



CITY OF WEST HOLLYWOOD

CITY HALL

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OFFICE OF THE CITY MANAGER

PAUL AREVALO
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September 15, 2014

Mr. Matthew Rodriquez, Secretary
California Environmental Protection Agency
1001 I Street
P.O. Box 2815
Sacramento, CA 95812

Ms. Mary Nichols
Chairman, California Air Resources Board
1001 I Street
P.O. Box 2815
Sacramento, CA 95812

**Re: Investment of Cap-and-Trade Auction Proceeds in Disadvantaged
Communities**

Dear Secretary Rodriquez and Chairman Nichols:

The City of West Hollywood strongly supports the goals of SB 535 (Chapter 830, Statutes of 2012), which aim to reduce greenhouse gas emissions by directing investments towards disadvantaged communities and households. One of the programs created to meet the SB 535 goals, the ***Affordable Housing and Sustainable Communities (AHSC) Program*** is of particular importance to West Hollywood. The City is longstanding advocate for housing policies that encourage the development and preservation of affordable housing, and has taken leadership in Transit-Oriented Development housing.

West Hollywood is a dense, urban community that is physically located along the commercial corridor of Santa Monica Boulevard. **West Hollywood's history and neighborhood character lend itself to land use policies that encourage infill and strategic development opportunities.** The inclusion of land use, affordable housing and transportation-oriented strategies to reduce greenhouse gas emissions is consistent with the City's goals and priorities, as stated in the City's guiding documents (General Plan, Zoning Ordinance, Housing Element, Climate Action Plan, etc.). West Hollywood's track record can be a template for other jurisdictions looking to find ways to integrate the goals of SB 535 into their communities





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Recommendations

The City of West Hollywood urges the California Environmental Protection Agency (Cal-EPA) and Air Resources Board (CARB) to adopt guidelines that will enable jurisdictions with rent-burdened populations such as West Hollywood and other like cities to be recognized as disadvantaged communities for the purposes of the proposed AHSC program.

Specifically, the City of West Hollywood requests:

1. Adoption of a broad definition of ***“disadvantaged communities”*** that includes an income definition in addition to poverty rate, such as rent burden and low levels of homeownership, as explained in SB 535.
2. Adopt funding priorities for projects that recognize development around the concept of ***“job centers”***. Projects that will expand the jobs-housing balance and reduce vehicle-miles traveled/greenhouse gas emissions should be assigned a higher priority than projects without these enhancements.
3. Community integration of the proposed project and demand for affordable housing should be important criteria used in determining project scoring/ranking.

1. Broadly Define “Disadvantaged Communities”

As stated in Section 39711 of the Health and Safety Code, “disadvantaged communities” are defined as:

- (a) Areas disproportionately affected by environmental pollution and other hazards that can lead to negative public health effects, exposure, or environmental degradation.





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- (b) Areas with concentrations of people that are of low income, high unemployment, low levels of homeownership, high rent burden, sensitive populations, or low levels of educational attainment.

The indicators used in the CalEnviroScreen do not take into account all of the population characteristics described in this statutory language. Specifically the CalEnviroScreen omits consideration of level of rent burden and homeownership, two conditions that are important indicators that populations are “at risk” of homelessness.

In West Hollywood, 78 percent of the population is comprised of renters and only 22 percent are homeowners. This is a much higher proportion of renters than in some other cities in California. As in most areas of Los Angeles County, the median rents in West Hollywood have increased at a faster pace than median incomes, contributing to the number of households that are rent burdened. Without more affordable housing in the region, many renters are forced to choose between the costs of housing and other necessary expenses, or could be forced to leave their community altogether.

The City supports the comments provided by Senator Mark Leno at the Senate Budget and Fiscal Review Committee held on June 3, 2014. Senator Leno expressed concern that certain census tracts could have extreme ranges of incomes. In these areas, the higher incomes skew the median and create pockets of disadvantaged communities that are lost within a formula. The method used to identify disadvantaged communities should take this into consideration to ensure that those community members that are in fact disadvantaged are recognized and eligible to benefit from this program.





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2. Build Affordable Housing Close to Jobs

One way to achieve the AHSC goal of reducing vehicle miles travelled is to co-locate housing and jobs and to develop/build/site affordable housing along commercial corridors or along transit routes.

This will encourage land use policies that support the goals of SB 375, namely infill development that brings with it the density needed for other business and commercial development opportunities.

The City has prioritized infill mixed-use development along commercial corridors served by existing and potential future transit. The West Hollywood General Plan 2035 identifies Transit Overlay Zones and a Mixed-Use Overlay Zone to incentivize mixed-use development near major transit nodes that supports Transportation Demand Management goals and reduces the need for auto trips. These types of developments will help locate housing near jobs centers, leading to a reduction in vehicles miles traveled and greenhouse gas emissions.

3. Integrate Projects into Community

The AHSC should include criteria to evaluate the extent to which communities and/or cities plan to integrate the project into their communities. Communities that have established plans for mixed-use, pedestrian- and transit-oriented development along commercial corridors should receive more consideration and perhaps higher scoring, because they have established policies and political will to build sustainable communities. The funding from the auction proceeds can be leveraged in these cities perhaps better than in others because the plans for a sustainable community are already in place and integrated into the community.

Sincerely,

Paul Arevalo
City Manager

