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Mary Nichols, Chair
California Air Resources Board
1001 "I" Street, 1st Floor
Sacramento, CA 95814
www.arb.ca.gov/cc/capandtrade/auctionproceeds/auctionproceeds/htm

Re: Comments on Draft Concept Paper for cap-and-trade auction revenue Investment Plan

Dear Chair Nichols:

The Legal Aid Foundation of Los Angeles (LAFLA) submits the following comments on the Administration's February 15, 2013 Draft Concept Paper regarding the Cap-and-Trade Auction Proceeds Investment Plan.

LAFLA provides legal services to poor and low-income residents throughout greater Los Angeles. As a frontline law firm for the poor, we see the impact that displacement from affordable housing can have on disadvantaged communities. While we support the adoption of an investment plan that creates additional affordable housing along transit corridors, we also strongly urge the adoption of a plan that simultaneously encourages the preservation of existing affordable housing near transit, increases transit options for poor and low-income households and provides energy efficiency and sustainable energy resources to low-income households in the region.

SB 375 aims, in part, to reduce green-house gas emissions by linking regional planning of land use projects and transportation with the aim of increasing transit use and lowering driving. Development of housing along transit lines undoubtedly reduces vehicle miles travelled and emissions. Transit oriented development (TOD) alone, however, is not enough. Recent studies have shown that persons who are low income are more likely to utilize transit infrastructure more consistently than higher-income households¹. Preserving and building truly affordable homes near transit for low-income residents will maximize the benefit of investment in TOD to reduce vehicle miles travelled (VMT) as well as greenhouse gas emission (GHG). Any plan for increased TOD must include a plan to preserve housing for low income households along corridors where transit infrastructure is being built.

¹ California Housing Partnership Corporation Report, "Building and Preserving Affordable Homes near Transit: Affordable TOD as Greenhouse Gas Reduction Equity Strategy" January 2013.

Demand for housing along transit-rich corridors is expected to rise exponentially in the coming decades. In the Los Angeles region alone, it is forecasted that by 2030 over 1.7 million households or about 22 percent of the region will want to live near transit². This increased demand will undoubtedly have a detrimental impact on low-income households by driving up rental pricing. The pressures of gentrification in some transit-rich sectors with TOD plans has already driven many low-income families out of their neighborhoods and into areas that are further from their jobs, schools and social networks. When low-income households are displaced by the creation of new TOD, it undermines efforts to reduce VMT and GHG by making transit inaccessible to the individuals who are likely to have a higher rate of transit utilization and more likely to reduce individual automobile use. Funding of affordable housing preservation initiatives would curb this trend.

The Affordable Transit-Oriented Development Program as well as the Weatherization Assistance Program and the Multifamily Affordable Solar Homes Program will likely assist in keeping low income families in communities where TOD will create the needed impact to reduce GHGs. Energy efficiency and sustainable energy investments in low-income homes would not only provide a public health benefit but would also lower operating costs and help preserve affordable rents by moderating the ever escalating housing price index. More, however, is needed to ensure that low income households will benefit from these improvements.

The development of additional affordable housing, alongside efforts to preserve existing affordable housing along transit hubs, will help achieve the equitable results envisioned by the drafters of AB 32 and SB 375 by providing opportunities for residents of all income backgrounds to reduce household costs and reduce vehicles on the road. Other agencies have already voiced their support for allocating funds and low-interest loans for the development of housing affordable to very low income residents near transit. Development of additional housing that is affordable to very low income residents is indeed crucial. These efforts, however, must be coupled with investments to preserve existing affordable housing and efforts to prevent the displacement of low-income residents already living along existing and future transit corridors. We therefore urge your consideration of programs that will build as well as preserve housing that is affordable to low-income households near transit.

Thank you for the opportunity to comment on this important plan to improve the lives of all Californians.

Sincerely,



Fernando Gaytan
Attorney

² Center for Transit-Oriented Development: "Creating Successful Transit-Oriented Districts in Los Angeles/Executive Summary" (February 2010).