

INFORMATIONAL HEARING – SELECT COMMITTEE ON URBAN DEVELOPMENT TO COMBAT
CLIMATE CHANGE

BUILDING A SUSTAINABLE CALIFORNIA COMMUNITY BY COMMUNITY

Monday, March 7, 2022

California State Capitol, Room 4202

2:30pm

Introduction

Underrepresented and marginalized communities bear the brunt of inequities such as poor air quality, poor housing stock, food deserts, lack of access to services, and long commutes to jobs. As the impacts of climate change, such as poor air quality from wildfires, lack of access to clean water, and more extreme weather patterns worsen, these will be felt most forcefully by marginalized communities. As the state attempts to address problems created by historical policies and practices, there is an opportunity to improve the quality of life and increase equity for all Californians by building sustainable communities.

What is a sustainable community?

A sustainable community is not well defined, but most definitions share similar elements. An example of a framework for sustainable communities is the 15-minute city developed by Professor Carlos Moreno. The concept is based on urban residents being able to fulfill six essential functions within a 15-minute walk or bike from their dwellings: living, working, commerce, healthcare, education and entertainment.

The framework for achieving this model is built on four concepts; density, proximity, diversity and digitalization.¹ Optimal density allows for the creation of locally based solutions in areas such as energy generation, food supply and multiple use spaces. The proximity dimension is critical not only in helping cities reduce the amount of time lost in commuting, but also in reducing the environmental and economic impacts of such activities. Diversity in the context of this framework is twofold: 1) the need for mixed use neighborhoods, which are primary in providing a healthy mix of residential, commercial and entertainment components, and 2) diversity in culture and people. Digitalization is a key tool for cities working to achieve

¹ Carlos Moreno. “Introducing the “15-Minute City”: Sustainability, Resilience and Place Identity in Future Post-Pandemic Cities”. 2021

sustainability and improved livability status through the deployment of diverse technologies to optimize the other three elements of the 15-minute city framework.

Due to the cross-cutting nature of the components of a sustainable community and the individual differences of communities in California, such as geographic, racial, and income differences, it is challenging for the state to determine how to best assist communities in achieving sustainability. Historically, and currently, the state operates and funds programs in silos such as transportation, housing, and education, and within each of those major areas there are many additional silos. As a result, various components of a sustainable community are often dealt with separately rather than holistically.

SB 375 and Sustainable Communities Strategies

In 2008, SB 375 (Steinberg, Chapter 728) was enacted to support the state's climate goals by reducing greenhouse gas (GHG) emissions, primarily through the reduction of vehicle miles traveled (VMT) as a result of more coordinated land use and improved transportation planning. This was the first law in the country with the explicit goal of designing cities to help fight climate change. SB 375 requires planning and processes for metropolitan planning organizations (MPOs) to achieve specified VMT and GHG reduction targets. MPOs are federally mandated and federally funded transportation policy-making organizations that are made up of representatives from local government and governmental transportation authorities and created to ensure regional cooperation in transportation planning. Under SB 375, each MPO creates a Sustainable Communities Strategy (SCS), which is incorporated into federally mandated regional transportation plans (RTPs) every four years.²

The California Air Resources Board's (CARB) implementation of SB 375 has focused on strategies that maximize the "co-benefits" of emissions reductions. That is, while agencies evaluate strategies to reduce GHG, they should also consider the other benefits these strategies offer, such as: Do they improve social equity and reduce local air pollution? Can they create economic opportunity, improve public health, or preserve sensitive habitat and ecosystems?

For instance, by reducing VMT, SCSs will reduce local air pollution and cut auto collisions and collision-related injuries, improving public health, and saving money. By concentrating growth in developed areas, SCSs conserve open space, preserve agricultural lands, and protect sensitive habitat. Walkable and bikeable communities encourage physical activity, combating obesity and improving health. Diversifying transportation investments provides access to education, services, jobs or recreation without the need, or cost, of owning a car. SB 375 also makes an explicit commitment to the development affordable housing

Under SB 375, MPOs plan and enact SCSs. However, the state does not provide specific funding to MPOs for the implementation of their SCSs. Rather, MPOs are expected to use the

² UC ITS. Summary of Interviews with California Metropolitan Planning Organizations about Senate Bill 375 and Sustainable Communities Strategies.

transportation funding they receive and other funds that the region may receive, such as for housing, to achieve the objectives of their SCSs. This decentralizes the planning and implementation of sustainable communities, which has both benefits and drawbacks. A recent study by the University of California Institute for Transportation Studies (UC ITS) highlights this. Key takeaways from the study are as follows:

- MPOs want more support from the state to incentivize local governments to meet SCS goals. Most MPOs articulated a need for more discretionary funding to incentivize land development, specifically concerning affordable housing, and non-vehicular transportation such as local active transportation projects.
- MPOs want the state to develop policies that acknowledge distinct planning nuances and economic and geographic differences across the regions. For example, a number of MPOs wanted the CARB to do more to take underlying differences between regions into account in setting targets and prioritizing regions for evaluation.
- SB 375 has empowered MPOs to consider more deeply the relationship between land use and transportation. MPOs point out that land use changes that emphasize compact growth, infill, mixed use development and development around transit investments are key parts of their GHG reduction strategies, since these measures provide residents with multiple travel options and reduce their reliance on driving.

Additional Sustainable Communities Programs

While SB 375 explicitly calls on MPOs to achieve VMT and GHG reductions, there are several other state programs that work towards similar goals. These programs are run by various state departments and not always in coordination with one another.

Affordable Housing and Sustainable Communities Program. This program increases the supply of affordable housing near jobs, stores, and transit, and is funded by a 20 percent continuous appropriation from the state's Cap and Trade Program. Roughly \$2.5 billion in projects have been funded over six rounds of funding through 2020-21.³

Active Transportation Program. This program supports improving health outcomes and reducing GHGs by building bicycle and pedestrian infrastructure. Established in 2013, the program received \$120 million annually until 2017 when funding increased to \$220 million annually where it stands currently. In total, the program has funded around 800

³ California Climate Investments. Appropriated Greenhouse Gas Reduction Funds. May 31, 2021.

relatively small (\$1 to \$2 million each) projects. Since inception, the program has received about \$2 billion.⁴

Infill Infrastructure Grant Program. This program, run by the California Department of Housing and Community Development (HCD) promotes infill housing development by providing financial assistance for Capital Improvement Projects. The program received \$250 million in the 2021-22 budget.

Transformative Climate Communities. This competitive program run by the Strategic Growth Council and funded by the Cap and Trade Program has received about \$240 million to date. It empowers the communities most impacted by pollution to choose their own goals, strategies, and projects to reduce GHG emissions and local air pollution.³

Transit Oriented Housing Program. This program, run by HCD, funds higher density affordable housing developments within one-quarter mile of transit stations to increase public ridership. The last Notice of Funding Availability was for \$141 million, issued in 2020.

Budget and Policy Bill Proposals Support Continued Work on Developing Sustainable Communities

The Governor's budget for 2022-23 proposed additional funding for climate action, transportation projects, and housing, a few key elements of building sustainable communities. For the Infill Infrastructure Grant Program, the budget proposes \$225 million in 2022-23 and \$275 million in 2023-24 budgets from the General Fund. The budget proposes \$75 million in 2022-23 and \$275 million in 2023-24 for the Affordable Housing and Sustainable Communities from the General Fund. The Active Transportation Plan is also proposed to receive an additional \$500 million in 2022-23, bringing it to a total of \$750 million. In addition to the proposed budget appropriations, several bills introduced by the California legislators aim to address aspects of sustainable communities.

Challenges and Best Practices to Consider Going Forward

Building sustainable communities on the timeline necessitated by a quickly changing climate is an enormous task. Therefore it is important to critically plan for the future while continuing to frequently revisit and update the state's actions.

Advocacy organizations, such as Greenlining, have cited the community engagement component of the Transformative Climate Communities program when considering successful programs. To avoid continued marginalization of communities, they must be engaged in the process of community transformation from project inception through implementation. This approach secures buy-in from the community and preempts mistrust of government

⁴ Legislative Analyst's Office. A review of the State's Active Transportation Program.

intervention. There is an opportunity for the state to address the structural inequalities that have historically marginalized communities. In order to achieve this goal, it is important to identify the successful components of existing programs and ensure that they are replicated across agencies to center equity in *all* sustainable community oriented programs.

In addition to identifying successful program components, creating metrics to evaluate the outcomes of the programs will help to ensure that the state funds projects that are most likely to have desired outcomes. It will also be important for the state to provide a sustainable funding source for programs. Finally, as the state matures in its understanding of the intertwined nature of sustainable community goals, there may be individual grant programs that need to be aligned and coordinated to better achieve the state's goals.