



July 28, 2017

Re: Proposed Update to the SB 375 Greenhouse Gas Emission Reduction Targets

Dear Chair Nichols and Air Resources Board members and staff:

Thank you for the opportunity to provide comments on the draft SB 375 Greenhouse Gas (GHG) emission reduction targets. We, the undersigned organizations, are grateful for the Air Resources Board's (ARB) dedication and leadership to ensure we achieve our state's ambitious climate goals. We ask that ARB continue its leadership by pursuing ambitious targets that help us meet our climate goals and address our housing crisis.

As noted in a recent report¹, our state is facing an extreme affordable housing crisis with reports that more than 1.5 million households in California pay more than half their income towards rent. This crisis is inextricably linked to our climate goals. If we cannot provide all Californians with the opportunity to live in neighborhoods of opportunity, with high-performing schools, availability of jobs that provide access to the middle class, and convenient access to transit and active transportation to reduce their daily commutes, we as a state will not alleviate the housing crisis nor meet our climate goals.

We understand that SB 375 cannot solve the housing crisis. However, we believe SB 375 can ensure our local and regional agencies incorporate strategies to address housing needs and maximize our GHG emission reductions. We recommend the following to ensure that SB 375 helps alleviate the housing crisis and maximize our GHG reductions:

- ARB should commit to work with each MPO to ensure the target and SCS improve regional equity.
- ARB should provide a list of recommended strategies for MPOs to implement that will help increase affordable housing near transit, decrease displacement, and maximize GHG reductions.
- ARB should work with the Legislature and other state agencies to recommend a suite of actions needed to help address the housing crisis and meet our climate goal.

I. ARB should commit to work with each MPO to ensure the target and SCS improve regional equity.

¹ California Department of Housing and Community Development. (2017). California's Housing Future: Challenges and Opportunities. <http://www.hcd.ca.gov/policy-research/plans-reports/docs/California's-Housing-Future-Full-Public-Draft.pdf>

As a part of the target setting and SCS process, we recommend that ARB work with the MPOs to improve regional equity by ensuring an adequate supply of homes affordable at every income level near jobs. We've witnessed regions becoming more segregated as the housing crisis and displacement continues to push low-income households to the fringes.² This segregation fragments communities and leads to income-driven commuting that ultimately increases vehicle-miles traveled. Few MPOs modeled the impact of improving regional equity by ensuring there is an adequate supply of homes affordable at every income level near jobs. We recommend ARB facilitate a process through the roundtable or reconvening the Regional Targets Advisory Council (RTAC) that would help regions divide their Regional Housing Needs Allocation (RHNA) among jurisdictions in a way that also maximizes our GHG emission reductions.

II. ARB should provide a list of recommended strategies for MPOs to implement that will help increase affordable housing near transit, decrease displacement, and maximize GHG reductions.

Every region could do more to provide planning incentives, data, and other forms of regional leadership to encourage new housing development in infill areas. For example, "Right Type, Right Place: Assessing the Environmental and Economic Impacts of Infill Residential Development through 2030," finds that encouraging new housing development in infill areas would spur economic growth, reduce monthly household costs, and cut greenhouse gas emissions, keeping the state on track to achieving its climate goals.³ Another study focused on Bay Area jobs and housing growth, affordability, and commuting found that new San Francisco workers in the lowest wage category have to travel 4.4 times further than new workers in the high wage category, and that for San Jose, this figure was 3.6.⁴ Both of these reports suggest that one way we can achieve our climate goals and help alleviate the impact from the housing crisis is to help MPOs identify and implement strategies and policies that encourage new housing development in infill areas. Especially since commute distances are being tripled or quadrupled for certain population groups, new housing development should be affordable for a range of populations.

One strategy MPOs could implement to help increase affordable housing is developing an action plan similar to the Metropolitan Transportation Commission's (MTC) Plan Bay Area 2040 Action Plan. This plan identifies the commitments that MTC has already made towards increasing affordable housing and preventing displacement and outlines new strategies for the region to pursue to promote housing affordability. We believe all regions could benefit from developing a similar action plan, with clear commitments for the life of the plan.

² Samara, Tony Rashan (2016). Race, Inequality, and the Resegregation of the Bay Area. Oakland, CA: Urban Habitat

³ Decker, Nathaniel, Galante, Carol, Chapple, Karen, Martin, Amy, Elkind, Ethan, and Hanson, Marilee. (March 2018). "Right Type, Right Place: Assessing the Environmental and Economic Impacts of Infill Residential Development through 2030. Next 10.

⁴ Karner, Alex, and Benner, Chris (May 2016). "Job Growth, Housing Affordability, and Commuting in the Bay Area." Bay Area Regional Prosperity Housing Working Group.

A recent report prepared for ARB⁵ also provides a number of strategies for MPOs to implement to increase affordable housing, prevent displacement, and maximize GHG reduction. In particular, the report notes the use of fiscal strategies such as impact fees and housing trust funds to promote affordable housing production. In addition to fiscal strategies, the report also recommends land use controls such as inclusionary housing and preservation strategies such as rent control to promote affordable housing and prevent displacement. The full table of strategies on pg. 187 should be a reference point.

While we acknowledge that ARB cannot mandate cities or regions to implement these strategies, we recommend that ARB include a list of recommended strategies, such as those listed in this letter, for MPOs to implement to promote affordable housing, prevent displacement, and maximize our GHG reductions.

III. ARB should work with the Legislature and other state agencies to recommend a suite of actions needed to help address the housing crisis and meet our climate goal.

Finally, we understand that the Legislature and the state are hard at work finding solutions to the housing crisis. We know that stronger targets can support local and regional efforts to create sustainable, equitable communities where people can find homes that they can afford near a well-paying job, connected by transportation choices, and surrounded by protected farms and natural landscapes. Stronger targets can also provide much needed information to the Legislature on the types of housing investments and actions needed to maximize our GHG emission reduction goals. We recommend ARB work with the Legislature and other state agencies to recommend a suite of actions needed to help us address the housing crisis and meet our climate goals.

These recommended actions in the Legislature should include supporting a permanent funding mechanism for affordable housing, ensuring that all local governments are providing adequate opportunities for housing development at a range of income levels and removing barriers to housing construction, providing a streamlined development approval process for affordable housing that is located in infill areas, strengthening preservation and anti-displacement policies, and ensuring that local governments can adopt inclusionary housing policies that apply to rental housing. For state agencies, we recommend ARB continue to work with the California State Transportation Agency, California Department of Transportation, Strategic Growth Council, Office of Planning and Research, and Department of Housing and Community Development to identify how these agencies can work together to implement the findings from “Potential State-Level Strategies to Advance Sustainable Equitable Communities and Reduce Vehicle Miles of Travel (VMT)”⁶, specifically focused on the tools to support more efficient and more equitable

⁵ See Air Resources Board, California Environmental Protection Agency. (2017). Developing a New Methodology for Analyzing Potential Displacement.

⁶ Retrieved “Potential State-Level Strategies to Advance Sustainable, Equitable Communities and Reduce Vehicle Miles of Travel (VMT) -- for Discussion” here:

development. We also recommend that ARB include any commitments or actions that will be taken by these state agencies in the Scoping Plan.

In closing, we are committed to partnering with you to ensure these targets increase affordable housing options across the state and maximize our GHG emission reductions.

Sincerely,

Veronica Beaty, Policy Director
Sacramento Housing Alliance

Matt Vander Sluis, Interim Chief Operating Officer
Greenbelt Alliance

David Zisser, Senior Staff Attorney
Public Advocates

Anya Lawler, Policy Advocate
Western Center on Law and Poverty

Lisa Hershey, Executive Director
Housing California

Ben Winig, Vice President, Law & Policy
Change Lab Solutions

Cc: Director Ben Metcalf, California Department of Housing and Community Development
Secretary Brian Kelly, California State Transportation Agency
Deputy Director Kate White, California State Transportation Agency
Director Malcolm Dougherty, California Department of Transportation
Deputy Director Ellen Greenberg, California Department of Transportation
Executive Director Susan Bransen, California Transportation Commission
Deputy Director Eric Thronson, California Transportation Commission
Executive Director Randall Winston, Strategic Growth Council
Director Ken Alex, Governor's Office of Planning and Research
Deputy Director Louise Bedsworth, Governor's Office of Planning and Research