March 8, 2013

Ms. Mary Nichols

Chair, California Air Resources Board

1001 I Street

Sacramento CA 95814

RE:  Investment plan for cap-and-trade auction revenues

Dear Chair Nichols:

Century Housing is one of more than 50 organizations that has signed on to the [Sustainable Communities for All proposal](http://www.chpc.net/dnld/SustainableCommunitiesforAllProposal.pdf), which proposes that a portion of cap-and-trade auction revenues be directed to building and preserving affordable homes near transit, increasing public and active transit options, and providing energy efficiency and sustainable energy resources for multifamily homes affordable to low-income households.

California's transportation sector is responsible for 38 percent of greenhouse gas emissions, more than any other sector. **Because transportation needs are driven in large part by where people can afford to live, housing affordability strongly affects the sector’s emissions.**

According to [a recent report by the California Housing Partnership Corporation](http://chpc.net/dnld/AffordableTODReport030113.pdf), preserving and building affordable homes near transit will allow California to maximize VMT and GHG-reduction benefits of investment in transit infrastructure and transit-oriented development. In addition to reducing greenhouse gas emissions, energy efficiency and sustainable energy investments in low income multifamily homes provide an opportunity to improve public health and lower operating costs to residents and building owners, helping to preserve affordable rents and provide financial relief.

The following existing programs will expeditiously and effectively reduce GHGs through investment in housing, transportation, and energy efficiency:

1. The Affordable Transit-Oriented Development Program
2. Weatherization Assistance Program, The Energy Savings Assistance Program, and the Multifamily Affordable Solar Homes Program
3. The State Transit Assistance Program and proposed Active Transportation Program

Century Housing is a nonprofit Community Development Financial Institution headquartered in Culver City which has invested over $600 million to assist the development of 16,000 affordable homes from the Mexican Border in San Diego to Winters in the Sacramento region, serving the homeless, seniors, families and the disabled. As part of our lending activities, we have invested in several transit oriented home developments, and have observed first-hand that these projects are often more costly and require greater levels of subsidy than similar developments located farther from transit systems.

At the same time, we have observed how the expansion of fixed guideway transit systems leads to gentrification of surrounding neighborhoods, and overall reductions in population density and transit ridership. This is caused by the new, higher income, residents continuing to drive personnel vehicles for their work commute and other trips, and previous, lower income, residents, who are more dependent upon public transportation systems, being economically evicted from the housing they had occupied before fixed guideway transit arrived.

If the GHG reduction goals of the state are to be achieved, action needs to be taken to allow preexisting residents to remain in place following fixed guideway transit extensions.

The Sustainable Communities for All proposal will help to achieve the vision of AB 32 and SB 375 equitably by providing transportation and housing choices that allow all Californians to drive less and reduce household costs, especially for low income households. We thank you for the opportunity to provide this input.

Sincerely,

Tim O’Connell
Senior Director, Policy & Advocacy

cc: Megan Kirkeby, California Housing Partnership, mkirkeby@chpc.net