

**Resolving the Housing-Carbon Dilemma in State Policy:
The Role of Local Government**

**White Paper -- Supplement
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The South Bay Cities Council of Governments (SBCCOG) distributed its White Paper (December 2018) on policies to achieve zero emission housing in suburban cities. It was written in response to 2018's proposed housing legislation, SB 827. This supplement responds to its 2019 successor, SB 50.

The key issues remain:

- While the state has a housing crisis, it must be addressed in conjunction with another critical state goal, reducing GHG emissions
- A single strategy for producing “sustainable housing” will not fit every context.
- Transit oriented development in particular will not effectively limit GHG emissions generated by residents’ mobility choices in suburban contexts.
- Local governments are best positioned to determine politically acceptable siting and density of new housing in order to minimize GHG emissions (criteria pollutants and congestion) while meeting housing development goals.
- Whether as redevelopment or infill, the State should support and provide financial assistance to a strategy anchored by zero emission multi-modal mobility.

Essentially, SB 50 lacks the complexity to produce housing that can and will also address the urgency of the climate crisis. Meeting the target of 3.5 million new homes by 2025 must be done in a way that minimizes the carbon emissions generated by the mobility choices of the new residents. That will require a number of supporting policies that will expand zero emission mobility and access options. The State should play the key role by setting targets for maximum allowable GHG emissions by residents of new housing. Specifying density adjacent to transit will neither produce enough housing nor minimize carbon outcomes.

Consider:

State bears some of the responsibility for housing shortages. SB 50 continues to assign responsibility for the housing shortage solely to cities which are characterized as NIMBYs with “outdated and highly restrictive zoning.” It would be productive for the legislature to look critically at existing State policies as being equally responsible, and a good place to start when developing new legislation. Sacramento has for years promoted a single housing-sustainability strategy -- residential density adjacent to public transit. Local voters organizing in opposition are not mindless NIMBYs; they understand that increased density, whether adjacent to transit or job centers, will damage quality of life. Claims to the contrary are not believable from the perspective of experience on the ground. As an editorial on SB 50 in the local South Bay newspaper concluded: “Some other solution must be sought, because it accomplishes little to begin solving one serious problem while making other problems worse.” (Thomas Elias, Daily

Breeze, February 8, 2019) *Cities need the policy tools, technical assistance and the authority to determine the most politically feasible strategy for effectively developing zero emission, zero pollutant and zero congestion housing.*

SB 50 continues to ignore the special needs of suburban cities

SB 50 draws lessons from examples of reforms “that help alleviate the crisis by encouraging infill housing near transit, job, and educational opportunities.” (More HOMES Act of 2019 Fact Sheet, 12/3/2018). However, the examples listed were from Oakland (TOD) and Los Angeles (Transit Oriented Communities program); both at the center of their respective metropolitan areas. This reinforces the concern that state housing policies work most effectively in the relatively few large urban places, while the majority suburban places are ignored. *In suburbs, zero emission mobility will be produced by building housing in a way that complements multi-modal electric vehicles, rather than transit service. The infrastructure, residential densities and the supporting policies are radically different between the two candidate strategies for building housing while minimizing greenhouse gas emissions*

The SBCCOG’s 16 year-long Research and Demonstration program, one of the most advanced in the state, created and tested components of a strategy for developing housing that will eventually lead to zero emission mobility by the residents. This is the “Sustainable Neighborhoods Strategy” – adding housing by redeveloping obsolete retail/commercial properties in densities compatible with the existing neighborhood. This strategy will produce “complete” neighborhoods with high walking mode shares complemented by short range, slow speed zero emission vehicles for the 70% of trips that today are shorter than 3 miles and 90% shorter than 10 miles. In other words, 90% of household trips can be zero emission with the right combination of housing development, commercial redevelopment, electric mobility and virtual presence.

SB 50 continues to oppose housing development outside of the already crowded metropolitan core despite the potential for more affordable units slightly further away.

This amounts to the State characterizing an actual opportunity as a problem while treating the actual problem as an opportunity.

The problem as opportunity: The coastal counties and cities are the main target of SB 50; yet those are the most difficult places to build affordable housing – on expensive land in congested areas where there are no vacant lots and where construction requires demolition. That is redevelopment, not infill as referred to in SB 50. That distinction matters. The following quote from the legislative summary refers to “already developed areas” where what is important is whether there is vacant land (which can be infilled) or not (requiring redevelopment).

- “Encouraging new homes in already developed areas and areas of opportunity not only alleviates the housing crisis, but also supports the State’s climate change and equity goals.”

Most troubling, the redevelopment strategy may not work as assumed. New research was just published in Urban Affairs Review (“Upzoning Chicago: Impacts of a Zoning Reform on Property Values and Housing Construction,” Yonah Freemark, January, 2019) which found that upzoning (changing local land use regulations to allow for

greater density, as would be required by SB 50) did not increase housing supply over the 5 year study period (2013-2018); and housing prices rose on the parcels that were upzoned, so housing became less affordable, not more. In summary, the research found that in the short term (within 5 years) local level impacts of upzoning are higher property prices but no additional new housing construction. (<https://www.msn.com/en-us/money/realestate/does-upzoning-boost-the-housing-supply-and-lower-prices-maybe-not/ar-BBT05sL?ocid=spartandhp>)

In addition to expensive land and constrained development possibilities, built-out cities have carrying capacity issues (solid waste landfills that have reached capacity; old, limited capacity sewage systems requiring replacement before accommodating additional demand; limited open space and parkland).

The opportunity as problem: Developing some housing in the suburbs outside of the metropolitan core would produce more affordable homes that can be built as “zero-emission” and at a much faster pace. With a target of 3.5 million new homes before 2025, the rate of construction is very relevant. This approach is often characterized as adding to “sprawl,” but would be the opposite – fix what is considered sprawl by using infill housing and commercial development to create complete suburban neighborhoods.

SB 50 considers those locations undesirable because of the ‘access’ problem created by living outside the metropolitan core.

- Without intervention (represented by SB 50), much of the population increase can be expected to occur further from job centers, high-performing schools, and transit, constraining opportunity for future generations. More HOMES Act of 2019 Fact Sheet (12/3/2018)

It is much easier and cost-effective to solve the “access” problem created by infill development outside of the metropolitan core than it is to solve the affordability-problem from redevelopment of expensive land in already congested areas.

It is time to add a new approach to housing development policy while preserving local control. Success will require state and local governments to cooperate on means to meet the goal rather than the State mandating the means.

“The notion that increasing housing supply will magically fix our problems is one of those things that is simply too good to be true. Zoning liberalization is at best one part of the answer. America’s housing and urban crises are thorny problems that we can only come to grips with using a broad mix of strategies and solutions.” (Richard Florida, CITYLAB, January 30, 2019)

In other words, building housing in a 21st Century sustainability framework requires robust policy with a legislative package (not a single Bill) that coordinates housing construction with zero emission mobility, virtual access to key destinations, and supporting infrastructure. Examples follow. A simple density-transit approach with some parking concessions will neither produce enough new housing nor limit the carbon outcomes from whatever housing gets built.

ATTACHMENT

Mix of Strategies Suggested By Findings from SBCCOG's R & D Program:

Priority: In order to respond to both crises – housing and environment -- the State should set carbon emissions standards for new housing developments. RHNA sets targets for the volume of affordable housing that should be developed in each city, but the State is silent on the allowable GHG emissions from those developments. As mentioned above, the Sustainable Neighborhoods Strategy holds the promise of 90% of household trips being zero emission. The State should set the target; cities should adopt housing regulations that would meet both the housing volume and carbon emissions targets; developers should submit a carbon emissions component with their housing plans describing how the target will be met; and cities should review those plans as part of their project approval process.

Require Sustainable Land Use/Development

- Fund MPOs to inventory vacant land suitable for infill development in each jurisdiction, and to develop “complete neighborhood” models for cities with infill opportunities.
- Ensure State planning guidelines include policy and methods to guide infill development in order to create complete neighborhoods.
- Adopt policy tools to help cities redevelop retail strips to housing. This may require help with assembling parcels, for example. Develop analytical tools for cities to identify the best redevelopment targets along commercial arterials. SCAG is currently conducting such an analysis for the SBCCOG with findings expected before May 1, 2019.
- Offer incentives to commercial developers for building to accommodate a high density of individual businesses; and for incorporating shared work spaces.
- Offer incentives to building owners and tenants for providing charging and parking for EVs, especially zero emission local use vehicles (LUVs).

Decentralize Destinations to Outside the Metropolitan Core

- Develop incentives to attract businesses planning expansion in the metropolitan core to decentralize to those sub-regions and cities with vacant land. Likewise, incentivize new business formation in those same places.
- Incentivize medical and educational institutions to advance telemedicine and distance education programs for distribution throughout the region, reducing the absolute need for physical access.
- Fund MPOs to develop regional telework programs. Offer incentives to employers with telework programs, especially those that, for example, provide work sites within 3 miles of home for 50% of its workforce at least 2 days per week.

Develop Infrastructure for Sustainability

- Ensure that every city has affordable access to fiber networks that deliver 1 to 10 gig/sec service. A combination of grants and low interest loans will help sub-regions throughout the state replicate the SBCCOG's fiber ring backbone network currently in development. The fiber ring is essential to the many work, medical and educational applications that make virtual presence a feasible complement to physical access adding the trip not taken to the transportation strategy.
- Revise the Caltrans Complete Streets Planning Guide to include "local travel networks" that provide the infrastructure for the safe use by the evolving market of short range, slow speed vehicles. Today that guide addresses only bike, pedestrians and bus transit.

Support Zero Emission Mobility Options

- Direct the California Air Resources Board to:
 - Develop a Clean Vehicle Rebate Program that provides robust incentives for apartment building owners and condominium HOAs to purchase neighborhood electric vehicles as a building amenity for sharing among residents; and for community-based organizations in Disadvantaged Communities with ride sharing and/or vehicle sharing programs.
 - Offer rebates of up to 30% off the purchase prices for all approved zero emission, slow speed, short range vehicles and devices for eligible consumers.
- Develop a program that will incentivize public transit agencies to develop or partner with micro-mobility services and other innovations for shared rides that approximate door-to-door, on-demand services.
- Require that new multi-unit housing construction include electric charging with parking for a high volume of short range, slow speed vehicles.

Send comments to
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