

## **Sustainable Cities and the Question of the Climate**

Comments by Stephanie Pincetl, professor, Institute of the Environment and Sustainability, UCLA. Director, California Center for Sustainable Communities, to the California State Assembly Transportation Committee Informational Hearing. March 7, 2022

Land use/land development is a key component of climate change. It affects greenhouse gas emissions, exposure to heat and fire, carbon sequestration, ecological biodiversity, agriculture, exposures to high heat and nearly everything. I greatly appreciate the opportunity to give some remarks about land use and land use change in the state, to frame the discussion.

I think most of us would agree, regardless of our political affiliations, that land use in the state is broken. A regulatory legacy of the nineteenth century, we have moved into the 20<sup>th</sup> and 21<sup>st</sup> by additive measures, attempting to maintain local control, but curb egregious projects, address the issue of greenhouse gas emissions and the provision of affordable housing, protect endangered species and create more sustainable cities. I would count CEQA, AB 32, SB 375 as such measures.

We must understand the responsibility for the land uses we have today is largely the result of over a century of processes, wherein localities have looked to land uses as their main determinants of revenue (e.g. hotel taxes, sales taxes), overlaid by many decades of formal and informal segregation, redlining, racism and white flight, with zoning as a weapon for discrimination. The single-family zone was developed as a mechanism to protect white people from people of color, who were relegated to separate and more dense neighborhoods. The edge growth of many cities in CA were a direct result of white flight, creating independent suburbs with their own tax base, leaching out wealth of the older urban cores where jobs still remained, and supported by subsidized road and highway building. Commuting won out and the development community was more than happy to jump onto the band wagon. Greenfields have historically been easier to develop, and the state's post Proposition 13 *Development Agreement laws* (among other measures) made it even easier for large scale suburban builders.

This is clearly an over-simplification, but even in the 1960s, attempts to curb sprawl for social and environmental reasons were attempted, mostly to fail. In the end, in the 1970s we got both CEQA that was to make obvious environmental impacts of development, especially on the urban fringe, and Proposition 13. These only compounded existing distortions, rewarding strip mall developers as those increased sales taxes, as well as commercial and industrial property owners. They further undermined multiple unit housing, neighborhoods with mixed use and various types of housing on the same street, access to public transportation, provision of open space, and much, much more, privatizing a great deal of the public realm. We have thus developed and continue to create, land and materials extensive forms of land development, requiring miles of new asphalt pavements and parking lots, concrete ribbons of roads and sidewalks, power lines and pipelines, undermining all best attempts to create more sustainable cities. Rather than making better use of the already developed, but often underutilized, urban fabric, we move outward, leaving those areas behind, unless they are targets for gentrification, which simply exacerbates housing inequalities. This has been going on for half a century and is extremely difficult to unwind, but needs to be understood and unpacked to move forward.

Local governments are caught in a bind, they rely on local revenues for their operations, and local revenues are generated by land uses. So they tend to zone for high revenues. That makes sense, but it undermines community, undermines climate goals, and undermines affordability and sustainability. Municipal finance as it has evolved over the decades, and especially with Proposition 13, 218 and 26 is stretched and brittle.

Climate change adds more urgency to addressing this land use pattern, but one should not forget that the poor and people of color have felt the slow violence of this system for a long time, only to experience the impacts of climate change induced higher numbers of heat days, and higher heat more significantly than others, as well as the economic impacts of increased financialization of real estate.

One sector that seems to escape much responsibility is the private sector, now characterized by even larger scale builders and equity capital. The private sector is our town planner, determining the layout of how we live, our ability to interact, to get from place to place, our access to open spaces and shopping, our Greenhouse Gas emissions and ancillary pollution. Sustainability has become translated into carbon offsets. Stepping back, one must ask, what kind of vision for how they design and build the places we all live in, does the industry have? Or is the vision largely driven by financial formulas for profit (which are not small ~ 18% annually). After all, how can NYC equity capital really care what happens in my neighborhood other than understanding the ROI? We have to remember that if we are concerned about producing housing for people, decent housing people can afford and that does not add to our climate burden, that creates sustainable communities, we are in a context where land is held privately, and development is largely done by private companies. It is difficult to produce affordable housing when the fundamentals are structured around exchange value, or profit. Classically, this situation has been referred to as the tension between use value (our being in a place as home) and exchange value, the market driven forces that shape our view that land ownership is a financial asset. If ownership is an asset, then we want prices to go up, to make a profit. But if ownership (or access to housing) is a human need, then the market motivations for profit are incompatible.

So, what is to be done?

- We need many more public/private partnerships in land development where the state can guide the types of development and rates of return for the private developers that drive down costs. We have a model for this with the private monopoly utilities.
- The state needs to purchase land using eminent domain, to provide housing
- We need to eliminate the single family zone, and allow gentle density to gradually change over the sterile SFZ, including neighborhood commercial. We have an example of this with recently passed Minneapolis Plan.
- The state can begin to provide low to no interest loans to SF homeowners to build ADUs, duplexes, and more.

- The state needs to invest in further training in the building trades to grow the sector so they are available for many scales of development
- Urban limit lines and transfers of development rights are imperative
- Requiring developers to include affordable housing at the proportions that reflect the need should be a priority, not a set aside of a small number of units.
- A split roll approach to proposition 13 needs to be aggressively supported and pursued to help fund local governments so they don't have to rely so heavily on sales taxes
- And we should find ways to curb equity capital and speculative housing purchasing from further distorting prices