



Sierra Club California Housing Policy: Meeting Our Housing Needs and Protecting the Environment





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This paper was written by Sierra Club California volunteer leaders experienced in land use and housing policy in California. It provides an overview of the housing crisis in California, describes Sierra Club's housing policies, and offers solutions to improve housing availability.

Sierra Club California is the legislative and regulatory advocacy arm of Sierra Club's 13 local chapters in California, representing more than 400,000 members and supporters around the state.

Executive Summary

The housing crisis is one of the most important challenges facing California today. The dramatic loss of state funding for affordable housing, the high cost of land, and zoning that restricts residential density are just a few of the factors that have exacerbated the problem. As job growth continues to exceed housing growth, workers must live further from work resulting in unreasonable commute distances.

This paper outlines the factors that have led to the housing crisis and its effects on California's population and economy. Sierra Club has been active in housing and related growth issues for several decades. We strongly support:

- Residential growth plans with dense housing that will reduce driving to meet our 2030 greenhouse gas targets.
- Land around transit stations zoned for higher density development to facilitate transit use.
- Incentives for housing production within infill areas, including along transit corridors and commercial areas.
- Legislation that motivates the development of affordable and infill housing, especially within designated growth areas within an adopted urban growth boundary.
- Strong tenants' rights, especially for vulnerable and low-income communities to fully participate in the decision-making process to ensure that projects do not negatively impact their community's environmental quality or risk pushing them out of their homes.
- Development directed toward areas within the urban growth boundary, in order to avoid adverse impacts upon wildlife habitat, critical watershed lands, open space lands, and scenic values.

The Current Housing Crisis

Today's housing crisis is largely the result of housing policies and a land-use pattern that was set 70 to 100 years ago. Areas of rapid employment growth have rarely planned for the construction of affordable housing within a reasonable commuting distance. Rather, local governments and the state have encouraged a sprawling development pattern that has led to a severe jobs and housing imbalance.

Housing is especially unaffordable in coastal areas, where two-thirds of Californians live. The most affordable areas in California are inland areas. However those too are starting to see dramatic increases in housing costs.

When we discuss the future of housing, we must place it in context with the existential fight of our time—to attack the worst effects of climate change by reducing greenhouse gas emissions. The state has pledged to reduce its greenhouse gas emissions to 40 percent below 1990 levels by 2030. To do so, Californians must drive less and walk, bike, and use mass transit much more frequently than they do now.

What Caused the Crisis?

The high cost of housing in most of California's coastal cities and suburbs has been caused by a number of factors, including:

- The dwindling supply and high cost of available land, especially in coastal communities.
- Zoning that restricts residential density and limits the efficiency with which we use land.
- Labor costs that have significantly increased due to a skilled labor shortage and code requirements for labor intensive building systems.
- Codes that require builders to use higher quality materials—such as windows, insulation, and heating and cooling systems—to achieve certain energy efficiency goals. The costs can be recaptured in lower energy bills, but they do increase upfront costs.
- Development fees—charges levied on builders as a condition of development—that have increasingly replaced the property tax as a source of funding for infrastructure and are consequently higher in California than the rest of the country.
- The “fiscalization of land use” caused by Proposition 13, which leads local jurisdictions to favor commercial growth, that pays sales tax and needs fewer public services, over housing projects that are often viewed as a negative drain on local resources.

Responses to the Affordable Housing Shortage

The housing crisis has led to lower levels of home ownership, a spike in the number of residents renting apartments, and a tightening rental market. The rapid rise in rents has triggered a predictable response, with residents and local elected officials calling for the imposition of rent control, greater tenant protections, and other housing initiatives.

As residents are forced to travel further and further from work to find affordable housing, they struggle with long distance commutes. This causes even greater congestion on our already over-crowded freeways across the state.

Homelessness has become widespread and the evidence is unmistakable in many California cities. As homelessness becomes more and more visible—and is affecting even small, rural counties—voters are pressuring their elected officials to address the problem.

The California Environmental Quality Act

The California Environmental Quality Act (CEQA) is designed to ensure that Californians understand how land use decisions will impact their communities and health and can hold public agencies accountable to local and state environmental and land use laws. While business and real estate interests are critical of CEQA for curtailing housing projects, it is integral for the review process and safeguarding the environment, especially for medium-sized and large development that could have significant impacts. To simplify the CEQA process for projects that are in line with state laws, the California Legislature has passed a number of exemptions, which are helpful for infill, transit-oriented development, and affordable housing projects.

Some have advocated for radical changes to housing and CEQA policies. In 2018, Senate Bill 827 would have dramatically increased zoning densities near major transit stops, but with substandard inclusionary requirements and no labor standards. The bill directly stripped away control from local officials and general public engagement for zoning decisions. It also eliminated any analysis of potential environmental impacts such as air quality and traffic impacts and impacts related to previous hazardous materials on the site.

There is room to reform CEQA, but many recent proposals go too far, adding huge loopholes to exempt all housing development projects from any environmental review. Application of sweeping legislation reform that guts public review and paints all housing development applications with a “one-size-fits-all” law undercuts the public review process, which is an integral component of CEQA. While CEQA is a favorite target for many interest groups, numerous studies on the issue have largely debunked the complaint that CEQA is a major factor in preventing construction of new housing.

Solutions to the Housing Crisis

Cities in California often resist any attempts by Sacramento to dictate, or intrude on decisions made by local officials to approve subdivisions and other local development applications. Most legislative attempts to insert state involvement in housing issues have been defeated over the last two decades. However, lawmakers should seriously consider state intervention again through comprehensive planning—as opposed to top-down regulatory controls.

Sierra Club California, the legislative and regulatory advocacy arm of the Sierra Club's 13 local chapters in California, recommends several proposals in this report's conclusion that can help make affordable housing easier to build. They include:

1. Mandate that cities that fall behind in their RHNA goals must rezone lands around transit stations.
2. Reform the RHNA process by transforming it into a state planning program.
3. Re-establish a more narrowly defined redevelopment-like program that focuses on creating affordable housing.
4. Allow local affordable housing bonds to be passed by the voters by a simple majority, rather than a two-thirds majority.
5. Support the repeal of the Hawkins-Costa Act to return to cities and counties the option of enacting rent eviction controls and rent stabilization measures.
6. Mandate that local agencies reduce building and development fees for qualifying affordable housing projects.

7. Develop incentive programs that encourage local agencies to adopt inclusionary housing ordinances that require housing projects to include affordable units.
8. Plug the SB 375 loophole by requiring a direct link (and a finding of consistency) between the new smart growth principles of adopted Sustainable Community Strategy Plans and the local General Plans that guide all local growth decisions.
9. Identify ways to help ensure local planning departments are adequately staffed and trained to implement existing measures that can accelerate housing production.

There is a clear need to produce more affordable housing in California, just as there is a clear need to protect wildlands, prevent displacement, and reduce greenhouse gases. It is possible to accomplish all of these goals, but it will require early consultation and collaboration among all parties through the legislative process.

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Sierra Club California Housing Policy: Meeting Our Housing Needs and Protecting the Environment

California's housing crisis has received significant attention in the last few years, as the number of residents who cannot afford the cost of housing, especially in coastal areas, has rapidly grown. Job growth continues in places like the Bay Area, but workers cannot find a place to live within a reasonable commute distance. Long-term Californians are being displaced as rents skyrocket and the homeless population in many cities continues to increase.



The housing crisis received more press coverage recently, with newspapers publishing numerous stories about families who are pushed into financial crisis because of escalating housing costs, and editorials calling for solutions to the crisis. In 2017, a package of 15 bills addressing housing and the housing crisis was signed into law.

Sierra Club California (SCC) is the umbrella organization that represents and advocates in Sacramento on behalf of the state's 180,000 members, who are spread over 13 separate local chapters. Sierra Club, at the national, state, and local level, has been active in housing and related growth issues for several decades in California and across the country.

The Sierra Club believes the production of affordable housing for California's families and workers is one of the most important challenges facing California. We support incentives for housing production within infill

areas, including along transit corridors and commercial areas. We encourage legislation that motivates the development of affordable and infill housing, especially within designated growth areas within an adopted urban growth boundary. At the same time, we defend the right of all residents, especially vulnerable and low-income communities of color, to fully participate in the decision-making process to ensure that projects do not negatively impact their community's environmental quality or risk pushing them out of their homes.

This paper summarizes recent studies of the housing crisis, including its numerous causes and its effects on California's population and economy. The Sierra Club has adopted long-standing policies at the national, state, and local level that strongly support greenhouse gas emission reductions; infill development and higher housing densities; social justice; and preservation of the natural environment.¹ The paper concludes by offering proposals to further reform state housing laws that Sierra Club California believes can contribute to a comprehensive solution to California's housing crisis.

I. The Current Housing Crisis and How We Got Here

The stage for today's housing crisis was largely set in California 70 to 100 years ago. The federal and state government, as well as local cities, have encouraged a development pattern that contributed to, and has now exacerbated, historic jobs/housing imbalances in specific geographic areas. Housing policies, or the lack thereof, have only reinforced these imbalances, as employment growth has never been coupled with the construction of affordable housing within a reasonable commuting distance.

Job growth in the movie, aerospace, technology, healthcare and other industries in Los Angeles over the last five decades has outpaced local housing development that has been hamstrung by restrictive zoning that limits infill and higher density housing options. Meanwhile, new federally funded highway capacity opened up ever more "cheap land" in ever more distant suburbs, first in the San Fernando Valley, then the Inland

1. The policies on these related issues are included in the Appendix of this document.

WHEN TALKING ABOUT THE FUTURE OF THE HOUSING STOCK IN CALIFORNIA, WE MUST ALWAYS PLACE IT WITHIN THE CONTEXT OF THE EXISTENTIAL FIGHT OF OUR TIME—TO MAKE A DENT IN THE WORST EFFECTS OF CLIMATE CHANGE BY REDUCING GREENHOUSE GAS EMISSIONS.

Empire, and now even as far out as the High Desert areas of Lancaster and Palmdale. The dramatic expansion of the office and high technology industries in San Francisco and the Silicon Valley has likewise caused suburban sprawl into the agricultural lands of eastern Contra Costa County and the northern San Joaquin Valley beyond the Altamont Pass. Workers in job-rich Orange County are forced to endure 60-mile commutes from their homes in places like the Moreno Valley in Riverside County because of the lack of affordable housing opportunities closer to their employment.

“Drive ‘til You Qualify”

By the late 1980's, long-distance commuting had been ingrained in the daily lives of many workers in Los Angeles and the Bay Area. Residents who held well-paying jobs in the inner urban and suburban cities often couldn't qualify for a mortgage on a home unless they drove into the far suburbs (now called “exurbs”), where the price of housing became affordable. This pattern, unfortunately, has become reinforced and worsened thirty years later.

Housing is now especially unaffordable in coastal areas, where two-thirds of Californians live. By 2017, the San Francisco metropolitan area (San Francisco, San Mateo, and Marin Counties) was the nation's least affordable major housing market. Los Angeles, Orange County, San Jose, San Diego, Oakland and Stockton were among the ten least affordable metropolitan areas nationwide. Less than one-fifth of households could afford the median-priced home in these areas. Salinas, Santa Cruz–Watsonville, Napa, and San Luis Obispo-Paso Robles were among the nation's least afford-

able smaller housing markets. In these markets, even people with middle incomes can't afford the rent.

The most affordable areas in California are inland areas. In the Redding, Bakersfield and Chico metropolitan areas, families earning the area's median income could afford more than 55 percent of homes sold in 2016. Families at the median income could afford 38 percent of the homes sold in Sacramento and 35 percent of the homes sold in the Inland Empire.² But those areas, too, have begun to see dramatic increases in housing costs and people earning below the median income are squeezed even in these locations.

Environmental Justice, the Housing Crisis, and Economic Stress

“Housing affordability” is a relative term defined by the ratio between housing costs and wages. Our housing crisis is partly a function of the low wage employment crisis gripping not just California, but the country. The purchasing power of the minimum wage has declined by more than one half since 1980. In California, a worker making minimum wage can't afford a market rate one bedroom apartment in any of our 58 counties. According to the National Low Income Housing Coalition, out of more than 3,007 counties in the U.S. a full time worker earning the minimum wage can afford a market rate one bedroom apartment in only 12 counties. The low wage crisis is almost universal.

The wage decline isn't just at the bottom of the market. There is a hollowing out of the middle too. While the housing crisis affects virtually everyone in the state, the most impacted are the low-income workers and unemployed residents who are being displaced by gentrification and are becoming homeless. A disproportionate share of these lower income people are people of color.

The housing crisis is among the main contributing factors to the growing inequity in California. In addition to the human cost of little to no affordable housing, including the rapidly growing homeless population, the housing deficit is beginning to destabilize the economy in some regions. As noted in a recent editorial, California's housing crisis is centered in the Bay Area, and the region's booming economy is increasingly inequitable and unsustainable, which is the message of two recent studies by two very different organizations.³

2. Public Policy Institute of California, Housing paper, January, 2018. Accessed at: <http://www.ppic.org/publication/californias-future-housing>.

A study published by the public policy group Next 10 documents the state's increasing inequalities in wages and housing and sounds an alarm about the impact these stresses are having on the workforce. From 2011 to 2016, California added a net of just 209 new housing units for every 1,000 new residents. The major losers from this failure have been California's low-income workers—many of which are leaving the state. From 2006 to 2016, 1.09 million more people left California for other states than moved here from other places in the U.S., with most decamping for Texas, Arizona, Nevada, Oregon, and Washington, where housing costs are lower. Although the level of out-migration was far greater in 2006 amid the housing bubble as the economy and home prices cratered, the rate of out-migration has picked up since 2012 as housing costs once again surged.



While the number of low-income jobs in California has increased significantly over the past several years, the wages offered for those jobs has not. The result is a smaller and smaller share of Californians who are able to afford a basic cost of living in the state. The Next 10 study concludes "While California's economy overall is strong, it is only a matter of time before the discrepancies between wages and housing prices could begin to constrain economic growth."⁴

In a particularly troubling trend, the construction industry itself has suffered from the rapid rise of a sweatshop labor model over the last 35 years. In 1980, a

majority of construction workers in California earned a prevailing wage after undergoing rigorous apprenticeship training. Construction careers promised a reliable path to the middle class for blue collar workers. Today, in contrast, 40 percent of construction workers earn what both the state and federal government classify as a low income and many can't afford a home without a subsidy. Non union workers typically lack proper safety training and suffer disproportionately from on-the-job injuries. For reasons we have stated above, reversing this trend has to be part of the answer to our housing crisis.

A second recent study by the California Housing Partnership, which works with nonprofits and government agencies to provide affordable housing, found a dramatic loss of state funding for affordable housing, substantial increases in the percentage of income that lower-income Californians spent on rent, and enormous increases in homelessness. The homeless numbers are particularly shocking. In Sacramento County, homelessness increased by a whopping 47 percent from 2016 to 2017. In Alameda County, homelessness skyrocketed by 36 percent over the course of the same year. In Santa Clara County, homelessness rose by 13 percent. The Partnership traces a large part of the affordable housing problem to the end of the state's redevelopment programs in February 2012. In California's current housing market, affordable housing development doesn't pencil out without state support.⁵

Reducing Greenhouse Gas Emissions While Tackling the Growing Jobs/Housing Imbalance

When talking about the future of the housing stock in California, we must always place it within the context of the existential fight of our time—to make a dent in the worst effects of climate change by reducing greenhouse gas emissions.

The state has pledged to reduce its greenhouse gas emissions to 40 percent below 1990 levels by 2030. To do so, Southern Californians will have to drive nearly 12

3. San Francisco Chronicle, May 11, 2018, editorial "The Bay Area's housing crisis has become an emergency." Accessed at: <https://www.sfchronicle.com/opinion/editorials/article/editorial-The-Bay-Area-s-housing-crisis-has-12908782.php>.

4. Next 10, May 3, 2018, three briefs prepared by Beacon Economics, "Growth Amid Dysfunction: California Migration, Current State of California Housing Market, and California Employment by Income." accessed at: <http://next10.org/housing>.

5. California Housing Partnership, March, 2018. "California's Housing Emergency: State Leaders Must Immediately Reinvest in Affordable Homes," accessed at: <https://chpc.net/resources-library>.

percent less by that date than they did five years ago, cutting their miles on the road every day from 22.8 to 20.2, according to a Los Angeles Times estimate based on data from state and regional climate and planning officials.

These driving reductions mean that Californians will have to walk, bike, and use mass transit much more frequently than they do now. By 2030, residents will have to travel by foot four times more frequently than they did in 2012, alongside a nine-fold increase in bicycling over the same time, and a substantial boost in bus and rail ridership.

vastly reducing the amount of carbon in fuel. But even if the state reaches those targets, the amount of pollution emitted from cars and trucks will still be too high to meet the state's environmental targets, along with an increase in electricity generation to meet the higher demand.⁷ One way to make up the difference is for people to drive less.



Getting people out of their cars in favor of walking, cycling, or riding mass transit will require the development of new, dense housing near jobs and commercial centers at a rate not seen in the United States since at least before World War II, according to a recent study by permit and contractor data analysis website BuildZoom.⁶ The benefits of doing this, in addition to reducing greenhouse gas pollution, would be to reduce local air pollution; cut noise pollution associated with traffic; and reduce workday commutes, thus allowing people more time for family and social activities.

California's largest portion of greenhouse gas emissions comes from pollution generated by cars and trucks. Climate regulators want to cut traffic emissions by replacing gasoline-powered vehicles with electric versions—the goal is to have 40 percent of all new car sales be zero-emission vehicles by 2030—and by

6. As cited in the Los Angeles Times, "California won't meet its climate change goals without a lot more housing density in its cities," by Liam Dillon, March 6, 2017. Accessed at <http://www.latimes.com/politics/la-pol-ca-housing-climate-change-goals-20170306-story.html>. See "Can U.S. Cities Compensate for Curbing Sprawl by Growing Denser?," BuildZoom blog by Issi Romem, September 14, 2016. Accessed at <https://www.buildzoom.com/blog/can-cities-compensate-for-curbing-sprawl-by-growing-denser>.

7. Los Angeles Times, March 6, 2017, op cit.

II. What's Causing California's High Housing Costs?

Why is housing in California so outrageously expensive compared to other parts of the country? Why hasn't more housing, especially housing that is affordable to the workers who fill the new employment centers, been constructed in the coastal areas?

Most experts agree that the huge increase in the cost of housing in most of California's coastal cities and suburbs has been caused by a number of factors, including: zoning that restricts residential density; job growth that outpaces housing growth; the high cost of available land; a shortage of skilled labor; and local regulations and fees. Increased levels of gentrification, displacement, and rapidly inflating home prices in some regions are also being caused by the dramatic expansion of new high-paying tech jobs, which have not been accompanied by the creation of any new affordable housing.

Additionally, systemic issues can reduce turnover of existing housing or encourage greater tolerance for small-scale land speculation. These include property tax laws that are not uniformly applied across counties, and lack of social safety nets that make income from selling a house the essential pathway to retirement or for paying off debt. Other factors that affect home construction are availability of financing for developers and interest rates on mortgages for homeowners. Finally, Governor Jerry Brown's decision in 2012 to end local redevelopment programs and the lack of federal and state funding to build more affordable housing have contributed to the problem.

Supply and Demand, and Building Costs

It is clear that, on a statewide level, housing supply has not kept up with demand. It has been estimated that on average, between 1980 and 2010, builders in California constructed about 120,000 new housing units each year, when up to 230,000 were needed to keep pace with growing population and changing demand, such as the desire to live in cities near jobs and transit. Due to slowing population growth over the last 10 years, state housing officials now estimate that about

180,000 units are required annually, while about 80,000 units are being built. The gap has hit low-income people especially hard. There is a 1.5 million unit-shortfall between the number of low-income families who live here and the number of rentals they can afford.⁸

The cost to build housing is higher in California than other states. Zoning is the number one culprit because it limits the efficiency with which we use land—which is very expensive in urban and coastal areas. But zoning isn't the only issue. Three additional factors determine developers' cost to build housing: labor costs, materials, and government fees. All three of these components are higher in California than in the rest of the country. Despite relatively stagnant construction wages, labor costs of projects in California have been driven up by declining productivity, a skilled labor shortage, and code requirements for labor-intensive building systems. These factors have created a perfect storm that makes total labor costs so expensive in California metropolitan areas. California's building codes and standards are considered more comprehensive and prescriptive, often requiring more expensive materials and labor. For example, the state requires builders to use higher quality building materials—such as windows, insulation, and heating and cooling systems—to achieve certain energy efficiency and greenhouse gas reduction goals. These costs can be recaptured in lower energy bills during the life of the housing, but they do increase upfront costs. Additionally, in the post Proposition 13 era, development fees—charges levied on builders as a condition of development—have increasingly replaced



8. Legislative Analyst's Office reports, as cited in the Los Angeles Times, August 21, 2017. Accessed at <http://www.lao.ca.gov/LAOEconTax/Housing>.

the property tax as a source of funding for infrastructure and are consequently higher in California than the rest of the country (see separate discussion below).⁹

The Legislative Analyst's Office estimates that altogether, the cost of building a typical single-family home in California's metropolitan areas is likely between \$50,000 and \$75,000 higher than in the rest of the country. Higher building costs contribute to higher housing costs throughout the state. The relationship between building costs and prices and rents, however, differs across inland and coastal areas of the state.

In places where land is relatively abundant, such as much of inland California, building costs generally determine housing costs. This is because landlords and home sellers compete for tenants and homebuyers. This competition benefits renters and prospective homebuyers by depressing prices and rents, keeping them close to building costs. In these types of housing markets, building costs account for the vast majority of home prices. In coastal California, the opposite is true. Renters and home buyers compete for a number of apartments and homes limited by zoning, bidding up prices far in excess of building costs. Building costs account for around one-third of home prices in California's coastal metros. Instead, supply limitations imposed by zoning is the primary driver of housing cost growth in coastal California.¹⁰

The Cost of Land and Labor

Regarding the cost of land for new housing, the California coast has some of the most expensive real estate in the country. Residential property is valued at \$150,000 or more per acre, compared to \$20,000 per acre on average in other large metropolitan areas of the country. Land prices in cities like Oakland and San Diego are twice as expensive as other U.S. cities, and more than four times as expensive in San Francisco.¹¹

The price and availability of labor is also a factor in new housing construction. Many residential projects

MORE THAN TWO-THIRDS OF CALIFORNIA'S COASTAL COMMUNITIES HAVE ADOPTED MEASURES—SUCH AS CAPS ON POPULATION, HOUSING GROWTH, OR BUILDING HEIGHT LIMITS—AIMED AT LIMITING RESIDENTIAL DEVELOPMENT.

have been subject to serious labor shortages in recent years that have affected housing production. The number of builders who report "some or serious" labor shortages has risen from 21 percent in 2012 to 56 percent in 2016.¹² Part of the reason is that the number of construction workers has dropped precipitously. Many skilled workers lost their jobs during the Great Recession of 2007 – 2009. They found better paying jobs in other industries and have not returned to construction.

Discretionary Review

Local land use and zoning regulations can have an impact on how much housing is built in certain jurisdictions. More than two-thirds of California's coastal communities have adopted measures—such as caps on population, housing growth, or building height limits—aimed at limiting residential development, according to the Legislative Analyst's Office.¹³ Onerous parking or transportation improvement requirements, and excessive design review can also discourage housing projects. A UC-Berkeley study of California's local land use regulations found that every growth-control policy a city puts in place raises housing costs by 3 to 5 percent there.¹⁴ One recent study concludes, in particular, that "the pace of housing development appears to be driven by the amount and sequence of discretionary review." These studies are discussed in a separate section of this paper.

9. Legislative Analyst's Office, California's High Housing Costs, March 2015. Accessed at <http://www.lao.ca.gov/LAOEconTax/Housing>.

10. LAO, op cit.

11. LAO, op cit.

12. Survey by the National Association of Home Builders, as cited in "To build housing, pay construction worker fair wages," Sacramento Bee, August 22, 2017. Accessed at: <http://www.sacbee.com/opinion/op-ed/soapbox/article167882062.html>.

13. LAO, op cit.

14. UC-Berkeley, Terner Center, "Expanding Housing Supply in California: A New Framework for State Land Use Regulation." Accessed at: <http://ternercenter.berkeley.edu/other-publications>.

Local Development Fees

Local regulations and fees, and state tax policy, are intertwined in California largely because of the peculiar effect that Proposition 13, and later Proposition 218, have had on land use patterns. Prop 13 is the tax-cutting initiative passed in 1978 that limited the ability of local jurisdictions to raise property taxes to fund schools and other public facilities and services.

The initiative has created what economists refer to as the “fiscalization of land use” in the state, which causes local jurisdictions to favor commercial growth that pays sales tax and needs fewer public services over housing projects that are often viewed as a negative drain on local resources. As a direct result of Prop 13, the state now funds much of the local education budget directly, and local school districts rely on developer fees to make up the difference.

Thus, local fees for housing projects have reached \$30,000 to \$50,000, or more, per single-family unit in many cities, with a significant portion of this total cost due to the increase in local school fees (and other local fees, such as transportation impact fees). A typical list of fees charged to a building permit for a new single-family house consists of local school fees, local traffic/transportation fees, new water and sewer hookup fees, building/planning/health permit review fees, and other fees.

A recent study analyzed development fees in seven sample cities across California—Berkeley, Oakland, Fremont, Los Angeles, Irvine, Sacramento, and Roseville—to examine the total amount of fees charged in each city, the makeup of these fees, and the extent to which information on development fees is available to builders. The study found that development fees for multi-family housing range from a low of \$12,000 per unit in Los Angeles to \$75,000 per unit in Fremont. Fees for single-family housing range from \$21,000 per home in Sacramento to \$157,000 per home in Fremont, over five times as much. The study also found that fees can amount to anywhere from 6 percent to 18 percent of the median home price depending on its location.¹⁵

Proposition 13

Proposition 13 has had a dramatic effect on housing turnover rates in all parts of California. The initiative limits local jurisdictions from raising property taxes more than 2 percent annually but allows newly sold housing to be taxed at current market value. The phenomenon of older residents who have lived in their homes for decades paying one-half or less in property taxes than young families who have recently purchased a home next door has become commonplace throughout the State. This tax policy has discouraged older residents from downsizing into smaller units and allowing younger residents to purchase move-up housing.

Foreclosures and Speculation

Another factor that has contributed to the rapid rise in housing costs, is the effect of foreclosures taking housing off the market, and in some neighborhoods with high ratios of foreclosed homes, sowing the seeds of blight. In too many instances these foreclosures were the product of abusive loan products which were disproportionately marketed to buyers with modest incomes. Those whose homes were foreclosed weren't the only victims. In neighborhoods with high foreclosure rates, home values collapsed wiping out the life savings of whole communities en masse. To make matters worse, many banks foreclosed rather than renegotiate loans even when foreclosure resulted in greater financial loss for the banks.

Loss of Redevelopment

A final factor that has depressed housing production, especially affordable units, in recent years is the act by Governor Jerry Brown and the State Legislature in 2011 to abolish the 400 city and county redevelopment agencies. That single action wiped out approximately \$1 billion annually of local tax-increment funding that contributed to the construction of low-income housing projects. Since then, no substitute programs have been adopted to compensate for this loss.

15. UC-Berkeley, Turner Center for Housing Innovation, “It All Adds Up: The Cost of Housing Development Fees in Seven California Cities,” March, 2018. Accessed at: <http://turnercenter.berkeley.edu/other-publications>.

III. The Effects and Recent Responses to the Affordable Housing Shortage

As the housing affordability crisis has deepened in California, the effects on residents have become more pronounced. Rent levels for apartments in the major urban areas are increasing rapidly and home ownership is shrinking.

California has 6 of the nation's 11 most expensive large metropolitan rental markets: San Francisco, San Jose, Oakland, Orange County, San Diego, and Los Angeles. Estimated median rent for a two-bedroom apartment ranges from \$1,798 in Los Angeles to \$3,377 in San Francisco. In the past couple years, rents have increased 44 percent in San Francisco and 37 percent in the Oakland–Fremont metro areas. The rental vacancy rate is around 3.3 percent, 2 percentage points lower than in 2010 and far below the 5.9 percent nationwide rate. Low vacancy rates have contributed to the tightness of the rental market.¹⁶



Homeownership rates have declined during the past 10 years, falling to 53.6 percent of occupied units in 2015, compared with 64.2 percent in the rest of the country. Owner-occupied units fell by about 190,000, while rented units increased more than 930,000.¹⁷ Much of the increase in rental units has occurred among formerly owned single-family detached housing units. Foreclosed homes in many California cities were purchased in bulk by corporations during the Great Recession who in turn then rented the homes out.

The rapid rise in rents has triggered a predictable response, with residents and local elected officials calling for the imposition of rent control, greater tenant protections, and other housing initiatives. In addition, to increase the amount of new affordable housing, more cities are adopting local “inclusionary housing” regulations that require new market-rate housing projects over a certain size to include affordable units set aside for low-income families within the project, or to pay an “in lieu” housing fee.

Homelessness has become widespread and the evidence is unmistakable in many California cities. The U.S. Department of Housing and Urban Development estimates that on a single night in January 2016, about 118,000 individuals in California were homeless—21 percent of the national total. Only 36 percent of California's homeless are in shelters or other residential programs—the lowest rate in the nation. The largest number of homeless people live in Los Angeles County, but homelessness affects most counties, even small and rural ones. As homelessness becomes more and more visible, voters are pressing their elected officials to address the problem.

The growing housing crisis will continue to feed the increase in inter-regional commute travel, as workers travel farther and farther out into the far suburbs and inland cities of the Central Valley, the Inland Empire, and elsewhere to find affordable housing. The result is, of course, more traffic congestion on the major, already over-crowded freeways that serve our metropolitan areas.

As the State Legislature began acting assertively on the housing problem in 2017, some bills targeted the root of the problem and included bond and tax measures that raise money to construct new housing. Other bills included provisions that target the regulation of housing project approvals at the local level, and the perceived abuse of public hearings and environmental review laws. The Club's positions on some of these recent bills is discussed in Chapter IV and V of this report.

16. Public Policy Institute of California (PPIC), op cit.

17. PPIC, op cit. and PPIC, Housing paper, January 2017.

IV. CEQA and Sierra Club California's Position

The California Environmental Quality Act (CEQA) became law in 1970. It is an environmental bill of rights for all Californians. Its success has been copied in several other major urban states in the country, including New York and Washington. The federal equivalent of CEQA, the National Environmental Policy Act (NEPA), was signed into law by President Richard Nixon in 1971.

CEQA is designed to ensure that people in every California community can understand how land use decisions will impact their communities and health and can hold public agencies accountable to local and state environmental and land-use laws.

The California Environmental Quality Act:

- Is the only state law that ensures the public has an opportunity to be informed about and participate in major land-use decisions;
- Gives communities a voice in shaping development in a way that supports quality of life by encouraging transit, bike, and pedestrian-friendly development;
- Provides important public health protections by requiring agencies to explain to the public the air and water pollution that will be caused by major land use projects and to consider feasible measures to reduce these effects; and
- Ensures that developers mitigate, to the extent feasible, the environmental impacts of new construction.

CEQA Lawsuits: Truth and Myths

Often, the use of legal challenges under the California Environmental Quality Act (CEQA) is blamed for stopping a significant number of housing projects. Much of the recent rhetoric we hear or read on this issue that claims CEQA is a key source of housing shortages is simply false. Numerous studies on the issue have largely debunked the complaint that CEQA is a major factor in preventing construction of new housing.

The number of lawsuits filed under CEQA has

actually been low. The total number of development projects subject to CEQA review throughout the state ranged between 17,300 and 18,800 projects in a recent three-year period, and the number of these projects challenged average fewer than 200 a year. The rate of litigation compared to all projects receiving environmental review under CEQA is also very low, with lawsuits filed for fewer than 1 out of every 100 projects reviewed under CEQA that were not considered exempt. The estimated rate of litigation for all CEQA projects undergoing environmental review (excluding exemptions) was 0.7 percent for the three-year period from 2013 - 2015. This is consistent with earlier studies, and far lower than what some press reports about individual projects may imply.¹⁸



A more recent survey by the California State Senate Environmental Quality Committee shows that CEQA rarely affects most projects when the state is the lead agency. The study examined all state-led projects over a five-year period from 2011 to 2016. The study concluded that CEQA "doesn't block development from actually happening." The study found that 1 percent of these state projects required detailed analyses under CEQA while less than 1 percent of them were sued.

More recently, a study by UC-Berkeley Law School examined the local land use entitlement process in five Bay Area cities and documented similar results.

In these cities, the pace of housing development appears to be driven by the amount and sequence of discretionary review, not the CEQA process. These

18. Rose Foundation, CEQA in the 21st Century, prepared by BAE Urban Economics, August 2016. Accessed at: <https://rosefdn.org/wp-content/uploads/2016/08/CEQA-in-the-21st-Century.pdf>.

five local governments are choosing to opt into CEQA through their choice to embed discretionary review into the entitlement process. The problem (and potential costs) associated with environmental review do not appear to originate with state environmental regulation...While op-eds, research, and reform proposals often focus on EIRs and CEQA litigation, the data from these five cities indicates that some of the largest projects, those that are the most likely to have significant environmental impacts, did not require EIRs (although EIR projects do tend on average to be larger than non-EIR projects). This data also shows how these cities, while preserving their discretionary review, are often employing tools to facilitate CEQA compliance.¹⁹

The Need for CEQA "Reform"

CEQA is meant to encourage thoughtful, informed, transparent decision-making in a way that lessens the environmental harm of projects and plans as they move forward. CEQA compliance creates a process for the public, environmental and public health trustee and regulatory agencies, and other stakeholders, to ensure accurate environmental impact analysis, consideration of project alternatives, and adoption of feasible mitigation measures for a project's significant impacts. Importantly, CEQA also requires an examination of cumulative impacts, thereby stimulating debates around issues such as disproportionately impacted communities, climate change, water supply, growth management, loss of farmland or forestland, effects on endangered or protected animal species, and a host of other impacts.

Some developers have asserted that environmental review is too expensive and unnecessarily delays or even kills important projects intended to advance California's policy objectives. Real estate and other interest groups also express concern about litigation under CEQA—or even the threat of litigation—in the event a public agency mismanages a procedural step or fails to conduct sufficiently comprehensive analysis. Because of these built-in tensions around environmental review

costs, time delays, and outcomes, there have been regular periodic calls for "CEQA reform", and these cries have only accelerated in recent years due to the housing crisis.

As Professor Sean Hecht of the UCLA School of Law noted in 2015:

Every August, as the California legislative session comes to a head, lobbyists attempt to gain support for dramatically scaling back California's landmark environmental law, CEQA (the California Environmental Quality Act). This year was no exception. Last month, the law firm Holland and Knight, which has been a leading force on this issue, issued a new report designed to gain support for dramatic changes to the law.²⁰...Unfortunately, this report, which has been widely covered uncritically in the media, makes claims that are not supported by the data.

Professor Hecht effectively debunks the central points of the 2015 Holland and Knight report, namely that the evidence demonstrates that CEQA is disproportionately used to attack projects that have environmental benefits. Hecht convincingly argues that CEQA lawsuits do not disproportionately target infill development projects; CEQA lawsuits do not often target transit systems; and CEQA lawsuits are not frequently targeted at renewable energy projects.

For example, Hecht argues the Holland & Knight CEQA study claims that infill projects suffer the most under CEQA are fallacious, since that study defined the term so broadly that almost 90 percent of housing projects in the state are classified as infill.

Hecht concludes that "The report's credibility thus stands or falls in large measure on the report's ability to support these claims with specific empirical evidence. Upon close review, the report does not succeed."²¹

Holland & Knight partner Jennifer Hernandez responded in late 2017 with a new update report that

19. UC-Berkeley Center for Law, Energy & the Environment, "Getting it Right: Examining the Local Land Use Entitlement Process in California to Inform Public Policy and Process." February, 2018. Accessed at: <https://www.law.berkeley.edu/research/clee/research/land-use/getting-it-right>.

20. Holland & Knight, 2015, "In the Name of the Environment: How Litigation Abuse Under the California Environmental Quality Act Undermines California's Environmental, Social Equity and Economic Priorities – and Proposed Reforms to Protect the Environment from CEQA Litigation Abuse." Accessed at: http://issuu.com/hollandknight/docs/ceqa_litigation_abuseissuu?e=16627326/14197714.

21. Sean Hecht, "Anti-CEQA Lobbyists Turn to Empirical Analysis, But Are Their Conclusions Sound? Influential Attacks on California's Environmental Impact Law Aren't Supported By the Data," Legal Planet (Berkeley-UCLA blog), September 28, 2015. Accessed at: <http://legal-planet.org/2015/09/28/anti-ceqa-lobbyists-turn-to-empirical-analysis-but-are-their-conclusions-sound>.

alleges affordable infill housing remains the top target of CEQA lawsuits. The new study uses the same methodology as the firm's earlier three-year study (2010-2012) of statewide CEQA litigation and, as Professor Hecht noted in the earlier study, "the empirical results of the study do not support the rather strident claims of the author."²²

Despite critics often citing CEQA as a "major barrier to development," no evidence supports that assertion. There are no studies available that quantify the cost of CEQA compliance or its impact on development projects.²³

LOCAL AGENCIES ARE EITHER UNAWARE OF THE CEQA EXEMPTIONS THEY COULD USE FOR HOUSING PROJECTS, OR THEY ARE HESITANT TO USE THE EXEMPTIONS BECAUSE OF POLITICAL PRESSURE.

California's housing supply and demand, as well as financing, are affected by many factors as previously mentioned in this document. Unfortunately, CEQA is increasingly blamed for causing the most recent housing crisis in California, despite substantial evidence to the contrary.

CEQA Exemptions

For several years, business and real estate interests, along with the administration of Governor Jerry Brown and some members of the Legislature, have been outspoken in their criticism of CEQA and abuse of the public hearing process for curtailing housing development at the local level, especially in coastal cities. The solution that is advocated is usually to exempt projects from CEQA review and from public hearings, and allow most, if not all, housing projects to be approved "by right," with no public hearings or CEQA review.

This simplistic solution ignores the fact that CEQA

already contains many exemptions for infill and affordable housing projects. Over the years, the California Legislature has passed a number of laws to simplify the CEQA process for projects that are in line with state laws and policy priorities, including infill, transit-oriented development, and affordable housing projects. These legislative changes serve to expedite the environmental review of qualifying projects or to carve out exemptions. These exemptions could be further clarified and improved.

A list of existing exemptions in the law is quite long, as cited in the *CEQA in the 21st Century* study. The problem may be that local agencies are either unaware of the exemptions they could use for housing projects, or they are hesitant to use the exemptions because of political pressure. Among the exemptions are the following:

- CEQA State Guidelines section 15183 exempts projects that are consistent with the development density established by existing zoning, community plans, or general plans for which an EIR was certified, except if there are impacts specific to the project or site;
- SB 1925, passed in 2002, created an exemption for infill residential development that meets certain criteria related to size, location, uses, and affordable housing;
- SB 375, passed in 2008, included provisions designed to streamline CEQA review for infill residential, mixed-use, and transit priority projects (TPPs);
- SB 226, passed in 2011, created an alternative streamlining method for eligible infill projects by limiting the topics subject to review at the project level where the environmental impacts of infill development had previously been addressed in a planning level decision;
- AB 900, passed in 2011, provided a streamlined review process for "environmental leadership development projects" that the Governor certifies as providing environmental benefits, meeting wage requirements, and contributing substantial in-state investment; CEQA challenges to

22. Jennifer Hernandez, "California Environmental Quality Act Lawsuits and California's Housing Crisis," published in the UC Hastings School of Law Environmental Law Journal, Volume 24, Number 1, Winter 2018. Accessed at: <http://journals.uchastings.edu/journals/websites/west-northwest/index.php>.

23. CEQA in the 21st Century 2016, op cit.

such development projects are heard directly in the court of appeals and must be decided within 175 days (subject to potential extensions);

- SB 743, passed in 2013, created a new exemption from CEQA for transit priority projects that are consistent with a previously adopted Specific Plan and the relevant regional Sustainable Communities Strategy (SCS); and
- SB 674, passed in 2014, expanded the statutory exemption for infill residential housing by increasing the allowable percentage of neighborhood-serving commercial uses within a project.

SB 827: By Right Mandates

In January 2018 State Senator Scott Wiener (D-San Francisco) introduced Senate Bill 827 in an attempt to increase new high-density housing. After much public debate, the bill failed to clear its first policy committee in the Senate in April 2018.²⁴ The proposal would have dramatically increased zoning densities near major transit stops, but with substandard inclusionary requirements and no labor standards or other community benefits that local government often require as a condition of upzoning. The legislation did not sufficiently consider the infrastructure that would be needed. It would have also dramatically scaled back local zoning control. SB 827's sponsor, California YIMBY, and other bill proponents, including the Chamber of Commerce and the Building Industry Association, correctly argued that zoning restrictions by local governments have prevented new housing from being built in precisely the job- and transit-rich locations where the need is greatest.

The bill's approach was unusual. Rather than taking a traditional approach and requiring an offending jurisdiction to change the regulations in local zoning ordinances that address areas around transit, the bill directly stripped away local control, including opportunities for city council, planning commission and general public engagement in certain zoning decisions. There would be no analysis of potential environmental impacts

such as air quality and traffic impacts, impacts related to previous hazardous materials on the site, analysis that could be used to require infrastructure improvements, or requirements for community benefits.²⁵ The bill made no distinction between transit stops in leapfrog communities or transit stops in urban areas.

Some of the procedural restrictions that are placed on cities and counties when a large apartment building is exempt from normal discretionary review and subject only to a "by right" process have unintended consequences. By right is what planners call a "non-discretionary" permit issued at the staff level, usually with just one or more building permits issued. There is no ability of local agencies to place unique "conditions of approval" on the development project, which is the normal process when a significant new project is subject to a "discretionary" review such as a subdivision map, use permit, or rezoning action. With the abbreviated by right process, only broad development standards that are attached to all building permits can be imposed. Thus, the local agency may lose the ability to require mitigation for specific impacts.

For example, an apartment building approved by right through only a building permit could be required to pay standard water or sewer hook-up fees for the new residents, but a local agency may not be able to require the developer to pay for additional improvements to the existing trunk line or other infrastructure improvements that would be needed to serve the project. In another example, a perfunctory by right process could fail to require mitigation for biological impacts (e.g. application of a loss-of-habitat fee that applies only to discretionary projects), or fail to disclose hazardous materials contamination of the project site.

When radical legislation that upends the status quo is proposed, there is always the potential for unintended consequences. A list of opponents grew to include many city mayors, environmental justice, transit, tenants' rights, affordable housing, and labor organizations. Sierra Club California opposed the bill, too. Opponents argued that the bill would have wreaked havoc on local affordable housing incentive programs

24. SB 827 failed to be voted out of its first policy committee on April 17, 2018, so the legislation was killed for the year. However, the author has stated his intent to introduce a revised version of the bill during the 2019 legislative session.

25. The second amended version of SB 827 (April 2018) dropped the height requirement to 55 feet and includes a section that allows a developer under the new bill provisions to apply for a CEQA exemption under SB 35 (the author's bill enacted in 2017). The second amendments clarify that projects not eligible for a CEQA exemption would be subject to CEQA.

in Los Angeles and elsewhere. As the Los Angeles Times editorialized in January 2018:²⁶

So, yes, the state needs to play a larger role in pushing local governments to approve more housing near metro stops. But what is the appropriate role for state lawmakers and how much local control should they take away?

The bill would have a major impact on Los Angeles, where huge swaths of the city are close to transit stops or bus lines. Los Angeles has recently embarked on an ambitious effort to work with neighborhoods to update the city's 35 community plans and to rezone land around transit stations—much of which could be rendered moot by SB 827.

But here's a potential problem with the bill: By setting blanket height and density increases statewide, the bill, as currently written, could eliminate key affordable housing incentives and protections designed to reduce displacement in gentrifying neighborhoods.

California clearly needs to make it easier to build housing. And it makes sense to concentrate new housing near mass transit to encourage people to get around without cars. Surely lawmakers can come up with legislation to push cities to approve taller, more dense housing near transit without completely overriding local control or undermining existing efforts to incentivize the building of affordable housing.

Less draconian than the by right approach would be an approach that would offer incentives to cities to "upzone" single-family zoning to at least medium-, if not high-density, zoning districts. Or a state bill could mandate that cities that have not met local housing goals must rezone lands around transit stations.

The Sierra Club is committed in its support of urban infill development and the attainment of social and environmental justice goals. While Sierra Club acknowledges there is room to improve our state's environmental laws, many of the recent proposals discussed in the legislature in the last few years, like SB 827, go too far, adding huge loopholes to exempt all housing development projects from any environmental review and even from discretionary review by local officials, thereby eliminating public appeals. Moreover, during periodic negotiations about CEQA reform legislation, so-called reform proponents, including the California Chamber of Commerce and the Building Industry Association, have refused to allow procedural improvements without also requiring substantial rollbacks in transparency and public participation guaranteed by CEQA.

CEQA is integral to development review process and safeguarding the environment, especially for medium-sized and large development that could have significant effects. Within the context of any discussion of CEQA reforms, there is a need to always consider an appropriate balance of discretionary (public hearing and CEQA review) vs. ministerial (no hearings or review) of development projects based on size and potential for environmental impacts. Application of sweeping legislation reform that guts public review and paints all housing development applications with a "one-size-fits-all" law that mandates "by right" approval is unfair to all parties, including state, federal, and public agencies, who normally participate during the CEQA process.

**THE SIERRA CLUB IS COMMITTED
IN ITS SUPPORT OF URBAN INFILL
DEVELOPMENT AND THE ATTAINMENT OF
SOCIAL AND ENVIRONMENTAL JUSTICE
GOALS.**

26. Los Angeles Times editorial, January 23, 2018. Accessed at: <http://www.latimes.com/opinion/editorials/la-ed-housing-near-transit-20180123-story.html>.

V. Sierra Club's Housing Policies and Recent Positions on Housing Issues

Sierra Club "speaks with one voice." That means that any and all Sierra Club entities, whether at the group, chapter, or national level, must advocate policies and positions that are consistent with national and state adopted policy positions.

Thirty years ago, the Club adopted an urban environment policy that strongly supports "Attractive, compact and efficient urban areas; with densities and mixtures of uses that encourage walking and transit use, and encourage more efficient use of private autos in balance with other transportation modes."

The national transportation policies that were adopted in 1994 likewise support land use patterns "to improve pedestrian access, encourage shorter trips, increase public transit use, enhance the economic viability of public transit and decrease private motor vehicle use (auto mobility). Therefore zoning, financing, land-use controls and other policies should:

- concentrate employment near transit stations or stops;
- densify residential areas to allow shorter trips;
- integrate pedestrian-oriented neighborhood commerce into residential neighborhoods;
- provide pedestrian amenities;
- reduce parking requirements and eliminate parking subsidies;
- provide adequate parks, natural areas and plantings for humans and wildlife."

The extensive energy resources policies, adopted in 2006, also reinforce this concept of dense urban infill and mixed-use communities. The policies call for reducing the need to drive passenger vehicles by shortening the distance between workplace, home, shopping, and school, using "smart growth" planning and improved transportation options.

The Sierra Club also adopted an Environmental Justice policy in 1993, that supports environmental justice related to housing and land use issues. Specifically, the

Club believes that people have the right to participate in the development of rules, regulations, and plans at every level of decision-making. Cultural, linguistic, geographic, economic, and other barriers to participation should be addressed. People have a right to know the information necessary for informed environmental decision-making, and a right to a safe and healthful work and home environment.

Sierra Club California's Growth Management Guidelines

Sierra Club California has adopted *Growth Management Guidelines* that address much more specific California housing and growth issues.²⁷ The *Guidelines* were last amended in 2001 and are now in the process of being revised to address the critical housing issues outlined in this report.



The current *Guidelines* build upon the national policies to strongly support infill growth. The Sierra Club believes the production of affordable housing for California's families and workers is one of the most important challenges facing California. We support incentives for housing production within infill areas, including commercial areas, and will support state legislation to encourage the development of affordable and infill housing, especially within designated growth areas within an adopted urban growth boundary.

The *Growth Management Guidelines* note that:

"The increased provision of affordable and low-income housing is compatible with environmental protection when sited and constructed in line with the above

27. Growth Management Guidelines, original adoption in 1990. Updated and re-adopted May, 2001, by California-Nevada Regional Conservation Committee. Amended September, 2002.

policies for urban infill, mixed use, compact development, and neighborhoods. Further, we recommend the following local government programs and policies:

- Adoption of inclusionary zoning policies;
- Development of programs for local funding of low-income housing through the establishment of housing trust funds;
- Incentives for low-income housing development including exemptions from parking and traffic limitations;
- Funding for the rehabilitation of older housing to affordable units.
- Legalization of "in-law" or second units without additional parking requirements.
- Broadening of zoning ordinances to more readily accommodate quality manufactured housing as an alternative to more expensive conventional housing.
- Inclusion of housing in commercial areas, by adding residential use to new and existing commercial areas and by redeveloping vacant or underused retail/office/industrial areas with mixed use and housing."

However, California's serious shortages of housing, especially low-income and affordable housing cannot be solved through land use policies alone. Other factors, such as income levels, mortgage rates, job demand and demographics are far greater influences. There will never be enough housing as long as the pace of job development exceeds the pace of nearby residential development. And housing will never be affordable as long as cost of living increases exceed the rate of wage growth.

The *Growth Management Guidelines* call for "effective State and regional planning and decision making [that] are necessary to address the complex environmental protection (air and water quality, open space, habitat), transportation, waste management, jobs and housing needs of metropolitan areas." We recommend state legislation to create a land-use decision-making process that locates urban growth to optimize the use of existing and committed future transportation systems.

To accomplish this, the *Growth Management Guidelines* call for the State to adopt a State Comprehensive

Plan, based on analysis of growth projections, environmental constraints, and infrastructure requirements, to guide the conservation and development of the state. The State should develop a program to mandate coordination of land use, transportation, and infrastructure decision-making at the local and regional level.

THE CLUB ADOPTED THE URBAN ENVIRONMENT POLICY THAT STRONGLY SUPPORTS "ATTRACTIVE, COMPACT AND EFFICIENT URBAN AREAS; WITH DENSITIES AND MIXTURES OF USES THAT ENCOURAGE WALKING AND TRANSIT USE, AND ENCOURAGE MORE EFFICIENT USE OF PRIVATE AUTOS IN BALANCE WITH OTHER TRANSPORTATION MODES."

Sierra Club's Support Positions on Recent Housing Legislation

Sierra Club California has supported numerous pro-housing bills in the California Legislature over the last decades. In 2017, we strongly supported SB 2 (Atkins), which was signed into law and enacted a \$75 transfer fee on certain real estate documents and dedicates the revenues to affordable housing programs. We supported the legislation that placed a \$4-billion bond aimed at the 2018 ballot that would fund low-income housing developments and subsidize home loans for California veterans (SB 3, Beall). We continue to work with legislators who are proposing other housing bills.

In Southern California, local Club leaders came under intense pressure from neighborhood activists to support Measure S, on the March 2017 ballot, in Los Angeles. The measure would have placed a two-year moratorium on major developments and required an overhaul of the city's land-use plans. Following vigorous debate, the Club's Angeles Chapter took no position on the controversial measure. Measure S lost at the polls.

More recently, Los Angeles voters approved Measure M, which increased the county sales tax by half a penny and is expected to generate \$120 billion in transit

improvements over the next four decades. The Sierra Club worked actively for the Measure M campaign.

In the San Francisco Bay Area, local Club leaders strongly supported Measure U1, Measure KK, and Measure A1. Measure U1 in Berkeley passed a business license tax increase in order to raise an estimated \$4 million annually for affordable housing and homelessness prevention. Measure KK authorized the City of Oakland to issue and sell up to \$600 million in bonds to invest in affordable housing and infrastructure improvements. Measure A1 authorized the County of Alameda to issue and sell up to \$580 million in bonds for affordable housing. The San Francisco Bay Chapter has frequently supported initiatives for rent control and eviction protections for tenants and families.

The Sierra Club has consistently supported efforts to enact inclusionary housing programs and housing mitigation fees at the local level. Inclusionary programs require developers of medium-sized and large market-rate housing projects to dedicate a certain portion of the total housing units, often in the range of 5 percent to 15 percent, for moderate and low-income families, or else to pay an in-lieu fee that goes to fund affordable housing elsewhere.

anti-displacement and anti-gentrification policies. The Club consistently lends our strong support for passage of affordable housing bonds and other ballot measures that create more affordable housing opportunities.

THE CLUB CONSISTENTLY LENDS OUR STRONG SUPPORT FOR PASSAGE OF AFFORDABLE HOUSING BONDS AND OTHER BALLOT MEASURES THAT CREATE MORE AFFORDABLE HOUSING OPPORTUNITIES.

The Club also strongly supports tenants' rights and rent control. We have backed the repeal of the 1995 Costa-Hawkins Rental Housing Act, which restricts local rent control laws from applying to large amounts of housing, including all housing built after 1995, single-family homes, condos and duplexes. An initiative to repeal the 20-year old law has qualified for the November 2018 ballot which, if successful would allow local governments to pass their own versions of rent control.

It is clear that our members have worked tirelessly on local and regional programs directed at adopting

VI. What are Some of the Solutions to the Housing Crisis?

As any casual student of California history is aware, the state has suffered from a “boom and bust” development pattern since the days of the Gold Rush. Unfortunately, there is no evidence that such uneven growth spurts and collapses won’t occur in the coming decades. We must always be cognizant that state policy on housing and other issues is often made in the heat of the moment, as we react to fleeting economic cycles.

The affordable housing crisis of the current time is not unusual, although the depths of the problem seem to be much more severe than in previous growth cycles. Indeed, some well-meaning residents are adamant that local land-use controls must be shunted aside so that developers can throw up new housing projects anywhere they can find buildable space.

The Sierra Club is skeptical that rushing to find a “one-size-fits-all” approach to the state’s housing crisis will result in meaningful reform, unless there is a careful, deliberative proposal to adopt statewide comprehensive planning goals that could be implemented at the local levels through financial incentives and regulatory sticks. We must support better state planning that sets growth goals and then helps local cities and counties fulfill these goals. Reform of some existing laws, such as 2008’s landmark SB 375 and the Regional Housing Needs Assessment program, could be incremental improvements.

At some point, the State of California must step in and work with local and regional planning agencies to address the jobs/housing imbalances that are worsening in the Bay Area and Southern California. Unfortunately, supposedly visionary new laws such as SB 375, in place now for ten years, have not proven to be effective. As explained below, they fail to connect all the dots in terms of requiring a direct link between regional transportation programs and local general plans.

Recent Upsurge in Multi-Family Housing

While homelessness is rising in most urban areas, this most obvious symptom of the affordable housing crisis is masking the multi-family housing growth that is occurring in many cities. In fact, recent economic and real estate forecasts indicate that multi-family, infill

housing construction has been booming for several years and is leading the real estate rebound in California. For example, the 2015 Allen Matkins/UCLA Anderson Forecast California Commercial Real Estate Survey, a leading annual publication, noted that “multi-family construction will achieve a 25-year high during the next three years” and that “[t]hrough overall residential construction has remained at depressed levels in the state, multi-family construction has rebounded sharply.”



The Public Policy Institute of California (PPIC) latest update of housing in the state for January 2018 reports that:

New residential construction permits are set to exceed 100,000 in 2017—up from 33,000 in 2009 but still far below the 200,000 units permitted annually from 2003 to 2005...New home construction permits are almost back to 2007 levels but housing is especially unaffordable in coastal areas, where two-thirds of Californians live. Looking ahead as the state’s population grows, housing demand continues to increase. California needs short- and long-term policies that improve housing affordability and remove unnecessary barriers to expanding supply, while meeting environmental goals. State efforts must interact with local land-use and zoning policies; this means that addressing California housing problems will take many years of sustained work and cooperation between state and local officials.

State and local land-use policies should encourage more housing. California’s tight housing market reflects not only a scarcity of developable land

but also an array of policy choices and regulations. Promotion of commercial development, such as tax incentives for businesses that relocate, should be balanced by policies that encourage new housing...

Balancing environmental goals with housing development will be a challenge. California has passed legislation to encourage local land-use planning that reduces driving—and lowers harmful emissions. The goal is to coordinate new housing development with current and planned transportation networks. Infill (new construction in built-up areas) is one way to achieve this goal, but there is a trade-off. In the past, much of California’s most affordable new housing was built on vacant land at the edge of urbanized areas. Infill development tends to be more expensive and usually produces fewer units. Identifying water sources for new development is also an issue in some parts of the state.²⁸

The Promise of SB 375 is Unfulfilled

The state has pledged to reduce its greenhouse gas emissions to 40 percent below 1990 levels by 2030. Since 2008, state law (SB 375) has required the Southern California Association of Governments and California’s other regional governments to plan their residential growth to meet these climate goals. But those efforts haven’t been enough. In a series of reports over the last year, climate regulators have said California needed to reduce driving by an additional 15 percent—over what regional governments have already planned—to meet the 2030 greenhouse gas targets. That means even more dense housing than previously anticipated will be needed.

Such efforts would concentrate growth in cities and the suburbs immediately next to them.

Nowhere is going to look like Singapore or Hong Kong or Manhattan, but there will be intensification of development in central areas and in some outlying areas,” said Steve Winkelman, director of the Center for Clean Air Policy, a Washington, D.C., non-profit that has studied the land-use implications of the state’s climate targets. “The central areas will look a lot more like European cities, with good transit access and pedestrian access.

Those changes could require California cities to encourage home building at an unprecedented rate in neighborhoods that are already developed. In the United States, a BuildZoom study found that no city’s housing growth has kept pace with increased demand through development centered in an urban core since at least the 1940s. Cities where housing supply met demand only achieved that balance by sprawling outward.

Should California cities attempt to grow rapidly within existing urban areas, it will mean supporting redevelopment of some single-family neighborhoods that planners have long considered untouchable because of local resistance, according to Issi Romem, BuildZoom’s chief economist. “I can’t imagine it happening,” Romem said. “It doesn’t feel realistic to me.”²⁹

CALIFORNIA NEEDED TO REDUCE DRIVING BY AN ADDITIONAL 15 PERCENT—OVER WHAT REGIONAL GOVERNMENTS HAVE ALREADY PLANNED—TO MEET THE 2030 GREENHOUSE GAS TARGETS. THAT MEANS EVEN MORE DENSE HOUSING THAN PREVIOUSLY ANTICIPATED WILL BE NEEDED.

Nearly 15 years ago, Sacramento-area planners developed a blueprint for the region’s growth that aimed to direct development toward existing urban neighborhoods or near transit stations. But a 2015 study in the *Journal of the American Planning Association* found that builders continued to construct more new homes in the Sacramento suburbs. The study concluded that economic conditions, demand, and neighborhood resistance to tightly packed housing were far more important factors in deciding where homes were built than the regional plan.³⁰

28. Public Policy Institute of California (PPIC), Housing report, January, 2018. Accessed at: <http://www.ppic.org/publications>.

29. Los Angeles Times, March 6, 2017, op cit.

30. As cited in Los Angeles Times, March 6, 2017, op cit.

More State Involvement in Housing Policy? **The Double-Edged Sword**

A key issue that must be addressed when we discuss potential solutions to the housing crisis is local land use control or “home rule.” California has always had a very strong streak of local cities resisting any attempts by Sacramento to dictate, or intrude in any way upon, the decisions made by city councils and county boards of supervisors on approving subdivisions, shopping centers, and all other local development applications. Even liberal residents and lawmakers who would normally trust governmental institutions and would support government programs to better the lives of residents and the environment, are loath to risk the wrath of governmental lobbyists descending from the League of California Cities, the California State Association of Counties, and others to defend local land use decision-making power.

While State intervention in local growth decisions has been generally met with reflexive suspicion, if not hostility, the last three decades of economic boom and bust periods have seen many interesting attempts to strengthen the state’s role in housing and growth issues. The recent attempts by Senator Scott Wiener to dictate zoning to cities were preceded by vigorous debates over appropriate “growth management” programs that began in the 1970’s in California and other coastal states.

Legislative attempts to impose “smart growth” housing policies at the state level have had a decidedly mixed success rate. Growth management almost gained traction in the early 1990’s under Governor Pete Wilson and Assembly leader Willie Brown but then evaporated as the economy worsened and there was no more growth to manage.

Yet, there is a strain of state planning history in California that can serve as the basis for a renewed reform of progressive housing and land use laws. Governor Jerry Brown, in his first incarnation in 1978, had the foresight to allow his Office of Planning and Research to publish the visionary *An Urban Strategy for California*.³¹ This remains a visionary document far ahead of its time. As noted in the most recent 2015 iteration of the document, “The Urban Strategy for California remains

a highly relevant document, reflecting many of the sustainability concepts that shape current policies and goals for the state and its communities.”

Most legislative attempts to insert more state policies and involvement in housing issues have been defeated over the last two decades largely as the result of pressure from the League of California Cities and others who feared loss of home rule due to expanded state involvement in land use policies.

However, some organizations such as the Sierra Club still hold out hope that the housing crisis may have become so severe that state intervention in comprehensive planning (as opposed to top-down regulatory controls) will become considered seriously by our lawmakers in Sacramento again.

Nowhere is state involvement in housing policy needed more than in solving the conundrum of the jobs/housing imbalance in key growth areas. While many legislators and planners had high hopes that SB 375 would accomplish the goal of marrying land use and transportation planning to achieve greenhouse reduction goals, the law has been only a limited success. The Achilles heel, the weakest part of SB 375, is the law’s failure to require a direct link between the new smart growth principles and the local General Plans that guide all local growth decisions. We advocate that this broken link could be corrected with new state legislation.

The Promise of Housing Elements

State law requires every city and county to adopt a Housing Element as part of their local General Plan. Housing Elements have been required for 30 years but few would argue that they have had a significant impact on the production of housing. Local agencies do not produce housing—homebuilders do. Local cities and counties have limited ability to affect the local market. Housing projects either “pencil out” or they do not.

Reform of the existing Regional Housing Needs Assessment (RHNA) program, a key part of the Housing Element law, has possibilities but the devil is in the details. Some charge that RHNA, which is how California determines how much housing each local community should build, is based on a flawed methodology

31. Office of Planning and Research , *An Urban Strategy for California*, 1978. Accessed at: http://www.opr.ca.gov/docs/urban_strategy.pdf.

that significantly underestimates population growth and how much housing will be needed. Sierra Club California agrees that the RHNA process is ripe for reform. However, the function of housing growth projections prepared by the Department of Finance must be transferred over to a more credible planning-oriented state agency such as the Natural Resources Agency. As we have advocated for years, the entire RHNA process should be made part and parcel of a new state comprehensive plan program.

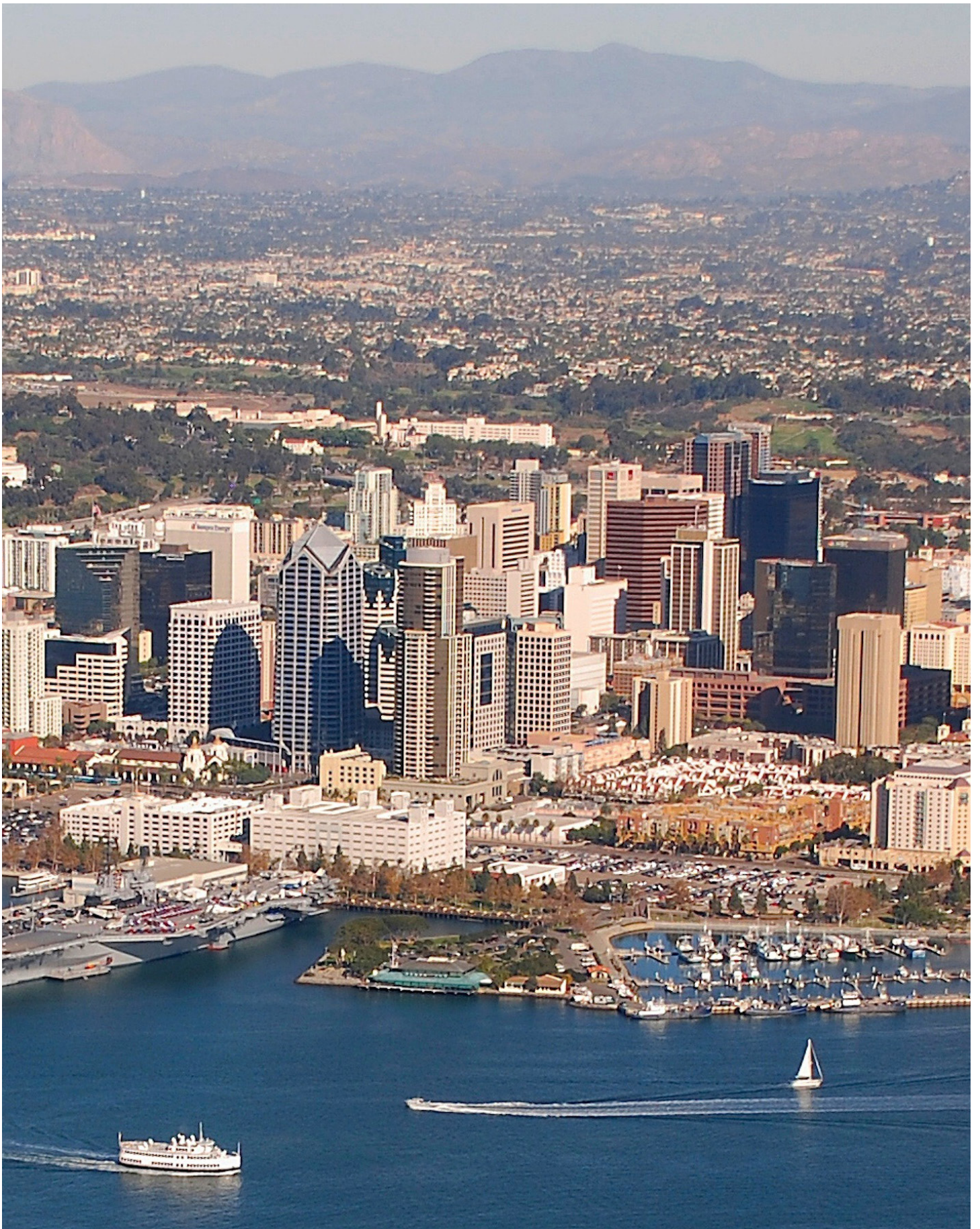
Conclusion

There is a clear need to produce more affordable housing in California, just as there is a clear need to protect wildlands, prevent displacement, and reduce greenhouse gases. It is possible to accomplish all of these goals, but it will require early consultation and collaboration among all parties through the legislative process.

VII. Recommendations

Listed here in brief are a several recommendations for policies that could and should be considered to help make affordable housing easier to build near jobs without displacing local residents or pushing more development into environmentally sensitive wildland areas:

1. Mandate that cities that fall behind in their RHNA goals must rezone lands around transit stations.
2. Reform the RHNA process by transforming it into a state planning program.
3. Re-establish a more narrowly defined redevelopment-like program that focuses on creating affordable housing.
4. Allow local affordable housing bonds to be passed by the voters by a simple majority, rather than a two-thirds majority.
5. Support the repeal of the Hawkins-Costa Act to return to cities and counties the option of enacting rent eviction controls and rent stabilization measures.
6. Mandate that local agencies reduce building and development fees for qualifying affordable housing projects.
7. Develop incentive programs that encourage local agencies to adopt inclusionary housing ordinances that require housing projects to include affordable units.
8. Plug the SB 375 loophole by requiring a direct link (and a finding of consistency) between the new smart growth principles of adopted Sustainable Community Strategy Plans and the local General Plans that guide all local growth decisions.
9. Identify ways to help ensure local planning departments are adequately staffed and trained to implement existing measures that can accelerate housing production.



Appendix

Adopted Sierra Club Policies

Urban Environment (excerpts from national policy)

Conservation of Open Space

1. Preservation of hills, coasts, wetlands, other outlying natural areas and agricultural lands by zoning, curbing suburban highway development, control of municipal services and other devices to eliminate "leap-frog" sprawl.
2. Abundant, convenient public open spaces, including parks, playgrounds and natural "unimproved" areas.
3. "Infill" residential and commercial development on unused or under-used land within city boundaries and already served with streets, water, sewer and other public services, but excluding parks, park-like lands, agricultural lands, and sensitive and hazardous areas.
4. Opening up of waterfronts to public access and use.

Protection and Enhancement of the Quality of Urban Life

1. Protection and enhancement of the quality of urban life by preservation of our architectural and cultural heritage.
2. Preservation and revitalization of urban neighborhoods, with residents protected from unreasonable economic and physical disruption; rehabilitation of housing and community facilities; jobs creation; a safe and healthy workplace environment; and elimination of "redlining" practices.
3. Attractive, compact and efficient urban areas; with densities and mixtures of uses that encourage walking and transit use, and encourage more efficient use of private autos in balance with other transportation modes.

Conservation of the Urban Infrastructure

1. Upkeep and improvement of the urban infrastructure, including water supplies, sewage, rail systems and waterfronts.
2. Improvement of transit systems, including operating and capital subsidies where necessary to maintain reasonable fares and safe, frequent service.

Wise Use of Resources and Safe Disposal of Waste

1. Energy- and material-efficient residential and commercial buildings and water-conserving development.
2. Incentives for reducing the generation of solid waste and for promoting recycling of materials.
3. Management of toxic and hazardous materials to decrease their use and to assure that public health and the environment are fully protected from any releases to air, water or land (during manufacture, use, storage, transport or disposal).
4. Full public disclosure of the uses, emissions, and potential effects of all hazardous and toxic materials.

These development patterns and transit improvements would conserve energy, water, land and building materials while enhancing the pleasure and safety of urban life and reducing travel distances. This and the control of toxic substances would improve air and water quality and make better use of existing urban infrastructure. Additionally, these patterns would reduce developments in forest lands, on coasts, in coastal wetlands, and other natural areas.

Adopted by the Board of Directors, February 1, 1986.

Growth Management Guidelines (excerpts from California policy)

I. Urban Growth Boundaries

All cities and unincorporated urban centers must establish permanent urban growth boundaries (UGBs) that will define the area of ultimate urbanization and protect the county's or region's open space lands. Development shall be directed toward areas within UGBs, in order to avoid adverse impacts upon productive agriculture, wildlife habitat, critical watershed lands, historical and archeological resources, open space lands, and scenic values.

Local governments may establish other means of managing the impacts of growth, such as annual limits and growth caps, provided these methods do not preclude compact development in appropriate locations.

1. Lands within the urban boundary will be devoted to compact residential, commercial, and industrial development that makes efficient use of land and infrastructure. Natural systems and environmentally sensitive habitat areas within the urban boundary must be protected.
2. Lands outside of the urban growth boundaries—lands that form the area's greenbelt—will encompass recreational open space, watershed, agricultural, wetlands, wildlife habitat/corridors, shoreline, forest/woodland, and other lands which are essential. To protect biodiversity, these lands must be zoned for uses and in parcel sizes consistent with economically viable units for the agricultural, recreational or resource conservation uses proposed.
3. Annexations of new land outside UGBs to cities shall not be approved by Local Agency Formation Commissions, except in instances when annexation would lead to improved environmental protections. Spheres of influence, areas designated by County Local Agency Formation Commissions to show the ultimate boundaries of each city, should conform to UGBs. County general plans should require that all urban development shall be within cities.

4. New large lot residential development (ranchettes) outside urban boundaries and dependent on wells and individual septic systems should be prohibited in designated metropolitan greenbelts and on all resource lands, i.e. watersheds, productive agricultural lands, and lands zoned for timber production.

II. Open Space Planning and Protection

We recommend State legislation mandating that the existing Open Space Element of local General Plans be improved to include the following:

5. All cities and counties as well as all metropolitan regions shall prepare Comprehensive Open Space Plans which must include:
 - (a) A Biodiversity Inventory identifying...
 - (b) Policies for the Protection of these Environmental Systems.
 - (c) An Implementation Plan to acquire or otherwise protect these environmental systems.

III. Land Use Patterns within Urban Growth Boundaries: Infill and Compact Urban Development

These policies are intended for implementation in local plans and ordinances, except as otherwise indicated.

6. Urban development should take place only within urban boundaries. Generally, new development should respect the character of the existing neighborhood. Residential densities and commercial floor area ratios must be sufficient to facilitate public transit and nonmotorized transportation and to achieve increased energy efficiency and affordability of housing. Compact redevelopment should be promoted within one-half mile of high service transit nodes and corridors.
7. Commercial development must take place primarily in major central business areas, in order to assure transit destinations of sufficient scale, and a full range of job choice and services to

businesses and employees. Such commercial development must have sufficient density to provide for these advantages.

8. Any other major commercial development must take place at locations served by existing or committed future transit lines or hubs. Such future transit hubs shall be located in such a way as to improve the relationship between jobs and housing in the region.
9. To enhance community identity and interaction, a balance of compatible commercial, industrial, residential, and civic uses, enjoyable public places and local parks should be distributed in close proximity in urban neighborhoods. Such mixed-use development will encourage walking, bicycling and use of public transit. Public services, especially the schools, should be improved to encourage revitalization of urban neighborhoods.
10. When working to achieve urban infill, mixed-use neighborhoods and increased densities, it is important to also respect the historical, aesthetic, cultural and human scale values of neighborhoods. New construction shall be designed to be consistent with and/or complementary to existing neighborhood qualities.

IV. Housing

The increased provision of affordable and low-income housing is compatible with environmental protection when sited and constructed in line with the above policies for urban infill, mixed use, compact development, and neighborhoods. Further, we recommend the following local government programs and policies:

11. Adoption of inclusionary zoning policies, which mandate that a percentage of low-income units be included in new residential development, and adoption of requirements for housing impact fees by commercial development.
12. Development of programs for local funding of low-income housing through the establishment of housing trust funds to be financed by fees on commercial development and taxes such as employee tax, payroll tax and business license tax.

13. Incentives for low-income housing development including exemptions from parking and traffic limitations.
14. Funding for the rehabilitation of older housing to affordable units.
15. Legalization of "in-law" or second units without additional parking requirements.
16. Broadening of zoning ordinances to more readily accommodate quality manufactured housing as an alternative to more expensive conventional housing.
17. Utilization of certain publicly owned urban lands such as HUD properties and unused CALTRANS rights of way which are served by transit for the construction of affordable housing.
18. Inclusion of housing in commercial areas, by adding residential use to new and existing commercial areas and by redeveloping vacant or underused retail/office/industrial areas with mixed use and housing.
19. The Sierra Club believes the production of affordable housing for California's families and workers is one of the most important challenges facing our State. We support incentives for housing production within infill areas, including commercial areas, and will support State legislation to encourage the development of affordable and infill housing, especially within designated growth areas within an adopted Urban Growth Boundary.

However, California's serious shortages of low-income and affordable housing cannot be solved through land use policies alone. Other factors (such as income levels, mortgage rates, job demand and demographics) are far greater influences. Housing will never be affordable as long as the pace of job development exceeds the pace of nearby residential development.

VI. Urban Air Quality/Transportation

Urban development shall be managed to achieve and sustain clean air by integrating land use and transportation planning, particularly by the following means

25. The rate and intensity of growth shall be carefully monitored to assure that air quality attainment plans are not compromised.
26. Air districts shall have indirect source review powers that allow them to veto local and regional development projects threatening attainment of air quality standards.
27. Local governments shall implement land use and other policies that maximize pedestrian, mass transit and bicycle access to job, entertainment, and commercial centers.
28. Only areas well served by mass transit shall be zoned for commerce, offices, and manufacturing.
29. Lands around transit stations shall be zoned for higher density development in order to facilitate transit use.
30. Urban transportation planning shall place an increased emphasis on public transit, carpooling, van-pooling, pedestrian and bicycle routes as well as related trip reduction and congestion management techniques.
31. Public transit services shall be coordinated to enable easy and timely transfers between them, with information on routes readily available, and preferential rights of way and the ability to preempt traffic signals wherever possible.
32. Parking in business, commercial and industrial centers shall be limited or made more expensive in order to encourage transit use.

Original adoption 1990 Updated and re-adopted May, 2001, by California-Nevada Regional Conservation Committee; amended September, 2002.

Transportation (excerpts from national policy)

The Sierra Club supports transportation policy and systems that:

- minimize the impacts on and use of land, air-space and waterways, minimize the consumption of limited resources, including fuel, and reduce pollutant and noise emissions;
- provide everyone, including pedestrians, bicyclists and transit users, with adequate access to jobs, shopping, services and recreation;
- provide adequate and efficient goods movement and substitute local goods for those requiring long distance movement, where feasible;
- encourage land uses that minimize travel requirements;
- strengthen local communities, towns and urban centers, and promote equal opportunity;
- eliminate transportation subsidies which handicap achievement of the above goals; and ensure vigorous and effective public participation in transportation planning.

Adopted by the Board of Directors, February 19-20, 1994; amended May 7-8, 1994.

Guidelines Adopted by the Transportation Committee:

The Sierra Club favors the most energy and land conserving, and least polluting systems and vehicles.

Walking and bicycling are best, along with electronic communications to reduce trips. Next are buses, minibuses, light rail and heavy rail (as corridor trips increase); electrified wherever feasible. Rail systems are most effective in stimulating compact development patterns, increasing public transit patronage and reducing motor vehicle use. Station access should be provided by foot, bicycle and public transit, with minimal, but full-priced, public parking.

Accommodation of pedestrians, bicycles and public transit should be given priority over private automobiles.

Public transit service should be coordinated, and transit facilities should facilitate intermodal transfers, including convenient and safe bicycle access to public transit vehicles, and secure bicycle storage in public places and stations. Multiple occupancy vehicles should be favored over single occupancy vehicles. Roads and traffic laws should be designed and enforced to enhance safety. All parking costs should be fully and directly charged...

Land use patterns should be designed to improve pedestrian access, encourage shorter trips, increase public transit use, enhance the economic viability of public transit and decrease private motor vehicle use (auto mobility). Therefore zoning, financing, land-use controls and other policies should:

- concentrate employment near transit stations or stops;
- densify residential areas to allow shorter trips;
- integrate pedestrian-oriented neighborhood commerce (markets, restaurants, services, etc.) into residential neighborhoods;
- provide pedestrian amenities (such as a complete regular pedestrian street grid; sidewalks on both sides of the road; slow streets [traffic calming], speed limits and stop signs or lights to keep traffic safe and comfortable for pedestrians; auto-free town and urban centers; street furniture and shelters; and buildings that front onto the sidewalk rather than be isolated behind parking or landscaped areas);
- reduce parking requirements and eliminate parking subsidies;
- provide adequate parks, natural areas and plantings for humans and wildlife, aesthetic enhancement, pedestrian protection and building/ sidewalk cooling; and
- protect land outside presently developed areas from urban sprawl through urban limit lines or other restraints.

Existing communities should be revitalized or retrofitted, as necessary, to achieve these qualities and to enhance their quality of life.

Planning And Public Participation. Urban transportation systems and land use should be planned for whole regions. Transportation-land use models should fully project the reduction in driving and increase in transit experienced when transit is improved and areas are made more pedestrian accessible (see above); and modelers should provide decision-makers with compact, transit-oriented alternatives.

The National Environmental Policy Act, and the Clean Air and Water Acts should be complied with fully. Meaningful public participation must take place from the start of development of state and regional transportation plans. Opportunities for participation should be enhanced. The participation of environmental, public transit and low-income community groups, including legal help and research, should be publicly funded.

Energy Resources (excerpts from national policy)

Guided by the conservation ethic, the Sierra Club has crafted this comprehensive Energy Resources Policy to promote a positive vision of a sustainable energy future. The Sierra Club's clean energy strategy will wean us from oil, coal and other fossil fuels, minimize energy waste, work in harmony with natural systems, and define the technologies and smart energy solutions that will meet our nation's energy needs.

As these changes unfold, other important benefits will follow. For example, bringing home and work closer together through better land-use planning will not only save energy, but also build a greater sense of community and allow us more time to enjoy it.

VII. Energy Resources and the Transition to a Clean Energy Future

A. Energy Efficiency

Energy efficiency – using improved technology and operations to deliver the same energy services with less fuel – is the foundation on which all of our other recommendations are based.

The Sierra Club identifies these key approaches for immediate action:

1. **Clean, Efficient Vehicles**
Decrease CO₂ emissions from passenger vehicles through a combination of electrification, more efficient engines and vehicle design, and if they can genuinely be produced sustainably, biofuels. Increase vehicle efficiency by raising standards for cars and light trucks to at least 60 mpg by 2025 and 143 grams/mile CO₂. Promote rapid expansion of electrification in passenger vehicles and truck fleets. Standards for the full range of trucks must continue to improve after the initial 2014-2018 standards. These standards must encourage hybrid and other advanced technologies.
2. **More Efficient Transportation Modes**
Adopt a concerted national program to enhance the rail system to shift freight and inter-

city passenger transportation away from highway use and aircraft. Railroads move freight much more efficiently than trucks and aircraft and moving freight from trucks to rail will reduce damage to existing roads. Transportation produces one-third of all CO₂ emissions in the United States. Effective and affordable transportation is essential to a modern society, so substantial changes will be needed to reduce energy use and dramatically decrease CO₂ and other greenhouse gas emissions. These changes must occur in four basic areas: vehicles, fuels, alternative modes and changes in travel patterns. The heavy transportation industry is very sensitive to energy prices and has already invested substantially in energy efficient trucks, trains, airplanes and watercraft.

3. **More Efficient Communities** – in both new and existing development footprints
The following policies should govern both new development and be applied wherever feasible to our existing developed areas:

Reduce the need to drive passenger vehicles by shortening the distance between workplace, home, shopping and school, using “smart growth” planning and improved transportation options. Provide safe and appealing options for walking, bicycling and mass transit, including light rail passenger trains, which will reduce vehicle trips, emissions, fuel consumption, and the demand for new roads and pavement. Well-designed mixed-use communities create long-term reductions in energy usage. Appropriately designed public transportation systems are an essential component of a sustainable energy society.

Appropriate pricing for parking and highway access and better planning for distribution of goods can also achieve energy savings. Congestion pricing should be applied, when feasible. Parking costs should be efficiently and conveniently unbundled to give consumers and employees more control over how they choose to spend their money. Expansion of alternatives is directly tied to land use and transportation

planning, as shown in the success of new developments such as the light rail systems in many U.S. cities. For more details refer to the entire transportation policy at sierraclub.org/policy/conservation/trans.aspx.

4. Building and Appliance Efficiency Standards
5. Clean Energy Funding
6. Distributed Generation

Adopted by the Board of Directors in 2006; amended in 2009, 2011, 2014, 2015, and 2016.

Environmental Justice (excerpts from national policy)

1. We support the right to a clean and healthful environment for all people

A. The Right to Democracy

We support government by the people. Corporate influence over governments must be constrained to stop the erosion of the peoples' right to govern themselves and governments' ability to establish justice and to promote the general welfare.

B. The Right to Participate

People have the right to participate in the development of rules, regulations, plans, and evaluation criteria and at every level of decision-making. Environmental decision-making must include the full range of alternatives to a proposed action or plan, including rejection of the proposed action or plan. Barriers to participation (cultural, linguistic, geographic, economic, other) should be addressed.

C. The Right to Equal Protection

Laws, policies, rules, regulations, and evaluation criteria should be applied in a nondiscriminatory manner. Laws, policies, regulations, or criteria that result in disproportionate impact are discriminatory, whether or not such a result was intended, and should be corrected. We support environmental restoration and the redressing of environmental inequities.

D. The Right to Know

People have a right to know the information necessary for informed environmental decision-making.

E. The Right to Sustainable Environmental Benefits

People are entitled to enjoy the sustainable aesthetic, recreational, cultural, historical, scientific,

educational, religious, sacred, sustenance, subsistence, cultural, and other environmental benefits of natural resources. However, actions that tend to ruin the integrity, stability, and beauty of the biotic community are unethical.

F. The Right to Equity

Environmentally degrading land uses should be avoided, but when such uses occur, they should be equitably sited taking into account all environmental and community impacts including the cumulative and synergistic ecological and health effects of multiple facilities. All people have the right to a safe and healthful work and home environment.

G. The Right to Generational Equity

Future generations have a fundamental right to enjoy the benefits of natural resources, including clean air, water, and land, to have an uncontaminated food chain, and to receive a heritage of wilderness and a functioning global ecosystem with all species naturally present.

H. The Rights of Native People

We oppose efforts to dispossess indigenous peoples of their lands, their cultures, and their right to self-determination. We support Native Peoples' wielding of their sovereign powers to protect the environment and to establish environmental justice.

2. We support an end to pollution

The long-range policy goal priorities for environmental protection must be:

- (1) to end the production of polluting substances and waste through elimination, replacement, redesign, reduction, and reuse (zero waste),
- (2) to prevent any release of polluting substances (zero emissions, zero discharge),
- (3) to prevent any exposure of plants, animals, or humans to polluting substances, and
- (4) to remediate the effects of any such exposure.

3. We support the precautionary principle

When an activity potentially threatens human health or the environment, the proponent of the activity, rather than the public, should bear the burden of proof as to the harmlessness of the activity. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing measures to prevent environmental degradation.

Adopted by the Board of Directors, February 17, 2001.



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