

October 27, 2022

Subject: Council Priority 3: Housing and Climate
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Staff Lead: Sean Kennedy, SGC Special Projects Analyst

Summary

The current groundswell of State action on housing, climate change, and equity presents a unique opportunity to support the needs of all Californians. Establishing Housing and Climate as a Council Priority will create a framework for elevating and coordinating the growing number of goals, policies, and programs designed to address the state's entwined housing, climate, and equity crises. Leveraging the Council's position as a public interagency body, Priority 3 will assist in building awareness of and access to opportunities across the state through a combination of public engagement, technical assistance, and coordination across traditional silos of policy and planning. In turn, Priority 3 will help to reduce greenhouse gas emissions and enhance community resilience while advancing equity and expanding the number of Californians that share in the state's economic and environmental wealth.

Background

Context

California is experiencing acute and entwined housing and climate crises, the impacts of which are driving and amplifying a widening equity gap across the state.

Residential and commercial buildings are responsible for roughly 25% of California's greenhouse gas (GHG) emissions when accounting for fossil fuels consumed onsite and electricity demand. Decades of decentralized growth patterns and limited production of housing stock have required more and more driving to meet daily needs, leading to increased GHG emissions, negative impacts on affordability and air quality, and ultimately more development and reduced carbon sequestration on natural and working landscapes. Dramatic increases in extreme weather events place people currently unhoused or in unstable, substandard, or inadequate housing at severe risk of exposure-related illnesses.

While complex in their origins, these issues highlight the importance of housing *type*, *location*, and *access* as critical contributors to climate impacts and resilience. Significant GHG emission reductions and improved air quality can be achieved through building decarbonization without compromising functionality or comfort. Various studies have found that compact and mixed-use infill housing can support healthy growth with lower costs, reduced environmental impacts, and increased economic benefits. Access to climate-resilient, affordable housing is critical to frontline communities across the state as they recover from and prepare for extreme weather. And as Californians face the 4th year of drought and increased fire incidence, protecting natural communities and resources plays a crucial role in supporting human community resilience.



In this context, the relationship between housing and climate change has become a prominent area of State focus in recent years. The California Budget for 2021-22 and 2022-23 includes \$53.9 billion in new climate investments, \$14.8 billion in transportation infrastructure, \$11.2 billion in incentives for housing production, and \$400 million dedicated to enhanced wildfire resilience across California's diverse landscapes. In July 2022, Governor Newsom established a goal of 3 million climate-ready and climate-friendly homes by 2030 and 7 million homes by 2035, and the deployment of 6 million heat pumps statewide by 2030. The recent passage of legislation intended to remove minimum parking requirements (AB 2097), streamline the housing approval process, and create thousands of good-paying jobs (AB 2011 and SB 6) represent the latest in a long string of efforts designed to tackle the State's housing-climate-equity crises head-on.

The Newsom Administration is committed to a California for All agenda and believes the State plays a critical role in reducing barriers and creating equitable opportunities for all Californians. Additionally, coordinating agency activities relating to housing and climate is a core mandate of the SGC organizing statute, which directs the Council to identify and review activities of participating agencies that may be coordinated to increase the availability of affordable housing and meet the goals of our state's climate change policies. This mandate, combined with its position as a public body, uniquely positions the Council within the State of California to ensure the current momentum on housing, climate, and equity reaches its potential.

Council Priority 3: Housing and Climate

State agencies have established several interagency working groups to address intersecting housing, transportation, climate, and conservation challenges through interagency coordination and collaboration. Building on work conducted to support the Governor's 'Housing as a Climate Strategy,' SGC Staff have coordinated with these groups to explore opportunities for advancing new and existing efforts through a Council Priority.

Council Priorities are designed to focus, above and beyond existing work, on critical ideas that can have a large-scale impact and warrant a whole-of-Council approach. Council Priorities should have the following criteria:

- High impact when scaled and replicated
- Pressing and critical policy importance
- Alignment with the Governor's Office priorities
- Fall within the policy area mandates of SB 732 (2008)
- Benefit from the unique cabinet-level, interagency structure of SGC
- Stem from demonstrated solutions, research, and innovation trialed within the SGC programs or Council Member Agencies portfolio

At the August 2022 Meeting, the Council called for deeper commitments and actions regarding aligning the state's housing, climate, and equity goals to build more sustainable communities. Council Priority 3 represents an opportunity to act on that call by leveraging existing state efforts through public engagement, technical assistance, and interagency coordination.

Through public engagement, Council Priority 3 can help to communicate a shared vision for sustainable communities that attends to the relationship between housing and climate change at the building, community, and regional scale. Technical assistance can ensure those tasked with implementing housing-climate-equity efforts – including public, private, and non-profit entities – have the tools and capacity they need to meet their objectives. Interagency coordination can aid in identifying opportunities for policy and program alignment, thus fostering a streamlined approach to meeting the state’s housing, climate, and equity objectives.

Having developed a general framework for Council Priority 3, SGC Staff is now developing a two-year action plan that will operationalize the goals of the Priority. The action plan will draw on the experience and expertise of three existing interagency groups: 1) The Housing, Transportation, Climate, and Conservation sub-committee of the Housing and Transportation Working Group; 2) the Conservation and Housing Education Group; and 3) the Building Decarbonization Working Group. Over the course of the action plan, SGC Staff will coordinate with and across these groups to identify specific plans, policies, programs, and workstreams to be elevated through the Council Priority.

Central to this process is identifying specific outcomes to be achieved over the two years. At this time, SGC Staff is seeking Council input regarding the specific outcomes to be achieved through Council Priority 3. This input will inform the Council Priority 3 Resolution and Action Plan to be brought to Council for adoption in the coming months.

Discussion Questions

1. What are the most significant opportunities in establishing Housing and Climate as a Council Priority?
2. What specific outcomes would you like to see from Council Priority in the next 1-2 years?