

May 19, 2014

Chairman Mary Nichols and Members California Air Resources Board 1001 I Street Sacramento, CA 95814

RE: ARB Review of San Joaquin Valley SB 375 Plans

Dear Chairman Nichols and Members of the Board:

On behalf of the undersigned members and associates of ClimatePlan, thank you for your leadership and ongoing work to implement SB 375. This past January, 23 organizations submitted a letter encouraging you to carefully review the San Joaquin Valley greenhouse gas (GHG) calculations and to urge every transportation planning agency or Council of Governments (COG) to meet the targets via ambitious action. Now, as the Valley plans appear for your review, we ask you to take action on these issues.

We greatly appreciate the work that has occurred throughout the San Joaquin Valley to implement SB 375. Several COGs, most notably Fresno, led long and inclusive public processes. Stakeholders from the public health, business, environmental, affordable housing, building, and environmental justice communities have participated over several years. We congratulate and thank the regional agencies for the significant strides that their plans have made. Among the Valley's notable accomplishments:

- Fresno COG's draft 2014 Regional Transportation Plan (RTP) would more than double the funds spent on public transit
- San Joaquin COG would increase transit (+28%) and active transportation spending (+79%)
- Fresno and San Joaquin's plans foresee improved housing choices for residents via increased construction of apartments and townhomes
- Kern COG's 2014 RTP increases pedestrian funding by 10 times over the 2011 RTP (a \$301 million increase) and invests \$86 million for bicycle transportation whereas the previous RTP did not include any funding for bike facilities
- The Stanislaus plan would reduce the loss of farmland by more than 6 square miles or more than 30 percent, compared with the status quo trend. Between now and 2035, this could avoid a \$400 million loss to the local and regional agricultural economy

However, concerns remain, as many comment letters submitted to COGs attest. The Air Resources Board (ARB) has the legal responsibility to review the regions' greenhouse gas target calculations to determine whether the plans meet the GHG reduction targets. As you do so, we respectfully ask you to:

Establish that reductions should come from land use and transportation policy

- Carefully review every Valley transportation agency's SB 375 plans
- Daylight and clarify modeling methods and assumptions
- Increase scrutiny when "co-benefit" indicators tell a different tale
- Ensure no "backsliding" will occur
- Recognize Alternative Planning Strategies as a useful component of the law
- Hold regions accountable when an Alternative Planning Strategy will be needed

Establish that reductions should come from land use and transportation policy

The intent of SB 375 is clear: "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 should meet the targets via their development pattern, transportation network, and other transportation measures and policies (Section 65080(a) and Section 65080(b)(2)(B)(vii)).

Instead, some Valley regions' reductions appear to stem primarily from gas prices, economic trends, or interregional travel. In Kern, the vast majority (80%) of reductions stem from two factors: gas prices and an ongoing recession. Transportation and land use strategies add to a per capita GHG reduction of less than 3.5% by 2040, far short of the 10% reduction targets for 2035 (Kern draft RTP Table 4-7).

Similar circumstances may be occurring in other counties as well. In Fresno, most (77%) of the plan's reductions would occur under business as usual (Appendix C, Performance Measure Table). In Tulare, it appears that all scenarios, including Trend and No Project, would meet the targets.

When the targets are met via modeling assumptions or exogenous factors, these trends might not materialize. They might only temporarily suppress demand, allowing GHGs to spike when the economy rebounds or wages catch up with gas prices.

Instead, the GHG targets should be met via the slow but essential work of making it convenient for people of all incomes to meet their daily needs while driving less. ARB should evaluate the GHG reductions while holding exogenous factors constant, making clear that targets should be met via action-oriented plans and improved land use and transportation policies.

Carefully review every Valley transportation agency's SB 375 plans

ARB should hold every region that submits an SB 375 plan accountable to meeting the GHG targets, including the smaller counties in the San Joaquin Valley. Smaller counties can have a disproportionately large impact, depending on their budget, the change in their per capita vehicle miles traveled (VMT), and how their travel patterns influence that of neighboring regions. Residents in every county deserve the benefits that come from better planning, such as increased transportation and housing choices, cleaner air, and lower transportation costs. ARB's leadership and review is crucial in making sure that agencies in these counties accurately calculate GHG reductions and that residents in Madera, Kings, Merced, and Tulare enjoy the benefits of SB 375 implementation.

Daylight and clarify modeling methods and assumptions

SB 375 requires that metropolitan planning organizations "disseminate the methodology, results, and key assumptions of whichever travel demand models it uses in a way that would be useable and understandable to the public."

Yet, this information has at times been difficult to find and understand in the San Joaquin Valley. In Kern, for instance, the GHG reductions of the (business as usual) "old plan" changed from -5.3% to -14.3% between Regional Planning Advisory Committee meetings on June 5 and July 31, 2013 without a clear explanation. If regions' old plans can come into compliance with GHG targets simply via changes to modeling, the models risk becoming a "black box." This would undermine SB 375 implementation. ARB can play a critical role in requesting and sharing clear explanations of the Valley's greenhouse gas calculation modeling and assumptions, particularly any unexpected results.

Increase scrutiny when "co-benefit" indicators are missing or tell a different tale

In some Valley counties, high SB 375 GHG reductions are not matched by other indicators of success, such as reduced vehicle miles traveled, greater use of transit and active transportation, reduced congestion, and reduced trip length. For instance, San Joaquin COG reports the highest SB 375 GHG reductions in the state. Yet, comparing 2040 to 2012, a smaller share of travel would be by walking, biking, and transit; congested lane miles would increase by over 50%; per capita VMT (for all trips, not specifically SB 375 trips) would increase by 4%; and an average trip would be longer than in business as usual (Table M-2). These contrary indicators raise questions about how GHG reductions would occur.

Similarly, while Fresno would reduce GHG by approximately 11%, transit and pedestrian-bicycle mode share barely increase from 2008 to 2040 (transit from 1.48% to 1.56%; bike-ped from 6.47% to 6.65%. EIR p. 612, 618). In Tulare, the draft RTP does not estimate the future travel mode split nor provide a clear single list of transportation projects to be funded. If travel behavior does not shift, GHG reductions may not be sustainable. ARB should closely study indicators such as these as it determines whether the targets are being met.

Ensure that no backsliding will occur

The goal of SB 375 is to increasingly reduce the GHG emissions caused by vehicle travel over time. The San Diego region's 2010 RTP projected a near-term drop in GHGs, followed by a long-term upward trend. While it might technically meet the targets, such "backsliding" is inconsistent with the intent of SB 375 and other state climate goals, such as Executive Order S-03-05. This might occur in the San Joaquin Valley; SJCOG reports greater reductions in 2020 than 2035 (dEIR p. 4.7-33).¹

Knowing of this risk, ARB should request or independently model emission data for interim years and years beyond the target date, such as 2012, 2020, 2035, and 2040 to determine whether Valley plans provide for a long-term trajectory of GHG reductions. When backsliding does occur, ARB should request a process similar to that being undertaken in San Diego (SANDAG) to significantly improve the region's growth scenario and transportation network and eliminate that backsliding by the next RTP.

Recognize Alternative Planning Strategies as a useful component of the law

We believe that the Valley's targets are achievable and ask ARB to strongly encourage every region to meet them via Sustainable Communities Strategies (SCS). However, the accuracy of GHG calculations should remain top priority. Careful review of Valley plans may reveal that additional regions will not meet the GHG reduction targets. If a region cannot meet its targets via an SCS, it does not face harsh

¹ Creating further question, the Executive Summary reports different GHG reductions, 23.9% by 2020 and 24.6% by 2035.

penalties but must simply create an Alternative Planning Strategy (APS). This is a valuable part of the process. This additional planning exercise will improve regions' knowledge about practical ways to reduce their GHGs via land use and transportation policies. We ask that ARB not hesitate to conclude that a region will not meet its targets and will need to develop an APS when modeling suggests this is the case.

Hold regions accountable when an Alternative Planning Strategy is needed

Two Valley regions do not currently expect to meet the GHG reduction targets. Merced CAG chose the lowest-achieving of three scenarios for their SCS, a scenario that moves *backward* from past plans, significantly diminishing their GHG reductions. Madera's draft RTP would miss the targets and in fact *increase* GHGs per capita, by 13.7% in 2020 and 9.1% in 2035 – the worst showing of the entire state.

If a county is unable to meet GHG targets, it must create an Alternative Planning Strategy (APS) that "identifies the principal impediments to achieving the targets" and that identifies a development pattern, infrastructure, and transportation measures and policies that are "the most practicable choices" for meeting the GHG targets. This is an important discussion for these counties and any others that might need to undertake it, and it is a discussion that should receive significant attention from ARB.

Climate change puts our state's water supply, agricultural industry, infrastructure, and public health at risk. SB 375 is a tool for soliciting voluntary collaborative efforts by local and regional agencies to reduce GHG. When regions are not able to meet the achievable targets set by ARB, this should ring alarm bells and bring broader statewide attention to the circumstances in that region.

When an APS occurs, ARB should highlight and direct technical support to that region's planning efforts and APS analysis. ARB should validate the GHG reductions in the APS, review the SCS's GHG emissions to help identify impediments to meeting the targets, verify that the APS represents the "most practicable choices" for meeting the targets, and hold a public workshop to share its findings with the public and other agencies. This state-level dialogue can identify additional support needed to help the region play its part in achieving the state's climate goals. It can also inform decisions about how to invest limited state funds. Investments may need to increase, to provide greater support, or may need to slow until a plan to successfully reduce GHGs exists.

* * *

Thank you very much for your consideration of our requests and your ongoing attention to SB 375. We look forward to working with you to create more sustainable, equitable and healthy communities.

Sincerely,

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January 22, 2014

Chairman Mary Nichols and Members California Air Resources Board 1001 I Street Sacramento, CA 95814

RE: SB 375 Implementation Priorities for 2014

Dear Chairman Nichols and Members of the Board,

On behalf of the 22 undersigned organizations, all members of ClimatePlan, we thank you for your continuing leadership in the implementation of SB 375. ClimatePlan is a network of organizations working to advance sustainable and equitable communities across California, with a particular focus on full implementation of SB 375. As the Board prepares for an update on this landmark policy, we offer the following recommendations to consider in the coming year, in order to achieve the maximum benefits associated with sustainable communities planning. Our key recommendations include:

1. We urge ARB to review progress and consider updating the regional GHG targets for the second round of Sustainable Communities Strategies.

- Evaluate progress towards meeting the SB 375 targets and consider updating some targets.
- Address statewide technical issues that have arisen, e.g., interregional trips.
- Consider reconvening the Regional Targets Advisory Committee (RTAC) to update its original guidance.

2. In the San Joaquin Valley, encourage every county to take ambitious action to meet the targets.

- Encourage all counties to meet their targets via ambitious action, especially counties that are at risk of not meeting them.
- Carefully review the GHG calculations to understand where the reductions are coming from, and avoid the models becoming a 'black box.'

Evaluate progress toward meeting the SB 375 targets and consider updating some targets.

The SB 375 Sustainable Community Strategies (SCSes) adopted to date have uniformly met or exceeded the regional targets established by ARB in 2010, indicating that more ambitious targets

would remain achievable (see attachment). As noted in the AB 32 Scoping Plan Update draft, California is on track to meet its 2020 GHG reduction target, but the 2050 target of 80% below 1990 levels will be a challenge that requires more ambitious action. We must leave no feasible possible GHG reduction strategies on the table, if we are to meet our 2050 goals and stave off the worst effects of a changing climate.

Land use and transportation patterns do not change overnight; but smart, equitable growth strategies, and investments in transit and active transportation, can result in substantial GHG reductions over the long term. The first round of Sustainable Communities Strategies have generated a tremendous amount of learning and demonstrated broad support for strategies that reduce GHG emissions, improve public health, expand access to economic opportunity and protect important landscapes and promote thriving, equitable communities. These plans have laid the foundation for further progress, particularly in the 2035-2050 timeframe.

As California prepares to allocate AB 32 auction proceeds for the first time, it will be important to review the progress made in the first round of SCSes. These provide more information than ARB had when setting targets in 2010, and reveal that in some regions, the achievable reductions may be greater. Updating the GHG reduction targets from land use and transportation work can ensure that the state directs these revenues toward strategies that maximize GHG impacts and co-benefits.

We look forward to the release of the next iteration of the AB 32 Scoping Plan Update draft for further discussion of how SB 375 can further advance progress toward California's longer-term climate policy goals.

Reconvene RTAC to elevate best practices and address technical issues

Four years in, we have learned much from the first round of SCSes. Various regions have pioneered recommendations from the Regional Targets Advisory Committee (RTAC), such as actively engaging stakeholders and evaluating the impact of plans on health, equity, economic, and environmental indicators. The first round has also revealed important technical challenges that remain, such as the difficulty of accurately modeling interregional travel.

As part of a review of the GHG targets, ARB should examine lessons learned, highlight best practices, and make needed course corrections prior to the next round of SCSes. To support this review, ARB may wish to reconvene the RTAC to update its original guidance. This broad-based committee of MPOs, local government, non-profit organizations, builders and technical experts developed consensus recommendations that helped set SB 375 onto the right path. Reconvening the RTAC to update its original guidance would provide a wealth of valuable analysis to sharpen the program as we enter the second round of SCS development. In particular, RTAC can help the Board identify priorities for ensuring that the next round of Sustainable Communities Strategies promote strategies and investments that more effectively reduce GHG emissions by improving co-benefits to public health, jobs, disadvantaged communities and natural resources.

Encourage all San Joaquin Valley counties to meet their targets via ambitious action

The Valley has been making good progress toward implementing SB 375. All eight counties are working

to implement the law, and the Regional Policy Council voted to support the targets of 5% and 10%. There are some great highlights from the process to date, including increased public participation in several counties, and better coordination on regional strategies such as Amtrak San Joaquin service.

However, at least one county is at risk of failure. Merced may be the first regional agency in California to not meet its targets. Merced CAG selected the lowest-achieving scenario for their SCS, one that is a step *backward* from previous planning efforts. The preferred scenario's *farmland* consumption is larger than the *total* land consumption of any scenario even considered in their 2011 RTP. The preferred scenario's average density of new development is significantly lower than in the 2009 Blueprint process (5.4 vs. 8.6 du/ac). Other scenarios considered for this SCS would have achieved 30-50% higher GHG reductions.

ARB should continue to hold every Valley county accountable for developing an SCS (and if necessary an APS) that meets the targets, as the law requires. Clearly Merced could be doing more. We hope that Merced will incorporate policies and investments that allow their SCS to meet the targets, because every county's residents deserve the health and economic benefits of good growth. If Merced cannot reach this goal, it should develop an Alternative Planning Strategy through a process with strong public engagement, as required under SB 375.

Carefully review San Joaquin Valley GHG calculations to understand where the reductions are coming from, and avoid the models becoming a 'black box.'

Several San Joaquin Valley counties are poised to significantly exceed their 2035 GHG targets of 10% per capita – even under baseline scenarios. For example, San Joaquin COG's base case achieves a 22.6 percent per capita reduction in 2035 while Kern COG's base case achieves a 14.3 percent reduction in 2035. If these numbers are accurate, San Joaquin COG will be the highest-performing region in California, even with a business-as-usual scenario! As in many regions, San Joaquin Valley COGs have had to quickly deploy new transportation models.

The COGs are currently working to understand these surprising results. ARB has a legal obligation to review how each region calculates its greenhouse gas reductions, and should actively support COG staff in understanding these results. ARB and the COGs should share their conclusions before the Valley SCS plans are approved. ARB staff should carefully evaluate the greenhouse gas calculation modeling and assumptions, ensure their accuracy, explain any unexpected results, and develop guidance for COGs to clearly differentiate modeling and geographic artifacts from the ambitious local actions planned to cut emissions. Otherwise, the travel models used to evaluate SB 375 performance could become a "black box" that cannot be trusted to provide accurate forecasts. The greenhouse gas reductions and associated health, economic and environmental co-benefits of ambitious SB 375 implementation will only happen if the projected reductions stem from ambitious policy action, not the modeling itself.

Thank you for your consideration of our perspectives on priorities for SB 375 in 2014. We look forward to working with you throughout the year to create more sustainable, equitable and healthy communities.

Sincerely,

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Approved and Projected Regional Greenhouse Gas Emission Reduction Targets

	Regional GHG Reduction Targets					
MPO Region	2020	2020 SCS		2035	2035 SCS	SCS Exceeded
	Assigned	Achievement		Assigned	Achievement	Target?
4 Large MPOs						
SCAG	-8%	-14%		-13%	-13%	2020
MTC (Bay Area)	-7%	-10%		-15%	-16%	2020, 2035
SANDAG	-7%	-14%		-13%	-13%	2020
SACOG	-7%	-10%		-16%	-16%	2020
SJV COGS	2020	2020 SCS		2035	2035 SCS	SCS Exceeded
(2035 ranges for SCS Scenarios)	Assigned	Achievement		Assigned	Achievement	Target?
San Joaquin	-5%	tbd		-10%	(-22.6 – 25.8%)	
Stanislaus	-5%	tbd		-10%		
Merced	-5%	tbd		-10%	(-4 – 6%)	
Madera	-5%	tbd		-10%	tbd	
Fresno	-5%	tbd		-10%	(-11.3 – 12.4%)	
Kings	-5%	tbd		-10%	tbd	
Tulare	-5%	tbd		-10%	(approx -16-18%)	
Kern	-5%	tbd		-10%	(-14.3 - 18.7%)	
6 Other MPOs	2020	2020 SCS		2035	2035 SCS	SCS Exceeded
	Assigned	Achievement		Assigned	Achievement	Target?
Tahoe	-7%	-12.1%		-5%	-7.2%	2020, 2035
Shasta	0	tbd		0	tbd	
Butte	+1%	-2%		+1%	-2%	2020, 2035
San Luis Obispo	-8%	tbd		-8%	tbd	
Santa Barbara	0	-10.5%		0	-15.4%	
Monterey Bay	0	tbd		-5%	tbd	2020, 2035

Notes:

- All Major MPOs exceeded 2020 targets
 - o MTC exceeded 2035 target
- All Small MPO SCS plans to date exceed both 2020 and 2035 targets
 - Tahoe was approved with a lower target for 2035 than for 2020
 - o Butte was approved with a target to *increase* GHG in both 2020 and 2035
- <u>San Joaquin Valley</u> plans have not yet been released in draft form by any of the eight individual Councils of Governments, though scenario development and review is well underway
 - o All but one county are projected to meet or exceed the targets
 - o Several counties could exceed the targets, even with baseline planning scenarios