

Assembly Bill 1244

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

SUMMARY

AB 1244 would allow projects that increase vehicle miles travelled (VMT) to pay into a fund that would facilitate the creation of affordable housing near transit.

ISSUE

The California Environmental Quality Act (CEQA) often requires a project that generates a significant increase in VMT to minimize that impact to fullest extent feasible. There are several options available for developers to choose from when deciding how they will mitigate for VMT generated by their projects. Most involve ad hoc funding of VMT-reducing transportation, infrastructure, and housing projects and programs.

Unfortunately, significant concerns have been raised about the ability of this ad hoc approach to provide demonstrative and cost-effective mitigation. For example, the current ad hoc approach has not resulted in much affordable housing. This is because it requires an almost impossible level of timing, expertise, and trust between entities that may not typically engage with each other. This missed opportunity is a shame, given the pressing need for new affordable housing in California, and the fact that the provision of affordable housing near transit has been shown to be an impactful way to reduce VMT.

SOLUTION

AB 1244 would make it easy for VMT-generating projects to mitigate their impacts with affordable housing. It would do so by allowing proponents of VMT-generating projects to pay a per-mile fee (to be determined) into a statewide VMT mitigation fund. This approach would be optional and additive and not remove any of the existing mitigation approaches 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 (HCD) Transit-Oriented Development (TOD) Housing Program. Pooling mitigation dollars allows for 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 in cities would be to return the funds to the same city, and priority for projects in counties and unincorporated areas would be to return the funds to the same county.

SUPPORT

California Housing Partnership (sponsor)
Housing California (sponsor)

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