



Orange County Council of Governments

Orange County Council of Governments (OCCOG)
3972 Barranca Parkway, Ste. J127
Irvine, CA 92606

www.occog.com

June 10, 2020

Hon. Gavin Newsom
Governor of the State of California
California State Capitol
Sacramento, CA 95814

Subject: Extension of July 1 VMT Implementation

Dear Governor Newsom:

On behalf of the Orange County Governments (OCCOG), I would like to thank you for your leadership and prompt and decisive action to protect our state from the COVID-19 pandemic. By taking this threat seriously and taking the necessary actions to prevent its rapid spread, you have likely reduced the impacts on our healthcare system, economy, and housing that are sure to come. It is in this spirit that I bring to your attention a regulation that will dramatically impact the ability for many Californians, including young families, essential workers, and communities of color, to purchase a home - Vehicle Miles Travelled (VMT), and respectfully request the extension of the implementation date of the integration of VMT analyses in CEQA, to July 1st, 2022.

Pursuant to SB 743, in December 2018, the California Natural Resources Agency adopted new regulations for the implementation of the California Environmental Quality Act (CEQA). The new 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 which would replace the previous analysis of traffic impacts called Level of Service (LOS).

Whereas LOS analysis examines the delay created by a new project, and therefore the impact to the overall mobility system, the CEQA implementation of SB 743 will now require VMT to be the new metric for transportation impacts under CEQA. This new analysis requires local governments to analyze the vehicular trips generated by future development projects. This will require housing projects to quantify how many miles home buyers, renters, and tenants will drive to work, to the store, for recreation, and other purposes. The VMT analysis will also require commercial and industrial projects to quantify the miles generated by the employees and services related to such uses.

The ideological approach of VMT is to get people to abandon their individual vehicles and use alternative mobility options such as walking, biking, carpooling, and 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 are 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.

In addition to existing laws, which require the quantification and mitigation of air quality impacts, including greenhouse gas emissions, from tail pipes, VMT introduces a new impact, and added costs, to the environmental review process. Disturbingly, it will apply even once we convert to 100% zero emission vehicles. And, not coincidentally, since we fund transportation improvements, including transit service and active transportation infrastructure as well as highways and local streets and roads, from the state gas tax, as we see VMT drop and more alternative fuel vehicle on our roads, funds that support our transportation network will drop as well.

VMT regulation disproportionately impacts communities of color, and those farther away from job centers, which are often the most affordable areas. Not surprisingly then, these locations provide much needed housing for low- and middle-class Californians. Measures to mitigate VMT, especially in rural areas, significantly drive up the costs of residential development.

Our partners in the development community are sounding the alarm that VMT regulation will increase, not decrease, the cost of housing. They have identified that every \$1,000 increase in the cost of a home eliminates 8,870 households from the ability to afford a home, putting 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. OCCOG is concerned that this 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.

While our member jurisdictions are taking steps to ready themselves to make the transition from LOS to VMT analysis, I would be remiss if I did not point out to you how big of a disconnect there is between the aspirations of SB743 and the implications of the implementation of the VMT impact on the housing crisis and our ability to pay for critical transportation infrastructure improvements. Further, there is still a critical missing piece in the implementation puzzle: a more comprehensive approach on how to effectively implement VMT mitigation. Researchers are concluding that on-site mitigation alone cannot effectively reduce project-level VMT to local government-adopted targets. Thus, the time extension requested, would allow our regional and county transportation partners to not just study, but implement regional and area-wide approaches for VMT mitigation that can be achieved collaboratively and with support of our development community partners. OCCOG is ready to assist in this effort.

There are also special impacts from the COVID-19 health crisis, which has already produced dramatic reductions in VMT, that should result in further refinement of how VMT is implemented to ensure equity and a steady funding source for transportation investments across our state. Therefore, we respectfully request that you extend the implementation of the VMT regulation for two years, to July 1, 2022. Thank



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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,

Marnie O. Primmer
Executive Director