



October 24, 2022

California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

SUBMITTED ONLINE VIA: [https://www.arb.ca.gov/lispub/comm2/bcsubform.php?listname=sp22-recirc-ea-ws&comm\\_period=1](https://www.arb.ca.gov/lispub/comm2/bcsubform.php?listname=sp22-recirc-ea-ws&comm_period=1)

Re: Comments on the Draft 2022 Scoping Plan Update – Recirculated Draft Environmental Analysis

Dear Members of the Board:

On behalf of the California Building Industry Association (“CBIA”) and the above-listed organizations, we appreciate the opportunity to provide these comments on the Draft 2022 Scoping Plan Update – Recirculated Draft Environmental Analysis (“Draft EA”).

CBIA is comprised of approximately 3,000 member companies employing more than 100,000 people who are dedicated to meeting California’s housing needs. The California Apartment Association represents 50,000 rental owners and property managers who operate over 1.5 million rental units. The California Business Roundtable is a non-partisan organization comprised of senior executive leadership of the major employers throughout the state with a combined workforce of more than half a million employees. The California Business Properties Association represents over 10,000 members, making it the largest consortium of commercial real estate professionals in California. The California Retailers Association represents companies that employ more than 3.2 million Californians. All the organizations identified on

this letter recognize the importance of housing to their ability to attract employees and a sustainable economy for California. As Governor Newsom has repeatedly recognized, we have housing needs for all income levels of Californians that are far above our current production levels.

California homebuilders provide *Housing for All* and are proud to provide housing that has the lowest carbon footprint in the country. California’s building codes result in a new home that is more than 70% more energy efficient than a home built 20 years ago in this State and 50% more efficient than homes built in other states. In addition, new California homes come with solar roofs and electric vehicle ready charging capabilities. New homes will also contain at least one heat pump appliance and be prewired for all-electric appliances through this year’s building code adoption. Our water efficiency measures, both within and outside of homes also help reduce energy consumption as well as save water. As a result, a new home has a 53% smaller carbon footprint than the same size existing California home. California’s new residential projects are more protective of the environment than anywhere else in the country. Moreover, modern, master-planned communities also produce projects that have net zero greenhouse gas emissions and have been proven to provide greater protection from wildfires than existing homes in the built environment. In short, the production of new housing even without changes to existing law results in less GHG emissions than leaving people with one of the 2 other choices: (1) living in overcrowded conditions in older, higher GHG emitting, homes, or (2) moving to other states with higher carbon footprint homes.

### **Incorporation of Prior Comments**

We hereby incorporate by this reference our previous “Comments on the Draft 2022 Climate Change Scoping Plan submitted to the California Air Resources Board (CARB) on June 23, 2022.

### **Vehicle Miles Traveled (VMT)**

The Draft EA proposes deeper targets for per-capita VMT reductions. In particular, the Draft EA proposes VMT per capita reductions of 25% below 2019 levels by 2030 and 30% below 2019 levels by 2045. The 2022 Draft Scoping Plan Update proposed reductions of 12% and 22% respectively. The revised VMT reduction targets appear arbitrary and haphazard.

For new residential construction, VMT is implemented through the California Environmental Quality Act (CEQA). As the Scoping Plan’s *Appendix D – Local Actions* notes, consistent with our experience:

[The] discretionary review processes give project opponents opportunities to slow or stop projects without advancing legitimate environmental goals. In addition to adding complexity and process to housing development, local regulations that require discretionary review for housing provide an opportunity for abusive litigation by subjecting the project to CEQA review and, by extension, to a potential CEQA lawsuit that challenges the local government’s CEQA compliance. (*Appendix D*, p.6).

...Of the projects that were litigated, two-thirds were challenged based on claimed deficiencies in their analysis of GHG or VMT. ...California continues to experience a severe housing shortage. The State must plan for more than 2.5 million residential units over the next eight years, and no less than one million of those residential units must meet the needs of lower-income households. This represents more than double the housing planned for in the last eight years. The housing crisis and the climate crisis must

be confronted simultaneously, and it is possible to address the housing crisis in a manner that supports the State’s GHG and regional air quality goals. (*Id.*, p. 7)

The Draft Scoping Plan also notes that “we are not on track to achieve the VMT reduction called for in the 2017 Scoping Plan update.” Since the problem has been the inclusion of VMT in CEQA, we take this opportunity to strongly suggest that CARB, in the 2022 Scoping Plan Update, call for the removal of VMT from CEQA and replace it with an in-lieu fee. This can accelerate the production of housing and the reduction of VMT attributable to new construction. There is precedent for this: in 1998 the Legislature did this with new development’s impact on the need for school construction with the passage of SB 50.

SB 743 established a VMT requirement, but only for new construction projects or plans. Compliance with the VMT regulation is costly and time-consuming due largely to its inclusion in CEQA. As a result, the buyers or renters of new homes have a significantly increased mortgage or rent burdens. Over the past year, mortgage rates have more than doubled from 3% to 7%. Californians looking for shelter cannot afford any more increases in housing costs.

Furthermore, we only add about one-half of one percent to the housing stock per year and we expect new home production to decline significantly next year due to a more than doubling of construction loan rates for builders and mortgage rates for consumers.

Pricing strategies may provide a broader-based solution *but only if they are not in addition to the SB 743 VMT requirements imposed on new development*. Residents of new homes should not pay twice. Pricing strategies should target the behavior intended to be changed. If people don’t see a connection between their actions and an effect, there is little chance of achieving the Scoping Plan’s goals. Revenue from pricing strategies, including in-lieu fees, could be used to reduce VMT by increasing alternative transportation choices, promoting mixed-use development, and funding multi-modal transportation, all of which will reduce GHG emissions.

We continue to question why CARB is proposing to increase the stringency of the VMT reductions (and speeding up its target date) when the Draft Scoping Plan admits that we are not on track to achieve the VMT reduction called for in the 2017 Scoping Plan? We could understand increasing the stringency if the previous target was being met or VMT was declining, but the opposite is occurring.<sup>1</sup>

We are grateful for the opportunity to comment on the Draft Scoping Plan look forward to continuing to work together on our common goal.



**Nick Cammarota**

Senior Vice President and General Counsel  
California Building Industry Association

---

<sup>1</sup> Draft, p. 89



**Matthew Hargrove**

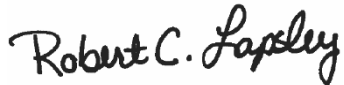
President and CEO

California Business Properties Association

Building Owners and Managers Association of California (BOMA)

Commercial Real Estate Development Association (NAIOP of California)

Institute of Real Estate Management (IREM)



**Robert C. Lapsley**

President

California Business Roundtable



**Debra Carlton**

Executive Vice President, State Public Affairs

California Apartment Association



**Steve McCarthy**

Vice President, Public Policy

California Retailers Association



**Jeff Montejano**

Chief Executive Officer

Building Industry Association of Southern California (BIASC)



**Lindy Hatcher**

Executive Director

Home Builders Association of the Central Coast



**Bob Glover**  
Executive Officer  
Building Industry Association of the Bay Area



**Mike Prandini**  
President & CEO  
Building Industry Association of Fresno/Madera Counties



**Lori Holt Pfeiler**  
President & CEO  
Building Industry Association of San Diego



**John Beckman**  
Chief Executive Officer  
Building Industry Association of the Greater Valley



**Mike Streck**  
President and CEO  
North State Building Industry Association

**Jennifer Pool**  
Executive Officer  
Building Industry Association of Tulare/Kings Counties