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May 1, 2020

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

Dear Governor Newsom,

This letter is written to address the rollout of the Vehicle Miles Traveled (VMT) reduction requirements of SB743 in light of the current state of affairs that is COVID-19. The current July 1 deadline for implementation would cause even greater harm to Central Valley Communities than they would in times of relative prosperity and stability.

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 feel that crisis manifested in full, while state and local leaders work hard to find solutions to improve affordability.

SB 743 runs counter to that goal and, when implemented fully on July 1, 2020, will likely make a significant portion of new housing and employment projects prohibitively expensive. Our isolated, rural communities in Kern and Tulare counties, which already suffer from sluggish economic development, will be disproportionately impacted by the implementation of SB 743. With few jobs available within their communities, residents of these towns must travel longer distance to get to work. The same is true for the rural communities in the rest of the San Joaquin Valley.

This reality, coupled with the implementation of SB 743, creates an inescapable barrier to new job-creating, 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. This puts our local leaders in a precarious position. Should they choose to override the recommendations of SB 743 and approve a road widening project, new subdivision, or strip mall, our city and town councils will potentially be leaving themselves exposed to litigation that could further damage the financial wellbeing of the municipalities they represent. Thus, our leaders will be faced with an inevitable decision: allow much-needed growth and open the door to financial ruin in court, or stagnate until their constituencies cease to exist.

To prevent this issue from wiping out our rural communities, we propose a solution: the implementation should be delayed at least two years and then only implemented with regional variance of VMT reduction requirements. 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 for such communities. 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've 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, we feel it necessary to delay the deadline for a time period in which some economic certainty can be regained -- preferably for 2 years.

Of course, we deeply understand the need for policy tailored to regional needs and, as such, we know this delay may not be feasible statewide. California's urban areas are far more prepared -- in both infrastructure availability and policy planning -- to bear the load of the SB 743 VMT reduction requirements and can likely handle a shorter timeline. These communities, with higher populations, will also bear the most fruit in meeting climate goals, meaning that installing reduction standards in the Central Valley should be a lower priority, given the crisis scenario.

We are committed to being part of the solution to our climate goals, but strongly advocate for a brief delay in that timeline so we can focus on ensuring the best possible recovery for our local business and working communities.

Above all, while an unchanged SB 743 regime strips our most disadvantaged, underrepresented communities of their hope, a regionally adjusted proposal offers them a future.

Thank you for your leadership during these challenging times. We look forward to working to reach a conclusion that includes our rural communities as part of the affordability solution, rather than leaving them to languish.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Devon J. Mathis', with a stylized, cursive script.

Devon J. Mathis
Assemblymember, 26th District