



September 30, 2016

Mary Nichols, Chair  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

Re: 2030 Scoping Plan Workshop – Comments on Transportation Sector

Dear Chair Nichols:

I am writing on behalf of the Council of Infill Builders, a statewide organization of developers and other real estate professionals committed to improving California through infill development. At your September 14<sup>th</sup> meeting, fellow board member Meea Kang and I offered presentations on the draft vision for the transportation and land use sections of the scoping plan under AB 32 (Nuñez, 2006). We now welcome the opportunity to submit those comments in writing.

We believe the state should adopt the following policies in order to boost infill development and reduce vehicle miles traveled (VMT) to meet long-term greenhouse gas emission reduction goals:

Dedicated, permanent funding source for infill affordable housing

The vision of low-carbon residential housing in the state will only occur with improved funding programs, particularly for affordable housing. Many low-carbon, low-VMT communities near transit lack the money to invest in affordable housing. Yet building these affordable units near transit is a proven way to reduce driving miles and boost transit. The state should therefore dedicate cap-and-trade auction proceeds and other available revenues to provide a permanent source of funding for this kind of development. This need will become even more acute as changing demographics means more mobility needs for people, particularly among the growing population who are aging and living longer and need walkable communities and transit. Otherwise, high-VMT sprawl projects will remain easier and cheaper to build than these low-carbon, affordable infill projects.

Ease local restrictions on low-carbon infill

As the White House Council of Economic Advisers highlighted this week in the “Housing Development Toolkit,” local land use restrictions on housing have drastically constrained supply and cost economic growth by artificially driving up home prices and rents. One of the key local restrictions that the state could address is reducing excessive on-site parking requirements. These requirements encourage automobile driving, increase home prices and rents, and limit the potential number of units that a developer can build. AB 744 (Chau, 2015), sponsored by our organization, reduces parking minimums for certain affordable housing projects near transit. But more could be done by the state to benefit all

low-carbon infill. Furthermore, the state should encourage alternatives, such as Transform’s successful GreenTRIP program, which allows users with potential development sites to explore various strategies to reduce car trips, including providing affordable housing, reducing and/or unbundling parking, siting car- and bike-share stations, and offering free or discounted transit passes.

The state could also improve local processes for transit-oriented infill by requiring transit hubs, possibly through public-private partnerships, in all new medium-to-large scale projects. Similarly, the state could strengthen and encourage urban growth boundaries by allowing greater utilization of “transfer of development rights” programs. Finally, the state could continue to develop a separate track under the California Environmental Quality Act (CEQA) to reward low-VMT, low greenhouse gas emitting projects with streamlined permitting and review.

#### More tools for local government to finance infill development

Since the demise of redevelopment agencies, local governments have lacked the ability to finance infrastructure and other investments in moribund neighborhoods that would otherwise be top candidates for building low-carbon communities. The state should provide mechanisms for this kind of financing. Options could include more regional transit-oriented development (TOD) funding through metropolitan planning organizations (MPOs) under SB 375 (Steinberg, 2008), low-VMT housing rebates, and financing districts for multi-station transit corridors. In particular, the state should allow local infill financing programs that provide for Mello-Roos-type financing, backed by future increments from enhanced sales tax revenue and other fees, and established by a majority vote of property owners. Such a local financing scheme could help replace redevelopment to benefit low-carbon infill development.

#### Boost transit access, service and reliability in prime low-VMT infill neighborhoods

The state should encourage and fund local governments to expand their transit networks, increase capacity/headways, and separate rail and bus guideways on streets through bus rapid transit (BRT). In addition, the state should promote multi-modal road safety, including protected bike lanes on major streets in California. Many of these improvements could be funded through congestion pricing, which would discourage peak automobile use while simultaneously funding transit and other non-automobile mobility improvements in the affected corridors.

In conclusion, the members of the Council of Infill Builders greatly appreciate the California Air Resource Board’s efforts to refine this program and look forward to staying engaged as constructive partners in this process going forward. Please do not hesitate to contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Curt Johansen", with a long horizontal flourish extending to the right.

Curt Johansen  
Chairman, Council of Infill Builders