



June 25, 2020

Governor Gavin Newsom
 Governor's Office, State of California
 1303 10th Street, Suite 1173
 Sacramento, CA 95814

RE: Request for Postponement of Imminent Deadline for Implementing New VMT Requirements

Dear Governor,

On behalf of the business and industry associations subscribing to this letter, we write today to respectfully request a one-year delay of the July 1, 2020 deadline for implementing the vehicle miles traveled (VMT) analysis under CEQA.

The signatories to this letter represent a wide spectrum of California private-sector interests that span geography, ideology, and industry. Many of our organizations, and the members and industries that they represent, have been involved with this issue and engaged in the process that led to the adoption of the new VMT requirements concerning CEQA. As such, we understand the significant challenges that would be posed, even in good times, by requiring VMT mitigation as a condition of project approvals. However, given the pandemic and the great need for economic recovery, job creation and housing, we are joining together to speak with one voice in asking for a delay in the deadline for VMT implementation, lest we see construction activity and housing production further hobbled at this worst possible moment.

As you know, construction (including homebuilding, infrastructure and other) is a sector that both constitutes an essential service and has provided much-needed ongoing economic activity during the pandemic. While the construction industry has shown typical grit and determination, nothing is ever easy; especially given that construction, land-use, entitlement and homebuilding are all heavily regulated activities. For decades, the industry has navigated a growing and complex web of regulatory, compliance, permitting and liability issues. These challenges have skyrocketed as the instant pandemic has spawned the industry's need to rapidly reinvent its operating procedures, safety standards and construction practices. In this worst-ever business environment, any assistance and forbearance that the government can provide, even if only temporarily, can make a vital difference.

With this in mind, and understanding your desire to assure ongoing construction and homebuilding activity, we encourage you to temporarily suspend – for at least one year – the looming deadline to implement the new VMT analysis required under CEQA.

We are concerned that the new VMT requirements will add significant cost, complexity, and liability to construction projects. It is foreseeable that much-needed housing and roadway projects will be the most impacted. Additionally, industry analyses indicate that the new VMT mandates will increase the cost of all housing types (including infill); and cost impacts will be particularly acute for suburban, new town and greenfield projects, which historically have been our state's most affordable housing types. What's worse, the new VMT mandates will predictably render many housing projects economically and technically infeasible. The looming VMT mandate is all the more concerning now that economic survival and recovery are at stake.

Currently, California's local governments (cities and counties) face a July 1, 2020 deadline to incorporate the new VMT mandate into their respective project approval processes under CEQA. Although some cities and counties have already met the deadline, most are still scrambling to understand this new regulation and incorporate it into local protocols. The implementation process has been complicated both by the pandemic and the fact that the State's guidance appropriately avoids being so prescriptive as to make implementation uniform and easy. As a result, each local government has latitude to tailor and customize the VMT requirement for local implementation. While such latitude is good, the novelty and complexity of the subject matter are such that developing local standards is difficult. Given the challenges that the VMT mandate poses both for local government and for housing developers, a one-year postponement of the implementation deadline would be very helpful now and would help to facilitate post-pandemic economic recovery.

We appreciate your commitment to keeping the California Dream of home ownership alive. In the best of times, keeping and fulfilling such a commitment is a huge challenge. Regrettably, we find ourselves today in what is, in many respects, the worst of times. By postponing the VMT mandate deadline, you can help to avoid further disruption in housing production and other construction activities, both of which are essential to bring life back into our state's economy and restore prosperity and promise for our citizens.

Thank you for your thoughtful consideration.

Sincerely,



Richard Lambros, Managing Director
Southern California Leadership Council



John Hakel, Executive Director
Southern California Partnership for Jobs



Lucy Dunn, President & CEO
Orange County Business Council (OCBC)



Bill Allen, Chief Executive Officer
Los Angeles Economic Development Corporation
(LAEDC)

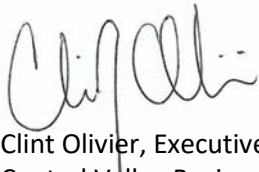


Tracy Hernandez, Chief Executive Officer
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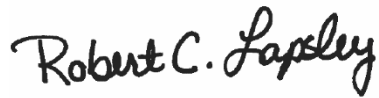


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LOS ANGELES AREA
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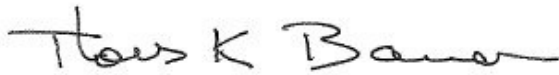
Jerry Sanders, President & CEO
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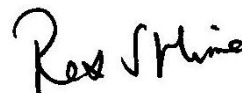
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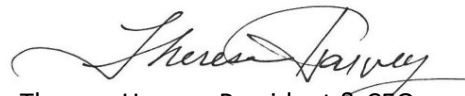
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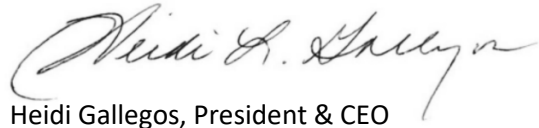
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