

California Legislature

May 25th, 2020

The Honorable Gavin Newsom
California State Capitol
Sacramento, California 95814

RE: Extension of the July 2020 Implementation Date for the Vehicle Miles Travelled Regulations

Dear Governor Newsom:

We would like to thank you for your leadership and prompt and decisive action to protect our state from the COVID-19 pandemic. We applaud you for taking this threat seriously, and taking the necessary actions to prevent its rapid spread thereby reducing the impacts on our healthcare system, economy, and housing that are sure to come. It is in this spirit that we bring to your attention a regulation that we believe will dramatically impact the ability for many Californians, including millennials and communities of color in particular, to purchase a home – Vehicle Miles Travelled (VMT), and respectfully request the extension of the implementation date to July 1st, 2022.

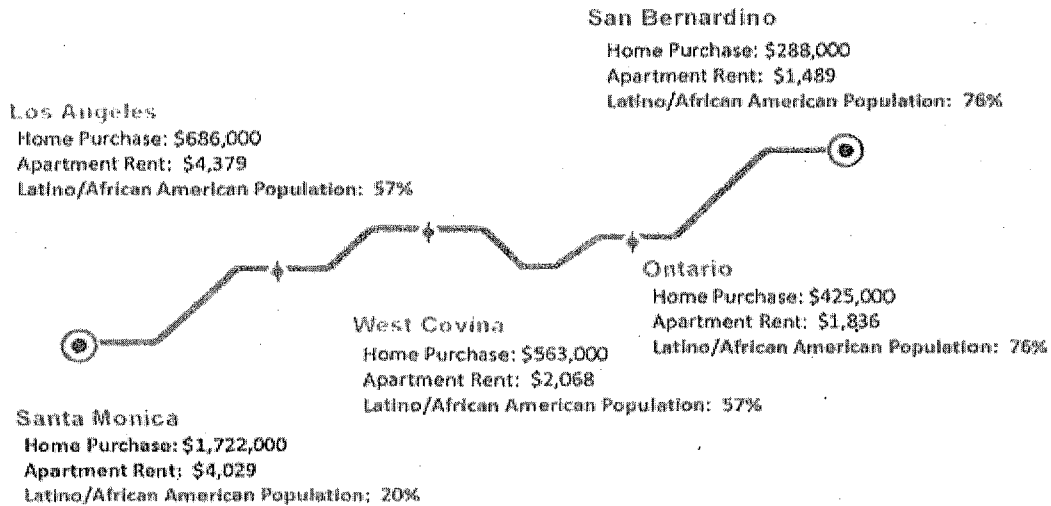
In December 2018, the California Natural Resources Agency adopted new regulations for the implementation of the California Environmental Quality Act (CEQA). The CEQA Guidelines contain many provisions that will increase the likelihood that housing projects will be subject to litigation and cost increases. Among them was the newly proposed impact known as VMT.

VMT requires residential project developers to quantify how many miles home buyers or renters drive to work, to the store, for recreation, and other purposes. This new impact is in addition to existing laws which require the quantification and mitigation of air quality impacts, including greenhouse gas emissions, from tail pipes. Accordingly, it will apply even once we convert to 100% zero emission vehicles.

The ideological approach of VMT is to get people to abandon their individual vehicles and utilize multimodal transit opportunities such as walking, biking, and using public transit. The regulation views road congestion as a good thing, since it slows down traffic and incentivizes individuals to use alternative forms of transit. Improvements like road widening is considered a negative impact on greenhouse gas reductions because it increases commuter speeds which the regulation assumes will encourage people to drive longer distances. The new regulation advocates that California go on a “road diet” and calls into question whether the voters understood this when they approved an increase in the gas tax.

The highest costs imposed by the VMT regulation is in areas farther away from job centers. This is where housing can be produced at the lowest cost, and is the primary source of housing for low and middle class Californians. However, measures to mitigate VMT, especially in rural areas, significantly drive up the costs of residential development. VMT also disproportionately impacts low- and middle-class Californians who are predominately communities of color. This point is illustrated in the graph below which shows that as people drive “until they qualify”, home prices drop by \$19,000 per mile as they move farther way from Santa Monica towards San Bernardino.

Figure I: Geography of Southern California Region's Housing Cost Crisis
Housing Costs increase \$19,000 per Mile
Median 2BR Apartment Rents Increase \$33 per month per mile
(77 Mile Commute Distance to Coast)



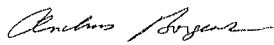
Communities of color depend on cars more than non-protected classes to get to their jobs which are often not at fixed locations served by transit (construction, farmworkers, janitors, etc.). The VMT regulation will increase, not decrease, the cost of housing and will have its greatest impacts on classes protected by the federal and state constitutions and a variety of federal and state laws prohibiting housing discrimination. Moreover, a \$1,000 increase in the cost of a home eliminates 8,870 households from the ability to afford a home and puts the American dream of homeownership – the primary method of establishing economic stability, community participation and economic growth – further out of reach for those struggling to afford a home today.

During the COVID-19 health crisis, which has already produced dramatic reductions in VMT, we believe that you should pause this regulation for cities and counties until a more equitable solution can be achieved. Therefore, we respectfully request that you extend the implementation of the VMT regulation for two years. Thank you again for your leadership during these challenging times, and know that we stand ready to assist you in our mutual effort to address the housing crisis in California.

Sincerely,

Anna Caballero
 Senator, 12th District


Frank Bigelow
 Assemblymember, 5th District



Andreas Borgeas
Senator, 8th District



Melissa Hurtado
Senator, 14th District



Richard Roth
Senator, 31st District



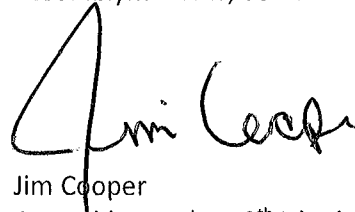
Susan Rubio
Senator, 22nd District



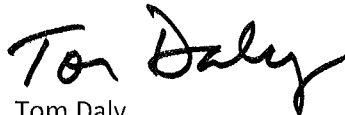
Scott Wilk
Senator, 21st District



Steven Choi
Assemblymember, 68th District




Jim Cooper
Assemblymember, 9th District



Tom Daly
Assemblymember, 69th District



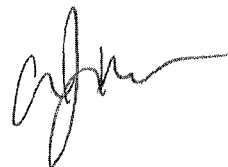
James Gallagher
Assemblymember, 3rd District



Mike Gipson
Assemblymember, 64th District



Adam Gray
Assemblymember, 21st District



Chad Mayes
Assemblymember, 42nd District



Jay Obernolte
Assemblymember, 33rd District



Patrick O'Donnell
Assemblymember, 70th District



Jim Patterson
Assemblymember, 23rd District



Sharon Quirk-Silva
Assemblymember, 65th District



Blanca Rubio
Assemblymember, 48th District



Rudy Salas
Assemblymember, 32nd District