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Taking the Three 'E's Seriously: The Bay Area Alliance for Sustainable Communities

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Author

Innes, Judith

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Taking the Three 'E's Seriously:
The Bay Area Alliance for Sustainable Communities

Judith Innes

Assessment of the Collaborative Regional Initiatives Program

Supported by a grant from the James Irvine Foundation

TABLE OF CONTENTS

Taking the Three 'E's Seriously:
The Bay Area Alliance for Sustainable Communities

Judith Innes

EXECUTIVE SUMMARY

Origins, Structure and Process

In 1997 a small group of civic leaders representing the three E's—environment, economy, and equity—began the Bay Area Alliance for Sustainable Communities (BAASC) to promote policies and actions to make the San Francisco Bay Area more sustainable. Inspired by the President's Council for Sustainable Development, Sierra Club and Pacific Gas and Electric leaders enlisted the Bay Area Council, representing business, and Urban Habitat, representing environmental justice and equity, along with the Association of Bay Area Governments (ABAG), representing regional agencies. This group has become the Steering Committee. The larger Alliance has 45 members representing nonprofit organizations involved in promoting one or more of the three E's and public agencies.

The tacit mission was to change the patterns and practices of land use in the region to achieve a more compact, transit-friendly form of growth, which these leaders equated with sustainability. Early on the Alliance decided on the tasks they would do and structured the membership into four caucuses representing each of the three E's and government. The caucus chairs were the members of the Steering Committee. Much of the discussion took place within caucuses which, if participants could agree, took positions about the issues. The Steering Committee made the decisions. Quarterly membership meetings were held mainly for information and feedback, but members only participated in decisions through caucuses. The Alliance had one 25% time dedicated staff person. All funding and other staffing came through the Steering Committee member organizations, which raised money for and implemented Alliance projects.

BAASC is thus a kind of virtual or networked organization, giving it the advantage that it could engage partner organizations in work they would not have otherwise done, but the disadvantage that no one really saw the entire picture, much less had control of activities. There was no one other than the quarter-time staff member with the primary goal of the Alliance's welfare as all other staff had divided allegiances. Discussions in the Steering Committee were often contentious among stakeholders who had long viewed their interests as diametrically opposed. The committee however kept to a standard of getting agreement among all three E's for whatever it did. After a year of mutual education, the Alliance set up representative working groups of members and others to work out how to go about the tasks–developing a vision, designing a footprint for development, creating a set of sustainability indicators and a set of best practices for sustainability. By 1999 they were also beginning work on their one action project, the Community Capital Investment Initiative (CCII), designed to bring investment into disadvantaged neighborhoods.

Projects and Procedures

What the BAASC did to produce its vision—*The Compact for a Sustainable Bay Area*[1]— was to make lists of desirable goals and practices, pass them around among members, pare them down, modify them, and eventually get agreement. The *Compact* was not the result of an inquiry into the issues of sustainability nor actually a vision, but a list of do's and don'ts and desirable goals. Developing it took about three years as stakeholders argued over such issues as how much growth could and should be accommodated and where and over whether infill housing would be sufficient or housing on the suburban fringe would continue to be needed. The strategy of list-making, not surprisingly, led to a lowest common denominator result, but it worked well from a political perspective. All stakeholders were able to get something into the *Compact* they liked and eliminate things they did not like, and thus most were able to support it. It did not include an implementation plan however. This lack became a problem as the implementers were to be public agencies and local governments who had not been directly involved.

The original plan to produce a footprint for development was transformed when the regional agencies received a large grant to develop smart growth scenarios for the Bay Area. BAASC joined forces with the regional agencies (after some reluctance on the agencies' part) to do a joint project which ultimately involved dozens of workshops involving hundreds of people around the Bay Area in choosing their preferred land use patterns. These patterns were condensed into three and then one preferred scenario, which then was adopted by ABAG as a basis for their population projections, on which many agencies and local governments depended. The regional indicators project was designed to support the *Compact*'s provisions, and it was equally contentious among the caucuses. Indicators were part of the *Compact,* and a separate indicators report was prepared in 2003 and published in limited numbers and posted on the web site.

The Community Capital Investment Initiative was an ambitious and innovative effort, which began with the Bay Area Council's raising millions from investors. The idea was that disadvantaged neighborhoods offered an untapped business opportunity if investors and developers could be assisted by knowledgeable community players in finding these opportunities. Their investments could meet a "double bottom line" with both market rate returns for investors and benefits for the community. If they could achieve this, the idea was that there would be a sustainable flow of community investment. The management of the CCII was complex, involving a community council (CC), a Business Council, three investment funds with different purposes and rules, clustered as The Bay Area Family of Funds, and various coordination efforts among all these players. The CC developed the first draft of criteria for community benefit, essentially representing the community/equity perspective in the process. The funds managers selected projects and made decisions about investments. The first investment was one that the CC objected to, arguing it was not in a neighborhood and it might have been built without the funds. Later investments were less problematic, but only one so far has met all the community benefit criteria. Working through the process of building this

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[1] This is posted on the BAASC web site at http://www.bayareaalliance.org/compact.pdf . and published as *Draft Compact for a Sustainable Bay Area* BAASC, Oakland CA 94604, July 200. A final version was printed in 2004.

institution has been difficult due in part to culture gaps between the community and business players. In particular the need of business for speed and secrecy in making investments and the community need for transparency and thorough dialogue continue to cause conflict. Market rate of return has seemed too high to the community people for the kinds of projects they want to see. The business community has needed more help in choosing neighborhood investments than the community side could offer, and it has been frustrated by the criticisms they received. But learning has taken place on both sides and improvements have been made to the structure and process to assure more timely communications and to develop more shared meaning around their task. CCII is a work in progress as the participants seek to create a new type of working institution. All are committed to making this effort productive, sustainable, and a model for other investors around the region and nation.

A strategic planning process in 2002-2003 resulted in Steering Committee agreement to continue on the same basic course and to maintain their structure, but to emphasize action efforts.

Products and Outcomes

BAASC produced the *Compact,* which was endorsed in draft by 67 of the 101 cities, along with most of the membership. In cooperation with the five regional agencies, it also produced the *Smart Growth/Regional Livability Footprint[2],* mapping a scenario for future growth that would be more sustainable than existing trends. BAASC published a regional indicators report in 2003[3] to help implement the *Compact* and provide a report card on sustainability to the public. Three funds with a total of $170 million have been created to invest in real estate development and growing businesses for the CCII. The Smart Growth fund has completed one project with seven others in progress, and the California Environmental Redevelopment fund has two projects in the Bay Area. Policy dialogues engaging regional leaders, local officials and other stakeholders have resulted in recommendations for legislation and joint visits to Sacramento by representatives of the three E's. BAASC also produced a *Faces of Sustainability* report[4] with the aid of Sierra Club volunteers in Napa County, highlighting the ways residents and businesses are protecting the environment. Reports for four other counties were in draft at this writing.

In the course of this work BAASC has had a number of other outcomes. It created a regional forum to promote an integrated approach to development for the region. It has brought together hundreds of leaders with differing interests and helped them learn about each other's values and concerns and develop respect for others' views. It has drawn in people who were not previously engaged in the issue of sustainability and created excitement and enthusiasm among them for making a difference. It has contributed to building a shared discourse and civil conversation around growth issues, policies, and practices among civic leaders and activists in

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[2] ABAG, October 2002, Oakland CA.

[3] *State of the Bay Area: A Regional Report. Pathways to Results, Measuring Progress toward Sustainability.* Bay Area Alliance for Sustainable Communities January 2003. http://www.bayareaalliance.org/indicators.pdf

[4] This may be found at http://www.bayareaalliance.org/sustainable.html .

each of the three sectors. It created the Social Equity Caucus, a group of many small organizations promoting equity and environmental justice which were not previously organized as a group and had not individually been playing a major role in the region. This caucus is increasingly developing a strong collective voice. As a result members of the Environment and Economy caucuses have learned what the needs and concerns are in disadvantaged communities.

BAASC has also created new social networks and relationships among competing stakeholders, who work together today on projects which represent the intersections of the shared interests they have discovered. A meeting of the five regional agencies under the auspices of the BAASC in 1997 was the first they had ever had, and it opened the door to future cooperation on other fronts. Lines of communication are more open among stakeholders and representatives of regional agencies. They have developed political capital among themselves, allowing them to speak with a common voice on many growth and housing issues. They have jointly advocated their legislative ideas to legislators in Sacramento. ABAG has developed relationships with stakeholders which assist the agency in playing a more effective role in the region. The smart growth/footprint project has resulted in ABAG's adoption of policy-based 2003 population projections (rather than just projecting trends and/or using local plans as a basis) which make the assumption that communities will try to follow smart growth principles. Since the projections are integral to the investment decisions of the Metropolitan Transportation Commission, this change has the potential to be self-fulfilling. Finally, two of the leaders have moved on to significant new positions in California state government and the Ford Foundation, bringing with them the BAASC visions and mutual learning.

Critiques

BAASC is not without critics and limitations. It has not thus far shown much evidence of specific progress toward its ambitious long-term goals. It has not produced concrete, on-the-ground outcomes (as opposed to changes in knowledge, attitudes, and discourse among key representatives of the three E's) other than the CCII projects. Efforts to influence legislation at the state and local level have not so far borne fruit, though there is evidence some legislators have been listening. The *Compact* is criticized by both participants and observers as being made up of lowest common denominator concepts that remain vague. The expressions of support for the *Compact* by jurisdictions were fraught with caveats and mostly cannot be said to represent real commitments to action. The Alliance's work and products are not well recognized by a larger public, nor is the Alliance itself well known. The indicators are new enough that one cannot yet tell if they will have an impact, particularly since BAASC has not had the funding to use them for educational efforts they had planned. There are skeptics who wonder whether the BAASC has a viable strategy to assure these indicators have value in practice. While the Alliance has spent considerable time on developing a media and outreach strategy over the years, thus far it appears their forums and meetings have been mostly preaching to the converted rather than having a wide impact on public opinion. They are seldom in the news. Some participants have felt that the Economy caucus, particularly the Bay Area Council, has dominated the BAASC and that there has not been real equality among the three E's, despite the fact that the leaders make consensual decisions. CCII critics have argued that the projects do not provide

adequate benefits to disadvantaged neighborhoods and that there has not been enough influence from community members.

Analysis

What BAASC accomplished more than anything else was to develop a discourse among many regional leaders in the three E's and, with it, some shared values. Over seven years of discussion its members became what one policy expert has called a "discourse coalition"[5] focused on smart growth and the policies and practices that could lead to it. This sort of coalition is held together by its concepts, arguments and language. Once the discourse is established its power does not depend on participants' meeting, strategizing, or acting jointly. Its greatest influence comes as the discourse spreads and as it reframes public debate. BAASC's unique contribution in this regard (because others were also talking about smart growth during this time) was to integrate equity into the thinking about sustainability. It helped participants understand that meeting the needs of the disadvantaged was a necessary part of a sustainable region and not just a moral issue.

Each of the caucuses developed an understanding members did not have before of the perspectives and interests of the others. All those we interviewed seemed to have become committed to action to serve all three E's jointly. This understanding went beyond the members and leaders of the BAASC, as each member represented an organization, typically with many constituents. A number indicated they had adapted their organization's activities based on what they learned working with members of other caucuses. Moreover the effort to market the *Compact* to local governments, the policy forums, and the workshops on the Footprint helped spread a view of a sustainable region as one with more compact, transit-friendly growth and infill housing. The CCII spread these ideas to investors and members of the business community as well as to community leaders and nonprofits. These efforts were largely directed toward elites rather than a broader public and engaged mostly people who were already sympathetic. Nonetheless there was a lot of learning among them, and many changed or developed their thinking. Since many of these elites are leaders who make things happen in the region, the result may well be new policies and ultimately changes in land use patterns.

Intrinsic to this joint learning process was the development of new networks, social capital and relationships. BAASC, for example, created a forum for the five regional agencies to talk with each other and with stakeholders. People from the environmental community learned that building infill housing would support its goals of protecting undeveloped land at the fringe of the region and supporting transit. They therefore began to work with members of the equity caucus on infill housing, which often required substantial lobbying and public support. Others learned how developers think and what they need and found sympathetic members of the business community to interact with on shared interests. Individuals have worked together on specific projects independently of the BAASC. Almost everything BAASC did involved a spin-

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[5] Maarten Hajer "Discourse Coalitions and the Institutionalization of Practice: The Case of Acid Rain in Great Britain" in Frank Fischer and John Forester, eds. *The Argumentative Turn in Policy Analysis and Planning,* Duke University, Durham NC 1993.

off partnership. Because of its nature as a kind of virtual organization, all its projects involved partnerships with Steering Committee member organizations. The BAASC introduced these organizations to activities they had not engaged in before. This is likely to result in partner organizations' carrying on the work over time, even without BAASC. The CCII is a spin-off partnership and one that may become institutionalized as a way of accomplishing double bottom line investment in the Bay Area with both business and community participation.

In course of pursuing the vision of sustainability, important innovations emerged from the BAASC that may have a long lasting impact and that are ameliorating problems. The most notable is CCII. While there is precedent for some aspects of CCII, the institutional design and structure engaging both representatives of the poor communities and the business community in the selection, design and implementation of the projects is unique. While it is still a work in progress, there is much to learn from this effort. One complex deal in Marin City may provide a model for ways to meet the double-bottom line in creative ways, not only for others in the region but also across the country. CCII is making a dent in the problem of disinvestment in poor neighborhoods and bringing them facilities and services they would probably not otherwise have. The projects are designed to avoid causing displacement while providing housing, jobs, and services for local people. If they turn out to be successful, there could be a sustainable flow of socially beneficial investment in many disadvantaged neighborhoods.

A second and perhaps equally important innovation for the region is the Social Equity caucus. This caucus has ameliorated the problem that low income communities and communities of color have lacked a clear voice to allow them to be influential in many local, much less regional, decisions. Because the equity representatives were originally less experienced in policy discussion than members of the other caucuses, had fewer resources, and were such a diverse set of organizations, many of them quite small, BAASC, through Urban Habitat, raised funds to help build this group. The gap in power and knowledge across the caucuses has been considerably narrowed due to their leadership. The caucus hired a coordinator, held a major conference with advocates from around the Bay for training and prioritizing and organizing of campaigns on various public issues, and holds quarterly meetings for their membership which involve campaign updates, technical assistance and capacity building.

According to the web site, http://urbanhabitat.org/Social_Equity_Caucus.htm the caucus "provides community-based social and environmental justice organizations with a forum to discuss Bay Area region-wide issues of sustainable development and to provide these organizations with an autonomous platform to develop and project a vision for a socially just region." The caucus provides the opportunity for members to engage in dialogue with each other about issues that disproportionately affect communities of color and for them to link local efforts with regional ones. The caucus is a vehicle to pool resources and develop joint positions in the hope of influencing regional bodies. It has helped these groups see the relationship of their welfare not only to economic, but also to environmental issues. Today the Equity caucus has a clearer and more shared idea of its interests and the policies that would benefit its constituents than it had in the beginning. It has been able to represent these in BAASC and the CCII. It has provided channels of communication for member organizations to leaders in these other sectors. It has become a force in the Bay Area in its own right.

A third innovation was the idea of using citizen's preferred land use scenarios to frame a new type of population projection that assumed policy change instead of the continuation of trends. This strategy meant BAASC would not have to tackle controversial policy changes head on. This concept got watered down considerably, however, when the scenario was transformed into short-term projections. The jury is still out on whether the long-term projections will significantly change MTC's or other agencies' policies, much less whether they will change land use patterns. Certainly the projections will allow MTC to stay in compliance with air quality requirements, which apply the projections. It does seem likely that the Smart Growth/Footprint project overall has helped to delegitimize sprawling land use patterns among many players.

These positive outcomes can be largely attributed to the dedication and commitment of the leadership and many members. They persisted in seeking common ground even when arguments became intense. They stayed at the table even when they did not yet have demonstrable outcomes or policy changes. They had a shared conviction that they could make these changes if they could just get onto the same page. They believed in the cause of sustainability through compact, transit-friendly growth. They took the long view that they were trying to change institutions and that this would take time. The small collaborative working groups in the early years helped to build social capital and mutual understanding across caucuses. The deep commitment among the leadership to meeting the needs of all three E's in their activities was transferred to the membership through both the example of the projects and the Steering Committee's efforts to integrate all three E's in their decisions.

While these are valuable outcomes, for most of them we can at best say we *think* these are outcomes, based on our interviews with participants. Whether changes in discourse and social capital or in population projections result in institutional or land use change will not be known for some years. Even then it will be difficult, if not impossible, to tease apart the influence of BAASC and many other political, social and economic factors and activities. The BAASC did not produce (other than in CCII) identifiable on-the-ground outcomes as did other CRIs we have examined. There were no policy or legislative changes at the state or local level despite BAASC's intent to achieve these. There is no clear evidence that their activities have taken them closer to such results, though there have been dialogues with legislators. BAASC's recent highlighting of local government's smart growth activities in their membership meetings may be spreading ideas about how to do it to the membership, but again the impact would be difficult to measure even if BAASC had done attitude surveys at the time.

Reasons for Limitations

The reasons for the limits on BAASC's achievements are several. First the leaders chose to tackle a complex, large scale problem as a whole rather than in doable pieces. Second they did not have a well developed theory of change to assist them in addressing the problem, much less in achieving specific goals. Third they purported to be seeking consensus across stakeholders, but they failed to follow the basic principles or practices of consensus building. Accordingly they ended up with lowest common denominator results rather than robust, feasible actions that would garner real commitment from all participants. Fourth they failed to make any significant use of research to assist their deliberations or help resolve their conflicts, much less for the purposes that other CRIs used it, like building shared understandings, creating regional identity and

credibility for the organization or for evaluation and reflection on their work. Fifth they chose to have shared leadership and minimal dedicated staff, thus limiting their activities and making it difficult to get clear decisions. Both staff and leadership had divided loyalties and responsibilities and could not put the future of BAASC first.

The problem BAASC leaders chose to tackle, though it was never clearly specified, was to change institutions and practices of land use decision making across the region to achieve a "smart growth" pattern for the purpose of reaching regional sustainability. They saw the issue as regional in scale involving many interconnected issues so they felt they had to focus on this scale rather than on manageable subtopics. They discussed transit villages and developer incentives, but gave none of the individual topics the attention that might have allowed them to make a difference. More importantly they had tackled a much more intractable and ambiguous problem than they acknowledged.

They never developed a shared concept of sustainability, much less of the relationship of smart growth to sustainability. Nor did they even agree on what smart growth would be. This in turn limited their ability to agree on other things, and they jumped to promoting specific actions without a clear or shared definition of the problem. They were hoping to get new state and local legislation that would change practices, but apparently underestimated what it would take to achieve that. Even if they could figure out what actions would produce the desired results (a big if in such a complex evolving situation with so many players, interests, and entrenched norms) getting legislation passed can take several years of negotiation. Once the legislation is passed, it may or may not produce the desired results, depending on the economy, the attitudes of various implementers, and local politics. Achieving larger institutional change that some SC members said was their ultimate purpose is at best a daunting long-term task, even if one knows how to do it. Institutions are durable by definition, tightly linked into other institutions, societal norms, and the practices of many unrelated players with different agendas and interests.

Theory of Change

In taking on such a complex and ambiguous problem an organization needs to have a theory of change that will help them to turn their visions into reality. But BAASC had at best a sketchy theory of change, or at worst an inappropriate one. A long time close observer reviewing noted that SC members,

> did not have a road map for the Alliance; only a good idea and good intentions. They were/are concerned individuals who hoped to move the Bay Area to a more sustainable future. They volunteered countless hours to lead and participate in countless discussions. They did not have the answers; they did not even know the questions ...When the Alliance started, the reaction to change theory would have been along the lines of "huh?"

BAASC leaders offered somewhat limited theory of change in their proposals to the James Irvine Foundation and in their own discussions. The idea was that they would create a coalition of key players from all the three E's and go together to Sacramento to influence legislators. This was a political model of action, where the Alliance would be a powerful interest group because of its breadth and thus would have influence. They sometimes also spoke in the language of social

movements, seeking to get a "critical mass" to create change. This is a somewhat different mechanism, operating outside the political system. Though they used this language, they did not act as a social movement, which would have involved engaging a larger public around a focused vision. Part of their tacit theory of change also seemed to be that they would educate the public about the problems and the solution ideas through indicators, the *Compact*, and various public forums. In this theory these civic leaders would learn and take new types of action as a result.

Because the theory of change was not very explicit or developed in detail, it did not provide the Steering Committee with steps and mechanisms that could move them toward goals nor allow them to get feedback to determine whether things were moving forward. It did not allow the SC to identify, much less, measure intermediate outcomes leading to goals like changes in the attitudes of civic leaders, or even of their own membership, nor to determine impact of their discourse on specific actions of regional players. The SC spent time talking about who needed to be drawn in, but in doing so it was neither strategic nor specific about what each person could or would do. They could not offer players particular tasks they could accomplish. Indeed the theory was not well enough developed to identify smaller more doable tasks that could lead to long term consequences, while keeping the funders and members satisfied that they were making progress.

BAASC did have some tasks, but these too mostly lacked a theory of action designed to get results. The *Compact* was a vision and set of actions without a plan for how to get jurisdictions or other players to actually *take* the actions. The Footprint was originally to facilitate regional consensus on the *Compact* and show where housing and jobs could be accommodated. How such maps could be translated into local government action was not spelled out. The use of policy-based projections was supposed to change MTC's investment decisions and in turn local government land use decisions. MTC's decision process is highly political, however, with powerful entrenched interests determined to get what they regard as their funding. BAASC had no strategy to deal with this reality. Moreover the project did not take into account the practices and principles of statistical analysts in making projections.

The indicators were supposed to show progress toward sustainability and educate the public and policy makers. There was no plan for how BAASC would get people to pay attention to these, much less for how this "education" would translate into action. There is a lot of inertia out there and it takes a considerable incentive to get people to change. The implicit theory of action did not incorporate that reality, but assumed that information itself changes people's hearts and minds, though there is considerable evidence that much more is required. The CCII's theory of change was not originally well thought through so the first projects did not have much community benefit. Expectations about what the community and business side could and would do were unrealistic and only changed after considerable trial and error and modification of the objectives.

Lack of Use of Expertise

The Alliance was also limited in what it could accomplish because it chose not to use much in the way of expert assistance or formal research. Leaders concentrated instead on getting agreement among the people around the table, as if research would interfere with rather than support the reaching of agreement. Research was not central to the Alliance's work as it was to

other major CRIs. They did use some expert help, though they often relied on whatever expertise happen to exist among the stakeholders or on occasional volunteer services by local academics and graduate students. The BAC enlisted Professor John Landis to provide the Alliance with research on land availability in the region, but he was not paid and did not have a formal consulting relationship. The BAC also hired consultants to assist in the design and implementation of the CCII, but they worked for the business side rather than the Alliance and did not fully incorporate the concerns of the community side. The BAC also hired consultants to assist with mapping for the Footprint and later for designing the workshop process. ABAG hired consultants to implement the Smart Growth workshops. Professor Sherman Lewis of the Environmental caucus volunteered to supervise the "groundtruthing" study on infill capacity, but as he was a partisan within the organization, the results were not universally accepted. No outside expertise was used during the collaborative development of the indicators, except that Redefining Progress developed the Genuine Progress indicator and ecological footprint. A consultant was hired only after BAASC had designed the indicators to gather the data. Because there was no expert involved in the design process, some of the indicators had to be changed at the end for technical reasons. The Alliance also hired a consultant to help with the strategic plan, but they chose someone who was one of their associates, a planner, but not one with a primary expertise in the complex field of strategic planning.

There were many other points in the process where expert knowledge and research could have helped the Alliance to perform their tasks better, sort through conflicts, or build a feasible change strategy. There is a large array of literature and theory on land use and growth patterns, for example, but no one reviewed or assessed this for the Alliance or laid out the evidence on key points under discussion. In collaborative processes joint fact finding is a fundamental necessity for reaching agreement. All parties have to feel equally comfortable with the validity and accuracy of any data. Frequently conflicts within such groups can be resolved with carefully targeted, unbiased research.

Collaborative Methods

BAASC purported to be a collaborative, consensus building process, according to its own statements and the comments of people whom we interviewed. To successfully bridge these stakeholders, many of whom had been at odds for years, it would need to be a carefully managed, authentic dialogue which would help these players understand one another's interests and develop shared meaning and joint action. Though BAASC did achieve some agreement after 7 years, it did not achieve deep consensus or the kinds of shared understandings that are crucial to moving forward. It did not develop an internal level of trust that was satisfying for members. While participants did increase their understandings of the other groups' interests, there were still major gaps in their appreciation for and acceptance of others' views. There remained in 2004 major differences that seemed no closer to resolution than they were at the beginning, most notably on how much growth to accommodate and where.

The problem was that the BAASC process violated basic principles of best practices developed by consensus building professionals in the field.[6] First the process was designed around position-taking rather than interest-based negotiation, which in itself creates ill will and divisions. Because so much discussion took place inside caucuses where people were unaware of other stakeholders' views, their positions tended to harden. The strategy led to misunderstanding and even hostility across caucuses. There was little opportunity before the strategic plan retreat to work these differences out face to face. The Alliance did use the first year to have quarterly meetings where each group tried to educate the others about their interests. An important next step, however, would have been an in-depth, multiway dialogue to help all participants understand what others fundamentally valued and needed and why. The Steering Committee agreed on the idea of consensus decision making in theory, but the way they operationalized this meant they got lowest common denominator solutions rather than the mutual gain results that can come from well designed collaborative dialogues. They mostly conceived of the task as horse-trading and compromise, but in genuine consensus building stakeholders try to find solutions that not only benefit themselves but also others. They can do this because one of the rules is that nothing is off the table. No assumption is sacred. When you get stuck you try to "think out of the box" instead of just removing the offending point. The BAASC process however was organized with a clear frame around it and assumptions were neither questioned nor explored. The SC set most of the agenda early on, including what they would focus on and how. The discussion was more about the details than the big picture or about whether they were taking the right approach.

Equality of all voices is fundamental to effective collaboration. The BAASC is to be commended for its tremendous effort to equalize the voice of the equity participants, but equity participants told us they still did not feel equal. One told us there was not a real dialogue in the SC and that he felt that the SC was mainly trying to gain approval from the equity people. Certainly there was evidence that some voices dominated in a way they could not have done in a well facilitated dialogue. Issues most important to the equity group were never really addressed, although the group supported the CCII. Equality of voices in terms of respect and information is essential if a collaborative effort is to develop robust proposals that are likely both to work and get wide support. Listening to and addressing dissenting concerns is crucial.

Overall Comments

Finally the reliance on borrowed staff and on shared leadership meant that there was a project-by-project focus in deliberations, but little attention to organizational development and identity and image building that would be needed to give BAASC the credibility and sense of purpose that could move it forward. There were tasks along the way that could not be done because there was not adequate dedicated staff. Decisions had to be agreed to by everyone and the group was slow to decide and often ended up with a compromise rather than a clear purpose or well thought out strategy. They were guided by committee reports and membership opinion, but did not have the sort of careful staff work that could back this up or inform the committees. The Steering Committee members each were able to provide benefit to their organizations and

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[6] See for example Lawrence Susskind, Sarah McKearnan and Jennifer Thomas-Larmer *The Consensus Building Handbook* Thousand Oaks: Sage Publications 1999.

their own professional status through participation in BAASC because funding for projects went through them and they got engaged individually in new activities in the region. While this was a strong motivation for them to continue it was also a disincentive to look critically at BAASC structure and practices.

BAASC has been a valiant effort of dedicated civic leaders to reach a regional consensus and build support for new ways of doing things in the Bay Area to achieve a more sustainable future. It has had some impact on discourse and attitudes, but it has fallen short of its potential because it did not have well thought through strategy for its work.

Taking the Three 'E's Seriously:
The Bay Area Alliance for Sustainable Communities

Judith Innes

OVERVIEW

Accomplishments

In 1997, inspired by the President's Council on Sustainable Development (PCSD), a small group of civic leaders representing the three E's—environment, economy and equity—initiated the Bay Area Alliance for Sustainable Communities (BAASC)[7] to promote policies and actions to make the San Francisco Bay Area more sustainable. It has interpreted this mission first and foremost as changing the region's land use patterns and the institutions, laws and practices that produce unsustainable patterns.[8] Today BAASC has 45 members representing nonprofit organizations involved in promoting one or more of the three E's, along with some regional public agencies. It is unique among California's Collaborative Regional Initiatives[9] in its commitment to agreement among the three sectors for whatever it does. Thus far it has produced a vision—the *Compact for a Sustainable Bay Area*—which in 2002 was supported in draft by 67 of the 101 cities and all the nine counties, along with most of the membership.[10] It has produced, in cooperation with the five main regional agencies, the *Smart Growth Strategy/Regional Livability Footprint Project* [11] mapping a pattern for future growth that would be more sustainable than current trends. A regional indicators report was published in 2003[12] to help implement the *Compact* and provide a periodic report card on sustainability to the public. The BAASC also set up the Community Capital Investment Initiative (CCII), a unique and ambitious program to bring private capital into the Bay Area's lowest income neighborhoods. Three funds with a total of $170 million have been created to invest in real estate development and growing businesses in the target neighborhoods. The Smart Growth fund has completed one project, with

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[7] It was originally called the Bay Area Alliance for Sustainable Development but the name was changed after several years.

[8] While this statement was not found in the materials we reviewed, three members of the leadership cited this as their purpose.

[9] These are nongovernmental regional civic collaborative organizations that have been supported by the James Irvine Foundation's Sustainable Communities Program. For information on these see www.calregions.org . This conclusion is based on a survey conducted by our research group of all CRIs in 2002.

[10] This is posted on the BAASC web site at http://www.bayareaalliance.org/compact.pdf . and published as *Draft Compact for a Sustainable Bay Area* BAASC, Oakland CA 94604, July 200. A final version was printed in 2004.

[11] ABAG, October 2002, Oakland CA.

[12] *State of the Bay Area: A Regional Report. Pathways to Results, Measuring Progress toward Sustainability.* Bay Area Alliance for Sustainable Communities January 2003. http://www.bayareaalliance.org/indicators.pdf

seven others in progress, and the California Environmental Redevelopment fund has two projects in the Bay Area. Policy dialogues engaging regional leaders, local officials and other stakeholders have resulted in recommendations for state legislation and joint visits to Sacramento by representatives of the three E's. BAASC also produced a *Faces of Sustainability* report[13] with the aid of Sierra Club volunteers in Napa County, highlighting the ways residents and businesses are protecting the environment. Reports for four other counties are in draft. Finally BAASC has produced a Strategic Plan for its future.[14]

In the course of developing these products there have been outcomes that will likely have long run positive effects on the sustainability of the region. BAASC has created a regional forum to promote an integrated approach to development for the region. It has brought together, at one time or another, hundreds of leaders with differing perspectives and interests who had not normally interacted in constructive dialogue and helped them learn about each other's values and concerns and develop respect for other's views. It has drawn in people who were not previously engaged in the issue of sustainability and created excitement and enthusiasm among them for making a difference. It has contributed to building a shared discourse and civil conversation around growth issues, policies, and practices among civic leaders and activists in each of the three sectors. BAASC also created the Social Equity Caucus, a group of many small organizations promoting equity and environmental justice in the region which were not previously organized and had not been playing a major role in the region. This caucus is increasingly developing a strong collective voice. They are able to participate inside and outside the Alliance on a more equal footing with environmental and economic stakeholders, who have had more experience working in public policy arenas. As a result members of the Environment and Economy caucuses have learned, often for the first time, what the needs and concerns are in disadvantaged communities.

BAASC has created new social networks and relationships among competing stakeholders who work together today on projects which represent the intersections of the shared interests they have discovered. For example, a meeting in 1997 of representatives of the five regional agencies, under the auspices of the BAASC, was the first they had ever had. It opened the door to future cooperation on other fronts, starting with the work on the *Smart Growth Strategy/Regional Livability Footprint.* Business stakeholders learned about what kinds of development can benefit poor communities, and environmental stakeholders learned how compact development can benefit both the region's environment and inner city communities. Lines of communication are more open among stakeholders and representatives of regional agencies. These diverse stakeholders have developed political capital among themselves, allowing them to speak with a common voice on many growth and housing issues. They have joined together in an unusual alliance and have advocated their legislative ideas to legislators in Sacramento. The Association of Bay Area Governments (ABAG), which has played a leading role in BAASC, has developed relationships with stakeholders which assist the agency in playing

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[13] This may be found at http://www.bayareaalliance.org/sustainable.html .

[14] See Appendix IX for a glossary of acronyms used throughout the document.

a more effective role in the region. ABAG's adoption of the Smart Growth Scenario as the basis for the 2003 population projections (rather than just projecting trends and/or using local plans as a basis) makes the assumption that communities will try to follow smart growth principles. Since these projections are integral to the investment decisions of the Metropolitan Transportation Commission (MTC), this change has the potential to be self-fulfilling, as transportation investments can influence growth patterns.

A second order, but also important, effect of the mutual learning that has taken place and the vision that was developed has come about as the BAASC leaders have moved on to new significant leadership posts and brought with them the ideas they developed at BAASC. Carl Anthony, founding leader of the Equity Caucus, now heads a $38 million program at the Ford Foundation modeled on the BAASC approach. Sunne Wright McPeak, president of the Bay Area Council (BAC) and leader of BAASC's Economy and Business Caucus, was named California cabinet Secretary for Business, Transportation and Housing, where she continues to promote the smart growth ideas developed in BAASC. Other less visible stakeholders are doing the same as they work in arenas outside of BAASC.

Critiques

BAASC is not without critics and limitations. Though staff contend that it has achieved most of the goals in its 1997 work plan (see below), it has not thus far shown much evidence of specific progress toward its ambitious long term goals. It has not produced concrete, on-the-ground outcomes (as opposed to changes in knowledge, attitudes, and discourse among key representatives of the three E's) other than the CCII projects. The efforts to influence legislation at the state and local level have not so far borne fruit, though there is evidence some legislators have been listening. The *Compact* is criticized by both participants and observers as being made up of lowest common denominator concepts that remain vague. Developing it took much longer than anticipated and, in the course of the effort, some stakeholders stopped attending or actually dropped out, feeling they could have more impact in other arenas. The expressions of support for the *Compact* by jurisdictions were fraught with caveats and mostly cannot be said to represent real commitments to action. They reviewed a draft, and many communities indicated they would not support it fully without changes. Many localities barely debated the issues and, in any case, local elected officials turn over frequently so even real commitments may not be durable unless new plans and land use regulations are actually adopted. So far there is no clear evidence that localities have made policy decisions based on the *Compact*. The Alliance's work and products are not well recognized by a larger public, nor is the Alliance itself well known, judging by the limited media coverage it has received in its seven-year history.

On other issues, the indicators are new enough that one cannot yet tell if they will have an impact, particularly since BAASC has not had the funding to use them for educational efforts they had planned. There are skeptics who wonder whether the BAASC has a viable strategy to assure these indicators have value in practice. While the Alliance has spent considerable time on developing a media and outreach strategy over the years, thus far it appears their forums and meetings have been mostly preaching to the converted rather than having a wide impact on

public opinion. It is seldom in the news. Some participants have felt that the Economy caucus, particularly the Bay Area Council, has dominated the BAASC and that there has not been real equality among the three E's, despite the fact that the leaders make only consensual decisions. BAC not only has had strong leadership, but has also been able to provide more staffing to the Alliance than the other groups.

The CCII too has had its critics, who have argued that the projects do not provide adequate benefits to the disadvantaged neighborhoods and that there has not been enough influence from community members in this partnership of business and equity interests. The CCII has been through struggles to manage a "double bottom line" of market rate return on investments and significant community benefit. The process has perhaps inevitably been one of trial and error. It has been a challenge for the partners to understand, accept, and integrate each other's values and practices. Though environmentalists support CCII, they so far have not played a real role. CCII is a work in progress as the participants seek to create a new type of working institution.

The BAASC faces major challenges ahead with The James Irvine Foundation's (JIF) core funding soon to end and the major products on which it has focused for years now completed. It has a strategic plan to move forward into a new phase and style of work focusing more on action. In 2004 two steering committee members were replaced, with a new President of BAC and a new Planning Director at ABAG. Though these organizations remain committed to BAASC, new working relationships will have to be built. The questions now are has BAASC been institutionalized? Can it continue the dialogue at this point? Can it adapt to a new style of action rather than visioning? Can it retain its membership in the next phase? Can it raise the funding it needs to move forward? If not what are the alternatives to assure that the valuable work completed thus far is not wasted but built upon?

Purpose, Outline and Argument

The purpose of this study is to tell the story of the BAASC and how it accomplished what it did, to examine the criticisms, and ultimately to provide an assessment of what has worked well and not so well and why. This case is one of four that look at major, long-lasting CRIs to assess their strategies and help other CRIs learn from these. It is also designed to assist foundations and other funders in deciding what kinds of work to support in future. These cases will be assembled and in the next stage our research team will be doing a cross-cutting analysis that will look for patterns of success and interpret and explain results that differ.

This case study begins with the history, context, and origins of the BAASC and describes its key challenges. The next section outlines the structure and process used by BAASC. Then the study details the history, process, and struggles involved in developing each of the main projects–the *Compact*, the *Smart Growth/Regional Livability Footprint*, the Regional Sustainability Indicators, and the CCII, along with their outcomes thus far. Then an account of the Strategic Planning process is provided, along with an assessment of its process and results. Finally there are reflections on the story.

Our research methodology, which involved in-depth interviews with key players, observations of meetings, review of meeting minutes and documents, is described in more detail in Appendix I. Appendix II provides a sample interview guide. It must be said that because of the nature of the Alliance as a decentralized network of diverse players, it was particularly challenging to prepare a narrative that represented an accurate story. No one had a full overview of what was going on, and many people knew only about one aspect of the Alliance. Moreover these people had different perceptions and opinions about the same thing. I have tried to sort through these for facts and have often included quotes that contradict one another. A lack of shared understanding of aspects of the Alliance among participants is part of the story. This case has been extensively revised and corrected, based on the reviews of the first draft by key players. I thank all of them and all those we interviewed for their generosity in giving us their time.

The overall argument is that the successes of the Alliance and the positive outcomes it produced can be attributed first and foremost to the idealism, extraordinary commitment and countless volunteer hours of the BAASC leadership, of many members, and of other regional leaders who were involved in various ways. Their joint work on developing the projects was essential to the building of social capital, the development of mutual understandings, and the creation of a shared discourse. Their genuine commitment to reaching agreement among the three E's provided the context and incentive for these outcomes.

The reasons the Alliance did not have more outcomes or achieve many of its ambitions in its seven years of existence are several. First the leadership had chosen a large scale and complex problem to focus on, changing the region's institutions and land use patterns and ultimately making it sustainable. Second they lacked a well enough developed theory of change for this daunting task. The leaders had identified first steps of convening and visioning, but had not spelled out the strategy and tactics they would need to use to get their desired outcomes of long term institutional change and changed land use patterns. To do so would necessarily require engaging many players, organizations, and agencies, changing entrenched practices, and getting diverse and competing interests to agree and would have required a complex strategy. They did not spell out for themselves what this would take. Third they did not make much use of professional and expert assistance, which would have helped them, for example, to sort through existing research on the topics they were addressing and to develop agreed-upon, high quality information as a basis for their discussions. Agreements on facts and theories can go a long way toward forging larger agreements and developing robust, effective strategy. Moreover expert assistance in designing and managing their dialogue processes would not only have helped them to get to deeper more compelling agreements, but also to develop a practical action strategy. They would have heard more of the skeptical voices we heard and found ways to address the concerns. The Alliance in addition was not systematic about getting feedback on their work or doing rigorous self assessment, even in their strategic planning process. According it was apparently unaware of what was working and what was not, so could not make needed adjustments. Their choice not to set up a freestanding organization with its own staff may also account for some of the limitations in their outcomes. All work was done by Steering Committee members' agencies, which had other priorities than BAASC and which in any case worked on different projects. There was no one whose primary job was to make BAASC a

success or who was in a position to take major initiatives. BAASC was run instead by a committee whose members had limited time and who had to agree on everything.

HISTORY AND CONTEXT

A Diverse Region

The Bay Area is a region of more than six million people, 101 cities and nine counties, along with multiple special district governments for such things as parks, water, and transit. It has never had any significant regional coordination among these, much less regional governance. There are five major regional agencies but each has a narrowly defined mission. Their powers are limited, and they have had no common forum to discuss or set policy where their responsibilities intersect. These include the Bay Area Air Quality Management District (BAAQMD); the Bay Conservation and Development Commission (BCDC), which regulates land use along the Bay; the San Francisco Bay Regional Water Quality Control Board; the Association of Bay Area Governments, (ABAG) the regional council of governments, which provides research such as population projections for the Bay Area and planning services to the region. ABAG's power is severely limited by the interests of its diverse member jurisdictions, which range from inner urban to rural communities. As a result they seldom take a strong course of action. Moreover jurisdictions jealously guard their prerogative to control land use. The only regional agency with significant power and resources is the Metropolitan Transportation Commission (MTC), which is the official MPO (Metropolitan Planning Organization) for the region. As such MTC is responsible for allocating hundreds of millions of dollars each year in transportation funding. Many stakeholders believe that these investments are significant determinants of land use patterns and can encourage or discourage compact growth, though MTC does not see its role as intentionally influencing growth patterns.[15]

Past Efforts at Regionalism

A need for regional coordination or planning has long been recognized by many Bay Area leaders, and the lessons of the early efforts influenced the BAASC approach. In the late 1960s and early 1970s Assemblyman John Knox tried to create a regional planning and land use control agency. This legislation failed to pass by a narrow margin. In 1989 a group of local elected officials, many of whom had served on regional agency boards, the Bay Area Council an organization made up of many of the Bay Area's largest businesses, and a coalition of environmental groups led by the Greenbelt Alliance convened Bay Vision 2020. This commission was chaired by the Chancellor of the University of California at Berkeley and financially supported by a combination of public sector agencies, large corporations and foundations. It used the blue ribbon committee model, with members chosen for their roles as civic leaders with different backgrounds, rather than as stakeholders representing particular interests. The goal was to achieve consensus, so participants steered away from controversial

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[15] Judith Innes and Judith Gruber, *Bay Area Transportation Decision Making in the Wake of ISTEA,* University of California Transportation Center, March 2001.

points and towards strategies that might be acceptable to elected officials. The group recommended the creation of a regional commission for growth management and the merger of ABAG, MTC and the BAAQMD. They set up a successor body, the Bay Vision Action Coalition, to draft legislation.[16] All three regional agencies opposed the merger, and again the regional commission narrowly failed in the legislature as many local governments opposed it. The merger issue resurfaced in 2001, but the agencies once again opposed it. Against this backdrop BAASC made sense as an alternative experiment engaging stakeholders and regional agency leadership in a voluntary effort to mobilize support for a shared vision of growth management. From the beginning the BAASC leadership agreed to differentiate itself from Bay Vision and take a public stance that regional government was not its purpose.

Origins of the BAASC

The BAASC was the brainchild of Michele Perrault, International Vice President of the Sierra Club and Dick Clarke, CEO of Pacific Gas & Electric, both members of the President's Council on Sustainable Development (PCSD). They convened a meeting in early 1997 to explore creation of a regional version of PCSD. The next day at a PCSD-affiliated Forum on sustainability stakeholders discussed how federal resources could help. Though such resources never materialized, energy and enthusiasm was in place to develop a regional compact for sustainable development. This movement coalesced into the Bay Area Alliance. Perrault and Clarke drew into their leadership team Carl Anthony, President of Urban Habitat, a nonprofit that focused on equity in regional development, environmental justice, and issues related to ethnicity and poverty. Anthony was an African American of considerable stature in the region who had led the East Bay Conversion and Reinvestment Commission and was well connected into a network of equity advocates. He too had been asked to serve on PCSD, but decided not to as his organization could not afford travel costs. Though the three E's were represented, the group reached out also to Sunne Wright McPeak, President of the Bay Area Council (BAC), a membership organization of the major businesses in the metropolitan area with an interest in growth management. Her role made her a good spokesperson for the economy. She was also a person of high energy and excellent political connections from her time as a county supervisor and her considerable public service on state and regional commissions that addressed environmental, housing and economic issues. She was to become, according to most respondents, a driving force that kept BAASC moving forward.

Finally the founders reached out to ABAG to represent public agencies, drawing on its board president. Planning Director Gary Binger became a key person in the building of the BAASC in its early days and his successor continues to play an important role. This group of

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[16] This story has been documented in Case 9 by Judith Innes in *Coordinating Growth and Environmental Management Through Consensus Building* by Judith Innes, Judith Gruber, Michael Neuman, and Robert Thompson, report of the California Policy Seminar (now California Policy Research Center) 2020 Milvia St. Suite 412, Berkeley CA. 1994.

leaders, usually augmented by their staff, became the Steering Committee (SC) for what was originally known as the Bay Area Alliance for Sustainable Development. They did not incorporate, instead adopting ABAG as their fiscal agent. Later they also used BAC and other organizations for different projects. BAASC was thus a slim, networked almost "virtual" organization with only a 25% time paid staff member. All other staffing was provided by member and partner organizations, either through grants or as in-kind contributions.

The region presented major challenges for sustainability as well as incentives for stakeholders to try to make changes. The Bay Area's natural beauty and climate are among principal reasons for its economic success, but regional policy is difficult to achieve because of the diversity of communities and interests. It has three major cities, several smaller declining cities, vast suburban regions of varying density and wealth, along with rural areas trying to remain rural and others trying to develop. It incorporates one of the richest counties in the nation and as well as significant urban poverty; a high tech region in one county and back-office businesses in another; and agriculture in yet others. Environmental advocacy groups play vocal roles in regional and local decision making.

Many factors threatened the region both economically and environmentally. Congestion had become serious by the time BAASC began, and polls showed it was close to the top of the public's list of problems. Developers often preferred the ease of building in suburban greenfields, which generated more traffic, longer commutes, and poorer air quality than more compact development. Disinvestment was continuing in the central cities and infill development was difficult, due in part to contaminated industrial sites. Environmental groups pushed for urban limit lines and more investment in transit, while suburban communities were beginning to fight any sort of development. Housing construction had not kept up with job growth, and businesses found it increasingly difficult to hire and retain workers because of housing prices and lengthy commutes. Moreover it was increasingly difficult for those in inner city neighborhoods to get to jobs that were moving to suburban areas poorly served by transit, and it was often difficult for teachers, police and other service providers to live in or near the communities where they worked. Many trends were going the wrong direction, it seemed, away from sustainability. The public did not understand that the environment, economy and equity were linked, but some leaders in each of these areas had begun to see the relationship.

ORGANIZATION AND STRUCTURE

The leadership team, which became the Steering Committee (SC), has met at least monthly since 1997. This Committee is officially made up of a member from the Sierra Club, representing the environment; one from Urban Habitat, representing social equity; and one from Pacific Gas and Electric (PG&E), representing the economy; one from ABAG, representing regional agencies and Sunne McPeak representing the Bay Area Council. In effect there were two business stakeholders on the SC and one from each of the other groups. Typically one or more staff members of these leaders were also present at meetings. This group made the decisions for BAASC after its members each consulted with their constituencies. When the original SC members left, they were replaced by other leaders from the same organizations. Once

the organization was part of the SC, there was no question of looking for another lead organization (though at one time there was discussion of expanding the SC). SC meetings were technically open to members, who could join in the discussion, though they seldom did. Detailed minutes were prepared and distributed to interested parties so their decision making was highly transparent.

The SC enlisted for broader membership in the Alliance mostly advocacy organizations representing one or more of the three E's, trying to keep a balance in the numbers. They included several regional, state, and federal agencies, mostly with responsibilities for the environment, transportation and land use. They explicitly sought to keep the membership small enough to accomplish things–ironically as they have thus far been mainly a visioning rather than an action-oriented group–but large enough to be adequately representative. Members were each supposed to represent a constituency with the capability to act. Each member organization was expected to share a belief in the basic principles of sustainability, and most were focused on physical development. The tacit purpose seemed to be to assure enough commonality among the players to make a coalition possible and to keep their initial focus on what has come to be labeled "smart growth." Some players who had a stake in development patterns were not included. Examples were unions, especially construction unions, taxpayer groups or local governments. While the Alliance did make many efforts along the way to engage local public officials, the only one who was part of the membership was the ABAG board chair. This position rotated so there was no continuity in this representation and in any case the board chair is invariably a very busy person so his or her attendance was sporadic. ABAG was primarily represented by planning staff. ABAG did engage its membership in discussions over many of the issues but local jurisdictions vary enormously in their interests so it would be difficult to represent the range of views even for the board chair or staff. . BAASC did engage local officials in a variety of outreach and workshops, but local officials did not play a major role in the core discussions within the Steering Committee or Alliance working groups. Since the local governments would have to implement much of the vision, their absence proved to be a handicap for both developing a workable vision and an implementation plan.

Another consequence of the BAASC approach to membership selection was that other topics relevant to sustainability, such as health or education, never became a formal part of the discussion. One member who was interested both in environment and equity, felt that dealing with these issues would reduce the focus they needed.

> I remember them saying in the early years, "the Bay Area is standing at a crossroads. We could choose many paths. What we choose to do has everything to do with how we are growing." I thought this was true, but because people brought up "What about education, what about governance, what about work force development?" the *Compact* ended up addressing all of those... Even though, classic to a diverse group, they have expressed interest in all of those things; they said "yes, all of those things are important." But really the policy arena that they have wanted to stick to is growth and development... I recall being frustrated in meetings when somebody would raise their hand and say "we've left

out a really important point about the fact that high school students are dropping out at rates higher than ever before," or that African American or Latinos' rates are so much higher than anyone else. I would get frustrated because I felt like that is an issue, but it is not our issue, and it is going to sidetrack this already unwieldy group into something that we won't be very good at addressing

This individual left the meetings when these issues came up, and ultimately the group spent very little time and energy on these topics. The mere fact however that this discussion came up points up a certain indeterminacy in the mission.

In another significant decision, the Steering Committee structured the membership into four caucuses, representing each of the three E's and government. Each SC member was supposed to represent his or her caucus' position, and nothing was to be decided without agreement among all SC members. They jointly raised funds to support the caucuses or took it off the top of grants for other tasks. All got equal amounts of around $100,000 total, and each used the money in different ways. For example the Environment caucus supported the Greenbelt Alliance to work with infill developers and to do an education workshop on infill with the Sierra Club Loma Prieta chapter. This caucus also contributed funding to the Executive Director's 25% salary. The Equity caucus used the funds primarily for a full-time coordinator. Each caucus took advantage of the opportunity to learn internally from one another, to sort out what might be in members' collective interest and to develop positions. Often however they were unable to come up with a simple position because of internal disagreement. Getting agreement across caucuses was even more of a challenge. The government caucus, which consisted of the five regional agencies along with a few others such as U.S. Environmental Protection Agency mostly did not take positions.

All respondents unquestioningly accepted this caucus structure. They valued the opportunity to talk with others whose views were close to their own. Indeed at the early stages of a collaborative effort, it is often important to organize into caucuses when participants have not had the opportunity to jointly develop a perspective with like-minded stakeholders. When we asked one person whether he was satisfied with the caucus structure, he said,

It's funny; I never really questioned it. I never really thought we should stop with these caucuses because it felt like, yes, every once in a while we needed to reconnoiter among ourselves and talk over something. It became a place where people could express their mistrust of [one of the leaders] or whatever it might be. ... I was happy with having a caucus that I could turn to, and my sense is that other people were and are happy as well.

This approach seemed a simple, stepwise way of reaching consensus. Each caucus would agree, and then the leaders would make consensual decisions using their caucus' position. However there were problems when caucuses failed to agree internally. Moreover, the caucuses were not equal in terms of resources, leadership, or ability to articulate a point of view. The caucus organization emphasized differences among the E's more than the commonalities. There

were some who would have been equally comfortable in two caucuses, such as environment and equity or equity and economy. Because of the caucus structure, however, they developed one or another perspective and did not communicate much with those who shared their interests in other caucuses.

Members met in quarterly meetings at which the SC offered reports on the progress on each of the projects and entertained comments. The meetings were chaired in rotating fashion by a member of the SC and held in his or her offices, emphasizing symbolically the equality of the caucuses. These meetings were also attended by nonmembers, and all were welcome to comment in time set aside for this. These meetings were often where strong differences were expressed, sometimes by fringe organizations. No consistent effort was made in these meetings to resolve disagreements nor to make decisions. These were more like public hearings, where people comment and decision makers reserve the right to use or not use the comments. The SC did not get a lot of comments, and one SC member noted that some of the critiques we identified had not surfaced in these meetings. This is probably because the meetings did not often involve dialogue in the sense of either freewheeling or focused discussion among the membership. It was a large arena and not one where members were likely to air grievances. In the first year panel discussions were held in quarterly meetings each focusing on one of the sectors, and designed to assist the wider membership in understanding the issues and concerns of each sector. More recently, as part of implementation of the *Compact,* local agencies have been invited to present about their transit villages or other smart growth activities in an effort to spread knowledge of models of good practice.

The quarterly meeting procedure was modified in 2001 to separate members from outsiders in an early business meeting reporting on projects. This was followed by a meeting open to the public with educational panels and public comment. This is probably due to the type of comment they often received in the earlier period from extreme or fringe organizations. Without ground rules or facilitation people felt time was wasted or attention diverted. One respondent told us,

> ...in the early days there were a lot of kind of weirdos—these guys from what they call the "University of the Earth," which wasn't actually anything, but it was just what they called themselves. Without fail, they would stand up at the wrong part of every quarterly meeting and talk for ten minutes.

Though the SC did periodically ask for input before meetings on its programmatic focus, they seldom asked for specific input during these meetings from members, other than feedback on what they reported. In fall of 2001 they did ask members at one meeting to speak for one minute each about whether BAASC is meeting their expectations and whether current efforts are appropriately focused. This appears to be the only time in their seven-year history that this kind of input was sought in meetings. These meetings have served mostly for education, reporting, and feedback, rather than engagement, empowerment or decision making. During the circulation of the *Draft Compact* members, local government officials and the general public were invited to mail their comments or post them on the BAASC web site. Members did engage in genuine

multiway dialogue in their caucuses and some of the special working groups but not in quarterly meetings.

BAASC chose to establish a lean core organization. Peter Melhus, formerly of PG&E, became 25% time Executive Director, though his role was more as a coordinator. BAC staff member Andrew Michael spent about 50-60% of his time on Alliance business. ABAG staff member Ceil Scandone spent 25 to 30% of her time and Professor Sherman Lewis of California State University Hayward volunteered considerable time as a Sierra Club member. The SC worked together to raise funding to conduct BAASC projects, and their organizations in turn implemented them reporting regularly to the SC. They set up volunteer working groups at the outset, involving members and others in specific tasks (see below). Much of the early work of the BAASC took place in those groups, which also were the main place, other than the SC, where dialogue took place. (See Appendix III for an overview of the structure as of 1998).

The dispersal of tasks and the multiple players made research on this case particularly challenging. Each of the partner organizations developed ownership of its projects. It was often difficult to ascertain what role BAASC actually did play, or even how to define the boundaries of BAASC. This also meant that most respondents knew only about a small part of BAASC's activities. This strategy had the advantage that other organizations would adopt BAASC ideas, but the disadvantage that no individual was able to manage or coordinate all the activities. The SC got reports on the projects but did not necessarily have the authority to change what was going on nor to set priorities for other organizations. The committee did provide guidance, oversight and parameters for the projects.

Motivations for the Lead Organizations

Some SC organizations made a major commitment to making BAASC work, in terms of leadership, staff time, and organizational commitment. We asked the representatives what motivated their involvement. The reasons for the organizational support varied, but each of the individuals leading this effort began by seeing the intersection of their own work with at least one of the other E's. Though economy, environment, and equity were represented, none of the key players was an extremist. On the contrary, all were eager to find common ground.

The Sierra Club appears to have been involved as a sponsor primarily because of Michele Perrault's deep personal commitment to the idea of sustainability and incorporating the three E's. As an organization they did not provide staff nor raise funds as did other Steering Committee organizations, and Perrault was not paid for her time. Although the Sierra Club did have a national campaign on sprawl, and its California chapter did support the *Compact*, only one of the three northern California chapters did so. The Club during this period was divided between no-growth advocates and those who would accept some version of sustainable growth. These divisions took up much of Ms. Perrault's time and energy and made it difficult for her to speak unambiguously for her Sierra Club constituency. The environmental caucus was affected by similar divisions.

PG&E participated in BAASC originally because of the personal interest of its CEO, Dick Clarke. It was under his leadership that PG&E had been transformed into an environmental

leader in the business world, especially in the energy utility industry. This was due in large part to a partnership initiated by PG&E and the National Resources Defense Council, but including others, which resulted in Report of the *Statewide Collaborative Process: an Energy Efficiency Blueprint for California* . It was this document that put the energy utilities in the position of actually profiting from energy efficiency. Before this time the utilities were either "earnings-neutral" or would lose money when encouraging efficiency. Clarke was held up as the poster child for corporate environmental leadership and ended up on the cover of a major business magazine. This national exposure was undoubtedly part of the reason the Clinton administration tapped Clarke for the PCSD. Clarke was also a strong advocate for California and the Bay Area. He thought that through his involvement in BAASC the business and environmental community could sign something together.[17] After Clarke's death in December 2002 Robert Harris officially represented PG&E, though he had already had been involved in various ways. Over the years PG&E made regular financial contributions to BAASC, first contributing the time of Peter Melhus, who worked in their environmental division, and then contributing funds for his salary after he left PG&E. PG&E leaders played an important convening role, holding many meetings at their offices and taking the initiative to pull together stakeholders to deal with difficult conflicts.

From the Bay Area Council's point of view, Sunne McPeak said,

BAC had long been aware of the problem of dealing with issues in silos and how that was not working. We had begun to understand the interconnections. We had produced a transportation action plan that talked about land use, housing and environment. So the construct of the three E's made sense to us when Dick and Michele put it to us. I remember Gary Binger saying to me "we don't have money to do this." I said that we are already doing this in ways that cost us more money. We (BAC) embraced the sustainability idea because it was related to economic development and growth. We were also driven by the hope that if we could develop consensus we would have a better chance of getting things adopted. Local government needs allies to do this. We wanted consensus as a way to change behavior.

Carl Anthony from Urban Habitat, unlike Perrault and Clarke, did not agree to be part of PCSD when he was invited despite his belief in sustainability because

I did not think anything was coming out of it. It might be a good thing on my resume, but I was not rich enough to pay for the travel, and they did not have equity on the agenda. I would show up like a turkey with an item for the agenda no one is interested in.

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[17] Due to Mr. Clarke's death in 2002 we were unable to interview him for this research. The account above was supplied by Peter Melhus, Executive Director of BAASC and PG& E employee for 25 years.

He brought this attitude that equity had to be central as he joined the Alliance.

> My position was that we have to put this Alliance together, and it has to bring social justice into it. My bargain was I would push for speed and would not be an obstacle, but they would have to do things we wanted.

He soon discovered an ally in Sunne McPeak against some of the more extreme environmental groups.

> It began to unfold that it was Sunne and me challenging the environmental groups from the equity perspective and from the economy perspective. They were very good at organizing and could turn out lots of people. They were into deep ecology and the snail darter. I said, "let's get the poor and people of color into the conversation." The environmental groups bought in. They were probably not really for it, but I had environmentalist credentials. The business community felt every project was balked, but the environmentalists would come down to earth if we started talking, and the people concerned about social justice would get an audience. The business community said it was better than having protests. I told the environmentalists, "I am staying at the table and if you go on about deep ecology I am going to call your bluff cause I know more than you do." Environmentalists were in no mood to compromise with business.

He joined BAASC over the objections of his own staff. They suspected environmentalists were racist and business people were just capitalists interested in nothing else. Their reaction was a testimony to how far apart the equity and environmental community were in1997. But Anthony was the boss and he decided to do it. Urban Habitat as a small nonprofit had little in resources they could offer, but over the years they were to raise funds and always to play a leadership role in BAASC.

ABAG from the outset committed almost as much leadership to the Alliance as BAC. The elected officials who chaired ABAG and the professional staff who ran the organization participated and took on major tasks from the beginning. They loaned a staff person about two days a week for much of the time. One of the major players from ABAG explained it this way, "ABAG does not have any power, any money. We had nothing to lose." Another said,

> I think it actually benefits ABAG ... because it begins to really create a strong link, people can look at us and begin to see government active in the environment, equity and the economy...I think that partnering with those individuals and organizations that make up the Alliance is absolutely, really important for us.

A third told us,

ABAG has been since its inception working with the private sector and with multiple entities in the public sector...We have been promoting collaborative planning, closer coordination among the regional agencies, compact developments, environmentally appropriate development. Therefore for us (BAASC) takes what we have always done and gives us the opportunity to work more directly and consistently with the private sector to put out a package... that is totally consistent with what we want to do—but maybe at a higher profile. And I think we have worked ... over the last five years more in-depth, and more on integrating equity, environment, and the economy into our message.

It is notable that MTC, the most influential regional agency with the most potential impact on transportation and land use due to their funding capacity, played only a limited and intermittent role in BAASC. They often sent mid-level staff, if anyone, to the quarterly meetings and had no member on the SC. One respondent contended MTC was strategic about its participation.

[the MTC Executive Director] is very politically astute so he knows what he has to keep track of. I think he has an understanding of the Alliance that is pretty accurate. It's very much about dialogue and yet they are interested in seeing some change happen. He is going to respond to them to the extent that he feels that he needs to, but he also of course is answering to other very powerful interests.

MTC occasionally put some of BAASC activities on their meeting agendas for reporting and discussion, but this contrasted with ABAG which made BAASC concepts central to the discussion in their Assembly and committee meetings.

Early Steps: The First Strategic Plan

The SC set up a working group at its inception in spring of 1997, including representatives from ABAG, U.S. EPA, The Gap, the California Environmental Trust, Urban Ecology, an environmental/equity action organization, the Surface Transportation Policy Project, which focused on promoting transit, the Bay Area Council and Peter Melhus of PG&E. This diverse group prepared the first working plan for the Alliance, and revised it based on feedback from the Steering Committee. The draft relied in part on Melhus' experience on the Communities Task Force of the PCSD and his work with PCSD staff. It was not strictly speaking a strategic plan, as its preparation did not involve environmental scans, data gathering on threats and opportunities or other typical steps.

The plan posed the following five tasks: 1) identify major issues that affect sustainability in the Bay Area; 2) initially focus on the inter-relationship between air quality transportation, housing, environmental quality, and economic prosperity; 3) develop action plans to address the issues identified in ways which integrate the three E's into each issue it addresses and ensure that social equity is an integral part of the recommendations on each issue; 4) help educate Bay Area

citizenry on the concept of sustainable development; and 5) establish and publish a series of indicators for both the Bay Area as a whole and for local governments individually to help measure progress towards a sustainable Bay Area. These points became the basis for most of what went on after this. There was perhaps a tacit theory of change in this but it was not spelled out.

Several points are worth noting about this plan. One is the emphasis placed on social equity as a coequal goal with others at least in principle. The planning started however with a focus on the physical environment which, according to our interviews, would not have been the primary goal of the social equity participants. Carl Anthony early on in meetings stressed the importance of dealing with education and homelessness, for example, but these issues did not capture the interest of other participants. Though they are part of the *Compact,* BAASC has not pursued them so far. The plan envisioned BAASC as an information gathering, educational, visioning, and political action organization. Its theory of change began to emerge when BAASC proposed (as recorded in the minutes) that,

> with the intent of balancing the need and value of inclusion with the need to have a group small enough to get results, the Alliance will consist of approximately 36 members. The membership is designed to achieve a coalition of leaders of organizations and agencies that have the resources and influence necessary to make the changes necessary to lead to a sustainable Bay Area community.

This language suggests that BAASC proposed to use a political model where one chooses influential participants and they in turn persuade others, including elected officials, to implement their vision. The theory is deeply embedded in the assumption that we have in a pluralist democracy, where interest groups joust for influence over decision makers. By including social equity they would have a novel alliance and more legitimacy for their proposals. BAASC would be an interest group, but a more powerful one than others because it joined interests together who are usually competing. The goal was to reach agreement and get others to act because of the collective power of the coalition. The overall approach is about achieving long-term change through a combination of education and political pressure.

This model differed from Bay Vision 2020, where many of the participants did not have organizations or power behind them. They were not envisioned as a political coalition, but as a blue ribbon group who might influence because they were respected. BAASC was similar to Bay Vision in that both were designed to develop a vision. BAASC however disclaimed any intention of proposing new governance institutions as Bay Vision did, because its leadership believed, on the basis of that experience, that doing so would be a political kiss of death.

This plan envisioned that most of the Alliance work would be conducted through a series of Task forces (later called working groups) for which the Alliance would provide direction. Task forces were to be chaired by two or more members and include balanced representation from all four sectors. They were to incorporate nonmembers in order to "reach a higher level of inclusiveness." At the time the SC members envisioned having one professional and one support staff for the Alliance. They planned to seek compensation or transportation expenses to enable

the nonprofit sector to participate fully. They wanted to raise $400,000 and to seek funding from foundations, government grants, and corporate contributions.

This early plan set a series of unrealistic deadlines. The plan anticipated BAASC would have adopted strategies, suggested action steps, and defined expected outcomes, along with time lines by March 1998. By September 1998 they were supposed to have a set of indicators for the both the Bay Area as a whole and for local governments individually to measure progress towards the goals. By December 1998, they were to establish an on-going structure to work toward further implementation of the strategies and publish an implementation guide which identifies by sector, what actions can be implemented to address the strategies. By March 1999 they would be able to publicize the Alliance's sustainable community plan for the region.

Reaching agreement was much slower than anticipated. The SC realized soon after the plan was finished that their first step had to be to educate each of the caucuses about each other's interests. They devoted the first year of membership meetings to panels organized by each caucus. Agreements on the scope of their work, the issues they would address, and plans they would make, were not achieved until 1999. They did not finish the *Draft Compact*, which represented the closest they were come to a plan and strategies until July 2000. Though indicators were included in the *Draft Compact*, the final indicators report was only completed in 2003.

The SC early on, according to their minutes, affirmed that their decision process would be what they considered to be a consensus-based one.

> We agreed that Alliance decision making would be strictly limited to consensus and therefore will not require a "stalemate-breaking" process. Through consensus the Alliance will reach the greatest agreement on the most significant points to be included in the "Compact." No "minority reports" will be produced.

According to SC members and staff no one person's wording or thinking dominated, as consensus-based decision-making was adhered to. Nonetheless most respondents outside the SC perceived Sunne McPeak as driving much of the process. She was able to devote more time to the Alliance than other SC members, and she expressed strong opinions. In some instances, McPeak provided leadership on how engagement processes should proceed. She was vocal about their perspective of the Economy caucus. She was the one who most often followed up and tracked initiatives and tried to make sure things happened. She made as a condition of her involvement from the beginning that the Alliance have a defined work plan; that it have members from organizations representing the three E's, each of which has a constituency for whom it can speak and whose support they can deliver; and that SC members agree to stay at the table for two years. Her vision was consistent with the first Strategic Plan, but added to it. She recalled the five tasks for BAASC, which she put on the chalkboard in one of the early SC meetings. These were indeed what the Alliance did.

1) a common vision—that was the *Compact* we would negotiate; 2) the vision would be translated into a quantitative land use pattern—that was to become the footprint; 3) We would develop a set of measures--the indicator project; 4) We would define and catalogue and share best practices; and 5) We had placeholder to agree on one project we would implement. That became the CCII.

McPeak's view was that you could not proceed incrementally on limited tasks as some CRIs have done because the problems were too large and too urgent.

> We do not have the luxury of doing this incrementally. Our growth is upon us [giving some statistics]. We have the models for smart growth. We know how to do it, but we don't have enough housing. If that does not change, we cannot do anything in the region.

In this she expressed the view that comes across in much of the Alliance work—that they knew the basic answers at the outset of the project. It was not a process where people grappled with issues and struggled to find innovative solutions together. What they did seemed more directed toward getting constituencies on board than reflecting on their own starting assumptions. By 1998 the SC had formally agreed to do most of the things Ms. McPeak had laid out at the beginning.

DEVELOPING THE *COMPACT*

Working Groups

The SC set up working groups in 1998 to do several major tasks related to the *Compact*. Other than discussions in the SC, these committees represented the one opportunity for genuine dialogue across the interests. Each was to have three co-Chairs representing each of the three E's and at least one participant from governmental agencies. The groups included Best Practices List, Bay Area Sustainable Indicators, Housing, Jobs and Access, Environmental Quality and Biodiversity, Public Education and Media Strategy, and Local/Regional Fiscal /tax policy options. Individuals who were not from member organizations were also invited to be on the working groups with the goal of having diverse representation on each committee. The products of the groups were supposed to reflect the input of all three E's. A staff member from one of the sponsoring organizations was assigned to each group to make sure things moved forward. Participants in some periods devoted several hours a week to the effort. These groups, some involving 25 or more members, met as much as biweekly starting in June 1998 and began producing ideas to present to the SC soon thereafter. (See Appendix IV for a description of these groups and their tasks).

This was an opportunity for useful dialogue among people representing the three E's, but without professional assistance with managing the meetings, there were limitations. Chairs varied in their meeting management and agenda setting skills so, based on our observation of meetings and the meeting summaries, the groups did not necessarily succeed in having

constructive dialogue or in keeping the discussion focused. Although some group members or invited speakers had technical expertise, consultants did not assist these committees. Rather members did their own research. The groups did build working relationships and a common agenda, and sought consensus.

Much of the work product was in the form of lists. The Environmental Quality Group developed objectives and principles for governing development, along with strategies to get the principles put in place. The Best Practices group began to inventory practices throughout the nation. Among the groups Indicators and Housing, Jobs, and Access seemed to be the most central and the most controversial. The Media group worked hard to define its task and proposed many ideas. The fiscal/tax policy group did not meet at first, and ultimately BAASC legislative proposals on tax policy did not get anywhere. Some brief commentary is offered here on these groups, though their activities are not as well documented as other aspects of the Alliance. The Indicators effort is described in a separate section.

The Jobs/Housing/Access Group

The concept that these three elements were closely interrelated and should be thought of jointly was one the Alliance started with and one that has not changed. This group was apparently quite contentious, dealing as it did with what were to become the core issues for BAASC. Their deliberations were a microcosm of debates that continue. This was a large group with 26 people in attendance at their meeting of August 1998. They were large enough to set themselves up with subcommittees. They took a lot of time in the beginning defining terms and process and listing alternative strategies to reduce dependence on cars. The biggest problem was that there was never full agreement among some of the environmentalists and the others that housing should be developed to accommodate projected job growth. Some environmentalists wanted to use the shortage of housing as a way of stemming growth overall, but the business community felt that job growth was essential to the economy. Others pointed out that all they would be doing was exporting housing outside the region and adding to congestion.

Public Education and Media.

This group identified their mission as public education and a media campaign to market the Alliance and its objectives, as well as setting up regional fora to dialogue on inter-regional dependence. As they soon realized, they got started prematurely because they needed to know what their message was before they could proceed. Nothing had been agreed on in 1998. The issue of regional interdependence never got off the ground as a BAASC topic so the group focused on how to get publicity. They needed action stories, but the Alliance was to remain largely in the talking stage. The Alliance was never to get much publicity, despite the time spent thinking about it. The SC was interested in media attention and regularly heard reports from this group. They recognized that getting the word out was important to spread the vision, but in the end the vision itself was so long and complex that it was not to be very newsworthy. There was never a simple media-friendly version. In the end there was little publicity, even when the *Compact* came out.

The group debated over classic issues in public participation. Some thought the debates they were going through would be good for public education, but others thought the working groups should not be open to the public. Others said people were more likely to buy in to the *Compact* if they were part of the process. The question came up of whether elected officials should be involved. The Alliance settled on including the public in the quarterly meetings only. Participation, or even engagement or education of the larger public beyond the elites or leaders of organizations, was not something the BAASC did, despite the name of this committee. BAASC focused on creating a coalition of people with influence and on working through networks. This group's work suffered from uncertainty about who their audience was and what their goals should be. It is only in retrospect that one can see that an effort to get broad publicity was not consistent with what emerged as the BAASC mission.

Drafting the Draft Compact

List making and list revising was the basic procedure that BAASC followed for developing the *Compact*. Basically the work started with the assumption "we are all for sustainable development, so lets come up with a list of things we can all think of to do about it and then work over those till we can agree on some." What this method produced was a familiar set of proposals floating around and promoted by one or another interest. While they discussed the meaning of sustainability and looked at each idea in terms of whether it would be good for sustainability, there is no record of an agreed-on definition of this elusive idea. The list making process was destined to result in watering down the ideas and eliminating some to find a set everyone could agree on. The list making process is well suited to a political model of action where the idea is to find something for everybody so you can get a broad coalition. This is in contrast to a collaborative model[18] which would be a problem-solving process, designed to come up with innovative strategy or at least a coherently packaged programs of linked actions. The BAASC process was for the most designed to challenge assumptions or come up with innovations.

One of the first steps was that Gary Binger conducted a survey of 400 groups working on sustainable development throughout the Bay Area to get a list of their ideas. This was originally part of an inventory ABAG conducted along with the U.S. EPA representative's effort to gather information on federal programs related to sustainable development. This survey asked for the top 10 issues for the Bay Area and the top10 that BAASC should pursue. Out of 80 recommendations ABAG culled eight that seemed to be of most importance. These results became a jumping off place for BAASC discussions. The ideas included supporting alternative forms of transportation to the car, making desirable dense urban neighborhoods, creating new fiscal and tax policies, developing inner city areas before fringe areas, and expanding job training programs.

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[18] The authoritative book on collaborative methods for policy dialogue is Lawrence Susskind, Sarah McKearnon, and Jennifer Thomas-Larmer eds. *The Consensus Building Handbook: A Comprehensive Guide to Reaching Agreement*. Thousand Oaks. Sage Publications 1999.

The work on the *Compact* started with a document that was made up largely of bullet points and subpoints. This format remained the basic model for the *Compact*. This first document listed five subjects under "goals and strategies" followed by eight "challenges," problems needing addressing. Then there was a brief vision of a future Bay Area. Then the document moved to "commitments" under eight topics. These were followed by 4-6 specific actions for each. Under each of these was analysis of barriers and problems associated with it and often very detailed actions, along with a list of who was needed to implement. For each action, they had an indicator. Later drafts simplified this complex format and reduced the number of layers. They also eliminated what was considered negativity in the draft with its emphasis on problems. It is instructive to trace back these drafts because the effort shows how the BAASC was thinking this task through. It shows how they jumped quickly to specific action proposals without defining the problem, analyzing the larger picture or working through solutions based on such analysis. They proceeded without testing the assumption that they knew what to do and thus without a rationale associated for the proposals. In dropping the problem statements in the early version of the *Compact*, the relationship between action and purpose became more tenuous in the document. Moreover by eliminating the barriers to action commentary it was easier for a reader (and perhaps for the authors as well) not to grapple with the implementation issues or even the feasibility of the proposals.

The compatibility of list making with the fundamentally political approach of BAASC probably accounts for why it became the dominant mode of operating. The leaders had quickly agreed on the rough outlines of what they wanted to do. Some believed that they already knew what actions were appropriate but did not know which would be politically acceptable. The bullet point approach works well when the goal is get many players on board with different interests. It does not work where the expectation is that the group will hammer out a tightly linked package of actions all working together to solve a particular problem. Sustainability here was conceived of as a set of actions which could be pursued by different players at different times and places. An alternative model of sustainability is one where the entire region is made up of interdependent parts and players and where sustainability is only achieved by working on all issues simultaneously.[19] But this conception would have required a much deeper collective engagement of a wider array of players than found in the Steering Committee and its constituencies. It would also have required an intensive, probably formally facilitated, dialogue to frame the issues and develop and implement strategy.

The bullet point approach represented a choice, whether conscious or not, among various approaches to getting players on board with a common agenda. Another approach would have been to prepare a sort of white paper laying out the issues and making an argument. This could have been the basis for a dialogue, or the beginning of what is called in the conflict resolution field, a single-text negotiating document. Another might have been a narrative about the Bay Area with evidence about problems and success stories providing vivid examples of possible actions. This could have helped in developing shared meaning about sustainability among the

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[19] "Metropolitan Development as a Complex System: A New Approach to Sustainability" (with David E. Booher), <u>Economic Development Quarterly</u>, May 1999. 13, 2, 141-156.

representatives of the three E's. It could have allowed the group to address contradictions and conflicts among the strategies they proposed and the ways in which each did or did not benefit a particular E. They might also as a starting point have prepared an educational piece laying out the statistics showing the nature of the problem and the trends and perhaps offering expert commentary on the causes and possible solutions. There was a plethora of such research out there, but it never was integrated in a significant way into SC discussions.

The *Draft* went through many iterations as different caucuses proposed changes, though it was not always clear to others what the reasoning was. One participant was not expecting this.

> I didn't think they [the *Compact* goals] were controversial. Later it went through the business caucus, and it got watered down in there.... It got mixed down to benign language.   We couldn't really tell [what their objection was]. For example instead of promoting funding for transit, it said, "promote a balanced mixed of investment so that things are … status quo" … So they got it to be language that wouldn't promote reduction on highway spending.

There was concern among some participants that BAASC was working too much on the visioning aspect and not enough on the practical side of how to turn this into action. Gary Binger assigned his class at the University of California to develop an action plan to be considered by the Bay Area Alliance. The student team developed three products which it presented to the SC: 1) a matrix illustrating where and how the initiatives of the *Compact* overlap and identifying underlying issues around which actions can be developed; 2) a plan translating the initiatives into specific actions, including objectives, obstacles, success factors and best practices; 3) a survey instrument which could be used to gauge public support for these actions. The results were presented to the SC, but the effort appears not to have changed the trajectory of the Alliance. This lack of specifics in was to make it easier, however, for local governments to sign on to the *Compact,* as they turned out to be wary of making action commitments.

The *Draft Compact,* as finished in July 2000, was more succinct than the first version. It had a brief Vision, and 10 Challenges, now less judgmental. The first draft was a list was of things that were wrong, whereas this was both more neutral and more specific. Then it offered 10 commitments, very broad, largely apple-pie goals with few specifics that could become lightning rods. Each of these commitments had a set of actions associated with it, mostly of a generic and noncontroversial nature like, "support", "encourage," "reach out to," of "advocate for."   The commitments included:

1. Enable a diversified, sustainable and competitive economy to continue to prosper and provide jobs in order to achieve a high quality of life for all bay area residents.

2. Accommodate sufficient housing affordable to all income levels within the bay area to match population increases and job generation

3. Target transportation investment to achieve a world class comprehensive, integrated and balanced multi-modal system that supports efficient land use and decreases dependency on single-occupancy vehicle trips.

4. Preserve and restore the region's natural assets, including San Francisco Bay, farmland, open space, other habitats, and air and water quality.

5. Use resources efficiently, eliminate pollution and significantly reduce waste

6. Focus investment to preserve and revitalize neighborhoods

7. Provide all residents with the opportunity for high quality education and lifelong learning to help them meet their highest aspirations.

8. Promote healthy and safe communities

9. Implement local government fiscal reforms and revenue sharing

10. Stimulate civic engagement

An appendix contained a section providing several indicators associated with each commitment and a history of the Alliance. The *Draft Compact* contained no data, no examples, and no argument supporting these choices of objectives and actions. It was dated July 2000, though not distributed until March 2001. (See Appendix V for the members who signed onto the *Draft Compact*.)

Getting and Processing Feedback

The SC created a survey form to accompany the draft which asked respondents to say on a scale of 1-6 what degree of support they had for each goal and action. No overall questions were asked about the basic approach or whether anything was missing. Participants in the March 2001 quarterly meeting filled this out. A similar process was followed at ABAG around the same time to get feedback from attendees at their annual General Assembly. They also allowed for more general comments. The SC spent a good bit of time discussing how to handle comments. They wanted transparency but also it seems they wanted to keep control of the process. They agreed they would acknowledge serious comments with a written reply and the *Compact* drafting team (staff) would consider and handle most of them. Comments from Alliance members would be brought to the attention of the SC. They decided that only on rare occasions should comments be provided to the entire membership. A *Compact* Integration Team would resolve issues the drafting team could not. The SC was committed to transparency in showing how the *Compact* was evolving. Indeed several drafts were issued with changes indicated. This transparency was an important factor in gaining member's trust. As the basic concepts were being reviewed, the plan was to continue work on the 'back end' of the *Compact* on the strategies and actions. They would do working sessions as they found sticking points. They also agreed to the sanctity of existing wording in *Compact* which they had worked out so carefully. It was going to take a lot to get them to change anything.

The SC said the *Draft* was designed to "encourage and facilitate a regional conversation about a sustainable future for the Bay Area."[20] They decided that it was premature at the time the *Compact* was distributed however to hold the Town Meetings which the outreach group had envisioned. Their objective became for the caucuses to expand the number of their constituents who would be "champions" of the *Compact*. The SC hoped to enlist these constituencies for building mailing lists, media contact, and be supportive messengers. They were looking more at a political than a participatory or broad-based educational and outreach approach. Instead of holding public workshops on the *Compact* they used the funding for workshops on the Footprint project [see below]. As a practical matter the issue became getting basic ratification of the draft rather than generation of a broad dialogue.

Marketing the Draft to Local Government

BAASC hired four consultants to give presentations to the elected officials and get local governments to take formal action to sign on to the *Draft Compact* in what was essentially a lobbying effort. All these local government liaisons were sitting or former elected officials. They began in March 2001, when BAASC distributed the *Compact* to cities and counties and held a major press conference. Each liaison was responsible for two or three counties. The idea was that these individuals could draw on their existing relationships and their knowledge of legislative procedures. The procedure was to try to get the *Compact* on to local commission and council agendas for discussion and formal votes of support. Their goal was to get support for the *Compact* from 80% of the jurisdictions, including all three major cities and at least three cities in each county. BAASC would pay consultants incentive dollars for reaching milestones like 50%. The task of getting signatures turned out to be harder and more lengthy than anyone anticipated. Consultants worked for nine months, but even then the job remained incomplete. By December 2001 the consultants ended their work with 68% support among cities and 79% among counties, with five cities withholding support and 29 cities and 2 counties still pending at the time.[21]

While there was variation in the responses, the group's report identifies six points that seemed common among respondents. Each of these suggests where there were potential improvements to BAASC's theory of change and gaps in their strategy. It is telling that BAASC did not apparently anticipate these reactions, perhaps because they had only the most indirect of local government involvement in preparing the *Compact* to begin with.

1. Jurisdictions wanted to be sure signing the document did not imply they were giving up local control in any way.

2. While they commended the inclusiveness of the document, some criticized the fact that there were not education players in BAASC despite the fact that it was a major principle in the document.

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[20] Cover letter for the *Draft Compact* signed by Steering Committee members. July 2000.

[21] Final Activity Report of Outreach Efforts for the *Draft Compact for a Sustainable Bay Area*. By Surlene Grant, Mary Griffin, Harry Moore, Charlotte Powers. Submitted to the Bay Area Alliance for Sustainable Development December 18, 2001.

3. As the *Draft Compact* is not a mandate and has no enforcement power, supporters hoped this would not be "just another exercise" and result in a useless document, while cynics expected that is what it would be.

4. BAASC has emerged as a leader through this effort and as an interest group that should be involved as a stakeholder or have a stronger presence in related programs around the Bay area.

5. While recommendations are good, local leaders questioned where the resources would come from.

6. When General Plan-making was in progress, signing on to the *Compact* was problematic because many cities had concerns with Commitment 2, accommodating sufficient housing affordable to all income levels, Commitment 3, targeting transportation investment to support efficient land use and decrease dependency on single occupancy vehicle trips, and Commitment 9 involving implementing local revenue sharing.

The *Compact* was neither met with enthusiasm, nor often rejected out of hand. Sometimes the governing body did not make a clear decision, just checking for consistency with its own policies or endorsing it "in principle." Sometimes it was discussed. Sometimes it was just passed on the consent calendar. Sometimes a city agreed to support with substantial caveats (often on one or more of the three commitments noted above) or wanted to wait until the *Compact* was final. Sometimes the city endorsed it only as far as it coincided with their existing or planned policies. Cities which already had smart growth policies in place were cautious because they did not want to interfere with what they had already worked out. Palo Alto supported it without a vote because they did not want to give environmental groups more "wiggle room" to pressure the city. Contra Costa County was simultaneously engaged in an exercise called "Shaping our Future" so some cities were reluctant to consider the *Compact* until that was complete. Some wanted things in the *Compact* that were not there, like more open space and emphasis on diversity. Marin County was split, with some cities endorsing without caveats and some still considering whether to even put the item on the agenda. Some had such small staffs they did not have time to deal with it. In Napa there was active opposition and not much support, with the county and at least one city voting no and the others taking no action. San Mateo County cities, other than Menlo Park, were supportive. In Santa Clara County, where growth is a major issue, the cities expressed caveats, and the Los Altos Hills city manager said they would not consider it. Part rural, part exurban and rapidly developing Solano County was negative in its reaction, with the liaison being unable even to schedule presentations in most cities. Even Vallejo did not support the *Compact* because the city was dissatisfied with representation at the BAASC table. Sonoma County was more supportive.

This experience suggests that endorsement of the *Draft Compact* was not especially meaningful for most cities. They either already agreed with it or supported only the parts they agreed with or which were general "mom and apple pie" statements. They did not agree with the parts where they would have had to change their policies. Many endorsed, but with clear caveats that they did not support some of the key commitments. Some adopted it without discussion or debate. It is thus unclear whether its provisions influenced the thinking of many local leaders as

it was intended to do, though there is limited testimony about learning that took place. There is no evidence from the liaisons' report that general plans or housing policy changes were likely to be made as a result of discussion or endorsement of the *Draft Compact*. Indeed, cities seemed to erect a firewall between the *Compact* and their other policies. This is not to say that the endorsement would not legitimize different policies in future or give proponents of the BAASC policies leverage in future city decisions. But it does appear that many city leaders regarded supporting the *Compact* as harmless as it had no teeth and they were only supporting it conditionally.

One BAASC member looking at this process saw benefits to the *Compact*, but also was disappointed, as he seemed to have expected it to have more power and set more direction.

> The *Compact* was a good thing, but mostly because of the dialogue it caused—because it got people talking to one another. I don't think the *Compact*, when you read it, really commits anyone to anything. It is very broad and very general. It makes us feel good. So there is some value in that that I don't want to discount. It is out there on the printed page, along with the range of organizations that have endorsed it. That is powerful, but it does not really set out an agenda for change to the region. It does not commit any one of the constituencies to any specific action. Therefore it is a little bit of a disappointment. It does not go the distance.

This same individual was skeptical about the method of sending paid lobbyists to local governments to win their support. When we asked him what he thought of this method he made a wry face.

> I am not sure it did anything... If I had been more involved with the leadership, I would have said, "Let's not send consultants. Let's go ourselves." It is good to get consultants to help prepare materials and that sort of thing, but I think what would have mattered to local governments would have been if local business, environmentalist, and social equity leaders came and said "Here is why this is important and why we have been involved with it and why we think you should be involved with it." But that level of coordination was not there.

BAASC was a largely volunteer effort so it is at first surprising that they would choose to get professionals to do what the volunteers might have done better. This respondent noted, as did one of the SC members, they did not have the staff capacity to mobilize and coordinate this kind of effort. They may also not have had the commitment from members. The members in any case were not asked how to market the Compact, much less whether they could volunteer to assist. The leadership did not consult its members on things of this sort, despite the expertise among members particularly in regard to mobilization and action. The lobbying idea fit well with the political theory of action that underlies this project.

Final *Compact*[22]

A great deal of wordsmithing went on in the two years between the *Draft Compact* and the final. There were various drafts with highlighted changes to make this editing process transparent and allow comments in quarterly meetings. The ten commitments to action in the final *Compact* were changed in ways that mostly made these as uncontroversial as possible and left plenty of room for communities and advocacy organizations to pick and choose what to do. A few items were added to strengthen the social equity component, particularly in the section on revitalizing neighborhoods. The major changes were in Commitment 2 where the term "accommodate sufficient housing" for diverse groups was replaced with the more general term "Provide housing," and in Commitment 9 where the controversial idea of "revenue sharing" was removed. Appendix VI shows what specific changes were made to the various strategies. Most made it easier for signatories not to change what they were doing unless they chose to because most statements and action strategies were now more general than before. While many were able to sign on to some broad concepts, the real sticking points were unresolved. These included who has responsibility for how much and what type of affordable housing, whether the Bay Area should try to accommodate housing for all the potential job growth or whether this *Compact* should try to limit growth. The Final *Compact*, according to one staff member, "Doesn't say (that particular jurisdictions) endorsed the *Compact*, but it says they took an action in support of our work."

When we asked "what are the biggest obstacles to getting the *Compact* implemented?" one reply from a key staff person was,

> Convincing local leaders to approve housing. One, they have to cover the costs, Secondly, there have to be people advocating development in their back yard. People advocating at city council meetings. And right now, you have splinter groups that would stop development anywhere.

Nonetheless, it did not appear that BAASC had a strategy to alter this situation. In any case according to one BAASC member,

> The *Compact* has been acceptable to local jurisdictions because the idea was never to get to the point of practical actions early on, but instead to get people to buy into the vision and then tell them later what this implies. "You agreed to the vision, now here is what you have to do."

So perhaps there was no real incentive to make the *Compact* more practical.

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[22] The final *Compact* had the endorsement as of March 2004 of 67 cities and all nine counties.

Perspectives on the *Compact*

We found was mixed opinion about the value of the *Compact* among our respondents. Most of the BAASC leadership felt it had valuable outcomes. One said,

> The *Draft Compact* went to all cities and to caucuses. [It went] to the businesses in region. It was endorsed by eight counties (at the time of our interview). It has become the basis for discussion in the jurisdictions. This *Compact* has helped people have a dialogue to create a shared vision.

From another's perspective,

> As we began to have these conversations people began to say, "This is a place where we can have a conversation and there is no other place." Equity people were concerned about abandonment, but not about sprawl. There had been some major moves out of the inner city with business moving to other jurisdictions where they (equity people) did not have a say ... What this offered was a chance to have a public discourse which would include them.

> We came up with the *Compact*, which I thought was a wonderful exercise. These people had never tried to envision a solution for how a region should grow so that it would solve these problems–they just criticized or opposed proposals. I was in some ways more invested in it than the others. There were many equity people who thought it was a waste of time. I said "what is your idea about how we are going to talk to these suburban constituencies about this? These others have political power that the equity interests do not have."

His view was that it had already had valuable outcomes.

> The *Compact* is pretty remarkable. A lot of jurisdictions adopted it. I think it does amount to something. ... Having so many jurisdictions sign on to the *Compact* means there was a certain amount of discussion. Before this, business was saying about the environmentalists "what planet are they from?" I think to have a whole collection of strategies in the *Compact* was really important. I think all these different groups got the idea that they should talk.

As for the relationship between talk and action he said, offering his tacit theory of change,

> It was also about "did you have a grocery store in a community?" and homelessness, from my view. The *Compact* was a chance to have a sounding board, if not an effective body to implement anything. My view is you have to create a public discourse and civil society that cares about things to get any legislation.

His view was that creating discourse was an end in itself for the Alliance because of the long term consequences of people learning about the issues and engaging in them. He never saw it as an action body.

A member of the environmental caucus who served on one of the Working Groups contended there were benefits to the process of preparing the *Compact*, in introducing him to people representing other perspectives.

> You can critique the various projects and dialogue in different ways... for not moving fast enough, for just being focused on dialogue, etcetera, but it is the place where I got started working with the Homebuilders' Association of Northern California. It is the place where I met some of the CEOs or Vice Presidents of some of the major employers in this area. By working with them...in the large group and then in the subcommittees to develop a *Compact* and ... various projects I got to work with people that I otherwise wouldn't have come into contact with.

The mere fact of the dialogue seems to have changed this person's approach to his work, not by compromise but by learning and self-interest.

> Being part of a group where there is a developer sitting across from you, a hard-core environmentalist next to you, and a long time social justice activist sitting on the other side, if they are all coming to the table voluntarily, then there is kind of an automatic assumption that everyone is trying to find common ground. So the conversation is more open-ended, fluid, and probably more influential on the individuals there who are listening and seeing the [other's] perspective. Not that you have to compromise there at the table or anything like that, but you go back to your own work and say, "Ok. I think I would be more effective if I took some of their considerations into account from the get go."

Another contended in a similar vein, that this learning had second order effects as the leaders went back to their own organizations and revised their agendas to make them more effective.

> I'm not sure that I would have said this at the time, but I have the benefit of seven years of hindsight now. I think that [The Alliance] was instrumental in my own shaping of [my organization]. I feel like diverse groups of stakeholders who are sitting around a table give you.... insight and knowledge about the way that other people think. ... Unless you are closed-minded or an ideologue who is never going to give up [his or her] vision and never wants to compromise on anything, being part of that conversation cannot help but influence you towards a more practical way of going about your organization's business.

Some key players, however, were less sanguine about the *Compact* and all the effort BAASC of getting it developed. One told us,

> So the *Compact* has played itself out. I am negative about where it is going to go. Speaking from my personal bias, I am not a big fan of how much time and effort we put into the *Compact*. Why are we spending so damn much time trying to get this policy language? This is not a General Plan, and it doesn't have any teeth. Sunne would say, "we are going to take this to all jurisdictions in the region; we are going to get them to endorse this" and I would say, "So what? So they endorse it, then what do you do with it? It doesn't go anywhere. My feeling was we were spending too much time talking about language and getting support, rather than focusing on the CCII, or the smart growth initiative, which had an outcome of changing the ABAG forecasts.

When our interviewer noted that the equity caucus valued being part of the dialogue, this player agreed, but it was not enough to change her perspective

> That was clearly a big thing. The involvement of the social equity component was a really valuable thing. But the *Compact* has played itself out, and I am negative about where it is going to go. It is like a regional plan. No one pays attention so let's do something more targeted. The payoff on the smart growth initiative is really important and unique. The purpose of this smart growth effort was to change the growth forecast from what we expect to see to what we wanted to see.

Even some members who found the dialogue beneficial to them and their organizations were less than enthusiastic about the *Compact*, as they felt it did not have real teeth. One commented,

> I kind of disengaged from the *Compact* after it got fully written ...because it was a lowest common denominator document. I think we signed it. But I think it's going to be a struggle because it is a voluntary commitment.... Something that is voluntary is always going to be subject to whether then the top-level staff people, city council person, or mayor in any given city says "we are really going to reshape our planning and development to obey this document." There I think the number of factors that go into whether that actually happens just multiplies so exponentially that I'm not sure that you're ever going to be able to say the *Compact* directly influenced change.

Interviews done for an internal James Irvine Foundation assessment suggested that the *Compact* was not going to have an impact because it did not have much content. The report said, "While lauding the energy and commitment of Sunne McPeak and the BAC in crafting the document, most observers from all sides of the debate characterized the *Compact* as a 'lowest common denominator' document. Many felt that, in the process of gaining consensus, the

Compact was watered down until it neither provided a clear roadmap for change nor commanded enthusiastic support." The report added,

> One observer from the business community called it an "inventory of common sense" that avoided controversy and would not lead to the change the Alliance was seeking. He credited most of the support for the smart growth initiatives within the region to larger outside forces that are changing the context of land use and development nationally rather than to the work of the Alliance.... One leader from the social equity community called the four-year process of developing the *Compact* an "endless loop." Drafting the *Compact* became the goal without a clear sense of how it would be translated into action or impact the decisions of elected officials or individual companies. His organization, a founding member of BAASC, has pulled back their involvement. He said his organization could "live with it but not live by it." His organization has not endorsed the *Compact*. ... Another prominent social equity leader whose organization has actively participated did not want to lend credibility to the *Compact* by endorsing it, saying "there was no there there."

Oddly, after this report, which was shared with BAC, according to the minutes, these critiques did not appear to be discussed among the Steering Committee. This was to be a pattern, in our observation. Critiques of the process or outcomes seemed not to be heard, and little or no effort was made to get significant reflections on what they were doing that might have altered their approach. The BAASC had set its course and was not to be deflected. This, in turn, was to make the organization less adaptive than it could have been and, accordingly, quite possibly less successful. Though participants learned in the process, it seems that the organization itself was not really a learning organization.[23]

A fundamental debate about growth was never resolved between some of the more anti-growth environmentalists and the development community. One member said,

> One debate was about ... whether to slow down job growth, with some environmentalists speaking for this—and then we meet the housing needs. Sunne goes crazy about this. The policy language in the *Compact* was that future job growth should be accommodated in the Bay Area. Sunne wins. You should talk to Sherman Lewis. He was arguing against this and his language did not get in.

An environmentalist contended in response to this comment.

> It would be equally accurate to say that Sunne's language did not get in. We blocked her efforts to get language about specific projections into the *Compact* at every turn. We never opposed housing to meet job growth. We fought against

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[23] Chris Argyris and Donald Schon, *Organizational Learning II: Theory, Method and Practice* Addison Wesley, Reading MA, 1996.

honoring arbitrary projections and creating a machine of logic that would force development into the greenbelt.

A Steering Committee member agreed,

> Sunne was not able to roll over any of us. She is passionate in her beliefs but so are others. I would tell her that we could not accept some of the things she wanted and they did not get included.

Some organizations, for a variety of reasons, did not sign on to the *Compact*. For some environmental and equity groups it did not go far enough. A player involved early on told us,

> The *Compact* is a total failure and we refused to sign on. ... In the long run, this isn't going to be a consensus process. The business and developers love this.

Another said,

> The *Compact* was too comprehensive, covered too much ground, too long, and too watered down. Some sections, were okay—ones that said specific things like "invest in this." The sections I cared about—housing transportation, land use— were meaningless. Basically, "we can't agree so we are going to write statements with no meaning." What does it mean that we are going to "sponsor" something? It took years to develop; you had all that time to get to the common denominator approach. We spent four months on cute principles about supporting the economy and environment, etc. Then we did some things that are concrete. I don't know why so much energy went into that.

> Another comment was,

> Once it was clear the *Compact* was being watered down, they spent a lot of time shopping it around to cities. AC Transit rejected it, because it was so watered down... But so many people spent so much time on this.

But this respondent did see some value in the dialogues and the bringing of diverse people together to talk about the issues, at least for himself personally.

> Overall I don't think it was negative, not for me. I had been in the room with Phil Serna, from Building Industry Association; I totally understand where he is coming from, the interests he speaks for. So there is a benefit. If there is common ground, you can find it.

> This stakeholder added,

> I was wondering whether the BAASC was worth my time, and so rather than putting more time in to make the *Compact* be a better thing I decided not to spend so much time on it. I thought "... I will move my attention to other projects where I think key decisions are being made and action coming out."

Overall it appears that the process of preparing the *Compact*, particularly in the small groups, and in the Steering Committee, did help to create understanding across the caucuses and interests. It helped to build relationships across the interests which undoubtedly will continue and which, in some cases, have already resulted in cooperative efforts on issues related to the *Compact*. It has helped to create a common discourse among participants and helped them to see how the economy, environment and equity are related. In particular it has helped bring equity into the understanding of those in the other two caucuses and created some appreciation of what are the needs and perspectives of those in disadvantaged neighborhoods.

On the other hand, this process did not produce a robust set of proposals that could be implemented, probably because it lacked key stakeholders who would have to do the implementing. It did not include in the core negotiating group or in the membership strong and continuing voices representing the range of local governments. Thus it is not surprising that when this *Compact* was shopped around, local jurisdictions found a number of its ideas unpalatable for unanticipated reasons. The *Compact* basically involved one group of people getting together and figuring out what some other people ought to do. Though BAASC cosponsored outreach and forums after the draft which included some local officials (usually supportive ones) these were more about education and feedback than an opportunity for participants to explore basic assumptions or suggest alternative strategy or tactics, or to develop commitment to shared idea of sustainability. BAASC settled early on for an idea of compact growth as embodying sustainability and skipped over the step of relating the former to the latter. They did not get much data or analysis that could have helped them to determine the feasibility or effectiveness of particular strategies in achieving goals nor hear much from naysayers that might have helped them develop a more effective strategy. Because of the lack of multiway dialogue, the SC apparently did not discover the critiques of the *Compact* or of their process that emerged in our study and in JIF's internal evaluation.

This was not a model of consensus building, planning, or mobilization. Rather it was coalition building to make BAASC an effective advocacy organization with enough clout to influence legislation. Instead of just focusing, as an interest group would, however, on getting particular things implemented, it tried to operate more as a social movement developing a broad vision. Unfortunately the vision and the goals and strategies that came from it were so general that they could not really mobilize the players who would be needed to make changes happen. Those who felt most strongly detached themselves from BAASC. For example one of the founding members, the Transportation and Land Use Coalition, came up with their own parallel proposal.[24] The BAASC list-making strategy was designed to get people on board. It was a planning version of pork barrel politics. The downside was that the interconnections and interaction between the actions and proposals were not explicitly identified–neither the contradictions nor the potential synergies. This kind of popularity contest for goals and strategies can be done without any real diagnosis or tough analysis of what it would take to make real change. So what BAASC ended up with was a set of ideas that had been floating around for some years in the various communities interested in smart growth. Each interest got to include

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[24] "TALC Land Use Policy Proposal: Conditioning Regional Transit Funds" June 25, 2004.

their favorites, perhaps watered down. The questions of how the actions would work and what it would take to make them work were not addressed. It was apparently assumed that legislation and political influence would do the trick. Given the lack of enthusiasm among the BAASC members for the *Compact*, it seems unlikely they will mobilize the way that would be needed to get decision makers to implement it.

SMART GROWTH STRATEGY/REGIONAL LIVABILITY FOOTPRINT

In parallel to the wordsmithing and marketing of the *Compact*, BAASC was engaged in three other major projects designed to complement the *Compact*. One was the development of a map of where growth should go. This project, designed to give a physical and quantitative face to the *Compact*, came to be called the Regional Livability Footprint. The concept was elusive from the start, but roughly promised that it would show a "footprint" on the landscape of the region for development that would be sustainable for the environment, the economy and equity. It was meant to spell out where development could occur consistent with the *Compact*. It was a concept that never became reality until it merged into a project of the regional agencies on smart growth, the subtext of which was to create a new type of policy-based population projections on which to base regional analyses and decision making. The concept evolved considerably from its inception to the publication of the *Smart Growth Strategy/Regional Livability Footprint*[25] report in 2002. In the process, the footprint project was seen in a variety of ways by different players. We have done our best to sort among these ideas and hope that this account represents this project accurately.

Origins of the Footprint

It was the waning years of the Clinton administration and PCSD, and BAASC, particularly Sunne McPeak, wanted to gather whatever resources they could obtain before the administration changed. One opportunity was the Partnership for Regional Livability (PRL), a consortium of major foundations and federal agencies dedicated to advancing sustainable development and smart growth. The footprint project first began to take shape in 1999 when PRL selected the Bay Area and BAASC as one of four regional pilot programs in the country. Sunne McPeak spearheaded the effort to get the Bay Area designated as one of the regions and sent BAC consultant James Nixon to the first meeting, where consensus was quickly developed on two projects for BAASC to conduct. One was to become the Community Capital Investment Initiative (CCII) and the other the Footprint. Although there was ultimately little money from PRL for implementing these projects, BAASC continued work on them over the ensuing years.

At first the jobs-housing working group had been discussing a jobs-housing footprint, but then BAASC received a grant to allow them to expand the idea to include environmental and other issues. The impetus for this concept apparently came mostly from the Environmental and

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[25] BAASC began its work on a footprint project, which eventually merged with the regional agencies' Smart Growth Strategy to become the Smart Growth Strategy/Regional Livability Footprint project. We will refer to it primarily as the footprint project.

Economic caucuses and from the regional housing crisis. The biggest issue was how to increase housing without degrading the environment. A staff person explained,

> What we wanted to do was to figure out how we can build enough housing in the Bay Area without degrading the environments by using up more open space. How do we give developers the certainty they need about where they can build and where they cannot so they can focus their efforts?

The irony was that the map that was produced as part of the final report could not have been used by developers this way, not only because it was too imprecise but also because the "agreement" on it, such as it was, did not include the decision-makers from local governments.

The purpose of the project, according to the BAASC web site, was "to facilitate regional consensus on how the Ten Commitments to Action in the *Draft Compact* relate to land use." It would give physical form to the *Compact*. In 2000 Professor John Landis and Ness Sandoval of the University of California did a study for BAC of land availability for infill in the region looking at both vacant and economically underutilized land. The study concluded that at least one-third of the projected housing demand could be accommodated as infill within the urban footprint, though much of this was not then vacant.[26] At about the same time Sunne McPeak, on behalf of the BAASC, hired consultants Larry Orman, formerly head of the Greenbelt Alliance, and Dena Belzer, an economics and housing analyst, to prepare "opportunities and constraints maps" that would define where development should go in the Bay Area. Their original job was to help BAASC see how to accommodate as many as possible of the million or so new households and jobs that were forecast within the region. A closely involved player said,

> Sunne's idea was to show where were the slopes too steep and where other things could affect the desirability or feasibility of development. Her thinking was this would be the groundwork for making the *Compact* public, implementing it, and giving people a visual idea of where stuff would go.

The consultants prepared a series of concept maps with existing data. A technical task force made up of people from regional agencies or other staff reviewed these, as did another expert advisory group including new urbanist Peter Calthorpe. There were arguments over the maps and the data. Environmentalists worried that maps saying where you could not build would be used to justify building everywhere else. Finally the committees said maps were not what they wanted.

This false start seems to have been due to unrealistic expectations for how data and maps can actually provide definitive information for action. The data are at best rough and approximate. The maps may show some interesting things, but they cannot really tell a user what to do–especially if they are developed as background information rather than in answer to specific questions that emerge from the policy discussion about the value of particular actions.

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[26] Onesimo Sandoval and John Landis. "Estimating the Housing Infill Capacity of the Bay Area" Working Paper 2000-06. Institute of Urban and Regional Development University of California Berkeley 2000.

When we asked a participant who had great respect for McPeak's intelligence and political savvy how these maps were supposed to work, his answer again gave clues to her tacit theory of change.

> Sunne thinks in discrete terms. ... I think she thought making public policy was a matter of the right analysis, and everyone will sign on... even though you would think she would know better, I think she thought GIS (Geographic Information Systems) was going to show us things we would not have seen otherwise. She thought this was a new and powerful way to do this.

A similar conception about the potential impact of data was shared by many BAASC participants, and it drove the indicators project as well.

At this point the discussion morphed into a focus on process. The project itself was no longer about maps, but about workshops and public involvement. One respondent said, " I think Sunne had gotten this started to engage local officials, which she knew was important." The idea of developing workshops was another approach. Consultants spent time working with McPeak, deciding what the process should be. Peter Calthorpe, who had just completed a smart growth workshop process as part of Envision Utah, pushed for using their method, which involved giving participants chips representing different amounts of development and placing these on maps. Belzer and Calthorpe developed the basic regional visioning process concepts and prepared a Request for Qualifications from consultants. Consultants were hired to implement this effort, which was to merge with the Smart Growth Initiative that three regional agencies, ABAG, MTC, and the Air District had been working on for two or three years. McPeak, according to one respondent, had always wanted to do the footprint as part of a larger partnership, but she pushed to work with the agencies once it was clear the maps were not going to produce the results she wanted.

The Smart Growth Initiative

Earlier, in 1998, Stuart Cohen of the Transportation and Land Use Coalition (TALC) had prepared a concept paper arguing that the institutional and policy framework for transportation investment was assuring sprawl and gridlock. He proposed a smart growth initiative for the region, modeled on one in Portland, Oregon, that would fund a planning process to produce alternative growth and transportation scenarios. His idea was to mobilize local leadership around smart growth ideas, educate them, and develop an inventory of incentives and tools for achieving less sprawling, more compact and more transit-friendly growth. Cohen wanted MTC to apply for funding from the U.S. Department of Transportation. MTC commissioners agreed and directed staff to work with ABAG, the Sierra Club, the Surface Transportation Policy Project, TALC and the Greenbelt Alliance to develop a proposal for a smart growth grant. While this proposal was not funded, it was agreed to by MTC, ABAG and the Air District. Another unsuccessful proposal was submitted in the second round, but by this time the ideas and the cooperation were in place.

All the regional agencies began to see that they had an interest in getting smart growth policies in place, or at least in changing the population projections. MTC could see that, based on existing trends, their next Regional Transportation Plan was going to be out of compliance with clean air standards so it would not be allowed to go forward. The Air Quality District was concerned about the deterioration in air quality. New more stringent federal water quality standards worried the Regional Water Quality Board. ABAG's members wanted to do something about sprawl. All these players wanted to take some leadership. Though Stuart Cohen's organization was part of the BAASC, and of course the regional agencies were part of it as well, they were not to turn to the BAASC for participation or legitimacy of their proposal until after they received a grant and were under some pressure from BAASC to join forces.

The agencies finally applied to U.S. EPA for funding, getting all the regional agencies on board, though the project still did not have a clear shape or goal.

> We ... realized that we were going to do this whether or not we got this EPA money. We decided to bring in the other two regional agencies. BCDC was really interested in being involved, ... and the water quality control board had huge staffing capacity issues. They were very supportive, but not as active a player. So we started working to develop.... the smart growth strategy. Which was—we weren't sure what it was going to be exactly, given that none of these regional agencies have any land use authority whatsoever. MTC has funding discretion that they could use in some way. ABAG has the assessment process and the role of looking region wide at housing. And then the Bay Area Air Quality District is suppose to be cleaning up air, so the less sprawl and the more town-centered development, the cleaner the air would be.

ABAG also had the responsibility of making population projections, which were used in MTC's and the Air District's models. Its approach to this population forecast was primarily to project existing trends and use input from the local governments about their land supply and general plans. ABAG then distributed the projected regional population among jurisdictions. Environmentalists and others had been arguing that these projections, which affected MTC investment allocations among other things, were reinforcing the status quo and the sprawling pattern of development. Changing these projections was to become the principal focus of the Smart Growth Initiative. One of the leaders in developing this strategy told us,

> The payoff on the Smart Growth Initiative is really important and unique. The purpose of this smart growth project was to change the growth forecast from what we expect to see, to what we wanted to see.... MTC came on board because there were others on board. What we did get out of MTC was a deal with them that they basically said, "if you can get your board to adopt alternative growth forecasts, then we will use whatever the board adopts."

MTC was a reluctant participant, apparently because the Director had felt burned by Bay Vision 2020 and its effort to create regional planning and regional government. A BAASC leader said,

We wrote the grant proposal and ...when it went to MTC, Dahms (Executive Director) did not want to sign it. He was very upset with us going after this money. We were trying to create something similar to Bay Vision. We got the money from EPA, got the grant, and MTC was not there. Everyone is ready to do this smart growth project, and MTC is not. They caved in because all officials wanted to do it.

The basic objective of the Smart Growth project had evolved from Stuart Cohen's original concepts to focus on an ultimate purpose of changing population forecasts from trend projections to policy-based ones. The theory of change was that ABAG's projections reinforced the status quo because these were built on trends and existing city policies. MTC would therefore make investments in the places where their model, which relied on the forecasts, would predict growth. However the reasoning was, if these forecasts could be based on the assumption that policies would change to encourage more compact growth, then the forecasts themselves would be self-fulfilling prophecies. This theory of change had a number of flaws, the most evident of which was that the ways in which localities would change their policies to produce this outcome were not specified, nor was there a clear idea of what incentives they might have to make changes. Without specified policies it would be difficult, if not impossible, to make the forecast in the way that the ABAG model normally did, which was to use the policies as a basis.

Merging the Two Projects: The Challenges of Collaboration

At some point the group began to consider including BAASC. A staff person said,

We got to a certain point where [the Smart Growth Initiative] started looking a lot like the Footprint project. Because ABAG sits on the Bay Area Alliance board, there was a lot of cross fertilization .... So we decided to join forces. That sounds like a no-brainer; here you have public agencies that have paid, full-time staff, working on the same project as a struggling alliance of very dispersed partners, so of course we will do it together. But again, everyone had to agree, so we worked really closely ... and created a two-year process.

A Steering Committee member felt that,

the BAASC was significantly undermined by the regional agencies' attempting to do their own thing after having been a part of BAASC. It took incredible effort to rejoin them into the Smart Growth/Footprint project.

Another said,

We joined with ABAG on the footprint in part to avoid both BAASC and ABAG going for the same money for two different projects. We had the help of five funded dinners from Irvine to assure we got the agencies to agree to work together.

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The potential duplication of effort also worried the agencies, as one staffer told us.

> Once we got that money, the process was starting up at the same time the Alliance was doing their livability footprint. We were going to cities at the same time, having two smart growth processes at the same time.

From the agency perspective however this was controversial.

> Sunne wanted to merge them. Nobody else wanted to do this. You bring in strong personalities; you bring the Sierra Club and the builders' association at the table. This monster was the Alliance.

Another participant also commented on the reasons for the hesitation.

> The regional agencies were very hesitant. They had never worked with a stakeholder group before, and they thought it would be more difficult to organize. They recognized too that Sunne was a force. When hammering out the memo of understanding, Sunne was the force dealing with junior staff people. She played hardball. She was not rude or unethical, but fierce about getting her ideas into it.

This project was to cost about $ 1.5 million–more than the EPA grant, but as one leader told us, "We got the money, went around and asked each regional agency and got support from them. Each gave quite a bit—about half a million, and that got the whole thing going."

> Writing a proposal was no easy job with all the players.

> In order to get three regional agencies (ABAG, MTC and the Air Quality District) and these advocacy groups all to support a single application; we had to spend a tremendous amount of time crafting the application so that it pleased everyone because everyone had to sign off on it.

Once the agencies got the funding, BAASC came on board, and the collaboration began to flesh out what this joint project would be like. As it turned out the ultimate design was neither like the Footprint's original conception nor very similar to Stuart Cohen's concepts. It was to be neither a map showing where it is feasible to build nor a set of scenarios about how to implement a better pattern. Though these were called Smart Growth scenarios, they were really preference maps of possible development patterns. Scenarios are defined in *Merriam Webster's 11th Collegiate Dictionary* as "a sequence of events, especially when imagined, an account or synopsis of a possible course of action or events." In other words if they were scenarios, they would have an action component and theory of change embedded in them. They would show not only the development pattern, but also how it might be achieved. The scenario approach is a good way to discuss alternatives, especially among a diverse collaborative group, and it is increasingly used in planning and other contexts. It is a way to imagine the future and to think of various ways to produce results. But this was a scenario in name only.

McPeak mobilized a group to get the collaboration started. According to one respondent,

> Representatives of MTC and ABAG met with Sunne and agreed to start this. Professor John Landis and consultants Dena Belzer and Larry Orman, and architect and New Urbanist Peter Calthorpe formed a technical committee, along with Valerie Knepper of MTC. They said they wanted to do something different that focused more on alternative development patterns. All had different concerns. ...The environmental community had been arguing about the ABAG projections which were just trends. There was a lot of push from all directions for policy-oriented projections.

Another staff person elaborated on the reasons for focusing on the population projections.

> Over the years there has been pressure from the environmental community in particular to ... add some policy focus to the developments of the projections. If we want the local governments to behave in a different way, we should push them ...The advocates always felt that they should put pressure on MTC through ABAG to condition the way they distribute the funds–that transportation improvements should be based on and supported by intelligent land use. You don't fund sprawl. You don't fund infrastructure out to farmland or open-space just because some community changes its general plan and says we want to annex this 10,000 acres....putting the policy overlay is new. This much I can tell you, in the past the inputs [to the projections] were more in what the local government's General Plan says, how much is available in a particular community, on the one hand, and, on the other hand, what is the economy going to support, where are our employers likely to go, where are our developers likely to want to develop, what are the market forces? ...This for the first time says, "all we want to do is make a concerted effort to put developments in smarter places … at higher densities, in communities that are already organized and have employment and services."

An agency participant took the view that the result was very much a BAASC product and that his agency benefited from BAASC involvement.

> This was not a [his agency] thing; this was an Alliance proposal. The Steering Committee wrote it, and because it was a collaborative effort it had a much broader approach. As the Smart Growth Initiative went ahead, [it] benefited from the Alliance as a backer. As we went out and started holding meetings having the social justice people was helpful. They were going to be bringing to community meetings a lot of faith-based groups to push for affordable housing. In the crafting of smart growth, we wanted to plan for housing. So much of the housing was created outside of the Bay Area. If we are going to develop a smart growth alternative, we should try to assume growth inside the Bay Area instead of outside. The driving force about that was Sunne. She is obsessed about housing, and she made a big deal about it. This really helped to drive the whole model.

Gary Binger explained the merger to the BAASC membership in July of 2000. The minutes tell us,

> Binger discussed two projects that are being integrated—the Livability Footprint Project of the Bay Area Alliance and the Smart Growth Initiative (aka Alternative Growth Scenarios project) of the regional agencies (ABAG, Metropolitan Transportation Commission – MTC, and the Bay Area Air Quality Management District -- BAAQMD). The projects have similar objectives, but have been proceeding on separate tracks. Both projects involve engaging the public in the near term. With the completion of the *Draft Compact* and the stated intention of the Bay Area Alliance to also engage the public on the draft *Compact*, it seems expedient and logical to combine, as best as possible, these two projects and the public involvement efforts.
>
> Notwithstanding their similar objectives, the Livability Footprint and the Smart Growth Initiative projects have different policy guidance. The Smart Growth Initiative is designed to move fast, i.e. completion within two years and is intended to influence the Regional Transportation Plan (RTP). In the RTP process, ABAG forecasts growth in the Bay Area and MTC develops a transportation program and funding based on ABAG's forecast. Therefore, the Smart Growth Initiative process may need to move faster than some desire and the product may need to be "shallower" than some would like. .... The leaders of the regional agencies met with the ...Steering Committee and agreed to try to take advantage of the synergy inherent in these two projects. The Bay Conservation Development Commission (BCDC), the San Francisco Water Quality Control Board (SFWQCB), the Urban Land Institute and the Bay Area Transportation and Land Use Coalition have joined the Smart Growth Initiative effort as advisers. [The] goal is to achieve consensus throughout the nine counties on how the Bay Area should grow in the context of the *Draft Compact*. The process for achieving consensus is evolving, but much work has been done, especially with respect to land use. The hope is that the information in the Livability Footprint will be used to inform decision-makers.

The goal of doing this work in the context of the *Compact* was not realized, however, as this Initiative began to take on a life of its own. The final Smart Growth report does not mention the *Compact*. It has some suggested policies which are overlapping with the *Compact*'s.

The merger process was difficult and caused friction between BAC and ABAG until they all agreed to work together. It is testimony to how little they really integrated the two projects in that they called it the *Smart Growth Strategy/ Regional Livability Footprint Project*[27] rather than agreeing on a simpler and easier to remember title. It was an awkward relationship because BAASC brought little additional money or dedicated staff time to the project, though the other partners had contributed substantial amounts. According to one agency participant, "It was sort

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[27] See the final report, published by ABAG in October 2002

of a microcosm of 'you have to pay to play' kind of mentality. And should the Alliance as the poorer partner, have an equal voice?"

The additional trouble was the Alliance did not speak with one voice. What the regional agencies ended up having to do was to broker solutions and conclusions among the three caucuses.

> So even though there were three caucuses, one of the caucuses could not even agree internally. So that was very challenging, because it really shouldn't have been the regional agencies' role to get agreement on things. And we ended up spending a lot of time and resources on that. But most people were happy with the product. There was one member of one caucus who was hard to please. You could imagine who that was.

Agency staff had a somewhat fuzzy understanding of the footprint project, not surprisingly as it was not clearly fleshed out prior to the collaborative effort.

> The BAA had a project called the regional livability footprint project and that was the project where they wanted to figure out where in the Bay Area growth should occur and where it should be off limits and what kind of growth that should be.

Another explained it this way.

> The Regional Livability Footprint Project is very complicated, and it is about semantics. I don't want to sound like I am nit-picking, but this was the only way that these two organizations, that is the Alliance and the five regional agencies, could do it. [These agencies] had never before worked on a project together. Different pairs and trios had worked on things together on Bay Area things and continue to, but the five had never worked on anything before. So that was a tenuous alliance in and of itself.

It appears that much, if not all, of the original footprint concepts disappeared in this collaboration. A BAASC member said in 2003,

> There is still no livability footprint. I still think of the livability footprint as a product of the Alliance, and I don't think it will come out. Projections 2003 is a good thing. .... If the Building Industry Association and Greenbelt Alliance could agree in a map, it would be a powerful thing, but it wouldn't happen.

The project ultimately was more the Smart Growth Initiative than the Footprint.

The Workshops

The central concept of this merged project was to hold workshops around the region to design the footprint/growth scenarios with citizens. A preliminary workshop was held in September 2000 in Oakland with a diverse group of nearly 200 in attendance including 43% from local government, 16% equity interests, 12% and 8% from environment and economy respectively, and 21% from other groups. At this point BAASC decided to merge their proposed workshops on the *Compact* into this project and contribute what funding they had for those. The

next stage was reconnaissance meetings to plan the workshops in each of the nine counties with 15 to 30 key leaders. First-stage county workshops were held in September and October 2001, where small groups identified their preferred patterns of development to accommodate future growth. These groups had been given information on the likely future without policy changes. The patterns they chose were then simplified into three "scenarios" for the region. These were analyzed in terms of some basic consequences and presented to a second round of workshops, where some preference emerged for one of the scenarios, which became the basis of ABAG's projections. The story of this process, along with the map of the preferred "scenario" and a set of action proposals, were packaged in the glossy final report.

Considerable outreach was done for the first round of workshops, with invitations sent out and workshops advertised in local newspapers. A staff person explained,

> The purpose of the first workshops was to lay out where the region is heading, its current growth patterns and its repercussions in terms of housing affordability, traffic, air quality—a number of things we were looking at. We said, nine times, one in each county, "is this the kind of future that you want?" .... So for each county, we worked very hard to get representatives from each jurisdiction, each area ... and also worked really hard to make sure there were developers there, environmentalists, and representatives of the most impoverished neighborhoods from each county, neighborhood representatives, that sort of thing.

Consultants ran these meetings and used some of the best available techniques to generate collaborative dialogue among large numbers of people such that the results could be potentially representative of the community. One of the organizers explained the procedures.

> We placed people randomly, so that there wasn't a developers' table, but there were people with various points of view at each table. They all got the same presentation at the beginning; they all got the same materials a week before in the mail. The message was " Is this the kind of future that you want?" Everyone agreed that "no it is not the future we want," and so the question is "which future do you want? " At each table we had a laptop computer running, with a computer operator and facilitator so there were two people there helping each group. They were trying to figure out how much growth they thought they were going to accommodate in the next 20 years and where that growth should occur, where there should be jobs, where there should be housing, and where the housing should be affordable to each income category. It was quite ambitious. On average, there were 10 tables each with 10 people with 100 people at each workshop. There were 200 at some, 70 at others. At the end of the day, we would have 10 different visions on a computer of what the future should look like for that county and at the end of all the workshops, we had about 100.

A participant told us what it was like in the discussions.

The way it was done was that you sat around a table and you had representatives from the county, business people, community residents, planning people and sitting around the table. It wasn't a lot of arguing about where development would occur. Some of the developers had been promoting development at the edge, but the proposals were more for development in the inner cities. We were able to agree on this. People sat at the table and there was controversy. Some people could not agree, but the overall process produced agreement.

Members of the Social Equity caucus contributed significantly to this process, getting the equity message integrated into it. They prepared a video on the relationship of smart growth to equity and inner city development which they showed in the organizing stages of the workshops. This helped to frame the issues in particular so that infill would be on the agenda at the workshops. One of the equity caucus emphasized the challenge of getting equity into the discussions and told us he viewed it as important because equity representatives would not likely be at the tables. The video was a way for other interests to understand the equity concerns, even if their representatives were not there.

Because when we look at the turnout of those meetings, people of color were not a significant component ... The homeless advocates, for example were not a significant part of the discussion. I got involved, because I felt that my agency ... needed to be there, because they were talking about where jobs were going to be in the next 30 years. The best way to get out of homelessness, is to get access to jobs ... But I did not see one shelter director attend those regional meetings.

The homelessness issue that Carl Anthony had originally wanted on the agenda had fallen off fairly quickly in the focus on land use and development.A staff member emphasized how important it was to have the participation of the equity caucus in this issue, where developers and environmentalists were usually the main players.

The equity caucus played an important role ...They created and showed a video that laid out the human and environmental issues around there not being enough housing and not enough economic opportunities in disadvantaged communities. It looked at environmental degradation and how it needed to be addressed. It summed up that the Alliance collectively thinks we need to focus our attention on revitalizing older urban core communities along the shoreline ... we need to take the pressure off the open space, the agricultural lands, and habitats. This is not just an environmental problem. There are also human costs to abandoning these communities, creating this sprawl in these areas; there are human consequences to that.

This person added, "Even I am more sensitive now to the issues around equity and environment and more knowledgeable than I was before."

One problem with this process was that the practicality of such development was never discussed in the workshops. The necessary data was not part of the discussion. It is unclear for example, what was the rationale for putting more development along Bay. The idea of infill is

attractive to many players who do not want to see more development in their suburban areas and to social equity groups in shoreline communities where they are in need of economic development and improved housing. The infill concept is particularly popular with members of the environmental caucus, who refer to the smart growth/footprint project as "the infill project." The question of economic or political feasibility was not on the table.

When we asked about disagreements in the workshops, a participant talked about the infill issue, which was to be the sticking point for the business community.

> There was never a fundamental disagreement... It was shades of differences. It was obvious that these developers who came were often influenced by smart growth ideas. The developers said "there is no way you can talk about infill really satisfying all the housing needs."

A critic of this process, an observer with a building industry orientation, did not think the groups were representative. He pointed out that BAC and the building community was not happy with the emerging results of these workshops.

> They had the county workshops. There was little representation of the business community, or builders, but just the usual suspects—those people who don't have a job. The people were there who wanted to attend the meetings. The meetings were well run, but these were people who already knew what to do and believed in density. The idea of accommodating market demands for housing was not of interest to these people. Therefore at this point Sunne started to lose interest ... There was an unwillingness to wrestle with details and tradeoffs. The problem with the people in the workshops was they have just been people who stop things.

In these kinds of largely self-selected participatory processes there are always some key groups who are underrepresented and others overrepresented. When groups are not representative the results can be infeasible or fail to get general support. If this respondent was correct in his assessment, it would explain why the business community was to turn against these scenarios. On the other hand an observer commented there were people representing opposing perspectives.

> There actually were plenty of anti-smart growth cranks, at least showing up at the workshops I attended. They passed out flyers and interrupted speakers to talk about the evils of smart growth.

Such "cranks" however did not constructively engage in the dialogue so it is unclear what effect they may have had.

Whether or not infill could be relied on for much development became a major issue. Sandoval and Landis' study was not specific about sites. Sherman Lewis took on the task of supervising five BAC graduate student interns in a "groundtruthing" exercise designed to look at capacity in key sites designated by the Smart Growth workshops. Since Lewis was a vocal member of the environmental caucus, however, his results were not necessarily trusted or seen as unbiased. One person from the business side commented,

The team looked at a politically correct sample of about a dozen neighborhoods around the Bay Area with the politically correct intent of squeezing in every infill unit possible, regardless of neighborhood character, local plans or whatever. I don't think anything came of it.

This comment highlights the basic difficulty BAASC faced in trying to turn their ideas into specific actions. They had a vision but could not really speak for people in the neighborhoods who would have to be part of the solution. It also reflects the lack of mutual understanding they had as a group. Another participant contended that infill was a sticky issue that was not resolved.

There was some struggle from the business community and the Bay Area Council in particular. They were stuck with [disagreed with] the social equity and environmental caucuses, about this question of infill ...[Even with a proposal for infill] I don't think that you'd answer whether we were going to be able to solve the housing-jobs imbalance. So the plan ended up a certain way, but I don't think that answered the question conclusively. So that is going to be struggle in the future.

Cutting Down to Three Alternatives

Staff of the organizations and the consultants moved from hundreds of visions to a manageable set of scenarios through a method that was part collaboration, part art form, and part politics. Not surprisingly, it was to lead to some dissatisfaction among stakeholders later, either because they did not like the chosen scenarios or they did not understand or trust the process that produced them. One participant in this analytic effort told the story.

It was our task as staff, with our consultants, to somehow make sense of all this...We found a room that had no windows and we put up all the maps, county by county. There was a group of about 5 or 6 of us ... We looked at each county and we sort of squinted to see "what are these people wanting?" So for each county, we tried to distill what folks wanted, into a more manageable number of scenarios, and we came up with the number three ... our plan was that once we distilled down the results of all these workshops into some finite number of alternative growth scenarios, then we were going to have MTC run their travel demand models on them. MTC had said they would only do four. We needed a current trends one, and so we did three alternatives.

For each county, we tried to see if we could find three predominant patterns, and it was not too difficult to do that. There were many tables that were quite similar in what they came up with. And with narrowing it down to three, we really didn't lose much. They were all hybrids, but they were hybrids that made sense. We looked at a county; we grouped things; and we tried with words to sort of describe the overall patterns that we were seeing. We did that nine times, for each county, and we took the pieces of butcher paper and we said, "what kinds of themes are we seeing throughout the nine counties?" The nine counties are very different, but we were still able to see commonalities.

Another version of this story suggested that there was an even more intuitive and subjective process of designing the preferred alternative, involving a lot of guesswork and perhaps even violating some basic economic principles.

> There were massive amounts of data, both for the baseline and from the workshops. Nobody understood it. The poor consultant was supposed to do an elaborate jobs-housing balance analysis and was not sure what the commutesheds should be. We had lots of ideas how to construct them (e.g. using census data on where people actually commute) but ultimately the lead consultant just put pen to map and drew them. They made little sense according to the census. For instance from an urban designer's point of view, Marin is a self contained commuteshed. Aesthetically it makes a good picture. But in reality Marin draws a goodly percentage of its workforce from the East Bay.

> The three alternative scenarios the process ended up with: "smarter suburbs," "central cities," and "network of neighborhoods," represented very different futures for the Bay Area.

> "Central cities" meant that ... there were people who thought that all new growth should happen ... particularly in the larger urbanized areas that had public transportation. That put tremendous amounts of growth in San Jose and Vallejo and very little in other places. The intermediate "network of neighborhoods" put growth in those places (central cities), but not as much. It spread the increment of growth to other already urbanized areas, so it looks like a chain of pockets of growth along transit corridors. And the third one, "smarter suburbs," has growth in all locations, as does the second alternative, but at lower levels. It has more at the edges and is more dense in the downtown areas, not like the sprawl that we are seeing today. It was not nearly as auto-oriented as today. So those were the three patterns that we saw everywhere.

BAASC leaders and others reviewed and discussed the scenarios. Politics played a part in defining and choosing the scenarios as one analyst told us.

> My part of the project ... was highly political ... That is really how decisions are made. It doesn't matter who is right; it doesn't matter what the data say.

The next step was to analyze the alternatives in terms of their consequences on the environment, economy and so on.

> So ... once we had the three alternatives, we had an army of consultants who did analysis of the alternatives and on the current trend, the base case. They looked at the effects in the nine counties on air quality, water consumption, auto ownership; we looked at housing but we also looked at jobs-housing match. There was a lot of talk at the time of the jobs-housing balance. My feeling personally was that the number of jobs and the number of housing units in one location is really not that important. If those jobs are low paying jobs and that housing is expensive

housing, they might as well not be there—it is not helping anything. So our analysis produced the likely costs of housing in a given location and likely wages provided by jobs in that area.

This effort involved assumptions and data that were far from definite or precise.

There were tremendous amounts of assumptions needed to do an analysis like this, but we used whatever data we could come up with.

The accuracy issue was complicated by the fact that many tables had not finished their negotiations by the end of the workshops so the computer operators at the tables had considerable discretion in how they completed the work.

Staff then used the analyses to prepare materials for the second round of workshops which were designed to get reactions to these alternatives.

There were a lot of people who had been in the first round of workshops and a lot of people who hadn't been. So we sort of say, "this is the direction we are going in and these are the alternatives; here is an analysis of the alternatives; which one, or what kind of a hybrid do you think would be good for your county in the next 20 years?" .... We came up with a region-wide vision. It was basically the second, the middle ground, with some exceptions.

It also is the case that in a group it becomes difficult to argue against equity issues when they are documented, as our research on other collaborative efforts has also shown.[28]

In the first round, when we were asking people where the housing should go, we would also ask them what income level it should be and where it should be affordable housing. That was all informed by letting them know the breakdown of housing [by cost] currently in their county and what the state housing agency said was needed.... People were shocked by the disparity and wanted to fix that by creating mixed income neighborhoods... It was very interesting that across the board, folks really wanted to make this better. They really got it that even if you aren't a liberal, you still might have a cleaning lady who, if she is going to have to travel over an hour and a half to get [to your house], you might have a problem hiring her. [They got it] that there are pragmatic reasons that communities need to have housing for everyone.

This respondent wondered whether the agreements reached in this process would reflect on-the-ground reactions if and when such proposals were to become reality in particular places.

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[28] Judith Innes, Judith Gruber, Michael Neuman and Robert Thompson. Coordinating Growth Management Through Consensus Building, California Policy Seminar Report University of California, Berkeley CA 1994.

The thing I always wonder about is that there were plenty of NIMBYS[29] at these workshops. There are plenty of people that, if someone says low-income housing will be built near their house, they might not be as excited about it in reality.

The agreements they did reach suggest the value of informed dialogue. They also reflect a missed opportunity for work on the *Compact*, where they did not use much data for their discussions, nor have the kind of small group face-to-face dialogue across the caucuses that might have helped to address some of the unresolved conflicts. The last quote however raises the question of whether the chosen alternative would work in practice. It is easy to put imaginary population on a map, but less easy to agree on a real development. Since this project was all about visioning rather than creating something that would be binding, no reality check was made.

Instead of doing what BAASC wanted and what had been originally planned, which was to compare the consequences of each of the three alternatives, ABAG's Smart Growth Steering Committee adopted the network of neighborhoods as their choice and asked their regional analyst to do projections on it. This is not surprising as it was the intermediate choice, and it had been favored in the second round of workshops. The next part of the task did not work out as planned either. A close observer got the sense that the ABAG analyst was not "really on board with this" and did not "buy into this smart growth thing." When he tried working with the scenario, he found that it was not detailed enough for the type of traffic analysis he had to do. It was also obvious that the policy changes implied by the scenario could not happen quickly. Some were arguing however that the ABAG projections model has so much inadequate data, unproven assumptions and imprecision in the first place that to do a projections model using different assumptions would not produce a worse result than standard practice. Population projections at ABAG have been made for many years using a 1960s model with inputs from cities about such things as their land supply and population trends. The analyst works with the cities, which are very concerned about getting the "right" forecasts, either because they wanted to attract developers or perhaps because they did not want to be assigned too much affordable housing. Thus the analyst has always has to walk a careful line between analytically supportable and politically and economically feasible forecasts, while being careful not to seem to take political sides.

Whereas the original idea of the agencies was to use policy-based projections as a way of spurring changes in infrastructure investment, the ABAG analyst saw it differently. It had to be realistic and assume little change would take place in the short term. The projection in the end therefore was not a close match to the chosen scenario. The ABAG model assumed a gradual adoption of policies to change the trends. When the analyst discovered that the numbers of jobs that had to be accommodated would generate more housing need than accounted for in the scenario, he allocated extra housing to places where he felt it could reasonably fit. The first projection showed more or less status quo till 2010. Then the assumption was that some policies would change by 2020 and more by 2030. Thus actual projections were only in a limited way

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[29] People who say "Not In My Backyard" to affordable housing or other facilities.

based on the network of neighborhoods scenario, particularly in the short term.[30] When MTC analysts incorporated ABAG projections into the transportation model, not surprisingly, it predicted only slight changes in transit use and pedestrian traffic, until 2020. The new projections will not drive much on the ground change in transportation policy in the near future.

One expert observer shared Sunne McPeak's view that this network of neighborhoods alternative was not, in any case, a realistic or responsible choice.

> It was pretty clear which version would be selected by ABAG—the network of neighborhoods with no suburban development. There was a debate at the ABAG regional planning committee, which includes advocacy groups in its discussions, about whether this was supported by regional analysis. Sunne led the critics saying, "there is no real analysis." The environmental community saw this as the opportunity to stop suburban development. They want to argue "you can put it somewhere else." The environmental community argued strongly for this scenario and they co-opted the equity community by saying the investment will go to poor communities.

On the other hand a study for PolicyLink, done by Professor Karen Chapple of U.C. Berkeley, showed that the network of neighborhoods approach would have the most positive impacts for low-income communities and that the central cities approach would cause a great deal of displacement. A commentator at the ABAG General Assembly contended,

> The result of the scenario is still to export housing [outside the Bay Area]. There is no jobs-housing balance. The whole thing is not realistic. There is not necessarily demand for infill or the types of neighborhoods that are being envisioned. The business community is nervous about a plan (scenario) co-opted by the environmental community.

A staff person told us about the debate, indicating both a conflict in values and basic premises of the project and in the ideas about what aspects of the decision should be determined through public opinion.

> The argument had to do ... with what level of housing should be accommodated in the Bay Area. Sunne's feeling was that the level of housing that needs to be accommodated in the Bay Area should go above and beyond even what would be needed for the jobs.... She wanted the number of housing units to match the number of jobs with no in-commuting whatsoever. Philosophically we agreed with that, but when it came down to the numbers, we wanted to leave that at the door for participants. And she wanted that to be a major premise of the project. She wanted that to be an assumption going into it. So you say to people, "we need to accommodate these many housing units in order to accommodate all the workers from all the projected jobs. How do you want to do it?" We didn't do

that. What we did instead is, we said, "if you don't accommodate all the housing for all the prospective workers, these are going to be the repercussions in terms of housing affordability, air quality, traffic, in the Bay Area; what do you want to do about it?" I think that at the end of the day, what workshop participants came up with was a middle ground that erred on her side of things.

McPeak responded to the contention that the economic and business caucus advocated housing above and beyond what was needed for jobs:

> No, no, no. We advocated that each jurisdiction should be responsible for their own by planning for and accommodating a housing supply sufficient to match population increase and job generation (exactly what the Commitment in the Compact calls for).

This was one of many examples, she felt, where participants did not understand or represent the facts to us. We certainly find a number of contradictions in perceptions among our respondents and among reviewers of the draft case around this and other projects, suggesting that the dialogues had not adequately clarified each other's positions and interests.

The network of neighborhoods scenario depended on infill, and it was not clear there were enough sites. Sandoval and Landis had found only one-third of housing demand could be met with infill. As a result the business community was negative about it. Reportedly,

> Sunne was getting soured on this. Others were saying that it was supposed to be a vision anyway, and the agencies wanted something to move forward. Sunne was saying this is only slightly related to reality. She more or less disowned the projections because they did not balance jobs and housing.

Her view was,

> The economic and business caucus was rightly critical of a final alternative scenario adopted by ABAG which only improved the housing supply over the next 20 years by 13%.

In the meantime, one of the BAASC environmentalists who had reluctantly supported this network of neighborhoods choice as a compromise was surprised and alienated when he discovered BAC was not going to support it. He had no inkling until the last minute.

> My sense through the process of the smart growth visioning, the BAC was supportive and excited about this thing happening. It was when this near-final thing popped out that Sunne started to say this was not something they could live with. She took two positions. The process was flawed and the information was flawed. She said, "We cannot possibly accept this alternative ABAG has come up with." The second tack was, "this just does not work for the business community." Those two things combined.

ABAG did not check its choice with BAASC though it was a partner. ABAG went ahead despite McPeak's objections, with only the agreement of the environmental and equity community. The members of ABAG's committee were not members of the Alliance, and they

did not share the value of getting all three E's to agree. This decision worked for ABAG in that they got their new projections, but it was not going to work as a practical matter if the development community did not support it.

Assessment of the Footprint

This was a lengthy and complex process, some consequences of which remain to be seen. One player felt it helped people to think regionally, but it left out key actors in local government and the home building industry.

> The Footprint was a good process in that it moved the needle on the regional planning meter to collective visioning and toward the idea of making explicit links between visions and the regional agencies' actions. It has totally left out the locals. At the ABAG level the process has been led by the regional planning group which is more constituency-based, not broadly representative. The other problem is that homebuilders etc. have been absent in part because they are busy, in part because the process did not accommodate them, and in part because they have been pissed off by the other stakeholders. They did not see that it was going to end up somewhere realistic where they wanted to go.

It is likely that these workshops had a positive effect in engaging a wider array of citizens around the region than had been involved to date and educating them on some of the growth issues and options. The methodology of small group workshops with group facilitators did reflect good practices but, as with many BAASC activities, it was left undefined how the complex and multifaceted conclusions of this effort were going to be incorporated into action, other than through the use of the projections. People in the workshops were not forced to make tradeoffs nor to contemplate the practicality or methods by which their preferred outcome could occur, as they would have to do in a genuine scenario process. The indeterminacy in the results was resolved by computer operators whose viewpoints are unknown. An individual who was deeply involved in this process articulated his concern about the lack of policy content or an implementation strategy.

> What is missing out of this is the careful identification of the policies that will lead to this result. This was always a gap. Some argue that we are going to push Sacramento to change policy that will help to implement the vision and build collaborative efforts in the region. But what those policies should be-- no one has gotten to that point. We have analyses, projection, vision, but no policies.

ABAG produced a glossy booklet and an analysis of a map of the network of neighborhoods scenario as compared to the growth patterns from current trends.[31] The map did not specify, as many originally expected the Footprint to do, where one could build and where one could not. What this Smart Growth/Footprint process was not designed to do was to have a

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[31] Smart Growth Strategy/Regional Livability Footprint Project ABAG, Oakland CA October 2002

direct input into city or county decision making. Its input was at most indirect through projections or local officials who chose to participate in the workshops. Because the process was conducted as visioning exercise rather than one with real consequences, one cannot even count on its results as representing what would happen if the cities were confronted with real proposals. For this the workshop participants would have had to be confronted with genuine tradeoffs and know what the consequences would be for themselves and their communities. Moreover the participants would have to be a genuine cross section if leaders were going to take the outcomes seriously as policy guides. While the outreach effort was commendable in its scope, it is not clear just what its results represented. Not all key players thought it represented a cross section of opinion. Finally the policy-based projections that were supposed to drive changes in investment are so far little different from projections of the past. Thus they are not likely to have an impact in the near future on what local governments or regional agencies do.

This was an exercise in regional planning, but with only some of the ingredients—a vision, a set of actions, indicators to measure progress, and a map. Other ingredients were missing. If you do a general plan you incorporate the decision makers, you have a vision or direction, you engage the community, and you come up with not only a map, but also a set of specific policies designed to produce the outcomes the city wants. It is a balancing act among the interests and needs, whether they are housing, environment, transportation, water and sewer, the local economy. It is a careful political process designed to be acceptable to powerful local players who are needed to make a community successful. A plan has to meet state laws and requirements and deal comprehensively with the issues. A plan has a narrative--a coherence to it which links the issues together and a story that shows how the desired results can be obtained. This BAASC process had some of these parts, but the interconnection between the parts was not developed. Moreover it remained unclear what actions would be needed to produce the proposed results.

There is no consensus on the outcome and value of this project, but one agency staff person represented some of the differences.

> I am sure you are aware the Bay Area Alliance, in particular the economic caucus and the environmental caucus, doesn't feel as though the projections 2003 went far enough. They feel as though what came out of the workshops indicated that the types of people that were involved in the workshops were way more ready to see more intense developments [than the average person]. But we live in the political world .... Our feeling was what came out of the workshops was wonderful and it was an easy goal for the future, and we should all be pushing hard to get the public and everyone else to embrace it. In terms of projections .... our research group felt that they had to reflect on what we think can reasonably occur given that there is perhaps an awakening of ... interest in doing things in a more compact way.

The assessment seems ultimately to hang on whether the Smart Growth/Footprint project should be seen as a practical exercise in policy change or rather part of a long term process of changing how people think and act. There are a number of things that could have been done

more effectively for either purpose, including forcing citizens to think in terms of cause and effect and making sure that all key stakeholders could accept the scenarios. Though it does not seem likely that specific actions in the future can be attributed to this project, it is probable that all these workshops, dialogue, and participation have influenced a number of leaders and active advocates around the region to think in terms of compact growth.

This exercise did not incorporate any specific actions (presumably these were in the *Compact* which this was supposed to complement). It was all about maps, without action content. The idea that there was a technical way to determine which land could be developed fell short. Players were not however happy with the results of the maps nor confident enough about the data to act on it. You can put slope and a few other things on these maps showing which land is probably not appropriate to develop by most standards, but even these things are socially constructed and partly political. This still leaves open other more contestable areas for development. As the map gets more specific the issue gets more political. Arguments take place over whether I can develop or he can or whether the density gets put in my back yard or his. It was possible for NIMBYs to agree to a scenario in theory, but maybe not in practice.

The tacit theory of change in this project seemed to be if you make a map and show people the possibilities, they will figure out a way to act. The vision will lead them. The other aspect of the theory was that if you could make policy-based population projections, this in itself would be a self-fulfilling prophecy and lead change. The only action mechanism that appears to have been part of the theory was to change the investment patterns of MTC. Impacts from this are a long way off because it takes time to get investments in the pipeline, projects built, and results on the landscape.

REGIONAL INDICATORS

The indicators report[32] was almost entirely the product of the Working Group on Indicators. It involved intensive discussion and debates between 1998 and 2000, both in the group and with the Steering Committee. Once agreement was reached on the indicators and they were adopted by the SC, they were incorporated into the *Draft Compact* in an appendix. Then a consultant gathered the data and prepared the indicator report, which was published in February of 2003 and posted on the BAASC web site. Limited quantities were distributed. Plans for outreach and education with the report remain on hold pending the availability of funding.

The indicators project was in the original work plan in 1997, which said that task forces should propose indicators for each issue that the Alliance decided to work on, within 90 days of the Task Force (working group) being set up. It proposed by September 1998 to

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[32] *State of the Bay Area: A Regional Report. Pathways to Results. Measuring Progress Toward Sustainability.* Sponsored by the Bay Area Alliance for Sustainable Communities in Collaboration with the Northern California Council for the Community, United Way of the Bay Area, United Way of Silicon Valley. January 2003. Revised May 2004. http://www.bayareaalliance.org/indicators.pdf

establish a series of indicators for the both the Bay Area region as a whole and for local governments individually to measure progress towards achieving the established goals. Publicize these goals and indicators throughout the Bay Area periodically. The publicizing effort should include a means for interactive communications, for the sake of including as many people as practical in the process.

The schedule was optimistic. The group did not start work until June 1998, and it was to take nearly two-and-a-half years to reach agreement on the indicators and another two years to get the report produced. Developing the indicators, like so many BAASC tasks, was more contentious and complex than first anticipated. Moreover the Alliance could not finalize them until they had the *Draft Compact* ready in 2000 because indicators had to correspond to each of its goals and commitments. This of course meant that the review of the proposed indicators became part of the debates surrounding the *Compact*. This process was a largely in-house effort and did not end up engaging the public.

The indicators working group at first was dominated by environmentalists. Caucus chairs appointed a business and an environmental co-chair, but it took several more months to identify an appropriate equity chair and to broaden the membership. This is not surprising as environmental indicator reports were quite common, whereas social and economic indicator reports were less so. There was more expertise and interest among environmentalists. Discussions for this group took place in regular meetings and over email. The group had no financial support, and at one point wondered if they even could get postage paid for. Peter Melhus, BAASC Executive Director acted as informal staff, helping to coordinate meetings and get memos out, but most of the work was done by members of the committee. They did not get expert assistance, so members did their own research, hunting down indicator reports and sharing references. I served as a member of the group for the first few months, but my own expertise, built on 20 years of studying how and when indicators were useful, was treated by most members of the group as neither more nor less meaningful than anyone else's. They concentrated on reaching agreement among the sectors and did not bring in expert help until after they had decided on the indicators they wanted to use.

In the beginning group members raised some complex and important questions about how to proceed and how to think about the indicators. The first was that they sought a framework from the Alliance about what they meant by sustainability, given that the indicators were supposed to show progress toward sustainability. They knew that the Bruntland definition of sustainability,[33] which was behind the PCSD, was too vague as a starting place. The answer they got was that this really had not been worked out. As it turned out sustainability was to be de facto defined by the goals and commitments of the *Compact*. The next question was who was the audience supposed to be? To that the answer was policy makers and the general public. The original Strategic Plan had committed to working on only issues "where the Alliance has the resources and the capability to influence positive outcomes."

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[33] Development that meets the needs of the present without compromising the ability of the future to meet its own needs.

They had debates over how to conceptualize the indicators. Some group members felt the indicators should be directly linked to policy, but this goal fell by the wayside as they focused on negotiating over the numbers. Some members of the committee argued it was important to decide first what an indicator was supposed to mean before moving to what would be counted. They pointed out that to do this an indicator needed to have a numerator and denominator that would provide a meaningful comparison, perhaps over time or across regions. At first the group aspired to having each indicator reflect in itself all three E's and be directly about sustainability. Some proposed that the indicators should have a distributional component, reflecting not just averages but also the way a phenomenon such as poverty or housing need was distributed in time and space and across subgroups. There was discussion over the number of indicators needed, with some group members saying they should have only a handful of carefully developed indicators because they were costly to do right and because the public could only relate to a few at a time. They talked at first about having "headlineable"[34] indicators for public consumption and then a larger number for more detailed use. A year after they began Maureen Hart, a national indicators expert who conducted a workshop for BAASC, asked them who the audience was and what they wanted to accomplish with the indicators, because it was still unclear.

The working group discussion, according to the minutes, was frustrating to some members who felt they were spending too much time on process. They wanted to get right into choosing indicators. This view prevailed, and the group quickly went to proposing indicators in various categories without resolving the original issues. This was not unlike the way the Alliance developed the *Compact*, choosing its list of possible goals and actions without agreeing on a prior set of principles or examining the choices critically as to their relation to sustainability or likely outcomes. Group members' research uncovered indicator reports from different regions. In a process similar to development of the *Compact* they compiled a list of 160 indicators from various sources and approached the selection through a sort of popularity contest. The lists were compiled; surveys were conducted; votes were taken; and the indicators were reduced to a more manageable number. There continued to be discussions about what a particular indicator meant and about how important the phenomenon was that they presumed the indicator represented. No experts helped them at this stage nor told them about the properties (such as sensitivity, accuracy, cost, validity, reliability, or timeliness) of the indicators they were considering.[35] In the interests of full disclosure, I have to say that at this point I left the group. It was not following what I considered to be best practices, which would have involved spending much more time on the conceptual aspects of what they wanted to measure and engaging expertise to help them with the technical issues. Best practices would definitely not have involved voting for indicators rather than choosing them in an informed way based on objectives and careful reflection on what we meant by sustainability and what we intended with each indicator. The discussion was not a genuine dialogue with give and take, but largely members giving their differing points of view. While I was there there was little effort to understand the reasons for different perspectives.

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[34] This concept appears to mean that they wanted indicators that when published would merit newspaper headlines.

[35] Judith Innes de Neufville *Social Indicators and Public Policy: Interactive Processes of Design and Application.* Elsevier Publishing, New York 1975.

There was no effort to find a genuine resolution among differing viewpoints nor even to record agreements and outstanding differences at the end of each meeting.

During this time the Working Group reported regularly to the Steering Committee and sometimes to quarterly meetings. Arguments about specific indicators often broke out along caucus lines. Recognizing they were unlikely to get much funding, the group designed indicators that could be gathered from existing data sources. Inevitably such indicators were at best rough approximations to the issues. Only two of the indicators could be said to be direct measures of sustainability rather than of something which might be associated with it (such as amount of open space). One was the Genuine Progress Indicator (GPI). This was a countermeasure to Gross Domestic Product, GDP. The report on the GPI that was done for BAASC by Redefining Progress, a nonprofit organization devoted to promoting sustainability and creating indicators says,

> GDP is a measure of the volume of formal economic activity and receives much attention from policy makers. By counting all economic activity as positive, GDP overlooks some significant economic contributions and costs. GPI, by contrast, classifies expenditures of time and money as positive or negative in order to estimate economic well-being. Housework and volunteer work contribute positively to the GPI, while environmental quality, income inequity, and social breakdown reduce the GPI's total value. By necessity, these adjustments to GDP require value judgments, and economists continue to debate their appropriateness. GPI makes reasonable estimates, acknowledging that there is still room for progress.

Needless to say the GPI was controversial, with some members of the business caucus objecting to it. The GPI for the Bay Area was less than half of the GRP (Gross Regional Product). But the idea of this indicator had been agreed to early on. This indicator was not completed in the first draft of the indicators report, but it is now on the web site.

The other indicator that was directly a measure of sustainability was the ecological footprint. This was also developed by Redefining Progress. According to the report,

> The Ecological Footprint measures the use of nature by humanity. A population's Ecological Footprint is the biologically productive area required to produce its resources and absorb its wastes. The Ecological Footprint converts the various resources used and wastes generated by people into acres of land—wherever they may be located on the planet—and adds them up for the total Footprint. Some human consumption, such as food, requires land area for production. Energy production based on fossil fuels requires land area to sequester the associated carbon dioxide emissions. Footprints can be compared to the biological capacity of a region or the planet. If more is taken from nature than nature can renew, the natural capital that current and future generations depend on is eroded. This liquidation of our ecological assets is called "overshoot." Ecological Footprint accounting tracks the use of nature, providing information that can motivate

actions that help reduce human pressure on the planet and reduce overshoot. Sustainability means achieving satisfying lives for the current population and future generations within the limited capacity of the planet.

According to the report, the Bay Area as a region was similar to the rest of the country–though with a slightly smaller footprint per capita. San Francisco had the smallest among the counties, presumably due to its lower use of cars. The indicators of this included geographical distribution with total per capita acres by county for each use and resource and by amount of land used. This gives not only the sort of overall number that the public often seek, but broke it down in ways that might be relevant to making policy decisions.

Other indicators in the report are more conventional and with a less direct connection to a concept of sustainability. They include measures like those in the Sustainable Economy section-- income distribution, median income, and living wage income-- all of which are important in themselves, but which may or may not be related to sustainability. Unlike the GPI and the Footprint, these are not based on a concept of what makes for sustainability. As one would expect in view of how the indicators were chosen, some would not be accepted by experts. For example Jobs-Housing Balance has fallen into disrepute as an indicator of the likelihood of traffic problems. There is little evidence that, even where there is a balance, people live closer to jobs. Housing quality and job type may not in any case match. Arrest rates can be a poor indicator of crime, reflecting as much on police practices as on crime rates. Vehicle miles traveled is not very useful because it barely changes over time. A good indicator has to be a sensitive one that can reflect policy. Policy change in transportation or land use takes decades to affect this indicator, but a change in the economy can drastically and suddenly affect it.

When choosing the consultant to gather the data and prepare the report, BAASC made clear they neither needed nor wanted advice on the indicators they had chosen. It had been a grueling process, and they finally had reached agreement and had indicators with a mesh with the *Compact*. Some consultants did not want to work under these conditions. The consultant they chose did make suggestions once he got started. This resulted in some limited modifications to the indicators.

The indicator report format overall is commendable in that it gives for each indicator a brief description and explanation of why it is important, along with some graphics and description of how the region is doing on the indicator. It is readable for a relatively wide audience. The report has 34 indicators, with none designated as "headlineable." This result seems perhaps inevitable given the method they used to choose them, with no central concept to set priorities and where they had to match the *Compact* concepts. The indicators had to satisfy a number of constituencies and vocal members of the Alliance. It is always easier in such a case to make a long list. The report, which was supposed to be used as a tool to educate people about sustainability and to call policy makers attention to the issues, has not been widely distributed beyond the web site and it is unclear who has seen it. The program for outreach is on hold thus far and no funding has been found to produce updated indicators.

THE COMMUNITY CAPITAL INVESTMENT INITIATIVE

Origins

The Community Capital Investment Initiative (CCII) emerged as a BAASC project in 1999 during discussions with the Partnership for Regional Livability, but its origins go back further. In July 1997 BAC was funded by JIF "as part of the CRI program to bring businesses together to pursue smart growth and capital for communities." BAC hired Sustainable Systems to do a study of community investment resources and develop a policy framework on how to promote community investment. James Nixon, one of the firm's principals, had spent much of his career working on encouraging and creating socially responsible investment. By 1999 the firm had prepared a list of organizations and resources, along with a framework for Capital for Communities. BAASC had in the beginning agreed on a placeholder for a project they would implement, and the Steering Committee latched on to the idea of capital for communities as a way to meet the objectives of all three E's. This would entail real estate investments that would provide direct benefit to disadvantaged communities, while providing infill. These would provide investment opportunities for the business community and boost the local economy. They would help to implement important aspects of the *Compact*. The challenge would be making them happen in a way that worked from the perspectives of both the business community and social equity advocates. It would be a bold experiment as it developed new norms, practices and institutional arrangements.

Structure

A group of leaders representing business and community collaboratively worked out the structure and general strategy for the CCII. These included Sunne McPeak and Andrew Michael of BAC, Angela Blackwell and Judith Bell of PolicyLink, Carl Anthony, James Head of the National Economic Development Law Center (NEDLC) and consultants James Nixon and Joe Gross of Sustainable Systems. These included business and equity stakeholders, but not environmental ones, and not the on-the-ground practitioners of real estate investment or community development. According to James Nixon there was extensive dialogue and exploration of the issues in the group, which continued to meet through much of 1999.

CCII was set up in early 1999 with Sunne McPeak and Carl Anthony as co-chairs. It was structured with a Business Council, a Community Council (CC), and Government Advisory Council. Carl Anthony invited the NEDLC and PolicyLink to join with Urban Habitat in leading the Community Council (CC) and Sunne McPeak led the Business Council. The Community Council included representatives of community development corporations, faith-based organizations, neighborhood associations, and an environmental action group. The Business Council, appointed by McPeak, included leaders from financial services, business services, real estate, foundations, and core industries. A CCII Steering Committee made up of the Bay Area Council, the Community Council Co-Chairs, and staff and consultants was tasked with coordinating the effort. It took some time to get started. The first meeting of the CC was not until June 2000, though the leadership group worked until that time. According to Nixon, this group agreed on a rough division of labor for the CCII, with the CC providing leadership in

developing a process for identifying real estate deals and the Business Council coordinating investment resources. This group did not include some of the players who would have to implement the CCII in the next phase. As a result understandings the group developed did not always carry through to the CC, Business Council, and fund managers. There was substantial agreement among the stakeholders about the general concept and approach, though there were to be significant disagreements about how to implement the project once it got started.

In the meantime, three investment funds were independently developed through different organizing efforts. In response to recommendations by the Bank of America and the James Irvine Foundation, these were constituted as the Bay Area Family of Funds. These are all now under the official aegis of the BAC on behalf of the BAASC. All are organized as Limited Liability Corporations (LLC). These include the Bay Area Smart Growth Fund, the Community Equity Fund (now called the Bay Area Equity Fund), and the California Environmental Redevelopment Fund (CERF). The first is the one with most projects in the Bay Area, so that will be the one I discuss here. The Smart Growth Fund was originally sponsored and developed by the BAC. It focuses on retail, commercial, industrial and mixed-use developments, and it is committed to meeting a set of social equity criteria. The second emerged from the Alliance for Community Development (ACD), which proposed its own venture capital fund with seed money from the Bank of America. Now cosponsored by the BAC, the Bay Area Equity Fund is designed to invest in emerging growth and "patient capital"—businesses with lower financial returns, but high likelihood for neighborhood benefits. Its goals are job creation, wealth creation, environmental and workplace benefits, permit and regulatory assistance and mentoring. This fund has been slower to get going, but now it has two projects in the works. CERF is a statewide environmental cleanup and restoration fund spun off from another fund and sponsored by a board including the BAC, the Federal Reserve Bank of San Francisco and the Los Angeles Chamber of Commerce. Unlike the other two it can give loans. All are required to invest in one of 46 neighborhoods around the Bay Area identified by the 2000 census to have an 80% of area median income.

BAC hired Economic Innovations International as fund building consultant and Sustainable Systems as the initiative building consultant, essentially to help design the process to carry out the objectives. Investment funds were raised, though not as quickly or as much as had been hoped due to the economic downturn of 2001. Nonetheless the combined funds by 2003 had raised more than $170 million. The hope was to leverage this to a billion dollars in total investment.

The CCII delegated to Carl Anthony the task of coming up with social equity criteria for the investments. Urban Habitat and PolicyLink commissioned the NEDLC to prepare a paper for them to begin to outline a theory of change for CCII and to develop social equity criteria based on examples of promising practices across the country.[36] This paper argued the CCII would mobilize business, environmental and government leaders to create financial intermediaries who would attract and direct investment into low income communities in a way that benefited residents and built community infrastructure. It contended that all these players would be

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[36] "Communities Gaining Access to Capital: Social Equity Criteria and Implementation Recommendations for the Community Capital Investment Initiative" December 2000. http://www.policylink.org/publications.html

motivated by an interest in avoiding the destructive growth patterns that have led to "environmental deterioration, increasing social and economic inequality and growing challenges to regional economic prosperity." CCII would seek to change the development patterns by,

> establishing a forum to build a new partnership between community-based actors, the public and the private sector. CCII will serve as a broker in the creation of new forms of community development partnerships and a forum to discuss, negotiate and frame new models of community development finance with the participation of a broad cross section of stakeholders. CCII will also coordinate local, regional, state and federal efforts in these development partnerships in ways that improve inner city investment opportunities and benefit the residents and institutions that form the social fabric of the communities. (p 9)

According to Nixon, CCII never did these things, instead keeping a much lower profile and playing more reactive role. This paper does suggest that at the outset the community representatives envisioned a pivotal role for CCII.

The paper came up with seven categories of social equity criteria for investments, most of which found their way in one form or another into the equity criteria that were adopted. These include: 1) geographic targeting to one of the targeted 46 neighborhoods; 2) composition of development team to include nonprofit developers and community partners; 3) a community benefits plan, with a long list of what benefits would count, including building community equity in the project; 4) strategies for community involvement; 5) strategies for linking to existing local initiatives; 6) mechanisms to support local community development infrastructure; and 7) a monitoring and evaluation plan.

These criteria became part of the draft Smart Growth Fund "term sheet" that would frame the conditions that would be met for each investment. These included not only a revised set of social equity criteria, but also various financial conditions. Most important was the promise of a double bottom line, which would consist of a market rate return on the investments, along with a set of community benefits in each project. The final equity criteria were negotiated by the leadership group. These were included in the LLC documents and Private Placement Memorandum that thereafter were available only to investors.

Theory of Change

One of the difficulties of getting a clear sense of the theory of change behind the CCII is that most of the interviews and the papers we reviewed were about what *could* happen in these neighborhoods. We heard about how there is investment *potential* and how capacity *could* be built and community benefits included. A theory of change however has to provide a story line that explains the logic of how a proposed intervention such as CCII *will make investors and developers do something different from what they have been doing*. Why would they invest in these unfamiliar neighborhoods in unfamiliar types of projects with new types of partners? Would this work only in times when the real estate market was tight? Why would investors include community benefits in projects since presumably the rate of return is their key concern?

How will CCII overcome the natural tendency for developers to minimize these benefits? Is there an incentive for investors to actually provide for the community and if so what is it?

The theory of change behind the CCII was rather unclear at the start, and respondents and working papers have each given us somewhat different takes on it. Proponents have been working out this theory gradually as they get more experience. A simple version of the theory at the outset was that disadvantaged neighborhood are a vast untapped market for development. Many private developers do not work in these neighborhoods because they are unfamiliar with them and how they work and they do not know what sorts of deals they could make. However, the theory goes, there are market rate investments that would also provide community benefits and achieve what is called the "double bottom line." With assistance from knowledgeable community leaders and organizations, investors and developers can identify and implement such double bottom line deals. They can work with community-based organizations like community development corporations (CDCs) in ways that will, over time, build the capacity both of the private and nonprofit sectors in the neighborhoods and improve the welfare of residents of the neighborhoods. Moreover the market rate returns will assure a sustainable and continuing flow of investment. Finally once models of how to achieve the double bottom line are out there developers and investors will seek to imitate it.

Still this depiction begged some of the questions raised above. As CCII began work it became clear, for example, that getting community benefits incorporated was not an easy thing to do. Controversies and problems had arisen that are discussed below. In response to these issues in February 2004 the BAC produced a paper offering a more elaborated theory of change.[37] This was mainly a BAC document, though it was reviewed and agreed to by the Community Council. It provided detailed principles to make CCII work (p. 4). The document seems to be mostly about making sure CCII provides what the Funds need rather than the reverse.

> CCII is pursuing a new paradigm for decreasing poverty, neighborhood transformation, increasing human/social capital and doing business...by the way it utilizes market-rate financing. The underlying theory of change is that market-rate financing can achieve the 3 Es, provided that a set of principles is followed.

The memo goes on to list a set of 18 "principles," each of which seems to be a combination of a theory of change, an agreement on how to make the program work, and a list of steps to be followed. Many of the principles are rather general and not quite operational.

This elaborated theory of change asserts that CCII neighborhoods are emerging markets with significant assets, including transportation, workforce, affordable space and significant purchasing power, but that the larger market economy does not have adequate information about these urban core opportunities. The CCII is supposed to provide this information. The theory of change also is that one has to guide and induce capital, not force it, to invest and to aim for larger scale projects than normal for most community investments. The investments need to serve local, regional, and global markets in balanced fashion to benefit the neighborhood economy. This will require increasing the capacity of nonprofit developers and working through joint ventures.

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[37] Framework and Methodology for Documentation, Monitoring and Evaluation" February 2004

Double bottom line developments and businesses will be more sustainable over time, producing not only a better financial bottom line, but also better relationships with the community and with customers, employees and suppliers. These investments will have a positive impact on neighborhood institutions, improving education, transportation, child care and so on. All this needs to be done collaboratively among business, community, and government leaders. This collaboration will outperform one sector working alone and will provide results that are greater than the sum of the parts. All these factors will lead to greater equity for residents who will lead better and richer lives.

It should be noted that some of these "emerging markets" had been discovered during the economic boom and that there had been some dramatic displacement and other major changes in poor neighborhoods already. This was the main reason for Community Council members to stay engaged. They wanted to see if the double bottom line could work and change the paradigm that investors normally used. By the same token of course business was interested in learning how to be more successful in these arenas over time and thought CCII could help them with that.

While the last part of the theory does not really spell out some of the dynamics, the essential argument is that the 46 neighborhoods represent real investment opportunities for business which have access to inside information about these possibilities. The assumption is that community leaders and organizations will know what these "nuggets of opportunity" are and will convey them to the fund managers so that investors will have a comparative advantage in this market. To implement these possibilities will require a lot of players working together, including local nonprofits, but the latter will need to build up their capacity to be more equal participants. However if this can be done, it will build the institutional capacity of the neighborhoods and improve residents' welfare. Certainly the last argument about collaborative processes leading to improved capacity is supported by considerable evidence in other arenas.

Unfortunately, so far CCII has not been able to implement much of this theory for reasons that will emerge below. The deals were not as good as had been anticipated from the equity perspective, and the community capacity did not materialize in the way either the business or equity caucuses in BAASC had hoped. The Community Council and the Funds did not always work together in satisfactory ways. There was some frustration and misunderstanding on both sides. This was an optimistic model, anticipating that community mobilization, brokering, and negotiation could overcome the doubts and practices of investors to create new models of finance that would serve both bottom lines. The unspoken assumption was that these investors would start with open minds and an interest in achieving both bottom lines. It is undoubtedly true that all these players had an interest in a large sense in avoiding destructive growth patterns, but it is less clear that any one player with an investment decision to make would give the societal goal equality with their first bottom line. Money has been raised and invested, but it remains to be seen how much community benefit will materialize.

Institutional Design

The biggest challenge turned out to be the institutional design for CCII, which took place simultaneously with the creation of the funds. While leaders had developed general guidelines

for how the CC, the Business Council, and fund manager would interact on prospective investment deals, detailed procedures were not in place for how the CC would provide specific recommendations. This problem became apparent after the first investment of the Smart Growth Fund which was about to close a deal before informing the CC. The CC quickly learned that some of the stipulations, like a requirement that the investment be liquidated in 10 years, were particularly difficult and undesirable for CDCs, given their normal types and mix of projects. This would make it difficult for criteria about community participation to be implemented. As one member of the Community Council told us,

> Funds were being created at same time as creating the concept of CCII. We were working on how to hold the funds accountable and develop process and criteria. Funds were moving and not waiting for us to decide how to measure social benefits. James and Judy [Community Council Co-chairs] were doing their best to corral a diverse set of interests. All this took a lot of time.

James Nixon disputes this point, contending that the Smart Growth Fund had been under pressure from the CC and Business Councils to make investments, but they did not do so until September 2002. Another respondent told us that it was the investors who were pressuring the fund manager to move forward. Nonetheless delay in agreeing on conditions in the first place led to resentment from the business side that opportunities were missed. It also led to mistrust from the community side because they felt rushed before they had agreed on how equity criteria would be met in practice or monitored, much less on an effective and timely communications procedure among the CC and the fund manager. This beginning was not very collaborative. Though respondents tell us everyone involved had the best of intentions, this beginning of implementation set a tone that was to be difficult to move beyond.

The structure of CCII was complex, leaving ambiguity about who was responsible for what and who was accountable to whom. The problem was partly due the nature of equity investing through LLCs, which keep their terms and conditions secret from all but the investors. Players were not at first in continuous communication and harbored conflicting expectations. BAASC became a sort of godmother for the CCII, with Steering Committee meetings paying close attention to CCII activities and offering comments and suggestions and two SC members playing major roles from the business and equity side. But BAASC had no direct authority or responsibility for CCII. It became a more or less freestanding entity, though it was not formally organized or incorporated. On the community side, it was supported entirely by foundation funding and voluntary contributions of time. The business side could depend on money from the funds for staffing.

All three funds had professional fund managers. BAC hired a full time Coordinator for whose salary was paid from a portion of the management fee that the funds shared with the BAC. Her responsibilities were "overseeing the first bottom line with the fund managers, working closely with Community Council on the second bottom line, and maintaining relationships with the Government Advisory Council." From her perspective she was responsible to both the BAC and the investors. She was assisted by Sustainable Systems. The funds each had advisory committees that she worked with. The Smart Growth Fund Advisory Committee, which included

one CC member, was tasked with assessing the financial and social returns on each deal and providing direct feedback to the investment manager. This committee does not, however, have the power to tell the fund manager what do to.

The Community Council co-chairs hired a Community Council Manager with foundation funding in May 2001. She is formally employed by PolicyLink. Her responsibility was organizing the Community Council and working directly with staff and consultants of the Business Council, as well as with fund managers. She eventually became responsible for keeping in touch with the fund managers about progress on projects. She became a liaison, along with Urban Habitat staff, to the BAASC for reporting on the progress of the CCII. The fact that this position is not funded from the management fees means it is somewhat precarious and that there are fewer resources for managing the second bottom line than the first.

Due to the funds' status as LLCs, there is a firewall set up to protect the fund managers from outside influence. One community representative referred to it as an "Iron Curtain." The organizational documents for the LLCs and private placement memoranda are not available to anyone other than investors and Coordinator. Although the leadership of the Business and Community Councils negotiated the original term sheets these documents were not available to the participants in the CC or Business Council, nor to us as researchers. Therefore we cannot say exactly what the financial commitments to investors are. As for projects, the Councils can express opinions to the Coordinator, but have no authority over what projects the fund managers choose. A CC member in 2003 described what was a frustrating lack of interaction.

> The fund managers don't meet regularly with the Community Council. The Community Council doesn't even speak for the whole CCII initiative .... They meet in total isolation; they don't meet together with the Business Council members. They don't meet with anyone from the Bay Area Alliance or the sponsoring institutions. They meet ... and talk about what they want the money to go to and what the needs of the community are and they report back "this is what we are interested in." But the Community Council meetings themselves are three steps away from the actual money. They have asked the fund managers to come and to present to the Council what they are doing and ...they have done that, but there is no regular structure for accountability.

In another account, however, from the business side, there are regular meetings or conference calls among the CC manager, the Funds managers, Sustainable systems and the Funds coordinator to review projects. This procedure was instituted after the first two investments were made.

When we asked respondents who could rein in or redirect a fund manager, no one had a clear answer, other than to suggest that over time, if the results were unsatisfactory, he or she could be replaced. For them the process for replacing the manager was largely undefined. According to James Nixon, this procedure is described in the private placement memoranda and the LLC documents. Technically it appears that the fund advisory committee and/or investors can fire an unsatisfactory fund manager, but this begs the question of how they would learn about poor performance on the benefit side, much less what would convince them to make a

change. It is unclear what, if any, influence the CC or the CCII leadership would have if this issue came up. The Coordinator in 2004 indicated that she believed fund managers were sincerely dedicated to the equity criteria and that they already had been responsive to the concerns raised by the Community Council. Some CC members said they had observed a learning process by the fund manager. In the end it appears however that the only compulsion for the fund manager is his own conscience and the potential in the long term of being replaced. In the meantime the manager's immediate concern is inevitably with investor profits. Investors will know if the profits are not coming in and are less likely to know (or perhaps care) whether community benefits are forthcoming. The fundamental lack of transparency in these investment procedures and the sporadic nature of dialogue among the stakeholders, has led to both misunderstandings and suspicion as well as to procedural changes.

Environmentalist Role

Oddly there was little role for members of the environmental caucus or environmental community in the CCII, other than inclusion of an environmental liaison from BAASC. This was true though CCII was intended to address all three E's and CERF was primarily about environmental cleanup. Environmental advocates were supportive of the CCII, but mostly in the dark about it. It was infill development so it seemed compatible with their interest in reducing sprawl. There were not opportunities to incorporate environmental concerns into the criteria for these investments, which mostly had to do with equity. One of the leading environmentalists in BAASC told us,

> Rachel Peterson used to be the environmental liaison to the community
> roundtable from the environmental side. But nothing has gotten to a point where
> the environmentalists are connected into it enough. It's the equity people who are
> mostly worried that the first efforts really deal with equity and not just the
> window dressing where a company wants to go in and use CCII to go multistory
> someplace and there's not enough equity involved. I haven't seen anything
> detrimental environmentally in the one or two projects that have been proposed so
> far. So I think it's still too new from the environmental side to get a handle on it.

Another environmental advocate told us,

> I don't know a lot about [CCII]. I know a little about it. I love it (he says with
> emphasis)-- the idea. Raise money from the private sector, funnel that money into
> the most needy communities in the Bay area and give it the stamp of the range of
> interests involved in the BAASC. I think this is a very good goal. I do think the
> folks who have worked hard on this deserve a lot of credit for raising a bunch of
> money and making some projects happen.

Another agreed.

> Actually, I really like the CCII project. I think that it's a good concept and project
> and the fact that it has money and a couple of oversight groups, the Community
> Council and the Business Council, I think is a good thing. I feel like that is a
> pretty solid accomplishment that came out of several years of dialogue around the

question of how do we encourage development that is located in the right places and is socially and environmentally beneficial. Carrying that project out and making sure that it actually does that is a huge question, but the fact that it actually exists and there are funds that have money to invest, I think it's a pretty solid accomplishment.

But this same individual did feel she did not know enough about it, saying "CCII doesn't produce enough that is written; they should produce more."

Getting Started

The Community Council started off its discussions in a climate of suspicion, which delayed their work. As one told us,

Some Council members were meanwhile asking "Do we even want to participate at all? Won't it be the same old thing? Who says we will benefit? Do we want to participate and give this legitimacy? Are these fund people just feigning and won't do it after all? Are the criteria going to have teeth or only moral suasion?"

This mistrust probably should not have been a surprise as CC members represented interests that had not benefited from economic development over the years—indeed many of their constituencies had suffered from redevelopment. They did not have everyday relationships with people representing big business none of whom were at the Community Council table. Nonetheless representatives of business interests were impatient and often unsympathetic with the Community Council. The Smart Growth Fund went ahead with its first investment without obtaining what the CC felt was adequate input from them. In retrospect all respondents agreed this was an unfortunate first project for CCII as it fed suspicions and did not fit the model of the double bottom line that the community had expected. This was an office building out near the Oakland Airport, which was technically in a target neighborhood. There is no residential area in the vicinity however, and observers thought this project could happen without the Fund. This investment fed the mistrust and clarified how little power the CC had. One member said,

In the very first investment (the fund manager) decided to invest in an office park here on Hegenberger Road in Oakland. Not exactly what we had in mind-- it's right by the airport and that really isn't by the community. So we told them this.... but they went ahead and invested in it anyway. So they have the final say on which projects.

A well-informed outside observer and potential funder of CCII explained his view of the problem.

I am skeptical of the CCII and particularly concerned about the community benefit. What has happened over the last year has not been positive. Different groups have ... now acknowledged that Adam [the fund manager] has been investing in projects without a clear benefit to the community ... One of the problems was the neighborhood groups were not informed and organized in time so they could provide input ahead of time ... I think it means both educating the

67

social equity caucus and being briefed up front and working to negotiate the community benefits package ahead of time instead of at the very end. They were not being treated as an equal partner.

One of the environmental advocates who supported CCII also was skeptical about its actual net benefits.

I do have concern about it. It is not clear to me that the private capital markets would not be funding the projects that CCII is funding and so I kind of wonder what have we added.

The hue and cry around the Hegenberger project helped to get more attention from the fund manager to the social equity criteria and made the fund more aware of the need to work with the CC. The project today has tenants of a carpenter's union which will be running a training center, and a Comcast call center, which will provide jobs. The building also has some "green building" features. These are less than the community benefits that the Community Council hoped for, but at least this project will "do no harm," in the words of some CC members. It resulted in a rethinking of the procedures so that the CC currently has a small committee to review proposals when they come in, giving rapid turnaround and more confidentiality. It also resulted in some serious talks with the Bay Area Council and ultimately pressure from Sunne McPeak on the fund manager to operate differently and provide more time for the CC to review projects. Prior to this time according to one observer "Adam [held] information to himself until he was almost sure about the deal and about to close." Now a monthly conference call including the fund manager allows discussion of the potential deals in the pipeline.

As of fall 2004 more than half of the Smart Growth Fund was committed to Hegenberger and seven other projects in different stages, including one in Vallejo, redeveloping a shopping center where anchor tenants had gone dark to cater to the local Filipino population, one in San Jose and another in Richmond. All of these meet some of the of the equity criteria. The Gateway Retail Center in Marin City was put forward by all our respondents as an example of what CCII is ideally trying to do. It was a complex deal in its effort to meet the social equity criteria, and it illustrates the challenges. This 182,000 square foot community-based shopping Center had been failing. The Smart Growth Fund investment of $8 million is assisting the Marin City Community Land Corporation (MCCLC), a non-profit land trust, to preserve its ownership interest and provide cash flow to fund affordable housing, community services, and the administration of programs through the Marin City Community Services District. The Fund formed a joint venture with MCCLC to purchase Gateway Center and provided the financing. It is projected that the Center will be refinanced in 2008, at which time the Smart Growth Fund will make a market-rate financial return and MCCLC will become the majority owner.

In the intervening time the Fund will work with MCCLC to make sure that it has the capacity to manage the Center. In addition, the Bay Area Council, with Sustainable Systems as the lead, has developed a program with the Marin City Community Development Corporation to initiate joint ventures between new Marin City businesses and successful regional businesses to provide services to the Gateway Shopping Center and other commercial operations, including painting and maintenance, landscaping, security, and janitorial services. In addition, a job

academy, a financial management training program, and a first-time home buyer program are being established as part of a wealth creation effort. This project is testimony to the possibility of doing double bottom line investment in a way that genuinely engages the community, but also to the complexity of the deals and the need for players other than the fund managers to be involved.

CCII after 4 Years: A Culture Gap

There remained at the time of our research a significant gap in mutual understanding and trust between many of the social equity participants and the business side. Language was part of the problem. After meeting for a year with the social equity participants, for example, one puzzled business participant looked at the members and asked "By equity you do mean money don't you?" On the business side there was talk of "deal flow" and "liquidity events," terms which puzzled us as interviewers, as presumably they did many community participants. Profit to the business side meant rates of 14 to 20% (market rate for real estate investment) and to community side it meant 6 to 8% (subsidized rates available for certain types of development).

The deeper issue was differing values reflected in the cultures of business and community. As recently as spring of 2004, respondents from each side were expressing frustration, impatience and even anger with one another. For example one from the business side said,

> I remember one project on transit villages where they asked what we could do for parking. The Community Council said essentially, "we should get a gift." Gifts are not sustainable. What is is making good investments in low income neighborhoods.

From a business perspective, anything that does not pencil out at market rate is a gift or a "handout," as another person labeled it. Just by providing economic activity and jobs business is are providing community benefit in this view. Making a profit is their responsibility to the American economy and market system and it is the only way to assure sustainability of this type of investment program. But the community players have been working in a different world, with foundation and government funding and subsidized loans to accomplish things that would not be possible at market rates. What they value is providing for needs of people who cannot pay for goods and services at the market rate. Only some types of jobs and housing or retail are beneficial to their constituencies, as they see it. Making a high profit does not seem to them a valuable contribution to society.

The differences in values and life experience across the two groups has played out so that neither seems to respect or empathize with the other's perspective, though there are exceptions. When we suggested there were critiques of the projects to a leading business representative, for example, the response was vehement.

> You are hearing this because you are not talking to people who know anything about economic development. There are critics who are advocates, and some who understand economic development. We would say that they have never had to make something work ... People are complaining because they are proposing to

have a lower investment level that won't work. The critics have never had to make a dime.[38]

This respondent recognized, however, that "It is as totally foreign to the social equity caucus to be entrepreneurs as it is for business to be social entrepreneurs." A leader of the CC commented in a similar vein.

> It is a culture clash, and it is important to deal with this because if you cannot build this relationship it will fall apart over this. I cannot give Sunne enough credit because she understood the critique from the community perspective. I am not saying she agreed with it. She understood what we were presenting (as critique) and why that first investment was not a good first thing to do.

Another aspect of this culture clash was in the style of doing things. In the world of real estate investment, secrecy is all-important so that prices do not go up. Speed is important for similar reasons. From the community side, however, it was important to discuss all the issues and bring participants along—to build trust and consider the implications. In the August 2001 meeting the CC explicitly decided CCII needed to be transparent, democratic, providing voice to the disadvantaged community, and to be timely in its response. Transparency and due deliberation was as important to them as secrecy and speed was to the investors. A community respondent noted this as a culture difference.

> The community side is about process and benefits, tangible and intangible, lots of voices, community leadership. The business side is about closing deals quickly and a community that cannot pull a meeting together in one day

While today players on both sides have come to recognize this difference and are beginning to meet part way on this, it is still a struggle. They are trying now to work together on choosing and designing projects. A CC person told us,

> If they are seriously thinking about investing in a project, then we can get together and say, OK you're going to do that, you are going to invest in it, here are some other things we would like to see the developer do—issues of affordability of the housing, what's their commitment to local hiring for example. We have created a checklist based on the social equity criteria.

The interviewer asked, "And they usually follow that?" The response was, "Well, they are trying. That's as we speak now—this is just happening."

Rate of Return

The rate of return was a bone of contention from the beginning. From the community perspective, rates in the mid teens seemed extremely high. Lower rates seemed to the business

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[38] In reviewing this James Nixon felt these were not attitudes shared by many on the business side. On the other hand the comments in this report come from several key business players, perhaps speaking more candidly than they would because of our promise of confidentiality.

community to be subsidies and unlikely to produce large pools of capital or result in a sustainable investment program. A CC member said,

> There is huge skepticism about whether private capital would in fact bring about a positive impact in the local community. I think a lot of people have seen what has happened in West Oakland, East Palo Alto, and the Mission--all these places where capital has been invested and it didn't help local residents.

The high rates of return and structure of the deals (for example the investment had to be liquidated and returned to the investor in 10 years) made most CDCs unwilling or unable to participate. The Community Council Manager, a consultant from NEDLC, and the Sustainable Systems consultants held a series of meetings with major CDCs, but after they understood how the investments were to work, none of them were prepared to participate. Heads of the largest CDCs in Oakland, the Unity Council and the East Bay Asian Local Development Corporation decided not to participate in the CC, and other CDC representatives after a while stopped attending the meetings. So far there has been no success other than in Marin City, in enlisting even the major CDCs in CCII projects. One cannot argue that these organizations do not have the capacity to do large projects. The Unity Council, for example, has developed the Fruitvale Transit Village, a more than $100 million effort with funds from many sources and including many partners. CDCs were not, however, involved in designing the fund so it is not surprising that it has been difficult for them to work with its terms and conditions.

A leader of the CC however did not think the rate of return was so central a problem because, she pointed out, there was lots of money on the table, at least for some developers.

> I think it is one issue, but not the main issue ... The fact is that there are deals and that the money is there. I think that if the rates of returns were too high, many of these people would have walked. They raised $150 million dollars, so at least it is attractive to investors; and if it was a total pie in the sky, no one would have invested in this. The fact is that money is on the table and there are a ton of deals on the pipeline. Yeah, the rates of returns are too high for some of the groups ... But I do think that this project can work for other developers and I think that more [responsibilities] are in our side of how do we actually make sure that the non-profits are partnering with private developers on some of these projects ... Yeah, it would be better if the returns were lower, but it is not like the Initiative would fail.

Community Involvement

A lack of community and CDC involvement was a fundamental concern for the CC. After all, in Carl Anthony's original conception the CCII was to be fundamentally about building local capacity. On the other hand, business participants were frustrated that the community side did not help them more with this or with other tasks they thought these players could or would do. Neither side seems to have checked its assumptions with the other along the way. Anthony's program at the Ford Foundation provided a two-year grant in 2002 to support the Co-Chairs and activities of the CC. This included money for a technical assistance program which the CC used in part for a mini-grants to help nonprofits move forward with projects too small for the Smart

Growth Fund but which could have an impact on a neighborhood. They also conducted a series of workshops and trainings for community members designed to increase their development capacity and knowledge of innovative development practices. Some thought the grants were too small to address the more fundamental financial and structural issues in the investing arrangements. One close observer who was knowledgeable about the financial issues and this grant program said,

> The premise of the grant was that the reason that the funds aren't investing in the CDCs is that the CDCs do not have enough capacity to do the kinds of projects that the investors want to invest in. That is one theory, and there is some truth to that. The other theory is that the funds are set up on the wrong premise. And depending on whom you ask you are going to get a different story.

He went on to contend that experience showed that $50,000 or $100,000 would be needed, even for a major CDC to be able to pull off this type of project. The CC has since terminated the minigrant program. It still has to work out ways of building community capacity, but without much funding this will be difficult.

One disillusioned CC member in late 2002 saw in all this an evolution of CCII away from the goal of capacity building to simply one of getting some community benefits from investments.

> It is more now private developers that are doing projects in distressed areas who are coming to the funds and are saying, "Look I need some money to do this." But that is not the same thing as I envisioned. I thought it was going to be a community-led CDC right? And when we break down the money and investment, it doesn't work for a community-led CDC. So you are basically now serving private developers.

> The expectations in terms of returns on investments cannot be met by people who are rooted in low-income communities ... What they are actually going to put their efforts on is trying to get these communities to go to the developer to come up with community benefit agreements that these developers can be held accountable for. You are talking about jobs, housing, and those types of things. That to me has been a shift in the strategy. It was never articulated as such a shift, but that to me is what has happened.

> They should call that [the original] investment strategy a failure...instead of just moving on and not saying anything, they should say, "this shit don't work" [pounds his hands on the seat]. And this is what we are going to do instead. That to me is not being done.

Not long after this the Community Council Manager reported to the CC that after talking with CDCs, she did not think the original strategy was working out to include these players in

development projects. She proposed that they should shift strategy to focus on advocacy for community benefits in the projects they did do.

Evaluating the Projects

The Community Council did an assessment for the six projects in which the Fund had invested by late 2003 to see how well they met the equity criteria. The first, geographic targeting, meant that the project should be located in or contiguous to one of the 46 neighborhoods designated by the Northern California Council for the Communities as disadvantaged. It could also be a brownfield site or a closed military base, so long as the investment would benefit the residents of one of these neighborhoods. The second criterion was that the development team include a nonprofit developer and incorporate community participation that adds demonstrated financial and social value to the project. The third was that the project should have an explicit plan to produce measurable benefits for community residents, such as hiring residents, using local contractors or increasing transit, health care and child care services, or improving affordable housing opportunities. The fourth criterion was that the project have strategies for community input or oversight or include community outreach and education. The fifth was that the project should link to existing local initiatives such as a neighborhood strategic plan or revitalization effort. Finally the investment project should include a plan for monitoring and evaluation and mid-course adjustment to make sure the project was meeting the financial and social objectives of the Fund.

Working from project descriptions prepared by the Smart Growth Fund and Business Council, the CC assessment showed the Fund had made six investments, including an office park, three commercial shopping centers, and two housing developments. All six met the geographic targeting criterion, but only one, Marin City, met the second criterion of inclusion in the development team of a local community organization. The benefits included, in three projects, affordable housing, in one, ownership opportunities, and in all six, accessibility to transit. Four projects appeared to have the potential for local jobs, and it was too soon to determine for the other two. There was inadequate information to determine whether most of the projects would provide opportunities for small business. On the topic of services, groceries and other retail were provided of course in the shopping centers, and in two projects there were police stations. Four of the projects seemed to have some elements of ecological design. One controversial project had, not surprisingly, a lot of community involvement, and two of the others had involvement because they were part of redevelopment. The others seemed to have had minimal community involvement. As for connection to existing local initiatives, the only comment was that they are connected to neighborhood revitalization plans and economic development initiatives.

How satisfactory each investment was is a judgment call. There had been a long-standing mismatch of expectations as some CC members initially thought all the criteria would be applied to all projects. The Framework and Methodology memo discussed above, written after the preliminary evaluation, makes the point more than once that not all projects are expected to meet all the criteria. Instead investments were to "demonstrate substantial compliance with the

criteria," "contribute to the goals of CCII" and "avoid impacts that are detrimental to these objectives." The memo goes on to say,

> The intent of these...criteria is to establish the context for a good faith effort by all parties, working in the spirit of collaboration to optimize the double bottom line objectives of the Smart Growth Fund in ways that do not constrain deal flow, overly burden transactions financially or result in delays that undermine the purpose of the Smart Growth Fund.

One community participant said

> I think that they use the criteria, but the way the CCII was set up it was never clear enough how many of the criteria they needed to meet. If the development is being done in a low income community, they may regard that as the only criterion that they have to meet ... So they can ... say we did affordable housing in this project, but it was actually affordable housing that was already required by law. ... They just say 10% is affordable housing—which you don't need CCII to do, it is already required. So there are some loopholes. They can just say "we invested in a community development corporation, which is good because they need investment, and had 10% affordable housing" and that is it.

The memorandum summarizing this Preliminary Evaluation[39] said,

> These investments are generally beneficial, offering new opportunities for the local neighborhoods. The investments are meeting each of the social equity criteria of the ... Fund differently and some are meeting them more robustly than others. But each investment has some level of compliance. There is room for improvement in achieving the social equity bottom line in relation to some of the investments and there is a need for more detailed information in relation to some of the investments.

While this memo is diplomatically worded and puts a positive face on the investment, from this researcher's perspective, most of the projects other than Marin City, appear to adhere to the social equity criteria only in a limited way. They are all geographically targeted and each has some benefit on other criteria. On the other hand some of the benefits, like services for residents, would come from any commercial development. Affordable housing was sometimes already required. Where there was community involvement it seemed to be less a function of the developer's efforts than of existing requirements as in redevelopment process or of the visibility and controversy of the project. One knowledgeable respondent from the business side responded to this by pointing out, "Many of these developments would not have been done at all without the Bay Area Smart Growth Fund." While this may be true, the comment seems to bolster the concerns of critics that the projects are not really providing community benefits. Indeed there

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[39] "Review of Smart Growth Fund Investment/Social Equity Criteria" by Trina Villanueva, PolicyLink, December 3, 2003.

remains a common perspective among development community that the mere fact of a project should be regarded as a benefit.

The memo recommends that the Fund join with Community Council Mentors Program, the Business Council Joint Venture Program and attempt to involve CDCs in more of the deals. It also recommends that the CC advocate for more explicit community benefit plans at the point of investment. Finally it recommends the Business and Community Councils should work with the Fund to strengthen the community benefits of deals currently in progress.

The Future of CCII

The CC is currently reconsidering its procedures and goals, looking for ways to help improve the learning curve for the fund managers about what constitutes community benefit and identify and train community participants. It is planning to reduce the number of neighborhoods to a more centrally located set where CC members are in a position to be more helpful with their networks and connections to community organizations and more knowledgeable about neighborhood needs.

Other than the grants raised by PolicyLink and the Equity caucus no money has been forthcoming to support CC activities. As one social equity leader indignantly pointed out during a discussion about the CCII, "You have raised over $100 million for various funds but nothing went into this." It seems likely that the goal of engaging CDCs will become less important as investments are likely to focus primarily on private developers in the foreseeable future. The fundamental institutional arrangements, lack of sufficient dialogue between the business and community side and the inequality in resources between the business and community sides promise to be continuing problems. Without change in these it will be difficult to develop the necessary trust and understanding for significant improvement in the achievement of social equity objectives.

The big question for many however is whether the community side of CCII has the power to bring about real change. One CC member told us,

> It never got to the point where criteria developed by the community ever had teeth. I would be amazed if CCII ever has any veto power over projects. Hopefully they can advise before the decision is made. But we won't get any authority. We could put pressure through the media and public opinion and use moral suasion.

In response to this contention a respondent from the business side pointed out that the CC was never intended to have a veto power. A CC member argued that the power CCII has is,

> the power of public reflection. ... We can say, this really doesn't have any community benefits, that type of stuff. But CC does not have the ability to say "stop". It just has the ability for public comment. And since the Bay Area Council needs to show that it is committed to social equity, it will try to mediate and try to get greater benefits.

A third contended that the CC had options that would give them leverage.

CCII would fall apart if the CC said we were going to walk. And I think... over the past year that the Business Council...has become much more aware of the possibility of the CC walking from the Initiative. Then the CC becomes angry and says, "we are going to send a letter to the investors saying we are not in agreement with the deals that are being approved." So they say, "let's work this out, let's meet and let's talk about it." They know too that if we walk, there is no project, no Initiative, and the whole thing is a failure. Initially there was a lot of posturing--we are saying we are going to walk and investors saying they are; but at the end no one does. I think that the CC has more weight than we initially thought because we are a key component for the Initiative to take place.

A question mark remains about how the monitoring and evaluation will be done and how it will be paid for over time. Each of the funds is responsible for evaluating both bottom lines and each fund produces regular reports on both bottom lines. However, the evaluation of neighborhood impact is much more complex. The Bay Area Council has funds from the Ford Foundation through the MetroBusinessNet Program to undertake this broader evaluation. A set of evaluation experts have been convened, a framework for evaluation has been created, and an evaluation consultant was to be hired in 2004. What role there will be for the Community Council remains to be seen, though there is supposed to be joint effort to develop the evaluation plan.

Like BAASC more generally, CCII participants made lists they could all agree to rather than doing joint planning or problem solving. In this case they made a list of equity criteria. What they did not do was work out collaboratively in detail among the implementers how this program would work in practice. It was more a process of propose and get feedback than dialogue throughout. Though the CC provided list of goals and types of needs in the neighborhoods, it is not clear fund managers had a real understanding of these nor of the dynamics of the communities. Most of the community players on the other hand did not have a deep or detailed understanding of the for-profit real estate investment world. After three years many stakeholders had not developed much shared meaning about CCII or understanding of each other's interests, much less empathy for each other's perspectives and practices. While secrecy may have been necessary to meet the requirements of a Limited Liability Corporation, and rapid behind-the-scenes deal making may have been essential for success, many community participants were not comfortable with the lack of transparency nor with their limited power and influence. They partly blamed themselves for not being able to develop community deals, but it is not clear they had the knowledge or skills to do so. A skilled deal maker who understands both sides has played a major role in Marin City, bridging some of this divide and perhaps he may continue to be needed. While there is some social capital and shared meaning in the CCII today, there remains some antagonism and mistrust. The early missteps have been useful lessons however and all are now working to develop more collaborative procedures, better communications, and more rapid turnaround on project proposals.

OTHER ACTIVITIES

BAASC engaged in other activities, but as these involved relatively little of their attention and were not as central to their work as the four described above I will simply mention them here. The effort to document best practices by fall 2004 had produced one report, put together by Sierra Club volunteers in Napa that is posted on the BAASC web site. Michele Perrault, working with volunteers and students arranged for sustainable practices reports for four additional counties which were in draft as of August 2004. These will be posted on the web site as well.

In partnership with the California Policy Forum in June 2002 BAASC organized a series of meetings in different parts of the region to get out the message about smart growth. These were billed as dialogues. They included elected officials and opinion leaders and were attended typically by 100 or more people. We attended one of these which had a panel of mostly public officials who supported smart growth and talked about what it was and what would have to be done. The "facilitator" made long statements of his own (he did not actually facilitate a dialogue as some anticipated) and at the end of the panels a few key BAASC members were called on to speak. Finally questions to panelists were entertained from the audience. These were placed on cards, summarized and reinterpreted by the facilitator for the panel. At no time was there an actual give and take among the audience and the members of panels. This was frustrating to some members of the audience with whom we spoke, most of whom were well versed in smart growth issues. In retrospect the tacit purpose of the meeting seemed to be to give elected officials a platform and to get the name and activities of BAASC out to a wider group. It was certainly not educational, nor a dialogue, nor outreach much beyond the "usual suspects."

Shortly after the preparation of the final *Compact*, BAASC started a series of Legislative Policy dialogues, involving leaders and political activists in discussions designed to develop legislative proposals for BAASC to promote. Rachel Petersen, former director of Urban Ecology which was a member of the Alliance took careful notes and did some modest facilitation. These dialogues were reportedly just that–dialogues where there was genuine interchange and ultimately agreement on some legislative strategies. These dialogues ended in June 2003 just as a gubernatorial recall campaign had gotten underway. Sacramento was caught up in that process and unable to give attention to new legislation. The group came up with legislative ideas on revenue sharing which BAC had transformed into legislation. An experienced lobbyist told us that the legislation was poorly written and was in any case politically infeasible. Although BAASC had spent considerable time on reaching agreement on concepts and ideal legislation, much more needed to be done to get key players on board and to write legislation that could pass. More recently, a group of leaders from the three E's went to Sacramento to brief legislators and push for smart growth legislation.

THE STRATEGIC PLAN

The strategic planning process in which BAASC engaged during 2002-2003 is illuminating as a microcosm of the larger BAASC process. The strategic plan was designed to

figure out what BAASC should do given that the *Compact*, the footprint, the indicators, and the CCII were completed or underway. The purpose of the plan, according to a memo to the membership, was to "prioritize projects that will best carry out the aims of the *Compact* and to evolve the organizational structure to enable us to do the work." The Steering Committee (SC) maintained tight control over this process, the information gathered, and the recommendations. Other than the handful of members and a few others who attended a retreat on the plan, no other groups were systematically consulted for ideas until the plan was in draft. The retreat, which I attended, was also tightly structured. In keeping with the purpose of the plan, the retreat focused on setting priorities among policies. It did not do a critical assessment of the projects, look at new directions, or address thorny organizational questions as many strategic plans do. After the retreat the consultant worked with the SC and caucus co-chairs and prepared a draft strategic plan in March 2003. Each caucus and the SC reviewed this. The consultant and SC presented the plan's strategies at the June membership meeting, and the SC adopted the final plan in July 2003. In the end the plan asserted that BAASC should continue on their existing trajectory, with little change except to focus on policy actions.

This Strategic Plan did not reflect most of the concerns and critiques that turned up in our research, such as those around the value of the *Compact* and the Footprint. It did not examine the BAASC theory of change, nor ask why policies and legislation had not so far been adopted. It did not address many of the issues the consultant laid out for the SC. It is puzzling why the group did not undertake a more rigorous self assessment and confront the concerns that were out there, particularly in a period when the funding for this organization was in considerable jeopardy. A review of the process illuminates the dynamic that produced this result.

Preparation and Background Memos

The SC chose as consultant an urban/environmental planner and former executive director of a leading environmental advocacy group, who had worked with many of the members in the past. He worked with the SC to develop a work plan and members indicated they themselves should be the main focus for the inquiry. A staff member told us that they were limited in the funding they could allocate to this effort, but looking back one can see that the work plan fell considerably short of best practices in strategic planning, which would have required more resources than BAASC allocated.[40] According to best practices, the process of devising the work plan should have involved not only participants in BAASC, but also outsiders, since BAASC's purpose is to influence players who are not part of the Alliance. Such practices would include gathering information from all the stakeholders. The SC reportedly felt however that even the membership was ancillary to its basic operations.

The principal data gathering step was simply to survey the Steering Committee members, asking them [See Appendix VIII] to give their personal opinions of various aspects of the Alliance. The survey asked about conflicts in BAASC and how much trust there was between

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[40] See for example the authoritative Strategic Planning for Public and Nonprofit Organizations: A Guide to Sustaining and Strengthening Organization Achievement. by John Bryson, San Francisco: Jossey Bass revised edition 1995.

SC members. There were several questions about the effectiveness of each member's caucus, needs of the caucus, and conflicts within them. It asked questions about their personal commitments to BAASC, what they wanted out of the strategic planning process, and which other stakeholders needed to be engaged. It asked them to rank each of the projects in terms of effectiveness and priority. There was an open-ended question about the organizational alternatives for BAASC, as well as some questions about the role of Executive Director. This did get at key points crucial to strategic planning, like clarifying the organizational mission and values and identifying strategic issues facing the organization. The problem was that the only opinions came from the Steering Committee. If you want to open up possible alternatives for an organization, just talking to the upper management is unlikely to accomplish this. Judging by our interviews, there was much less confidence in the existing approaches or future for the Alliance among members than in the SC. The SC seems to have concluded, however judging by the plan, that everything they were doing was working well.

Following the survey, the consultant developed background memos on External Factors, Program Priorities and Organizational Options. The program priorities memo is mainly a listing of about 100 strategies, drawing on the *Compact*, and on brainstorming and prioritizing by the SC. The external scan was prepared by former state legislative staffer Steve Sanders, and focuses mostly on policy, electoral trends, and economic factors that could potentially affect the Alliance's core concerns about land use and housing. This is relatively short (16 pages) and consists of bullet points in the form of brief paragraphs describing each item. It is not an in-depth analysis and does not explicitly link these issues to the Alliance nor to what it might do.

The organizational memo, which also is based largely on SC opinions, begins with a description of BAASC. It identifies its main organizational strengths as: solid accomplishments; the financial support it has secured; strong individual commitment to the BAASC cause with good personal rewards; little conflict within BAASC; and good problem solving. It finds caucuses are excellent channels for two-way communication and that the Social Equity caucus had built its own agenda beyond BAASC. It also notes that there is low organizational overhead in operating as a "virtual organization" among collaborating partners. It is likely that a different list would have been generated if members had been polled, based on our study and on an internal assessment done by JIF. These suggest that the commitment to BAASC from the membership was not that high and that they did not focus on problem solving as much as on honing lists of goals and actions. While meetings were mostly civil, there was conflict and ill will on a number of issues, like how much growth to accommodate and whether and where infill would be adequate to meet housing demand. We sometimes heard private bitter personal remarks about others in interviews and in meetings. Whether the members were as satisfied with the caucuses as communication channels as were the SC members was not verified. Since some caucuses were divided, many might not think the chair represented them (as one person contended about the environmental caucus).

The organizational memo offers a list of six options for the future, along with a set of challenges. The options are: 1) As Is—same BAASC ; 2) Merger with existing organization; 3) Independence—new self standing organization; 4) Congress—a network that meets once/twice a year; 5) Network—dissolve BAASC, but maintain relationships for projects; 6) Separate

functions—spin off parts of BAASC to other organizations. The one that was ultimately chosen was the first, status quo.The organizational challenges listed all seem to be on target, though we would add others. Most of these were ignored however in the final plan. There is little evidence that the plan seeks to solve these problems, except that it proposes a full-time Executive Director and says it will improve its accomplishments tracking system.

The challenges laid out for BAASC consideration included, to paraphrase:

1. BAASC lacks a strong process for relating all of its programs or setting priorities among the many initiatives it in principle supports.

2. The caucuses all lack sufficient time and resources as the members also have parent organizations they are responsible to.

3. The rotating chair structure distributes leadership and builds trust, but makes the organization less efficient and with less focus in leadership.

4. The Executive Director is part-time and has four bosses.

5. The role of the membership is undefined.

6. There is no robust system for tracking and publicizing accomplishments.

7. Foundation funders may not be able to continue funding the organization.

8. BAASC lacks a long-term business model related to its organizational structure.

9. The directions of the Regional Livability Footprint project and possibly CCII, while helping advance choices important to some BAASC member organizations, may also affect the commitment of others (who presumably are less interested).

10. The presence of BAASC varies from subregion to subregion, with more in the central Bay Area and less in the North and South Bay.

This memo goes on to propose specific options about membership, caucuses and governance, though it does not spell out the problems that led to these proposals. On caucuses it suggests letting them continue to determine their own organization, but points out differences between them. For governance it raises the options of continuing the "consensus" decision processes, designating an ongoing chair, and defining membership and decision processes more specifically. While the list hardly exhausts the options on the topics suggested by the challenges, it indicates the immediate concerns the consultant felt needed addressing.

The Retreat

In November 2003 BAASC held a two-day retreat attended by about 40 hand-selected individuals in which I was an observer. Invitees were told that the purpose was to define key elements of the strategic plan for the following four years. Participants included chairs of the caucuses, a handful of members and staff, and a variety of elected officials, consultants, and individuals from business, nonprofit and advocacy organizations who had some familiarity with BAASC activities. There was professional facilitation for some of the meeting management. The

process and dynamics of the retreat revealed a good deal about issues in the Alliance, as the people who did most talking were members. The meeting allowed for considerable dialogue and interaction—certainly more than in quarterly meetings. There were problems with its structure and facilitation, however, which interfered with its potential for reaching meaningful conclusions. The lessons from this can be applied to future work of the Alliance or other collaborative, consensus-based processes. My reflections are based, not only on my experience as an observer, but also on my observation of many consensus building meetings. It is also based on my research on the theory and practice of collaborative dialogue.

There were positive features of the process conducive to good dialogue. It was a two-day retreat in the countryside with plenty of time to talk. There were opportunities for focused small-group discussion which did produce new thinking, particularly when groups included people representing different interests. The small group conclusions were passed on to the larger group for their consideration. There was opportunity for plenty of the one-on-one conversations between sessions that is so crucial to building trust and working out differences. There were two facilitators, allowing multiple simultaneous small group sessions.

On the other hand there were problems with time management and with materials that were not clear to all the participants. It was set up, BAASC-style, as a process of making and honing down lists. Accordingly it did not take advantage of this diverse group's potential to come up with a holistic approach to thinking about what BAASC could do or to develop creative strategies. It did not allow questioning of fundamental assumptions nor even questioning the items on the list. Moreover the lists meant the discussion was framed so that participants had to take positions, which in turn polarized the discussion and interfered with constructive dialogue. One of the facilitators was not as skilled as the other and neglected to follow such basic practices as staying neutral, writing people's comments on the sheets provided, or allowing the group to decide how they wanted to make decisions. At times he intervened with his own views, tried to redirect the conversation and did not make sure we knew what each other had said. He came up with his own rather subjective way of deciding what were the conclusions of the group.

Packets of background memos had been provided to participants ahead of time. The retreat was supposed to deal with program priorities and organizational issues, but it never got to the latter. The priorities memo, which took most of our attention, included in its long list of items things like "advocate changes in state and federal housing incentives," "reduce water pollution," or "promote parks." It was so cryptic that exactly what any particular point meant was neither clear, nor necessarily understood in a shared way. These items were overlapping or even interrelated at least in theory, but they were listed and discussed as if they were separable things that could be done independently of one another. As in developing the *Compact*, there was no opportunity to discuss strategic interrelationships.

The most serious problem with the way the meeting was framed was that it required participants all to take positions—highly detailed ones at that. Both experience and theory of negotiation and consensus building prescribe that these processes must begin with interests rather

than positions.[41] Everyone was asked to begin with stating positions like "we want to have an urban growth boundary" or "we want inclusionary zoning." Inevitably others would take stands against these policies. Positional discussion polarizes people and encourages them to dig into entrenched positions. It can lead to the kind of stalemate I observed over several issues in the retreat. The best that can be done in this model is to make compromises and tradeoffs, where everyone gets part of what they want. An interest-based process, by contrast, would start with "our interest is to get more housing for low income people," or "we want to protect open space." This approach can reveal that people with different positions actually have similar interests. It sets everyone to problem solving about ways to meet each others' interests. The interest-based model allows a search for mutual gain solutions that no stakeholder would have thought of alone, much less been able to implement independently. A staff member told me he had been pushing for interest-based thinking and people had said okay, but they did not seem to get it. One facilitator told us we would have to do horse-trading and negotiation. He did not present the task as joint problem-solving or meeting each other's interests. One of the SC members confirmed his view, saying "the issue is who we can make a deal with."

The next step was to divide everyone into caucuses, just as they do in BAASC. The caucuses were to pick their top five actions from a list of about 25. I self-selected into the Social Equity caucus meeting. This group of about seven started with the comments of a senior person, not a member of BAASC saying, "I want to bring a political perspective. Where do we need them, and they need us? What does promoting the footprint do for us?" The younger members of the group did not respond to this comment. One posted a list of all 25 items we had been given, along with columns saying whether we support it, and whether it is priority or feasible. The group then painstakingly discussed each one. After filling out all the columns the group circled five preferred items. We later discovered that other caucuses did not follow this procedure, but zeroed in on items that were of greatest interest to them and then developed their arguments.

Because there was quite a bit of puzzlement over some items, I suspected that not much genuine interactive, cross-caucus dialogue had taken place in the BAASC since the working groups disbanded. The caucuses were set up to decide on positions and present these to the other caucuses, whereas earlier interaction might have allowed them to develop proposals that were not anathema to each other. The dynamic also highlights the disadvantages of positional bargaining. This suggested too that data on the probable consequences of the policies had not been part of the discussions. For example, it was not clear to most members in the group which, if any, actions on the list would be in their interest. These had been placed on the list by the other caucuses and did not have much meaning to the equity group. They would have preferred to focus on workforce preparation, homelessness, and social services. Most could not see that "smart growth" would do much for them. They spent time talking about fair share housing reform, but were not sure whether they wanted it. Some of the group felt it would not help most

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[41] Roger Fisher, William Ury and Bruce Patton *Getting to Yes:Negotiating Agreement without Giving In* 2nd edition Penguin Books, New York 1991 has been the authoritative source on this procedure, which has been applied in countless processes around the world.

of their constituencies, who were very low income. The group settled on "inclusionary zoning" as one of their top five priorities. This was to turn out to outrage the business community.

Members of the equity caucus, with some exceptions had less experience than many members of the other caucuses in developing their positions, thinking through their collective interests and speaking out for them in various public arenas. One member told me,

> We don't have our interests clear, but there needs to be a dialectical process. It takes time. We have 30 to 40 groups each with different issues. We are more diffuse than the other groups. None of the [current] leaders were at BAASC when the *Compact* was prepared.

While BAASC had raised $50,000 for the social equity caucus to organize, this was only enough to identify some of the players and start a dialogue. They were just beginning to form a coherent group out of diverse members. They were beginning to see that they had common interests, but they were at a disadvantage in the BAASC setting because few of them had identified issues of land use and smart growth as important to them. They were struggling with how to keep their members at the table, when they had so few resources and there were so many more immediate tasks to attend to. Dialogue about smart growth was not high on the Equity caucus priority list.

When the full group assembled to report on caucus conclusions, it turned out that the five top choices of the equity group did not overlap with the choices of the other caucuses. Transportation, employment, low-income housing, and human services were at the top of their list. The other groups' choices were, on the other hand, quite similar to each other. When the equity group spoke there was something of an eruption. Some expressed annoyance that they had worked together all this time and this was the result. How could it be? A woman (not a member) who ran an economic development agency spoke in irate terms saying the Equity caucus "ought to be for smart growth because it will help them." Equity representatives pointed out that the idea of smart growth was ambiguous and that there was no guarantee it would be smart growth with equity. One member of the group said very firmly, "We were asked to come up with our top five and that is what we did." A good deal of indignation and even hostility was expressed in this part of the meeting. This was a surprise to me as I had assumed that after five years they would have more mutual understanding across the caucuses.

When the groups made their presentations, the Equity caucus was unified, speaking with the quiet, firm voice of the caucus chair. On the other hand the environmental caucus apparently had reached no agreement. It had three presenters, each with a different perspective. When they spoke for environmental mandates and against incentives for developers to protect the environment, there was a palpable negative reaction among business participants. The Economy/Business caucus spoke with a clear and forceful voice. This was the group that had talked most among themselves over time. Members had been promoting a number of these issues in other political arenas. Business came out strongly against an urban growth boundary, a pet proposal of the Environmental caucus, without sufficient provision for housing inside the boundary. The issue of inclusionary zoning was their deal breaker. As one developer said "It is not right for market rate builders to have to pay for this housing. It might be ok if it is part of a larger strategy." From his point of view the builders had come a long way by agreeing on

building mixed income developments. He felt they were not being appreciated for what they had conceded. He suggested that this one-strategy-at-a-time approach was not the way to go. This particular individual was a veteran of collaborative processes in other settings. In genuine collaborative processes nothing is decided until there is a package where many actions fit together and meet multiple interests.

One member of the Equity caucus said in a reasonable tone, "I don't want to know about the five issues we disagree on but about the 15 where we agree." No one responded to this, but in genuine collaborative dialogue it would have been the practice to start with agreements. With positional discussion, however, the focus is on disagreement. People got so frustrated that someone proposed they give up trying to resolve the housing issue. At that McPeak got to her feet and spoke in vehement terms saying housing was crucial to the Business Caucus.

One of the facilitators then asked us to go through the list of strategies, raising one to three fingers for each in order to select priorities. His way of toting up the results was to glance around the room at the fingers and make an estimate of the average number of fingers raised for any point. Then he recorded this number next to each item on a large chart on the wall. Participants seemed a bit dubious about this subjective method of "voting" but accepted it in relatively good humor. One rather diplomatically noted in the evaluation at the end, "I liked the finger voting, but it was a big risk for facilitator... It was exceedingly high-handed, but ok as you got away with it." It is not clear people felt that the conclusions of this voting process really reflected the group's positions. Best practices in facilitation would normally allow the group decide how it will make its own decisions so participants can be comfortable with the results.

The next step was cross-caucus meetings, which were probably the most productive of the day in terms of idea generation and beginning to address unresolved issues. Participants, including members, began to learn more about each other's perspectives, probably in part because some of these breakout sessions were highly professionally facilitated. These offered a safe place to speak, even when one disagreed with most people. The facilitator kept things focused on a point until some sort of resolution was reached, even if it was a recognition that agreement was still not possible. In these sessions participants expressed several times their concern about the level of cross caucus trust. McPeak said they needed to discuss the issue of trust at some point, saying, "the issue is who we can make a deal with. We can't have people ambushing us and writing initiatives to undercut us." However dealing with trust was ruled out of bounds for the strategic plan. Best practices however would recommend the contrary. Trust is fundamental to all dialogue and questions about trust need to be addressed as it is the basis for agreements.

In cross-caucus discussions there was horsetrading. In the Environment/Economy meeting, for example, Sunne McPeak noted that they had agreed that, if the environmentalists would support adequate development, the business caucus would support a recreational and open space bond promoted by environmentalists. A builder representative agreed saying "there are limited resources to spend on parks and it makes me crazy unless we can build something." They were moving toward a political style package with something for everyone. The Environment/Equity group started with the regional open space bond. When the Equity caucus

chair said they would support it if they could get funding for open space for inner city areas, an environmentalist leader replied that the bond was only for parks with regional significance. Some major urban parks might count, like something on the Oakland Estuary, but not a tot lot. This did not go over well. One in the equity group pointed out that there were plenty of environmental problems in distressed neighborhoods. He expressed skepticism that the Greenbelt Alliance would help West Oakland with their biggest environmental problem, the Red Star Yeast plant, which was polluting the air. One of the environmentalists brought up the CCII as something that could help, but an equity leader said,

> CCII keeps getting brought up as if maybe it will solve all these problems... I think it is rampant with flaws.

This discussion was revealing in that it showed a lack of cross-caucus understanding. It also however suggested directions for mutual gain cooperative solutions where both interests would be met.

The facilitator intervened before resolution was reached and asked for other projects. He did not get the group's agreement to move on, as best practices would recommend. He did not record agreements or differences on the sheets provided, and it became difficult to know what if anything had been decided. An equity person, reflecting the ambiguities and lack of shared understanding in the session, said, "I am afraid that folk will end up supporting things that they think are supporting communities when they are not." The facilitator continued to try to redirect the conversation, asking how the Alliance would engage partners. The group ignored him and continued to talk about building capacity in communities and setting up a dialogue on this. The facilitator tried again to intervene, asking how to build networks. Then he gave a brief lecture on leadership. The group was getting visibly annoyed with these comments, which also did not follow good facilitation practice. The facilitator is supposed to be neutral and help the group have its own conversation and not introduce his or her own ideas or questions.

In a dynamic that showed the disadvantages of not having all stakeholders meeting at the same time, in the Environment/Economy group a number of participants made comments about the equity group's views. A business member complained that they were constantly changing their ideas about what they wanted in housing. Someone misrepresented the equity position as being for mixed-income housing, though it was actually a low priority for them. Someone else pointed out that in the previous meeting the equity caucus was "not compelled by the Footprint. It does not go to the heart of their issues." No one was there to contest or explain any of this. McPeak proposed monthly stakeholder meetings to address the Footprint but no one was interested. One NGO participant said,

> ABAG's rollout of the Footprint is going to cause a dissipation of energy in BAASC, which is made up of NGO's. Why should I go to a dialogue rather than to San Ramon and spend time on something I can actually influence?

In the evaluation participants said they appreciated having facilitators with subject matter expertise. They liked the rotating caucus discussion and the "sincere conversations" in these. They appreciated "respectful interaction" as "getting to core motivating values." On the other

hand, people became more aware of unresolved conflicts. One said, "My anxiety increased. There were basic issues brought up within or among the caucuses that are not resolved. The government people dissed business, and social equity got dissed." An effective facilitation process should protect people from feeling disrespected, so this was commentary both on the failings of the process and on the reality that mutual respect and understanding had not been achieved in the BAASC. Another participant observed that the process did not take advantage of the opportunities offered by the dialogue for reaching agreement. He said, "What you might change is that when I heard an opportunity for agreement it was missed." Finally another complained that the discussion of trust was not permitted.

The retreat ended with brainstorming about actions to take. Most of these involved uncontroversial efforts at education and outreach. It is telling that there were few suggestions for addressing the thorny questions that the cross-caucus groups had tackled. The discussions had highlighted differences but did not resolve them. They stuck with lists. There was however some narrowing down of priorities and some greater level of mutual understanding than before. The retreat opened pathways for conversation and revealed a need for more. It showed that in a carefully facilitated conversation opportunities for agreement can be found. At that at the same time it showed that on key issues BAASC has a long way to go to get deep consensus.

The Final Plan

The Strategic Plan reaffirmed the vision and commitments of the *Compact,* not surprisingly since this was the starting place. It outlined BAASC's mission, programs, and outcomes and gave recommendations (See Appendix X). Almost all of the latter were extensions of the basic principles BAASC had been following from its inception. This included keeping the internal operations small, supporting the caucuses as resources for implementing programs, and helping "others to see the importance of taking their own actions that carry out the *Compact* vision." The main difference was that they were to focus on priorities, though no statement said what these were. The program framework had four components. These were: acting to catalyze policy change using the interest base to negotiate for content and support; building consensus on complex and difficult issues among stakeholders and fostering personal trust among leaders; educating key constituencies in a targeted way to get support of the *Compact* vision; and supporting regional issues campaigns and other actions pertinent to achieving its vision. These proposals did not acknowledge that the efforts thus far to change policy had been unsuccessful. They did not acknowledge that, rather than building consensus on difficult issues, they had reduced them to a lowest common denominator. Nor did they acknowledge the problem of trust among the players that had been raised repeatedly in the retreat. Education was the one thing which seemed safe to agree on, but this started from the notion that they already had the answers and simply needed to persuade others.

The plan went on to use some of the ideas that had been developed in the policy dialogues and addressed some of the concerns of each of the caucuses. The plan chose the "As Is" option laid out in the original consultant memo, keeping the basic organizational structure intact, from the Steering Committee to the caucuses. It proposed some changes in the activities

of the organization, for better record-keeping and reporting and more systematic development of work plans. They proposed continuing to get funding from foundations at least on a scale of $250,000 per year.

The consultant also prepared a document for funders entitled "Questions and Answers about the Bay Area Alliance and its Strategic Plan." This provides a rationale, missing from the plan, for why other alternatives for strategy and structure were considered and rejected. It says that the idea of a primary focus on education and bridge-building was rejected in favor of policy action in order to keep the commitment of the Alliance organizations. The SC considered having a larger organization with more staff, but preferred the flexibility and caucus engagement of their existing arrangements. They also felt this model would be better in the light of shrinking funding sources. They rejected the idea of dissolving the Alliance and moving to an informal network. Their view was that this would only be appropriate if there were no opportunities for policy action or need for ongoing education and consensus-building. They wanted to maintain existing relationships and the options for future action these provided. They also rejected the option of setting up an independent non-profit instead of using the caucuses as decentralized fiscal sponsors. This they felt would also put the engagement of the caucuses at risk. They said "If it is not broken do not fix it." The idea of a merger with other organizations did not seem appropriate because they felt confident about their mission, organizational and financial base already. Each of these rationales reflects their conviction that the Alliance was on a good track. This memo went on to make a case for the potential effectiveness in state policy of a multi-interest regional coalition such as theirs. It argued that since the Alliance will work in a stepwise way, the plan is not too ambitious for their staffing and resources. Finally the plan contends that a funding base depending on foundations is appropriate because BAASC had become a central element in the region's civic infrastructure.

To date the Alliance has started on some of the activities that it proposed, but as of spring 2004 they had not raised funding for a full-time Executive Director nor for most of the activities. In the meantime the part-time Director has left.This plan leaves unresolved many important challenges that will face the Alliance in the future. It did not confront most of the challenges identified in their own process by themselves or the consultant, much less those we identified in this research. Indeed this strategic plan and planning process seems to have missed opportunities for the Alliance to learn from its first five years and build a more robust strategy for the next. How can they build on the discourses and social capital they have created? How can they influence legislation? How can they continue to raise substantial core funding from foundations in an era with shrinking endowment resources and changing foundation agendas. How will they keep their multi-interest coalition together in this new phase?

ANALYSIS AND REFLECTIONS

Outcomes

What BAASC accomplished more than anything else was to develop a discourse among many regional leaders in the three E's and, with it, some shared values. Over seven years of

discussion its members became what one policy expert has called a "discourse coalition"[42] focused on smart growth and the policies and practices that could lead to it. This sort of coalition is held together by its concepts, arguments and language. Once the discourse is established its power does not depend on participants' meeting, strategizing, or acting jointly. Its greatest influence comes as the discourse spreads and as it reframes public debate. BAASC's unique contribution in this regard (because others were also talking about smart growth during this time) was to integrate equity into the thinking about sustainability. It helped participants understand that meeting the needs of the disadvantaged was a necessary part of a sustainable region and not only a moral issue. Each of the caucuses developed an understanding they did not have before of the perspectives and interests of the others. All those we interviewed seemed to have become committed to action to serve all three E's jointly. This understanding went beyond the members and leaders of the BAASC, as each member represented an organization, typically with many constituents. A number indicated they adapted their organization's activities based on what they learned working with members of other caucuses. Moreover the effort to market the *Compact* to local governments, the policy forums, and the workshops on the Footprint helped spread a view of a sustainable region as one with more compact, transit-friendly growth and infill housing. The CCII spread these ideas to investors and members of the business community as well as to community leaders and nonprofits. These efforts were largely directed toward elites rather than a broader public and engaged mostly people who were already sympathetic. Nonetheless there was a lot of learning among them, and many changed or developed their thinking. Since many of these elites are leaders who make things happen in the region, the result may well be new policies and ultimately changes in land use patterns. The discourse developed in BAASC is in use at the Ford Foundation and the state Business, Transportation and Housing Agency as Steering Committee members now play leadership roles in these organizations.

Intrinsic to this joint learning process was the development of new networks, social capital and relationships. BAASC, for example, created a forum for the five regional agencies to talk with each other and with stakeholders. While they had had some communication in the past, BAASC opened more opportunities to learn about interests, particularly for ABAG. People from the environmental community learned that building infill housing would support its goals of protecting undeveloped land at the fringe of the region and supporting transit. They therefore began to work with members of the equity caucus on infill housing, which often required substantial lobbying and public support. Others learned how developers think and what they need and found sympathetic members of the business community to interact with on shared interests. Individuals have worked together on specific projects independently of the BAASC. Almost everything BAASC itself did was a spinoff partnership. Because of its nature as a kind of virtual organization, all its projects involved partnerships with Steering Committee member organizations. The BAASC introduced these organizations to activities they had not engaged in before. This is likely to result in partner organizations' carrying on the work over time even

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[42] Maarten Hajer "Discourse Coalitions and the Institutionalization of Practice: The Case of Acid Rain in Great Britain" in Frank Fischer and John Forester, eds. *The Argumentative Turn in Policy Analysis and Planning,* Duke University, Durham NC 1993.

without BAASC. The CCII is a spinoff partnership and one that may become institutionalized as a way of accomplishing double bottom line investment in the Bay Area with both business and community participation.

In course of pursuing the vision of sustainability, important innovations emerged from the BAASC that may have a long lasting impact and that are ameliorating problems. The most notable is CCII. While there is precedent for some aspects of CCII, the institutional design and structure engaging both representatives of the poor communities and the business community in the selection, design and implementation of the projects is unique. While it is still a work in progress, there is much to learn from this effort as the evaluation will undoubtedly demonstrate. The complex Marin City deal may provide a model for ways to meet the double-bottom line in creative ways, not only for others in the region but also across the country. CCII is making a dent in the problem of disinvestment in poor neighborhoods and bringing them facilities and services they would probably not otherwise have. The projects are designed to avoid causing displacement while providing housing, jobs, and services for local people. If they turn out to be successful, there could be a sustainable flow of socially beneficial investment in many disadvantaged neighborhoods.

A second and perhaps equally important innovation for the region is the Social Equity caucus. The Social Equity caucus has ameliorated the problem that low income communities and communities of color have lacked a clear voice to allow them to be influential in many local, much less regional, decisions. Because the equity representatives were originally less experienced in policy discussion than members of the other caucuses, had fewer resources, and were such a diverse set of organizations, many of them quite small, BAASC, through Urban Habitat, raised funds to help build this group. The gap in power and knowledge across the caucuses has been considerably narrowed due to their leadership. The caucus hired a coordinator, held a major conference with advocates from around the Bay for training and prioritizing and organizing of campaigns on various public issues and holds quarterly meetings for their membership which involve campaign updates, technical assistance and capacity building. According to the web site, http://urbanhabitat.org/Social_Equity_Caucus.htm the caucus "provides community-based social and environmental justice organizations with a forum to discuss Bay Area region-wide issues of sustainable development and to provide these organizations with an autonomous platform to develop and project a vision for a socially just region." The caucus provides the opportunity for members to engage in dialogue with each other about issues that disproportionately affect communities of color and for them to link local efforts with regional ones. The caucus is a vehicle to pool resources and develop joint positions in the hope of influencing regional bodies. It has ultimately helped these groups see the relationship of their welfare not only to economic, but also environmental issues. Today the Equity caucus has a clearer and more shared idea of its interests and the policies that would benefit their constituents than it had in the beginning. It has been able to represent these in BAASC and the CCII. It has provided channels of communication for member organizations to leaders in these other sectors. It has become a force in the Bay Area in its own right.

A third innovation was the idea of using citizen's preferred land use scenarios to frame a new type of population projection that assumed policy change instead of the continuation of

trends. This strategy meant they would not have to tackle controversial policy changes head on. This concept got watered down considerably, however, when the scenario was transformed into short-term projections. The jury is still out on whether the long-term projections will significantly change MTC or other agencies' policies, much less whether they will change land use patterns. Certainly the projections will allow MTC to stay in compliance with air quality requirements, which apply the projections. One staff person told us that BART (Bay Area Rapid Transit) was using the Footprint alternatives to start developing land use criteria for finding and investing in new stations. She cited anecdotes about how cities are looking at what was shown in the preferred alternative and comparing it to their General Plan, and even though they were still "freaking out and not speaking to ABAG ... they are thinking 'Ha, what if we did do this?' and started to look at it at a neighborhood level and do specific planning around it." It does seem likely that the Smart Growth/Footprint project overall has helped to delegitimize sprawling land use patterns among many players.

As suggested in the beginning of this case, these positive outcomes can be largely attributed to the dedication and commitment of the leadership and many members. They persisted in seeking common ground even when arguments became intense. They stayed at the table even when they did not yet have demonstrable outcomes or policy changes. They had a shared conviction they could make these changes if they could just get onto the same page. They believed in the cause of sustainability through compact, transit-friendly growth. They took the long view that they were trying to change institutions and that this would take time. The small collaborative working groups in the early years helped to build social capital and mutual understanding across caucuses. The deep commitment among the leadership to meeting the needs of all three E's in their activities was transferred to the membership through both the example of the projects and the Steering Committee's efforts to integrate all three E's in their decisions.

Limitations

While these are valuable outcomes, for most of them we can at best say we *think* these are outcomes, based on our interviews with participants. Whether changes in discourse and social capital or in population projections result in institutional or land use change will not be known for some years. Even then it will be difficult, if not impossible, to tease apart the influence of BAASC and many other political, social and economic factors and activities. The BAASC did not produce (other than in CCII) identifiable on-the-ground outcomes as did other CRIs we have examined. There were no policy or legislative changes at the state or local level despite BAASC's intent to achieve these. There is no clear evidence that their activities have taken them closer to such results, though there have been dialogues with legislators. BAASC's recent highlighting of local government's smart growth activities in their membership meetings may be spreading ideas about how to do it to the membership, but again the impact would be difficult to measure, even if BAASC had done attitude surveys at the time.

The reasons for the limits on BAASC's achievements are several. First leaders chose to tackle a complex, large scale problem as a whole rather than in doable pieces. Second they did not have a well developed theory of change to assist them in addressing the problem, much less

in achieving specific goals. Third they purported to be seeking consensus across stakeholders, but failed to follow the basic principles or practices of consensus building. Accordingly they ended up with lowest common denominator results rather than robust, feasible actions that would garner real commitment from all participants. Fourth they failed to make any significant use of research to assist their deliberations or help resolve their conflicts, much less for the other purposes that other CRIs used it like building shared understandings, creating regional identity and credibility for the organization or for evaluation and reflection on their work. Fifth they chose to have shared leadership and minimal dedicated staff. This limiting their activities and made decision making cumbersome. Both staff and leaders had divided loyalties and could not put the future of BAASC first.

The problem BAASC leaders chose to tackle, though it was never clearly specified, was to change institutions and practices of land use decision making across the region to achieve a "smart growth" pattern for the purpose of reaching regional sustainability. They saw the issue as one that was regional in scale and involved many interconnected issues. They felt therefore they had to focus on this large scale rather than on manageable subtopics. Thus they discussed transit villages and developer incentives, but gave none of these topics the attention that might have allowed them to make a difference on the issue. More importantly their problem was much more intractable and ambiguous than they acknowledged. They never developed a shared concept of sustainability, much less of the relationship of smart growth to sustainability. Nor did they even agree on what smart growth would be. This lack of agreement in turn limited their ability to agree on other issues, and they jumped to promoting specific actions without a clear or shared definition of the problem. They were hoping to get new state and local legislation that would change practices, but apparently underestimated what it would take to achieve this. Even if they could figure out what actions would produce the desired results (a big if in such a complex situation with so many players, interests, and entrenched norms) getting legislation passed can take several years of negotiation. Once the legislation is passed, it may or may not produce the desired results depending on the economy, the attitudes of various implementers, and local politics. The larger kind of institutional change that some SC members said was their ultimate purpose is at best a daunting long-term task, even if one knows how to do it. Institutions are durable by definition, tightly linked into other institutions, societal norms, and the practices of many unrelated players with different agendas and interests.

In taking on such a complex and ambiguous problem an organization needs to have a theory of change that will help them to turn their visions into reality. But BAASC had at best a sketchy theory of change, or at worst an inappropriate one. A long time close observer reviewing the case noted that SC members,

> did not have a road map for the Alliance; only a good idea and good intentions. They were/are concerned individuals who hoped to move the Bay Area to a more sustainable future. They volunteered countless hours to lead and participate in countless discussions. They did not have the answers; they did not even know the questions ...When the Alliance started, the reaction to change theory would have been along the lines of "huh?"

BAASC leaders did offer a somewhat limited theory of change in their proposals to JIF and in their own discussions. The idea was that they would create a coalition of key players from all the three E's and go together to influence legislators in Sacramento. This was a political model of action, where the Alliance would be a powerful interest group because of its breadth and thus would have influence. They sometimes also spoke in the language of social movements, seeking to get a "critical mass" to create change. This is a somewhat different mechanism, operating outside the political system. Though they used this language they did not act as a social movement, which would have involved engaging a larger public around a focused vision. Part of their tacit theory of change also seemed to be that they would educate the public about the problems and the solution ideas through indicators, the *Compact*, and various public forums. In this theory these civic leaders would learn and take new types of action as a result.

Because the theory of change was neither explicit nor developed in detail, it did not outline the steps and mechanisms that could achieve the goals nor allow the leaders to get feedback that would help them know whether things were moving forward. It did not allow the SC to identify, much less measure, intermediate outcomes leading to goals like changes in the attitudes of civic leaders, or even of their own membership, or to determine the impact of their discourse on specific actions of regional players. The SC spent time talking about who needed to be drawn in, but in doing so it was neither strategic nor specific about what each person could or would do. They could not offer players particular tasks they could accomplish. Indeed the theory was not well enough developed to identify smaller more doable tasks that could lead to long term consequences, while keeping the funders and members satisfied that they were making progress.

BAASC did have some tasks but these too mostly lacked a theory of action designed to get results. The *Compact* was a vision and set of actions without a plan for how to get jurisdictions or other players to actually *take* the actions. The Footprint was originally to facilitate regional consensus on the *Compact* and show where housing and jobs could be accommodated. How such maps could be translated into local government action was not spelled out. The use of policy-based projections was supposed to change MTC's investment decisions and in turn local government land use decisions. MTC's decision process is highly political, however, with powerful entrenched interests determined to get what they regard as their funding. BAASC had no strategy to deal with this reality. Moreover the project did not take into account the practices and principles of the statistical analyst in making projections so he did not act as they anticipated.

The indicators were supposed to show progress toward sustainability and educate the public and policy makers. There was no plan however for how BAASC would get people to pay attention to these, much less for how this "education" would translate into action. There is a lot of inertia out there and it takes a considerable incentive to get people to change. The implicit theory of action did not incorporate that reality but assumed that information itself changes people's hearts and minds, though there is considerable evidence that much more is required. The CCII's theory of change was not at first well thought through so the first projects did not have much community benefit. Expectations about what the community and business side could and would do were unrealistic and only were changed after considerable trial and error and modification of the objectives.

The Alliance was also limited in what it could accomplish because it chose not to use much in the way of expert assistance or formal research. Leaders concentrated instead on getting agreement among the people around the table, as if research would interfere with rather than support the reaching of agreement. Research was not central to the Alliance's work as it was to other major CRIs. The Alliance did use some expert help, though leaders often relied on whatever expertise happen to exist among the stakeholders or on occasional volunteer services by local academics and graduate students. The BAC enlisted Professor Landis to provide the Alliance with research on land availability in the region, but he was not paid and did not have a formal consulting relationship. The BAC also hired consultants to assist in the design and implementation of the CCII, but they worked for the business side rather than the Alliance and did not fully incorporate the concerns of the community side. The BAC also hired consultants to assist with mapping for the Footprint and later for designing the workshop process. ABAG hired consultants to implement the Smart Growth workshops. Professor Lewis of the Environmental caucus volunteered to supervise the "groundtruthing" study on infill capacity, but as he was a partisan within the organization, the results were not universally accepted. No outside expertise was used during the collaborative development of the indicators, except that Redefining Progress developed the Genuine Progress indicator and ecological footprint. A consultant was hired only after BAASC had designed the indicators to gather the data. Because there was no expert involved in the design process, some of the indicators had to be changed at the end for technical reasons. The Alliance also hired a consultant to help with the strategic plan, but they chose someone who was one of their associates, a planner, but not one with a primary expertise in the complex field of strategic planning.

There were many other points in the process where expert knowledge and research could have helped BAASC to perform tasks better, sort through conflicts, or build a feasible change strategy. There is a large array of literature and theory on land use and growth patterns, for example, but no one reviewed or assessed this for the Alliance or laid out the evidence on key points under discussion. In collaborative processes joint fact finding is a necessity for reaching agreement. All parties have to feel equally comfortable with the validity and accuracy of any data. Frequently conflicts within such groups can be resolved with carefully targeted, unbiased research.

BAASC purported to be a collaborative, consensus building process, according to their own statements and the comments of people whom we interviewed. To successfully bridge these stakeholders, many of whom had been at odds for years, it would need to be a carefully managed, authentic dialogue which would help these players understand one another's interests and develop shared meaning and joint action. Though the group did achieve some agreement after 7 years, the Alliance did not achieve deep consensus or the kinds of shared understandings that are crucial to moving forward. It did not develop a level of trust that was satisfying for members. While participants did increase their understandings of the other groups' interests, there were still major gaps in their appreciation for and acceptance of others views. There remained major differences that seemed no closer to resolution in 2004 than they were at the beginning, most notably on how much growth to accommodate and where.

The problem was that the process violated basic principles of best practices developed by consensus building professionals in the field.[43] First the process was designed around position-taking rather than interest-based negotiation, which creates ill will and divisions by its nature. Because so much discussion took place inside caucuses where people were unaware of other stakeholders' views, their positions tended to harden. The strategy led to misunderstanding and even hostility. There was little opportunity before the strategic plan retreat to work these differences out face to face. The Alliance did use the first year to have quarterly meetings where each group tried to educate the others about their interests. An important next step, however, would have been an in-depth, multiway dialogue to help all participants understand what others fundamentally valued and needed and why. They agreed on the idea of consensus decision making in theory, but the way they operationalized this meant they got lowest common denominator solutions rather than the mutual gain results that can come from well designed collaborative dialogues. They mostly conceived of the task as horse-trading and compromise, but in genuine consensus building stakeholders try to find solutions that not only benefit themselves but others. They can do this because one of the rules is that nothing is off the table. No assumption is sacred. When you get stuck you try to "think out of the box" instead of just removing the offending point. The BAASC process however was organized with a clear frame around it and assumptions were not questioned or explored. The SC set most of the agenda early on, including what they would focus on and how. The discussion was more about the details than the big picture or about whether this was the right approach overall.

Equality of all voices is fundamental to effective collaboration. The BAASC is to be commended for its tremendous effort to equalize the voice of the equity participants, but equity participants told us they still did not feel equal. One told us there was not a real dialogue in the SC and that he felt that the SC was mainly trying to gain approval from the equity people. Certainly there was evidence that some voices dominated in a way they could not have done in a well facilitated dialogue. Issues most important to the equity group were never really addressed, although the group supported the CCII. Equality of voices in terms of respect and information is essential if a collaborative effort is to develop robust proposals that are likely both to work and get wide support. Listening to and addressing dissenting concerns is crucial.

Finally the reliance on borrowed staff and on shared leadership meant that there was a project by project focus in deliberations, but little attention to organizational development and identity and image building that would be needed to give BAASC the credibility and overall sense of purpose that could move it forward. There were tasks along the way that could not be done because there was not adequate dedicated staff. Decisions had to be agreed to by everyone and the group was slow to decide and often ended up with a compromise rather than a clear purpose or well thought out strategy. They were guided by committee reports and membership opinion, but did not have careful staff work that could back these up much less inform the committees to begin with. The Steering Committee members each were able to provide benefit to their organizations and their own professional status through participation in BAASC because

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[43] See for example Lawrence Susskind, Sarah McKearnan and Jennifer Thomas-Larmer *The Consensus Building Handbook* Thousand Oaks: Sage Publications 1999.

funding for projects went through them and they got engaged individually in new activities in the region. While this was a strong motivation for them to continue, it was also a disincentive for them to look critically at BAASC structure and practices.

BAASC has been a valiant effort of dedicated civic leaders to reach a regional consensus and build support for new ways of doing things in the Bay Area to achieve a more sustainable future. It has had some impact on discourse and attitudes, but it has fallen short of its potential because it did not have well thought through strategy for its work.

APPENDIX I. METHODOLOGY

This report is built on 25 in-depth formal interviews with stakeholders and observers of the BAASC, each lasting between 1.5 and 3 hours. These were guided by a standard interview guide (see Appendix II) but conversations were open-ended, allowing the respondent to elaborate or tell us things that we had not originally thought to ask. In some cases where the respondent was only familiar with a small part of BAASC, special more limited versions of the guide were used. Interviews were mostly completed in person and recorded with the respondent's permission and transcribed. These interviews, by Gerardo Sandoval and Judith Innes, were conducted between March 2003 and May 2004. Interviewees were sent letters as required by the University's Committee for the Protection of Human Subjects, explaining the project (see Appendix II) and promising confidentiality. We also observed quarterly meetings, retreats and other public events, taking near verbatim notes. Some of this work started prior to the start of the study as Professor Innes was observing the BAASC as part of other research and gave a presentation to the Alliance and participated for a few months in the Indicators Working Group. At these meetings we conducted informal briefer discussions and interviews with at least at least 10 other individuals. Everyone was helpful and forthcoming and gave generously of their time to the study.

Detailed minutes of all quarterly and steering committee meetings were made available to us and these we have reviewed thoroughly and used for both understanding projects and getting a clear sense of the chronology. We studied the documentation BAASC provided to the James Irvine Foundation about past and proposed future activities. We reviewed internal assessments completed by the Foundation. We used all these types of information to piece together the narrative of the case and its different projects. In addition we relied on our knowledge of the literature on consensus building and collaboration as well as on indicators in the commentary.

We conducted interviews with most of the original steering Committee members and the staff who attended those meetings regularly. We also interviewed members who were particularly active in BAASC at one time or another, including some representing each of the three E's. We interviewed people who were active in designing and managing the CCII and the Family of Funds. We also interviewed some who were key players in the Footprint project. In addition we interviewed some observers and consultants. In addition we held numerous informal conversations with other participants at meetings of BAASC, at the strategic planning retreat, and at the policy forums and workshops. Numerous e-mail exchanges with these and other people supplemented the interviews. These others included members of BAASC, observers, funders, and public officials. Because of the sensitive nature of some of the comments and our commitment to confidentiality for our respondents we are not providing the names here. To all of these people we extend our thanks and appreciation for their generosity in sharing their time and thoughts with us and assisting us in this project.

APPENDIX II: LETTER TO INTERVIEWEES

The following letter was sent to all potential respondents prior to setting up an interview:

Dear:

As you may know, faculty members at the University of California Berkeley's Institute of Urban and Regional Development (IURD) have been contracted by the Irvine Foundation to conduct an assessment of what the Collaborative Regional Initiatives (CRIs) have accomplished and how. Our research team will be looking at what has worked well and what has worked less well and will try to understand the reasons behind the results. The primary purpose of this research is to assist the CRIs in their future work and in their choice and design of activities. This study will also be directed to the philanthropic community and other funders to provide them a perspective on the CRI program and its many activities and to help them to identify promising future initiatives.

One of these CRIs is the Bay Area Alliance for Sustainable Communities, and we would very much appreciate the opportunity to talk with you about your work with this CRI or of your knowledge of its work. We hope to learn something about your role, your understanding of how the projects and programs are organized, and your perceptions of the value and outcomes of some of its activities. More generally we hope that you can provide us insight into the work of Bay Area Alliance for Sustainable Communities over the years.

One of the team of faculty members or a research associate will contact you to see if he/she can set up an appointment to talk with you at a time and place that is convenient for you. We estimate we would need at least an hour of your time if possible. With your permission, the interviews will be taped, but the tape can be turned off at any time you wish. Your participation is voluntary, and you may end the interview at any time. The tapes and transcripts of the interviews will be confidential and shared only among the research team. Your identity will either be concealed or we will get your permission before attributing comments or quotes to you in any reports which are disseminated beyond the Foundation or which are published in journals.

We also hope to attend some meetings related to the CRI to observe and take notes, with permission of the participants.

The benefits of this research are that it will assist all the CRIs in developing the most effective strategies and assist the philanthropic and larger funding community in getting a perspective on the work of CRIs. Lessons learned will be shared with the CRIs. There are no personal risks to you in participating in this effort.

Feel free to contact Judith Innes or any of the other investigators at any time with questions or concerns you have about this project (jinnes@uclink.berkeley.edu, 510-642-6579). You may also contact Kim Belshe at the Irvine Foundation (kimbelshe@irvine.org, 415-777-2244).

If you have any questions about your rights or treatment as a participant in this research project, please contact the University of California at Berkeley's Committee for Protection of Human Subjects at 510-642-7461, or email subjects@uclink4.berkeley.edu.

Sincerely,

Judith Innes
Principal Investigator

And Co-Principal Investigators:

Karen Chapple, Assistant Professor of City and Regional Planning
Karen Christensen, Associate Professor of City and Regional Planning
Judith Gruber, Associate Professor of Political Science
AnnaLee Saxenian, Professor of City and Regional Planning, and Information Management

APPENDIX III. SAMPLE INTERVIEW GUIDE FOR STAFF AND KEY PARTICIPANTS IN BAASC

How long have you been involved in BAASC?

What led you to become involved? What is your interest in this? What do you hope for it to accomplish?

What do you see as its main mission?

We are in particular trying to look at both your overall strategy and understand its rationale and how you think it works and trying to see how each of your main projects has developed and evolved.

What do you see as its main approach and method and how have these has influenced the projects and success or lack of it?

Have your ideas about this changed over time? Why do you remain involved (if they do)?

We are interested in any outcomes so far of your work either internally among the players or externally outside the BAASC.

We would like to know something about the origins, evolution, conception, purpose, and current status of the Compact, the Regional Livability Footprint/ smart growth project, the CCII, and the indicators project. Who else should we talk to who was heavily involved in those, and can explain the origins and implementation?

What do you consider to have been some of the best achievements so far of the BAASC? How do you account for these?

What are some of the obstacles and challenges BAASC has met over time?

What have been some of the issues and differences among the participants? We understand it has been very difficult to reach agreement on some issues, can you tell us about some of these? What are some of the outstanding concerns?

What has been your stance toward government agencies–their role in what you are doing?

How effective has the media strategy been? Why did you start it? what was the main idea?

Tell me about the outreach and workshops. What was their purpose? what have they accomplished?

What difference do you think the adoption of the *Compact* by cities will make? How will that work? Did you consider a more direct action strategy?

My impression is that your strategy has been to spend time getting consensus on a set of actions and principles and then to try to turn that into action by influencing public officials to take action, pass legislation, change local policies and that you believe that because there is a wide coalition representing major interest behind you it will be persuasive? Is this correct?

Did you ever think about a more incremental strategy or a more piecemeal one, or did it always have to be a package?

Did you ever think about more direct action, including the people themselves who can act and getting them to do things?

What do you think of the role of public agencies in BAASC. How does that work? What value does it have? What disappointments?

What in your recollection have been some of the major sticking points in the discussion over time? What remain sticking points?

People have suggested the *Compact* is watered down to get everyone on board. Do you agree with that?

How do you think decisions have been made in BAASC? Do you think all views have been involved? Has there been good dialogue (if so, why and when or why not and in what way?). Do you think that genuine consensus has been reached?

Who are some of the critics of the process and results so far?

Do you think the *Compact* was a good strategy (have you ever looked critically at this)

How did it happen that you merged your livability footprint with the smart growth project? What benefit did that give you? What benefit did it give the smart growth people? Did you have differences with them? If so what?

What are your ideas/BAASC ideas about implementation? What would be a good outcome short and long term of your work?

What is your hope for the future of BAASC and the issues it is concerned about?

What are the next steps in your view?

What is your vision for the region and how do you think you can as a practical matter get there?

APPENDIX IV. DIAGRAM OF BAASC STRUCTURE AS OF 1998

THE COMMUNITY OF THE BAY AREA:
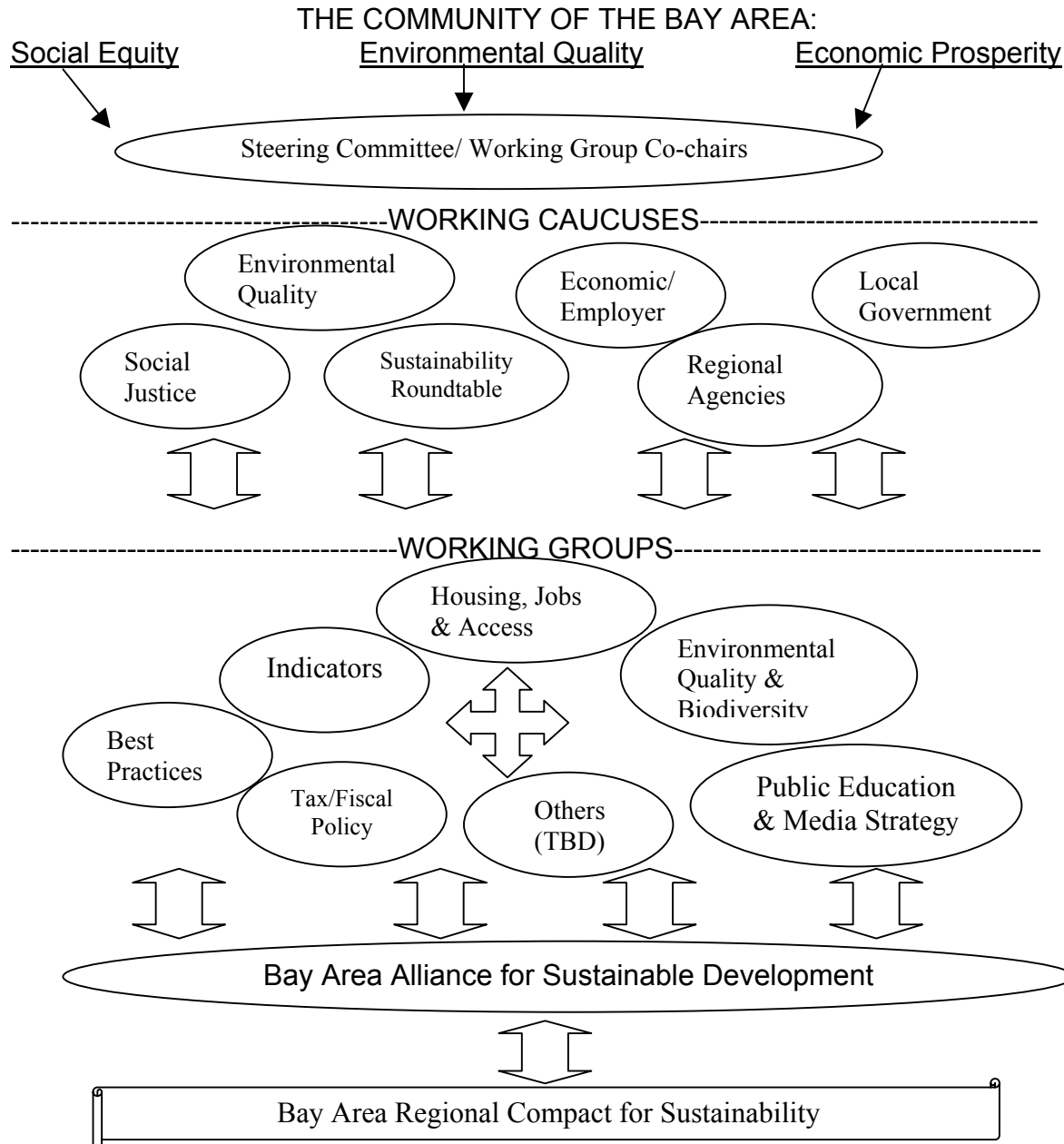
Social Equity   Environmental Quality   Economic Prosperity   Function & Composition

Steering Committee/ Working Group Co-chairs

Steering Committee provides overall guidance for the process of the Alliance, interacts with leaders of local/ regional/state/national organizations, provide staff support and administration for Alliance activities; Working Group co-chairs and Steering Committee provide recommendations for resolution of working group conflicts. The Steering Committee represents all three e's and government; the working group co-chairs represent all three e's.

--WORKING CAUCUSES--

Environmental Quality

Economic/ Employer

Local Government

Social Justice

Sustainability Roundtable

Regional Agencies

Working Caucuses provide sector-specific perspective/ feedback into Alliance and working group processes/ recommendations, stimulate dialogue/synergies between caucus member organizations, provide sector-specific outreach for Alliance activities and evolving recommendations. Working Caucuses are comprised of sector-specific individuals recognized as having expertise.

--WORKING GROUPS--

Housing, Jobs & Access

Indicators

Environmental Quality & Biodiversity

Best Practices

Tax/Fiscal Policy

Others (TBD)

Public Education & Media Strategy

Working Groups provide issue-specific recommendations to the Alliance reached by consensus through a multi-stakeholder collaborative process, interact with other working groups to identify synergies and potential conflicts, raise potential conflicts to the Alliance through the Steering Committee. Working Groups are comprised of representatives from each of the three e's and, as appropriate, the governmental sector.

Bay Area Alliance for Sustainable Development

The Alliance reaches consensus on actions and recommendations for inclusion in the compact. The Alliance is comprised of representatives from all three e's and government.

Bay Area Regional Compact for Sustainability

The Compact is a group of actions and recommendations for implementation by local/ regional and other jurisdictions.

102

APPENDIX V. WORKING GROUPS 1998.

Bay Area Sustainable Development Indicators
Charter: Develop a group of high-level indicators (5-10) balanced between economic, social and natural environment. Note: working groups and working caucuses may also have indicators. These indicators are not necessarily identical to these higher level indicators.
Products: Specific indicators and sources of necessary data. Baseline data and report on past and current (1995 or later if possible) status.

Best Practices List
Charter: Develop a list of best management practices for use by community economic development practitioners and Local Reuse Agencies. Additionally, develop a list of best management practices for use by businesses and individuals.
Products: A list of practical best management practices with examples of cost/benefit for each, where they have been implemented.

Housing, Jobs and Access
Charter: Address the housing needs associated with the continued growth in jobs in the Bay Area. Address transit-oriented and infill development and urban limit lines. Also address equitable housing and affordable access and specifically, the relationship of transit and infill development to the 46 under-employed neighborhoods identified by the Bay Area Partnership (BAP). Identify barriers and potential incentives to locate jobs where housing currently is. Identify opportunities for enhancing education/training in "BAP"-designated neighborhoods
Products: A map illustrating spatial concentration of jobs and housing in the Bay Area, goals (intermediate and long-term) to enhance the balance, and an action plan with strategies and tactics to achieve the goals.

Environmental Quality and Biodiversity
Charter: identify the most important natural resource environmental elements that need preservation, protection and/or enhancement. Identify the environmental features that should never be compromised. Identify the most important biodiversity and ecological strategies for the region. Ensure protection of and encourage rehabilitation of communities that are seriously environmentally compromised.
Products: a map illustrating the most important natural resource elements and the spatial concentrations of the environmental features that should not be compromised. Develop goals, strategies and implementation actions.

Public Education & Media Strategy
Charter: Create a sense of "region" as a value in the Bay Area and an understanding of the concept of sustainable development within the Bay Area community. Help Bay Area residents understand how they can live in more sustainable manner.
Product: a public education/outreach action plan that identifies key messages to achieve the charter objectives. The plan should also include media strategies both for the charter objectives and for publication of Alliance accomplishments and indicator reports. Universities and other education experts should be involved.

Local/regional fiscal/tax policy options

<u>Charter</u>: Using the information derived from the other working groups, identify and develop fiscal and tax policy options that can be implemented at the local, regional, state and national levels that will eliminate disincentives and provide incentives which will help the Bay Area accomplish its sustainability goals.

APPENDIX VI. MEMBERSHIP SUPPORT OF THE *COMPACT FOR A SUSTAINABLE BAY AREA*

The following members of the Bay Area Alliance have affirmed their support of the *Compact for a Sustainable Bay Area*: (as of May 15, 2004 BAASC web site)

Alameda-Contra Costa Transit District*

Architects, Designers and Planners for Social Responsibility

Association of Bay Area Governments

Bank of America

Bay Area Air Quality Management District

Bay Area Council

Bay Area Economic Forum

Bay Conservation and Development Commission

Bay Planning Coalition

Building Opportunities for Self Sufficiency

Contra Costa Council

Contra Costa Economic Partnership

Earth House

East Bay Asian Local Development Corporation

Economic Development Alliance for Business

Environmental Defense

Greenbelt Alliance

Greenlining Institute

Homebuilders Association of Northern California

Interfaith Coalition for Green Planning

League of Women Voters of the Bay Area

Legal Aid of Marin

Metropolitan Transportation Commission

National Economic Development and Law Center

Natural Resources Defense Council

The Nature Conservancy

Non-Profit Housing Association of Northern California

Pacific Gas and Electric Company

PolicyLink

Regional Alliance for Transit*

Richmond Improvement Association

San Francisco Bay Regional Water Quality Control Board

San Jose Silicon Valley Chamber of Commerce

Sierra Club

Silicon Valley Manufacturing Group

Urban Ecology

Urban Habitat

Urban Strategies Council

Youth in Focus

APPENDIX VII. CHANGES BETWEEN THE *DRAFT COMPACT* AND THE FINAL *COMPACT*

Commitment 1. **Enable a Diversified, Sustainable and Competitive Economy to Continue to Prosper and Provide Jobs in order to Achieve a High Quality of Life for All Bay Area Residents.** This added an item **"**Support efforts to provide needed services, such as child care, youth programs and elder care to facilitate employment." This changed another item which proposed locating jobs near places where workforce housing is and linking jobs and housing to transit to the more generic and less operational "Encourage a better balance of jobs and housing."

Commitment 2. Provide Housing Affordable to All Income Levels within the Bay Area to Match Population Increases and Job. This added an item which reflected the CCII. "Encourage financial institutions to improve access to capital by underserved and disadvantaged communities and individuals." It eliminated a point about policies to prevent and compensate for displacement.

Commitment 3. Target Transportation Investment to Achieve a World-Class Comprehensive, Integrated and Balanced Multi-modal System that Supports Efficient Land Use and Decreases Dependency on Single-Occupancy Vehicle Trips. BAASC eliminated the statement about encouraging MTC to plan to achieve and effective and efficient integration of transportation system for mobility, environmental protection and a healthy economy. It added a point on telecommuting, added the idea of support for linking land use planning to transportation by locating new residential and commercial development in close proximity to existing or planned mass transit and by designing for walking and bicycling, with a priority on improving public transit service in congested corridors. It deleted "Support linking jobs and housing with convenient, affordable, environmentally friendly transit service."

Commitment 4. Preserve and Restore the Region's Natural Assets -- San Francisco Bay, Farmland, Open Space, and Other Habitats. This added specific references to existing processes, like the CALFED Bay-Delta process; noted specific needs in low income neighborhoods, including improved landscaping of parks, daylighting creeks, and street trees; eliminated a statement about creating public access incentives; changed a statement about linking land protection/management programs to economic development to offering support for the economic viability of agriculture; deleted a statement about zoning parcel sizes consistent with agricultural viability and protection of biodiversity; and deleted statements about reducing air and water pollution (which were inserted in Commitment 5)

Commitment 5. Improve Resource and Energy Efficiency: Reduce Pollution and Waste. This deleted a statement to seek tax and other incentives to encourage consumers and producers to minimize their environmental impact and replace with a focus on production processes; added an item about green buildings; added an item on supporting "public-private partnerships to improve the efficiency of environmental regulation while improving environmental performance and enforcement of existing environmental laws and regulations;" added another on implementing strategies to reduce water pollution, especially non-point source run-off and promoting improved watershed management practices for the Bay and associated waterways." It added an item on reducing air pollution, especially from mobile sources.

Commitment 6. Focus Investment to Preserve and Revitalize Neighborhoods was changed to reflect the development of the CCII in the interim and the policies that were developed in connection with CCII. Most of these strengthened and further specified these policies.

Commitment 7. Provide All Residents with the Opportunity for Quality Education and Lifelong Learning to Help Them Meet Their Highest Aspirations. On this BAASC made few changes, perhaps because there were few, if any, education advocates or experts on BAASC. They added some items designed to assist the lower income groups including: "Advocate adequate, stable and equitable funding for all schools for programs, the facilities and competitive pay for teachers;" "Support targeted efforts, including increased funding, to improve school performance in the poorest neighborhoods;" and "Support a broad program of investment in human capital to improve the education and job skills of the disadvantaged and the middle class for the new economy.

Commitment 8. Promote Healthy and Safe Communities. In this BAASC added an acknowledgment of new partners they acquired in the interim, the United Way and the Northern California Council for the Community. Otherwise it continued these generic items on this list, most of which the members were not actually directly engaged in.

Commitment 9. Support State and Local Government Fiscal Reforms. In this case they simply removed the item about revenue sharing.

Commitment 10. Stimulate Civic Engagement. This added an item about Internet-based participation and one on campaign finance reform, but left this commitment otherwise more or less the same. This seems to have tapped little of the knowledge on civic engagement or even the members' own practices of civic engagement.

APPENDIX VIII. LIST OF INDICATORS BY COMMITMENT IN THE *COMPACT.*

<u>Sustainable Economy</u>
$ Gross Regional Product
$ Income Distribution
$ Median Income
$ Personal Income
$ Living Wage Income
$ Unemployment Rate
$ Poverty

<u>Housing Supply</u>
$ Housing Supply
$ Jobs-Housing Balance
$ Population Density and Intensity of Land Use
$ Housing Affordability
$ Homelessness

<u>Transportation</u>
$ Commuting
$ Vehicle Miles Traveled

<u>Natural Assets</u>
$ Protected Land
$ Brownfields
$ Water Use Per Capita
$ Ecological Health of the Bay
$ Ecological Footprint

<u>Resource Use</u>
$ Energy Use
$ Carbon Emissions
$ Ozone
$ Particulate Matter
$ Waste Disposal and Diversion

<u>Neighborhood Integrity</u>

<u>Educational System</u>
$ Educational Performance
$ Per Pupil Spending

<u>Community Health and Safety</u>
$ Arrest Rates
$ Insurance Coverage

<u>Local Government Finance</u>
$ Tax Revenue

<u>Civic Engagement</u>
$ Voter Participation
$ Diversity of Officials

APPENDIX IX. SURVEY QUESTIONS FOR STEERING COMMITTEE MEMBERS IN PREPARATION FOR THE STRATEGIC PLAN.

THE ALLIANCE

What is the best thing the Alliance has done in the last year?

How confident are you about BAASD funding after this current year?

How much trust is there among the BAASD steering committee members?

Are there significant conflicts within BAASD over any aspect of its current program? Describe:

CAUCUSES

How effective was your caucus two years ago?

How effective is it now?

How strongly does your caucus support your role in BAASD?

How do you rank the effectiveness of each caucus in the past six months?

What does your caucus most need to maintain/improve its effectiveness?

Are their significant conflicts within your caucus?

YOU

What is the most rewarding part of being involved in BAASD?

What is your personal level of commitment to BAASD?

Is this increasing or decreasing?

How much time do you devote to BAASD (days/month average)?

How much time can you devote to BAASD over the next two years (days/month)?

THE STRATEGIC PLANNING PROCESS

When the strategic planning is done, what is the most important outcome?

What is the most important product (physical – memos, reports, etc.)?

What are one or two other crucial outcomes?

Beyond the BAASD steering committee, who are the most critical stakeholders to engage (give up to five)?

BAASD PROGRAMS

Rank each BASD program area as to:

Effectiveness

Compact
Bay Area Footprint – BASD work
Bay Area Footprint – Regional Agencies project
Indicators project
Community Capital Investment Initiative
Best Practices
Fundraising
Alliance quarterly meetings
News media/outreach

Your personal sense of priority

Compact
Bay Area Footprint – BAASD work
Bay Area Footprint – Regional Agencies project
Indicators project
Community Capital Investment Initiative
Best Practices
Fundraising
Alliance quarterly meetings
News media/outreach

What are one to three organizational alternatives for BASD over the next four years?
(short characterization of each)

Any other comments on BAASD programs?

EXECUTIVE DIRECTOR

Strengths?

What more do you need from him?

Other comments?

ADVICE TO CONSULTANT

APPENDIX X. PRIORITIES AND RECOMMENDATIONS IN THE STRATEGIC PLAN

MISSION, PROGRAMS AND OUTCOMES, 2003-2006

Mission: *Act to achieve an agreed-upon regional vision, through collaborative regional partnerships among equity, environment, economy and government interests.*
For the period 2003 through 2005, the Bay Area Alliance's priority <u>objectives</u> are to:

- Catalyze housing and selected other <u>actions</u> that implement the smart growth vision of the *Compact* and the Smart Growth/Footprint process;

- Develop new <u>agreements</u> among key interests on major policy issues;

- Advance <u>public understanding of and support for</u> the policies and practices (both individual and collective) needed to make the Bay Area more sustainable; and

- Strengthen its regional civic <u>partnership</u> among economic, social equity, environmental and governmental leaders.

The overall guiding <u>principles</u> for the organization's program strategy are:

- Ensure that the <u>interests of all</u> Bay Area Alliance caucuses are integrated into work that carries out its priority objectives;

- Choose actions that can <u>succeed</u> in the near term, while not losing sight of longer term objectives;

- Keep internal operations <u>small and efficient</u>; work largely through <u>caucuses and others</u>;

- Ensure <u>caucuses are supported</u>, and <u>engage</u> them as resources for programs;

- Help <u>others</u> to see the importance of taking their own actions that carry out the *Compact* vision;

- Stay <u>focused</u> on top priorities.

The Bay Area Alliance's <u>program framework</u> has four elements, of which ACT and BUILD comprise the majority of the organization's efforts.

ACT - The Bay Area Alliance will ACT to catalyze changes in public policies, and undertake demonstrations that open the way to related actions. The Bay Area Alliance's role in these policy projects is to use its broad interest base to negotiate for content and support but not to drive lobbying campaigns, which will be carried out by others. Its action strategies focus on issues where the strengths of the Bay Area Alliance are most effectively used to create tangible outcomes.

BUILD - The Bay Area Alliance gains its most significant value and strength from its capacity to BUILD consensus on complex and difficult issues among key stakeholders. Maintaining the relationship of issues to the *Compact* and fostering personal trust among engaged individual leaders are fundamental to this work, which is often done quietly but with full engagement of all "E"s (and the "G"). Like the storied "garage" of a major

technology company, building agreements can be frustratingly slow, but contains the potential for major, rather than incremental, civic and political breakthroughs.

EDUCATE - The Bay Area Alliance's role to EDUCATE key constituencies is fundamental to its success in short term actions as well as long term attitude changes. Education is highly targeted rather than broad-brush, proceeding from careful analysis of priority messages and audiences and is often aimed at demonstrating the context of issues. The Bay Area Alliance also seeks to encourage and support many independent organizations that can play key roles in broadening acceptance of the *Compact* vision and action program without having to be a direct part of the Bay Area Alliance program.

SUPPORT - The Bay Area Alliance offers its credibility to SUPPORT regional issue campaigns and other actions it deems crucial to achieving its vision. This support does not require major organizational resources from the Bay Area Alliance, although the organization may assist as requested or needed in advising campaigns on best approaches for securing widespread support among key interests.

ACT to implement the Compact and Smart Growth Footprint

Catalyze at least five major action efforts to institute needed smart growth policy changes, by convening stakeholders and building consensus on objectives and policy approaches

Using Stakeholder Dialogues (structured meetings among Bay Area Alliance caucus members), the Bay Area Alliance intends to catalyze at least five major action efforts over the next two years. Specific actions shall be consistent with negotiated Smart Growth Policy Concepts, including:

- Stabilize local revenue through fiscal reform;

- Reward sound land use planning;

- Create incentives that complement infill and refill development;

- Lower the voter threshold for local tax and bond measures that finance balanced packages of Smart Growth infrastructure projects;

- Study current streamlining provisions in the California Environmental Quality Act and construction defect litigation reform, and possible policy changes that could lead to an increase in infill housing production;

- Establish greater flexibility in planning K-12 schools.

Using these concepts, specific actions will be evaluated and consensus developed among Stakeholder Dialogue participants. Subsequent efforts will take over any specific legislative actions required to implement each proposal.

For 2003, extensive discussions have led to agreement on support for two financial strategies, reducing vote thresholds for bonds and swapping sales tax for property tax for local governments which could lead to significant decreases in pressures for sprawl.

- Secure beneficial investment in high-need communities, through ongoing support for the Community Capital Investment Initiative

The focus of the Bay Area Alliance's work over the next several years will be to monitor CCII and ensure that its decisions bring community and equity benefits to the appropriate communities. Expected activity is likely to be in the range of $20 million over the next two years, supporting projects in three to five communities.

- Create other local, regional or statewide policy actions as opportunities emerge, including those from the next round of work on the Smart Growth Footprint project

The Bay Area Alliance and its caucuses monitor emerging regional and local action opportunities, seeking to provide support or leadership as appropriate for actions that could substantially advance the goals of the *Compact*. In particular, the Bay Area Alliance will monitor the regional agencies' Smart Growth Footprint project as it progresses, offering input at public review stages (this work also involves further consensus building among Bay Area Alliance members, see next section).

BUILD civic agreement and capacity

Expanded consensus on important, challenging policies or strategies that achieve the goals of the *Compact* and the Footprint

This work is critically important to the Bay Area Alliance—it is the "research and development" strategy to build civic capital among often-competing or conflicting interests. It includes building agreements on strategies as well as defining conceptual opportunities for better collaboration – in some cases these broader discussions will become action opportunities in the Stakeholder Dialogues. Key projects for the next two-three years include:

- How to better address *gentrification and displacement* resulting from policies and pressures for infill development;

- How to structure dialogue on long term options and prospects for *population and job growth*;

- How to balance *infill/Greenfield options* for providing housing, with fiscal balance and a sound infrastructure (includes further dialogue on the Footprint);

- Best strategies for more successful *cooperation between private developers and social equity activists*;

- Clearer definition of the relationship between *smart growth and social equity* in the Bay Area.

Improved leadership effectiveness by individuals and groups outside the core of the Bay Area Alliance

Collectively, the Bay Area Alliance holds important knowledge about how issues can best be framed for consensus, how regional politics works, what program opportunities are likely to emerge, etc. The Bay Area Alliance can greatly strengthen other civic

leadership by providing access to this information and capacity. Key strategies for this work include:

- Quarterly meetings of the Bay Area Alliance membership;

- Development of civic roundtables to that can share information among mutually interested groups of leaders.

In addition, the Bay Area Alliance will seek to identify, engage and develop leadership among individuals who represent key sectors or have other important capacities valuable to achieving the aims of the *Compact*.

Expanded capacities for each caucus

Each of the E caucuses contributes program oversight and operations to the Bay Area Alliance and conducts its own work to ensure coherence and effectiveness in the partnership. For this, each caucus receives funding from the organization to support these roles. The following describe the approach of each of the three E caucuses to their work related to the Bay Area Alliance:

- Economy Caucus: Organized through the Bay Area Council, which represents larger employers in the nine county region, the Economy Caucus includes corporations, other businesses and business development groups in each county. Its major objectives and strategies for the coming year include:

    - Objective: Develop a land use scenario that can address housing needed by the workforce within the Bay Area, in a manner that promotes the quality of life and improves mobility. Strategy: Complete a mobility analysis of a jobs-housing balance land use scenario and place it into the Bay Area Smart Growth/Regional Livability Footprint process to impact future smart growth policy-based projections and regional plans, such as future MTC Regional Transportation Plans.

    - Objective: Achieve a critical mass of consensus within the region on a Regional Livability Footprint for land use. The consensus will address the magnitude of housing that can be achieved over the next two decades through infill as well as edge development to meet the housing needed for population growth and job generation. Strategy: Be fully engaged in the Bay Area Alliance on-going Smart Growth Conversations and resulting policies that will support smart growth.

    - Objective: Increase housing production within the Bay Area aligned with smart growth principles. Strategy: 1) Provide an annual "Housing Profile" to assess the progress of jurisdictions within the region in producing needed housing. This will be research undertaken by the Bay Area Council and reviewed by the Business and Economic Caucus. 2) Participate with the Bay Area Alliance in education of local decision-

makers and the public as decisions are made on developments and housing projects within the Bay Area.

- Environment Caucus: The Environment Caucus has as its primary members representatives of the Sierra Club, Greenbelt Alliance, the Bay Area Open Space Council, the Transportation and Land Use Coalition, and other related organizations. Because many of these groups are already regional in nature and provide coordination among organizations in their interest areas, the specific organizational agenda of the Environment Caucus is focused mainly on removing barriers to smart growth at all levels and implementing the Footprint vision locally. As a caucus, it serves as a conduit to stakeholder groups and provides resources that can better enable these groups to both participate in and give direct support to the aims and programs of the Bay Area Alliance.

- Equity Caucus: The Social Equity Caucus (SEC) is a coalition of more than 75 organizations and individuals committed to building a regional equity agenda in the San Francisco Bay Area. SEC participants represent economic, social, and environmental justice community-based groups, as well as, labor, faith, and youth organizations. The diverse coalition comprising the SEC brings a wealth of ideas, energy, talent, and leadership to the region. By connecting local issues and priorities to a broader regional equity agenda, the SEC works in strategic partnerships to build power within the Bay Area's low-income communities and communities of color. Major objectives include:

- Functioning as a voice for regional equity to ensure that the priorities of low-income communities and communities of color are addressed by decision-makers;

- Convening and connecting individuals and organizations across the nine Bay Area counties to share local strategies and expertise,

- Decreasing isolation and competition among low-income communities and communities of color, strengthen strategic partnerships, and build collective power (this includes become a resource where organizations can come together to share and receive technical assistance and coordinate ongoing research, funding opportunities, and education; and

- Supporting and developing policy and advocacy campaigns to advance equitable policies and

- holding our public institutions and elected officials accountable to the region's most impacted communities.

The Social Equity Caucus role in the Bay Area Alliance for Sustainable Communities is to ensure that the smart growth strategies discussed or employed are inclusive of the needs and wants of low-income communities throughout the region.

Strengthened organizational framework for the Bay Area Alliance as an institution

The key elements of the Bay Area Alliance organization are its communications and work planning/tracking systems, and ongoing fund-raising capacity. The Bay Area Alliance will develop stronger systems and practices for improving its capabilities in these areas:

- Annual work plans – in advance of each fiscal year, the Bay Area Alliance Steering Committee should seek input from the Bay Area Alliance caucuses and other stakeholder groups as to overall priorities for the coming year. This input should be used to define committed and proposed projects and outcomes, and the staffing and other resources needed to accomplish them. Each work plan should also review progress in implementing this strategic plan, identifying areas needing additional focus as well as any changes of direction.

- Three year income plan – using the proposed budget in the strategic plan as a starting framework, the SC should create an income plan that assesses needs and sources in a simple financial model, and update it yearly, as part of the first steps in the annual planning process,

- Accomplishments tracking – Bay Area Alliance staff and the Steering Committee should create a central document for recording the Bay Area Alliance's accomplishments in relation to objectives. These should be statements of tangible outcomes, in addition to metrics of process (number of meetings held, target audiences reached, etc.). This document should be reviewed annually and updated by staff twice per year or more. It should then be used as the source for reporting to foundations and stakeholder groups on the achievements of the Bay Area Alliance.

- Quarterly program updates: Once per quarter, all staff, co-chairs and consultants should prepare a simple compilation of the Bay Area Alliance's current work efforts. This two or three page document should be used to inform caucus members as well as other stakeholders of the Bay Area Alliance's organizational status and ongoing work.

- Quarterly financial and fundraising assessments: A composite summary of all program/project income and expense should be provided quarterly by staff to the Steering Committee, including identification of remaining grant and other funding and any issues posed by such financial evaluation. Fundraising plans should also be presented and reviewed.

- Strategic Plan revision: Toward the end of 2004, the Bay Area Alliance should review this plan and consider whether any significant revisions are needed for it to serve its role as a guide for the organization. In any event, at the end of 2005, a

full reassessment of the organization's directions and opportunities should be undertaken.

- Web site: The Bay Area Alliance should maintain and where possible improve its web site, consistent with its other program needs and resources.

EDUCATE key audiences

Wider public support of the *Compact* and the Footprint policies

The Bay Area Alliance will use both its *Compact* and the Footprint process to frame carefully targeted educational initiatives especially in the following priority subject areas:

- The ongoing value of the *Compact* and the Smart Growth Footprint for a Livable Bay Area;

- The importance of sustainability generally;

- The importance and nature of housing density and transit orientation for successful infill development;

- The role of affordable housing in life of the regional community;

- The state of the Bay Area's progress toward achieving greater sustainability (through the expansion of *Indicators Project*, and public education as to its importance);

- How governmental bodies, businesses and individuals can take actions that support increased sustainability (through the continuation of the *Faces of Sustainability* project).

The Bay Area Alliance will accomplish this through developing and supporting targeted information campaigns, and maintenance of its existing web site and other mechanisms, including the possibility of a speakers' bureau. The campaigns may involve particular places as well as more general reach, and may be aimed at supporting demonstration projects.

A key focus for this outreach is the array of planning commissions and commissioners in the region, as well as local elected officials, who often need stronger community support to approve policies that better meet the aims of the *Compact* or *Footprint*.

Greater involvement by self-organizing networks of local sustainability activists

The Bay Area Alliance will encourage and support forums (including roundtables) and other coordination mechanisms that have the likelihood of greatly enlarging the constituencies working for sustainability in the Bay Area. Key tasks:

- Identify existing networks and their potential

- Provide communication and information support to those with greatest potential

- Encourage the coordination of these groups through self-organizing processes

SUPPORT others' regional efforts

Creation of an improved system for comprehensive regional planning that can more effectively address land use and transportation needs of the Bay Area

The primary means to meet this objective is through support of legislation that would merge ABAG and MTC, although other strategies will also be considered as opportunities emerge.

Passage of funding for Bay Area urban and regional parks and other open space needs

The most likely strategy for this will be to provide support to funding initiatives that might be advanced by the Bay Area Open Space Council.

APPENDIX XI. GLOSSARY OF ACRONYMS

ABAG The Association of Bay Area Governments

BAASC The Bay Area Alliance for Sustainable Communities

BAASD The Bay Area Alliance for Sustainable Development (This was the original name which was later changed to Bay Area Alliance for Sustainable Communities).

BAAQMD. The Bay Area Air Quality Management District

BAC. The Bay Area Council.

BCDC. The Bay Conservation and Development Commission

CC. The Community Council

CCII. The Community Capital Investment Initiative

infill. Housing and other development within urbanized areas rather than at the edges.

LLC. Limited Liability Corporation

MTC. The Metropolitan Transportation Commission

NEDLC The National Economic Development and Law Center

PCSD. The President's Council on Sustainable Development

SC. The Bay Area Alliance Steering Committee.

Three E's. Economy, Environment, Equity

TALC. Transportation and Land Use Coalition

U.S. EPA. United States Environmental Protection Agency