



Land Use & Natural Resources Committee

Item #17-11-6 Information

October 26, 2017

Update on SB 375 Greenhouse Gas Reduction Target Re-setting

Issue: What is the status of state target-setting for regional greenhouse gas (GHG) emission reductions?

Recommendation: None; this item is for information only.

Discussion: In April 2017, the Board took action to recommend to the California Air Resources Board (ARB) that it increase SACOG's SB 375 GHG emissions per capita reduction target for 2035 by two percent, from 16 percent to 18 percent. Although the ARB has sole discretion in setting this target, it solicited Metropolitan Planning Organization (MPO) recommendations as part of the process. The SACOG-recommended increase included several conditions:

- Declines in cost of driving and fuel taxes would be offset by state actions implementing a use fee program;
- New revenues generated by user fees would return to the SACOG region; and
- Regional flexibility would be allowed in use of new revenues

SACOG actions to reach the higher GHG emissions reductions could include:

- Prioritize maintenance and state-of-good repair investments to generate long-term savings
- Incentivize early growth in infill and transit-oriented-design (TOD) areas; and
- Develop and implement innovative local programs to reduce passenger vehicle travel, including local managed or priced roadway facilities.

The SACOG recommendation to ARB was coordinated with the other three large MPOs in California: SCAG in the greater Los Angeles metropolitan area; MTC in the San Francisco Bay Area; and SANDAG in San Diego County. The California Association of Councils of Governments (CALCOG) submitted a combined letter of recommendation to the ARB on behalf of all four MPOs.

In June 2017, the ARB published a draft staff report proposing to increase the SACOG 2035 GHG emissions reduction target from 16 to 19 percent, instead of 18 percent as SACOG recommended. Targets for the other MPOs were proposed to be set at three percent above their most recent regional GHG emissions reduction targets (19 percent for MTC, and 21 percent for SCAG and SANDAG). The stated reason for the proposed increase was ARB staff's assessment that greater reductions would be needed to meet the statewide goals set by Senate Bill 32. The ARB staff also recommended that MPOs not be allowed to count the effect of any statewide user fees on reaching the SB 375 targets.

This recommendation would make achievement of the higher ARB target effectively impossible for SACOG and the other MPOs. SACOG again coordinated with the three large MPOs and CALCOG to submit formal comments on the ARB staff proposal, objecting to both the higher targets and the restrictions on considering the effect of any statewide user fees on MPO target achievement.

Also in June 2017, SACOG staff presented to the Board the Regional Progress Report, showing mixed achievement in implementing SACOG's Sustainable Community Strategy (SCS). Of particular concern were:

- Development of affordable and attached housing lagging behind the SCS targets and development in the other large metropolitan areas of the state;
- Slow recovery of employment and income since the end of the recession;
- Uptick in vehicle miles traveled as the recession ended and fuel prices dropped; and
- Continued decline in transit ridership.

These findings reinforced that SACOG's recommendation to increase the GHG emissions reduction target by even two percent was ambitious, and increased our concerns regarding the ARB staff proposal to increase our target by three percent.

In October 2017, the ARB published a revised staff report that offered no change to either the proposed increase in the SACOG target to 19 percent, or to the proposal to disallow any effect of statewide VMT user fees in calculating MPO's achievement of targets.

SACOG staff is continuing to advocate that the ARB adopt the MPOs' June recommendation for a two percent increase with the stated conditions.

Approved by:

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