ~ $50,000
   a. 4-6 large public workshops
   b. Mailing and newspaper notices
   c. Production and distribution

3. Contingency Expenses - $100,000
In total, the production of an amended General Plan is estimated to cost $850,000 over a period of 18 to 24-months. Staff would work immediately with the Planning Commission to generate a detailed work program which will identify needed consultant services and the true costs of these services will be presented as the work program is defined, proposals are submitted, and contracts established for technical and environmental analyses/reporting.

The City Council’s approval of the proposed work program is critical to ensuring that this effort is timely and efficient. Funding for the program will be paid as follows: $250,000 is proposed in the FY2014-15 budget and the remaining $600,000 is anticipated for inclusion in the FY 2015-16 budget to be paid from Community Development Department Fund No. 048-1825-510.

CONCLUSION

In conclusion, the City of Stockton is at a critical point in its history. The 2035 General Plan that was designed to guide and serve the community no longer relates to its current condition and external factors continue to compel significant change in the City’s expressed policies for growth, revitalization, and prosperity. Staff is highly confident that a comprehensive General Plan Amendment will prompt discussion and generate the policies and programs necessary to address the reality and opportunities of today’s Stockton. As such, Staff requests that the City Council approve a motion authorizing the undertaking of this comprehensive General Plan Amendment and direct staff accordingly.

Attachment A - 2008 Settlement Agreement with the Sierra Club and the Attorney General