

Assembly Bill 1244

VMT Mitigation Fund for Affordable Housing
Assemblymember Buffy Wicks (AD-14)

SUMMARY

AB 1244 would allow developers of transportation or land use projects that increase vehicle miles traveled (VMT) to pay into a fund that would facilitate the creation of affordable housing to help reduce VMT impacts.

ISSUE

The California Environmental Quality Act (CEQA) requires developers of transportation or land use projects that generate a significant increase in VMT to minimize that environmental impact to the fullest extent feasible. Developers and lead agencies may choose from several options when deciding how to mitigate the VMT generated by their projects. Most involve ad hoc funding of VMT-reducing transportation programs and multi-modal infrastructure projects, either onsite or offsite.

Building affordable infill housing is a highly impactful way to both mitigate VMT and address our state's housing affordability crisis, but significant mitigation dollars are unlikely to flow to affordable housing under the current ad hoc system. While local or regional agencies can set up infrastructure to collect and distribute VMT mitigation dollars for affordable housing, it is administratively burdensome, and these agencies may not be familiar with the local affordable housing pipeline.

Additionally, mitigating VMT by developing housing is currently not a widely used strategy, making it an untapped mitigation tool. This is a missed opportunity given the pressing need for new affordable housing in California and in light of analyses showing that building affordable housing is an impactful way to reduce VMT.

SOLUTION

AB 1244 would create a new option for VMT-generating projects to mitigate their impacts by funding affordable infill housing. It would do so by allowing proponents of VMT-generating projects to pay a fee into a statewide VMT mitigation fund. This new optional method to mitigate for VMT would be additive to existing mitigation strategies and would not remove any of the approaches currently available to these projects.

The money collected from these projects would go into a fund located in the Department of Housing and Community Development's Transit-Oriented Development Housing Program. This fund will facilitate the pooling of mitigation dollars that will enable larger and more effective VMT mitigation strategies than is feasible for individual projects.

AB 1244 would include a strong return-to-source mechanism, ensuring that the VMT mitigation dollars collected in the fund are spent in the communities from which they came. Priority for projects located in cities would be to return the funds to the same city, and priority for projects located in counties and unincorporated areas would be to return the funds to the same county.

SUPPORT

California Housing Partnership (co-sponsor)
Housing California (co-sponsor)

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