

September 26, 2014

Lynn Terry
California Air Resources Board
Sacramento, CA

Dear Ms. Terry,

On behalf of the undersigned groups, we are submitting comments on the timeline, process and key issues in the SB 375 target review process underway at CARB. We have greatly appreciated the partnership and collaboration with the state and Metropolitan Planning Organizations (MPOs) in the initial years of SB 375 implementation and look forward to working together again as we move forward into the second round.

Many of the MPOs around the state have made great progress in the first round of Sustainable Communities Strategy (SCS) development. Yet, we agree that much more improvement can, and must, be made in ensuing rounds to achieve successful SB 375 implementation and a truly healthy, equitable, sustainable future for California.

Below are the actions we recommend to the California Air Resources Board regarding SB 375:

- **Work with MPOs and COGs to spread best practices among regions**

The top priority for the Air Resources Board's efforts around SB 375, especially in the short term, should be to ensure land use and transportation policy progress via improved Regional Transportation Plans *and* their strong implementation. As a critical component of this update process, CARB should develop guidance and work with other agencies (ex. Office of Planning and Research, Strategic Growth Council) to develop and implement strategies to (a) gather, share, incentivize, and implement best practices, and (b) encourage future innovation. In addition, CARB staff should prepare workshops and reports for the CARB Board on both best practices and key implementation issues—such as modeling anomalies and coordination with county transportation planning agencies—to heighten awareness of challenges being faced at the local level and strategies to overcome them. Please see Appendix A for examples of best practices.

While much progress could be made by applying established best practices across the state, further innovation in policy, modeling, and performance analysis is also required in ensuing rounds. MPOs should be encouraged to experiment with ambitious new strategies and tools that might contribute to achieving stronger GHG reduction targets. The application of additional funding and resources should also be considered to foster these innovations. Examples include funding the modeling innovations and grant programs outlined in the appendix, providing "circuit riders" who help local jurisdictions develop active transportation projects, enhancing public participation processes, and providing technical and financial support from MPOs to local jurisdictions, such as SACOG's aid to targeted priority TOD project area development.

- **Develop guidance about how to measure and promote community benefits of improved land use and transportation planning, including equity, health, conservation, and sustainability benefits.**

Major innovations in the analysis and modeling of health impact and equity analyses have emerged in recent years. Further development and integration of these co-benefit analyses are essential in realizing the potential of SB 375. CARB can play a crucial role in helping regions learn how to use available tools to measure the health, equity, and environmental benefits of

their scenarios, and helping to develop improved tools like Urban Footprint and ITHIM. Health metrics including increased minutes of physical activity, increased share of trips from transit, walking and biking, reduction in air pollution and chronic illness, increased frequency and proximity of transit should be incorporated into the SCS update process. Beyond that, many regions included metrics for projecting and/or tracking their progress in protecting essential landscapes and advancing social equity. Measuring these benefits will help regions and CARB communicate the importance of this work to elected officials and stakeholders who make funding decisions. In addition, with SB 375's goal of locating more development near transit and in existing communities, concerns have emerged about displacement of existing residents. Further analysis of these unintended consequences is critical.

- **Commit to an ambitious, comprehensive update to regional GHG targets designed to meet state goals.**

California agencies need to act boldly if we are to reach the state's GHG emissions reduction targets, per AB 32 and Executive Order S-3-05. The SB 375 targets should be thoughtfully chosen to ensure successful emissions reductions from the transportation sector as a result of reduced vehicle travel. Because land use and transportation change takes time to occur, this target update should focus on the 2035 target. It should also add a new target for 2050. CARB should begin the target-setting dialogue by providing guidance about the level of GHG reduction above and beyond existing state transportation policies necessary to achieve the AB 32 Scoping Plan and the 80% below 2050 target under Executive Order S-3-05. The transportation sector should independently achieve those targets to carry its fair share of the weight.

- **In all regions with “placeholder” targets—including the San Joaquin Valley—consider updating targets in time to apply to the Round 2 Regional Transportation Plans (RTPs).**

Some of the smaller Metropolitan Planning Organization (MPO) regions received zero or positive targets. All of the small MPOs outside of the Valley overshot their targets and can clearly make stronger contributions to the state's climate goals than originally estimated. Revising the targets and building upon what has been learned can lock in the gains achieved to date and encourage continued progress.

The targets for San Joaquin Valley Councils of Governments (COGs) were also set relatively arbitrarily as 5% and 10% for 2020 and 2035. At the time of adoption, they were discussed as placeholder targets, with a promise to revisit them. As of September 2014, several of the San Joaquin Valley COGs are poised to exceed their 5 and 10% targets by substantial margins. In fact, some Valley COGs' Business as Usual scenarios were projected to exceed the current targets, and several COGs overshot their targets before the planning period even began. The San Joaquin Valley is one of the fastest growing regions in the state, home to some of the nation's worst air quality and some of the state's most disadvantaged communities. It stands at risk of losing some of the world's most productive farmland, as well as habitat crucial to preserving biodiversity in a changing climate, to inefficient business-as-usual development patterns. Based on what we learned from the first round and the great opportunity for emissions reductions in a high-growth area, and following CARB's review of the Valley's modeling in Round 1, CARB should revisit the Valley targets and determine whether updates should be made in time for Round 2 RTPs. The review process should be coordinated with CARB's technical review of the Valley's 2014 RTP's, and involve dialogue between ARB, Valley COGs, and other stakeholders, as further explained below.

- **Initiate a process now to update the targets no later than Round 3 in all regions.**

We believe that a model of continuous improvement should define our approach to ongoing implementation of SB 375 and the target update process, and that the threshold that may have defined “ambitious-achievable” in 2010 is most likely going to be different in 2020. Higher greenhouse gas reduction targets are not only attainable, but will lead to significant co-benefits of improved health and equity outcomes, farmland and natural resource conservation, water and energy savings, and household cost reduction.

We request that CARB update the targets for Round 3 well in advance of the adoption dates for Round 3 SCSs to provide sufficient time for incorporating new targets into the planning process. Also, we believe it is important to ensure that where target updates are deferred to Round 3, there should be a strong focus on spreading best practices and implementing the modeling improvements described above. This is especially important in the Big 4 MPO’s. While we agree that the targets must be strengthened in the third round, and that these revisions must be made as soon as possible, exactly what the timing of these revisions will be needs clarification and further discussion between CARB and the round table stakeholders. Ongoing RTAC/roundtable meetings between now and the target update should be convened to ensure stakeholders have an opportunity to jointly review demographic and economic trends, share reactions to proposals and broker consensus.

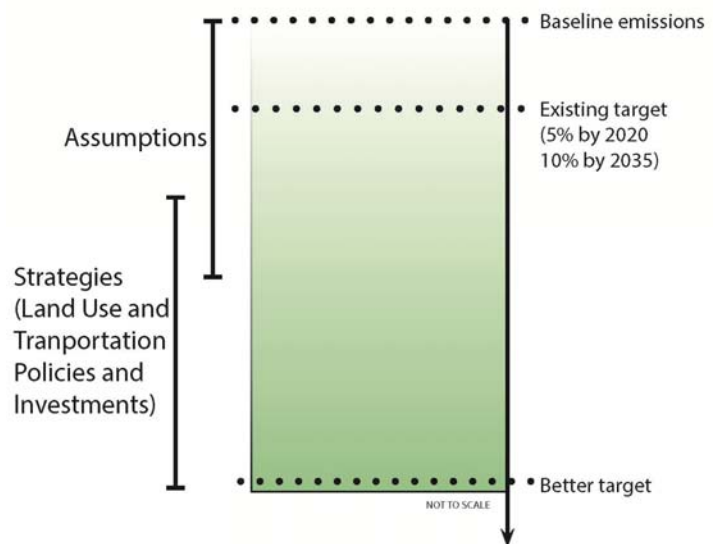
- **Ensure that the modeling methods and targets promote the intent of SB 375 for ambitious changes to land use and transportation policy.**

While we embrace other sources of GHG reductions, SB 375 efforts should focus on reducing vehicle miles traveled (VMT) and improving land use and transportation policy. The importance of SB 375 is clear in the findings language of the law: “without improved land use and transportation policy, California will not be able to achieve the goals of AB 32” (SB 375, Section 1(c)). “Action-oriented” plans developed under SB 375 should meet the targets via their development pattern, transportation network, and other land use and transportation measures and policies (Section 65080(a) and Section 65080(b)(2)(B)(vii)).

However, in Round 1, other factors have sometimes obviated the need to make land use and transportation improvements to reach the targets. For example, according to the Draft Kern County RTP/SCS and discussions with MPO leaders, the majority of reductions in the Kern County RTP/SCS are from assumptions, including increased fuel costs and an economic recession, not from the “action-oriented” strategies for which the language of SB 375 calls. Model assumptions and “action-oriented” strategies are interrelated and together effect travel patterns. But, the explicit reliance on assumptions raises a new question in the implementation of SB 375. Clarification is required on the role of factors such as these in achieving emissions targets. If assumptions do not come to pass, or if the assumed trends reverse, the climate benefits may be lost. Action-oriented strategies are needed to ensure long-lasting, sustainable reductions. The target revisions process should provide guidance about how to reduce the impact of assumptions and encourage ambitious policy advances.

Greenhouse gas emission reduction strategies that increase fuel efficiency of vehicles, such as promoting electric vehicles, can effectively complement land use and transportation planning and policies. However, these strategies do not meet the intent of SB 375 to reduce vehicle travel through coordinated land use and transportation planning. If regions account for reductions from these strategies that are not VMT-related, the targets need to reflect this use of alternative strategies. In addition, CARB should be sure not to “double-count” these strategies which might contribute to GHG reductions in programs other than SB 375.

Possible relationship between ASSUMPTIONS, STRATEGIES, and TARGETS



Targets should be rigorous enough to ensure that changes in land use and transportation are required to meet them, as intended in SB 375. Regions should not be able to rely on assumptions of demographic and economic conditions, modeling anomalies, nor strategies that are not related to VMT to meet targets. Instead, targets should increase to account for the role of assumptions and modeling methods in meeting the targets.

- **Ensure consistent and thorough accounting of interregional travel**

We must also reduce the number of potential inaccuracies in the GHG calculations, particularly around interregional travel. The original Regional Targets Advisory Committee recommended that VMT from interregional trips be split 50-50 between origin and destination regions. Instead, regions took responsibility for trips starting at their borders. Yet adjacent regions did not agree on how many trips passed between them, and if a trip crossed through two regions, *no* region took responsibility for the GHG from the middle segments. This could reduce accuracy and hinder efforts to make long-distance travel carbon-friendly. This is especially true in the San Joaquin Valley, where single-county regions mean more travel between regions.¹

Righting these difficult modeling issues is not only necessary for the implementation of SB 375, but also for the GHG quantification methods for the Affordable Housing and Sustainable Communities program and other allocations of cap and trade revenue. Re-establishing the integrity of the GHG quantification methods is essential to the efficacy of the allocation programs and preserving the funding for the future.

- **Facilitate strong public participation in the target-setting process.**

CARB should strengthen the public participation process for target-setting. At a minimum, a second round of regional workshops should occur in 2015 before targets are set, and the Roundtable should continue to meet regularly. Much more dialogue is needed for all stakeholders to reach consensus.

¹ According to the 8 county Valley model, only 57% of Valley vehicle miles traveled occurs within a single Valley region.

We look forward to working with you and your staff to move this program forward and we stand ready to continue to lead the country in California's grand experiment in regional sustainability planning.

Sincerely,

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APPENDIX

Examples of best practices include but are certainly not limited to:

- Expanding public participation:

FresnoCOG allowed public stakeholders to self-nominate within a board-established set of categories (e.g., medical, agriculture) to ensure broad representation of key issues on its SCS Roundtable. They later ensured strong and diverse community attendance at public workshops, including numerous speakers of five different languages, by providing microgrants to a half-dozen community partners to host the meeting.

- Alignment of coinciding transportation planning processes with SCS Implementation:

Project Performance Assessment Process: By analyzing 1000 transportation projects for their potential to help move the Bay Area region toward 10 regionally adopted performance targets, the MTC program makes clear how well current investments are aligned with regional goals and where there is room for improvement. Fresno too scored each transportation project to select the most competitive projects. We believe all regions could benefit from applying some version of this process in their regions, particularly with respect to identifying the projects most capable of reducing greenhouse gas emissions for the cap and trade expenditures while also maximizing community benefits.

- Funding, developing and reporting on health and equity needs-and-benefits analyses:

One Bay Area Grant program: OBAG rewards jurisdictions for housing their share of the region's growth with a pot of funds specifically set aside for transit oriented Priority Development Areas. This program has also filled a small portion of the gap left by the dissolution of Redevelopment in providing funding to revitalize existing communities. OBAG supports active transportation and complete streets as priorities for grant projects. In addition, MTC provides Regional Safe Routes to School grants that provide direct support for active transportation.

Enhanced Health and Equity Analyses: In partnership with UC Davis, several regions have undertaken enhanced Health Impact Analyses to understand how growth patterns and investments may disproportionately impact certain communities within a region. San Joaquin, Fresno and Kern all benefited from such analysis this Round, and such information should be provided across all regions. To help improve health and equity analyses, two new modules—a Health Module and a Social Equity Module—for the Urban Footprint platform are in development at UC Davis. Regions would also benefit from the completion of the jobs-housing fit modeling started by SACOG and UC Davis, and better alignment of these analyses with the RHNA process.

- Funding, developing and reporting on natural resource and rural communities needs-and-benefits analyses:

Rural Urban Connection Strategy: SACOG is undergoing an initiative that attempts to comprehensively assess the needs, values and economics of agricultural performance, goods movement, water quality and supply, biodiversity and habitat connectivity, and other ecosystem services including carbon sequestration, groundwater recharge and flood abatement. These efforts, with the goal of developing the first "Conservation Module" to the Urban Footprint platform, offers the ability to analyze scenarios and impacts on the rural landscape in conjunction with the urban footprint in unprecedented ways.

Regional Advanced Mitigation Program: Both Orange County and San Diego have adopted an innovative approach to conserving valuable resources and conservation lands. The Regional Advanced Mitigation Program (RAMP) seeks to identify impacts and pool mitigation dollars from significant regional transportation infrastructure projects and to collectively apply

mitigation dollars towards a coordinated and integrated conservation strategy, as opposed to piecemeal efforts.

One Bay Area Grant program: In addition to subsidizing urban priority development area TOD, a newly developed portion of this program also targets funding for important rural communities and conservation projects.

Fresno's Smart Growth Grant program: FresnoCOG has committed to evaluating the needs of the region's most disadvantaged communities and then using its flexible transportation funds to establish a new grant program to help municipalities address those infrastructure shortfalls while planning and building walkable, transit-ready communities.