

California State Senate

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May 4, 2020

Governor Gavin Newsom
1303 10th Street, Suite 1173
Sacramento, CA 95814

Dear Governor Newsom,

I am writing to ask that you delay the rollout of the VMT reduction requirements of SB 743 in rural California. In the midst of this unprecedented public health and economic crisis, I believe the current July 1 deadline for implementation would cause even greater economic devastation in the Central Valley, at a time when these communities are already struggling.

When Senate Bill 743 was passed and signed by Governor Brown in 2013, California was beginning to see indications of the housing crisis looming on the horizon. Today, we are in the middle of a full-blown housing crisis. The only rational way forward is to find solutions that take into account regional needs, help to balance jobs and housing in every community, reduce the cost of building and bring quality housing into reach for our working families.

Instead of reducing the impacts of the housing crisis, full SB 743 implementation will likely make a significant portion of new housing and employment projects significantly more expensive, particularly in areas of the state that are housing rich but where the only jobs are located in urban areas that are often hours away. Rural areas of the state, like Kern County, will be disproportionately impacted by the implementation of SB 743.

This reality threatens to create an inescapable barrier to new jobs, housing, and infrastructure development in those communities. It will be nearly impossible to move projects forward without extremely costly mitigation if all the rural communities struggling with economic development and affordable housing are required to meet the more than 15% reduction criteria as recommended by OPR in the Technical Advisory.

I believe the only solution that does not devastate our rural economy, is to tailor SB 743 implementation to the realities on the ground in different regions of the state, and that at a minimum, the implementation should be delayed two years in these communities. For regions such as Fresno County where there are high percentage of disadvantaged communities, a lesser than 15% reduction should be considered in order to provide much-needed growth opportunities. This is a solution rooted in existing precedent. Look no further than the prevailing wage system – in most trades, we see regional adjustments to meet local needs.

As we have seen in past economic crises, our rural communities are often the last to recover, so if the current implementation timeline is upheld, the tail on this recovery will undoubtedly lengthen even further. Therefore, it is necessary to delay the deadline for a time period in which some economic certainty can be regained -- preferably for 2 years.

Thank you for your attention to this matter. I look forward to working to reach a conclusion that focuses on jobs, housing balance and housing affordability for working families throughout the state.

Sincerely,

A handwritten signature in black ink, appearing to read "Shannon Grove". The signature is fluid and cursive, with a large initial "S" and "G".

Shannon Grove
Senate Republican Leader, 16th District