



## CITY COUNCIL SUSTAINABILITY COMMITTEE MEETING

Hayward City Hall – Conference Room 2A  
777 B Street, Hayward, CA 94541-5007

March 4, 2009  
4:30 p.m. – 6:00 p.m.

### A G E N D A

- I. Call to Order
- II. Roll Call
- III. **Public Comments:** *(Note: For matters not otherwise listed on the agenda. The Committee welcomes public comments under this section, but is prohibited by State Law from discussing items not listed on the agenda. Items brought up under this section will be taken under consideration and referred to staff for follow-up as appropriate. Speakers will be limited to 5 minutes each; organizations represented by more than one speaker are limited to 5 minutes per organization. All public comments are limited to this time period on the Agenda.)*
- IV. Approval of Minutes of February 4, 2009
- V. Summary of Senate Bill 375 (Steinberg) and Draft Projections 2009  
Erik Pearson, Senior Planner  
Christy Riviere, Principal Planner, Association of Bay Area Governments
- VI. General Announcements and Information Items from Staff  
Climate Action Plan Press Meeting on Wednesday March 12, 2009,  
10:00 – 11:00 a.m. in Conference Room 2A  
OptiSolar Presentation and Tour, March 20, 2009, 7:30 am to 9:30 am
- VII. Committee Referrals and Announcements
- VIII. Next Meeting: Wednesday, April 1, 2009  
Community Choice Aggregation
- IX. Adjournment



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## CITY COUNCIL SUSTAINABILITY COMMITTEE MEETING

Hayward City Hall – Conference Room 2A

777 B Street, Hayward, CA 94541-5007

February 4, 2009

4:30 p.m. – 6:00 p.m.

### MEETING MINUTES

I. Call to Order-4:36 pm

II. Roll Call

#### Members:

- Michael Sweeney, Mayor
- Olden Henson, Councilmember
- Bill Quirk, Councilmember
- Julie McKillop, Planning Commissioner
- Al Mendall, Planning Commissioner
- Doug Grandt, KHCG Task Force

#### Staff:

- Fran David, Assistant City Manager
- David Rizk, Director of Development Services
- Robert Bauman, Director of Public Works
- Richard Patenaude, Planning Manager
- Arlynne J. Camire, Associate Planner (recorder)

#### Others:

- Ernest Pacheco, Resident
- Prof. Laurie Price, CSUEB

III. Public Comments- Development Services Director Rizk announced that Planning Commissioner Rodney Loché resigned from the Sustainability Committee due to a time conflict with his job.

Ernest Pacheco pointed out that the Russell City Power Plant will produce several tons of carbon dioxide per year. He recommended that Community Choice Aggregation to be used as a tool to reduce greenhouse gas emissions. He suggested that the Committee discuss Community Choice Aggregation as a future agenda item. He suggested expert Paul Fenn of Local Power, Inc. as a speaker.

Planning Commissioner McKillop agreed that Community Choice Aggregation should be scheduled soon.

- IV. Approval of Minutes of January 7, 2009. Minutes adopted with a requested revision.
- V. President Obama's Green Economic Stimulus Plan and Beyond  
David Rizk, Development Services Director

Development Services Director Rizk gave an overview of the report and made a PowerPoint presentation. He stated that staff will keep an eye on the final version of the bill. He also mentioned that Energy Efficiency Block Grants should be watched closely since the grants would provide funding to allow homeowners to make improvements.

Planning Commissioner Mendall stated that the stimulus plan emphasizes shovel ready projects, energy efficiency, and long term money savers. He suggested that staff identify projects that meet those three criteria and requested that staff compose a list of projects that meet all three; for instance the 1 MW waste water treatment system and solar energy generation for city facilities.

Council Member Quirk-agree with Planning Commissioner Mendall that projects dealing with renewable sources will be funded. He continued to explain how Smart Grids function and concluded that when the Russell City Power Plant is completed, other fossil-fuel burning power plants should be closed.

Mayor Sweeney stated that it is a struggle for Hayward, since greenhouse gases are measured and regulated on a Bay Area wide basis and therefore, Hayward may not benefit, which is the problem with a Cap and Trade system of emissions allowances that also have environmental justice issues.

Council Member Henson stated that he attended the Obama Inauguration and that the buzz in Washington about President Obama's Plan is that the focus is on energy efficiency block grants, to be distributed to larger cities directly, with a majority of the funding to be distributed to smaller cities through the states.

Assistant City Manager David commented that the longer it takes for the bill to get through the process, the more likely "pork" will be added, which takes more of the available funding from such projects. She pointed out that the bill is about a jobs program to employ blue collar workers and that cooperation on a regional level would be necessary.

Mayor Sweeney suggested that potential partnerships with School District would occur as the result of the Plan. He also expressed his disappointment that Burbank School was not a green building project.

- VI. General Announcements and Information Items from staff:

A presentation and tour of OptiSolar is scheduled for March 20, 2009 from 7:30 am to 9:30 am. It was requested that attendees meet at OptiSolar. Associate Planner Camire confirmed that a reminder notice will be sent to the Committee and Keep Hayward Clean and Green Task Force.

VII. Committee Referrals and Announcements-None

VIII. Next Meeting: Wednesday, March , 2009-

Mayor Sweeney requested to discuss the schedule for the coming months.

Development Services Director Rizk reviewed a previous schedule with the Committee. The Committee requested that the discussion of *Green Jobs* and *Status of the Green Ordinance* be scheduled later in the year and that *Community Choice Aggregation* be presented as a topic for discussion at the April meeting, and indicated a desire to have a presentation by Paul Fenn of Local Power, Inc.

The Committee requested that the *City Building Audit and Existing Buildings* item be reviewed within the following three meetings after April's meeting

Mayor Sweeney reminded staff to invite KHCG Task Force member Grandt to the Planning Commission/City Council Joint Solar and Energy Efficiency Financing work session to be held on March 10, 2009. Associate Planner Camire said that notices and the report will be sent to all the KHCG Task Force members.

Mayor Sweeney said he will meet with Planning Commissioner Chair Mary Lavelle to discuss the availability of another Planning Commissioner to serve as a new Sustainability Committee member to fill the seat once held by Planning Commissioner Loché.

IX. Adjournment-5:12 pm



**DATE:** March 4, 2009  
**TO:** Mayor and City Council Sustainability Committee  
**FROM:** Director of Development Services Department  
**SUBJECT:** Senate Bill 375 (Steinberg)

## **RECOMMENDATION**

That the Committee reads and comments on this report.

## **SUMMARY**

This report provides a summary of Senate Bill 375 (Steinberg), also known as SB 375.

## **BACKGROUND**

On September 30, 2008, the Governor signed SB 375 to help the State of California meet the goals of the Global Warming Solutions Act of 2006 (AB 32). AB 32 requires greenhouse gas (GHG) emissions to be reduced to 1990 levels by 2020. The City of Hayward is currently preparing a Climate Action Plan to serve as the framework for local compliance with AB 32. Also, the Council Sustainability Committee endorsed an agenda at its December 3, 2008 meeting, requesting an overview of SB 375 at its March 2009 meeting.

## **DISCUSSION**

The primary intent of SB 375 is to integrate land use and transportation planning to reduce GHG emissions associated with passenger vehicles. SB 375 has three goals: (1) to use the regional transportation planning process to help achieve AB 32 goals; (2) to use the California Environmental Quality Act (CEQA) streamlining as an incentive to encourage residential projects that help achieve AB 32 goals to reduce GHG emissions; and (3) to coordinate the regional housing needs allocation process with the regional transportation planning process.

### **Regional Transportation Planning to Help Achieve AB 32 Goals –**

Passenger vehicles account for approximately 26 percent of the Bay Area's total GHG emissions and transportation in general accounts for 64 percent of total emissions. Hayward does not have data for emissions associated with passenger vehicles; however, total transportation-related emissions are

62 percent of the total. Hayward's transportation emissions consist of 61 percent from state highways and 39 percent from local roads.

The Association of Bay Area Governments (ABAG) is currently preparing its biennial Projections document. The current draft of *Projections 2009* is a policy-based document, which indicates that Hayward should plan for a population of 185,400 (a 26.5 percent increase above the 2005 population of 146,600) by the year 2035. Households are projected to reach 58,500 (a 25.3 percent increase) and jobs are projected to reach 99,100 (a 35.8 percent increase).

The Metropolitan Transportation Commission (MTC) is preparing an update to the regional transportation plan (RTP), which is currently required to be updated every four years. The deadline for submitting comments on the draft *Transportation 2035 Plan* was March 2, 2009, and the plan is expected to be adopted on March 25, 2009. Staff has reviewed the draft and had no significant comments. The draft plan does include all the City's projects including those identified in the Central County Freeway Operations Study and the Local Alternative Transportation Improvement Project (LATIP).

Both *Projections 2009* and *Transportation 2035* aim to achieve a 40 percent reduction in on-road vehicle emissions below 1990 levels by 2035. ABAG's 2008 Regional Housing Needs Allocation (RHNA) was the first in the state to begin to focus housing growth in areas served by public transit. However, the next RTP, to be adopted in 2013, will be the first one required to comply with SB 375 and will be the first one to be developed in conjunction with the RHNA.

SB 375 requires the California Air Resources Board (ARB) to set regional targets, for the purpose of reducing greenhouse gas emissions from passenger vehicles, for 2020 and 2035. The Board appointed a Regional Targets Advisory Committee (RTAC) on January 23, 2009, consisting of representatives from Metropolitan Planning Organizations (MTC and ABAG in the Bay Area), air districts, the League of California Cities, the California State Association of Counties, local transportation agencies, and members of the public. The RTAC is to provide recommendations on factors to be considered and methodologies to be used in ARB's target setting process. The RTAC is required to provide its recommendations in a report to ARB by September 30, 2009. ARB must propose draft targets by June 10, 2010, and adopt final targets by September 30, 2010. More information on the RTAC, including their meeting schedule, is available at: <http://www.arb.ca.gov/cc/sb375/rtac/rtac.htm> .

After MTC and ABAG receive the recommended target from the ARB, MTC and ABAG are required to hold at least one public workshop to discuss the target. MTC and ABAG may recommend a separate target for the region to the ARB. After the regional target is set, the MTC and ABAG must conduct informational meetings in each county for local elected officials.

The 2013 update of the RTP will be required to incorporate a Sustainable Communities Strategy (SCS). The SCS must identify the land use designations, RHNA, and transportation infrastructure necessary to achieve the regional GHG reduction target. The SCS, like the RTP, is constrained by federal law in that it must address financial constraints and must be based upon a realistic land use forecast. If, based on these constraints, the SCS is not projected to meet the regional GHG reduction target, then an Alternative Planning Strategy (APS) must be prepared. The APS would identify the

principal impediments to achieving the SCS and would provide a means through which the state can be informed of the additional resources needed to meet the emissions target. Adoption of the APS also allows jurisdictions to take advantage of some of the California Environmental Quality Act streamlining provisions contained in SB 375. The Joint Policy Committee (JPC), consisting of staff from ABAG, MTC, the Bay Area Air Quality Management District, and the Bay Conservation and Development Commission, intends to make every effort to achieve the regional target with the SCS. The Joint Policy Committee, in their draft policies for SB 375 implementation, states that the preparation of an APS will be done “only as a last resort”.

### **CEQA Streamlining as Incentive to Help Achieve AB 32 Goals –**

One of the goals of SB 375 is to use California Environmental Quality Act (CEQA) streamlining as an incentive to encourage development of residential projects that help achieve AB 32 goals to reduce GHG emissions. Currently, many transit-oriented-development (TOD) projects, which are designed to have people rely more on public transportation and less on personal vehicles, are subject to an Initial Study, per the CEQA Guidelines. The Initial Study often leads to the need to prepare detailed studies of potential traffic and air quality impacts.

An Environmental Impact Report (EIR) will be prepared for the adoption of the SCS and, if required, the APS. Development projects consistent with the SCS or APS may be able to tier off the EIR. Residential and mixed-use projects that are consistent with an SCS/APS would not be required to:

- Analyze GHG from Cars and Light Trucks;
- Analyze growth inducing cumulative impacts on regional road network; or
- Analyze lower density alternatives.

Also, SB 375 amends CEQA to allow for three types of Transit Priority Projects (TPPs), which would allow projects to be exempt from CEQA if certain criteria are met. The criteria include factors such as consistency with the SCS or APS, a minimum floor area to land area ratio, a minimum residential density, and proximity to a major public transit stop.

### **Coordinate Housing and Transportation Planning –**

SB 375 makes several changes to state Housing Element law. It changes the update schedule for housing elements from once every five years to once every eight years. It requires the SCS, RHNA and RTP to be adopted at roughly the same time. If a local jurisdiction fails to submit an updated housing element to the State Department of Housing and Community Development (HCD) within 18 months of adoption of the RTP, then the jurisdiction will be required to submit their housing element to HCD every four years.

Current law requires a housing element to include a list of programs or actions to ensure that all local housing needs are met. SB 375 requires cities to develop a schedule and implementation timeline for those programs, effective for the next element update (not the current update). Furthermore, the annual report on the progress of the housing element that is required to be submitted to HCD must now be presented at a public hearing each year (beginning in April 2009).

## Local Action –

To help prepare for the new era of housing, land use, and transportation planning that SB 375 will bring, the City of Hayward can continue to encourage and approve high intensity land use designations (including retail, employment centers, and housing) and TOD projects, work to develop the three Hayward Priority Development Areas (Downtown, Cannery Area, and South Hayward BART Station Area), advocate for expanded public transit and sustainable operational funding for existing transit services, and prepare a Mission Boulevard Specific Plan that would address future development north of Harder Road to the City limits (identified as a priority in January by the City Council). In addition, the City should also encourage behavioral change to reduce vehicle miles traveled throughout the community through various incentives and regulations, including transportation demand management (TDM) programs.

## **FISCAL IMPACT**

Participation in the development of the regional target and the SCS will require some staff time and City resources. While the new requirement for holding a public hearing on the annual progress of the housing element will represent new costs, overall costs associated with preparation and review of the housing element should decrease due to the increased time between updates.

## **NEXT STEPS**

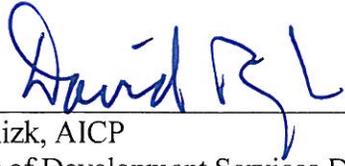
The JPC will consider the attached *Policies for the Bay Area's Implementation of SB 375* (Exhibit A) at a meeting on March 20, 2009. If it is the desire of the Committee, staff will make comments on the draft policies prior to or at the meeting.

As noted previously, the City expects to be invited to participate in at least one public workshop prior to adoption of the regional target and at least one informational meeting after the regional target is set. ARB must propose draft targets by June 10, 2010, and adopt final targets by September 30, 2010. The first RTP subject to SB 375 is expected to be adopted in 2013. The housing element of the General Plan will be required to be updated within 18 months of adoption of the RTP.

Prepared by:

  
Erik J. Pearson, AICP  
Senior Planner

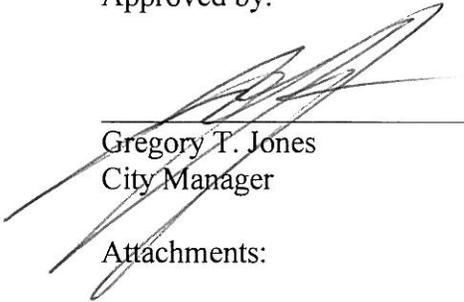
Recommended by:



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David Rizk, AICP  
Director of Development Services Department

Approved by:



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Gregory T. Jones  
City Manager

Attachments:

Exhibit A: Joint Policy Committee's Draft Policies for the Bay Area's Implementation of SB 375



Association of Bay Area Governments  
Bay Area Air Quality Management District  
Bay Conservation and Development Commission  
Metropolitan Transportation Commission

Joseph P. Bort MetroCenter  
101 Eighth Street  
P. O. Box 2050  
Oakland, CA 94607-4756  
(510) 464-7942  
fax: (510) 433-5542  
tedd@abag.ca.gov  
www.abag.ca.gov/jointpolicy

## JOINT POLICY COMMITTEE — REGIONAL PLANNING PROGRAM

Date: January 23, 2009  
To: Joint Policy Committee  
From: Ted Droettboom, Regional Planning Program Director  
Subject: Policies for the Bay Area's Implementation of Senate Bill 375

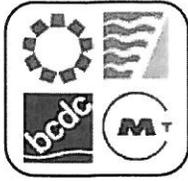
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Attached is a draft set of policies to guide the process through which the Bay Area's regional agencies will implement SB 375 (Steinberg). These policies will be on the agenda for the JPC's meeting on March 20<sup>th</sup>. They are being distributed well in advance of that meeting so that JPC members and interested stakeholders will have ample opportunity to consider the draft policies before they are proposed for adoption.

The draft policies were developed by senior staff from all four of the JPC member agencies and are supported by the Executive Directors/Officers of each.

We believe the policies require your thorough review and very careful consideration. They will have fundamental implications not just for the implementation of SB 375 but also for the manner in which the agencies deliver their present regional planning responsibilities. Our approach to SB 375, as guided by these policies, will significantly change how we prepare the Regional Transportation Plan (RTP) and how we develop the Regional Housing Needs Allocation (RHNA). It will also affect the planning activities of the Air District and influence the way BCDC prepares for change on the Bay's shoreline. In addition, the approach requires that the JPC play a considerably enhanced role in all regional planning products. SB 375 and our preparation of a Sustainable Communities Strategy (SCS) clearly bring *joint* policy to the forefront and require that the JPC and its regional-agency members engage in an unprecedented partnership with local governments, congestion management agencies, transit providers and other stakeholders.

We look forward to a productive discussion on March 20<sup>th</sup> and ultimately to a confident and managed transition from our past practices to the new requirements of SB 375.



Association of Bay Area Governments  
Bay Area Air Quality Management District  
Bay Conservation and Development Commission  
Metropolitan Transportation Commission

Joseph P. Bort MetroCenter  
101 Eighth Street  
P. O. Box 2050  
Oakland, CA 94607-4756  
(510) 464-7942  
fax: (510) 433-5542  
tedd@abag.ca.gov  
www.abag.ca.gov/jointpolicy

## JOINT POLICY COMMITTEE

### Policies for the Bay Area's Implementation of Senate Bill 375

#### Introduction

SB 375<sup>1</sup> (Steinberg) was passed by the California State Assembly on August 25<sup>th</sup>, 2008, and by the State Senate on August 30<sup>th</sup>. The Governor signed it into law on September 30<sup>th</sup>, 2008.

The bill mandates an integrated regional land-use-and-transportation-planning approach to reducing greenhouse-gas (GHG) emissions from automobiles and light trucks, principally by reducing vehicle miles traveled (VMT). Within the Bay Area, automobiles and light trucks account for about 26 percent of our 2007 GHG inventory<sup>2</sup> and about 64 percent of emissions from the transportation sector.

SB 375 explicitly assigns responsibilities to the Association of Bay Area Governments (ABAG) and to the Metropolitan Transportation Commission (MTC) to implement the bill's provisions for the Bay Area. Both agencies are members of the Joint Policy Committee<sup>3</sup> (JPC). The policies in this document were approved by the JPC and provide guidance to the two lead regional agencies in fulfilling their responsibilities in collaboration with their JPC partners, the Bay Area Air Quality Management District (Air District) and the San Francisco Bay Conservation and Development Commission (BCDC).

#### Bay Area Climate-Protection Context

On July 20<sup>th</sup>, 2007, the JPC approved a *Bay Area Regional Agency Climate Protection Program*<sup>4</sup>. This program has as a key goal: "To be a model for California, the nation and the world." Following from this key goal is a supporting goal: "Prevention: To employ all feasible, cost-effective strategies to meet and surpass the State's targets of reducing greenhouse-gas emissions to 1990 levels by 2020 and to 80% below 1990 levels by 2050." In pursuit of these goals, MTC's current Regional Transportation Plan (RTP) update, *Transportation 2035*<sup>5</sup>, has evaluated transportation strategies and investment programs relative to a target of reducing GHG emissions from on-road vehicles in the year 2035 by 40 percent compared to 1990 levels. ABAG has established the same target for assessing alternative land-use scenarios in the

<sup>1</sup> [http://www.leginfo.ca.gov/pub/07-08/bill/sen/sb\\_0351-0400/sb\\_375\\_bill\\_20080930\\_chaptered.html](http://www.leginfo.ca.gov/pub/07-08/bill/sen/sb_0351-0400/sb_375_bill_20080930_chaptered.html)

<sup>2</sup> Bay Area Air Quality Management District, *Source Inventory of Bay Area Greenhouse Gas Emissions*, December 2008 ([http://www.baaqmd.gov/pln/documents/regionalinventory2007\\_003\\_000.pdf](http://www.baaqmd.gov/pln/documents/regionalinventory2007_003_000.pdf))

<sup>3</sup> The Joint Policy Committee (JPC) is a regional planning consortium of the Association of Bay Area Governments (ABAG), the Bay Area Air Quality Management District (BAAQMD or the "Air District"), the San Francisco Bay Conservation and Development Commission (BCDC), and the Metropolitan Transportation Commission (MTC)

<sup>4</sup> <http://www.abag.ca.gov/jointpolicy/JPC%20Action%20on%20Climate%20Protection.pdf>

<sup>5</sup> [http://www.mtc.ca.gov/planning/2035\\_plan/index.htm](http://www.mtc.ca.gov/planning/2035_plan/index.htm)

development of the latest iteration of the region's policy-based forecast of population and employment: *Projections 2009*<sup>6</sup>.

The Bay Area's regional agencies have clearly recognized the primacy of the climate-change challenge as a driver of public transportation and land-use policy, and we have embraced the urgency of GHG reduction. The momentum established by our policies and actions to date will carry over into our implementation of SB 375. We do not regard SB 375 as a vexatious new requirement, but rather as an instrument to assist us in continuing and accelerating the climate-protection journey upon which we have already embarked. We are genuinely concerned with making real and measurable progress in reducing the impact which motor-vehicle travel has on the global warming problem. That concern will be paramount in our approach to SB 375 and is reflected in the policies which follow.

### Policy Subject 1: Setting Targets

SB 375 requires that the California Air Resources Board (CARB) set GHG-reduction targets for cars and light trucks in each California region for the years 2020 and 2035. CARB must release draft targets by June 30, 2010 and adopt targets by September 30, 2010.

To assist in establishing these targets, CARB is required to appoint a Regional Targets Advisory Committee (RTAC) composed of representatives of Metropolitan Planning Organizations<sup>7</sup> (MPOs), affected air districts<sup>8</sup>, the League of California Cities (the League), the California State Association of Counties (CSAC), local transportation agencies<sup>9</sup>, and members of the public—including homebuilders, environmental organizations, environmental-justice organizations, affordable housing organizations, and others. The Advisory Committee is tasked with recommending factors to be considered and methodologies to be used in establishing the targets, not recommending the targets themselves—though MPOs are explicitly permitted to recommend targets for CARB's consideration.

In recommending factors to be considered and methodologies to be used, the Advisory Committee may consider any relevant issues, including, but not limited to, data needs, modeling techniques, growth forecasts, the impacts of regional jobs-housing balance on interregional travel and GHG emissions, economic and demographic trends, the magnitude of GHG-reduction benefits from a variety of land use and transportation strategies, and appropriate methods to describe regional targets and to monitor performance in attaining those targets. The advisory committee shall provide a report with its recommendations to CARB no later than September 30, 2009, and CARB must consider the report before setting the targets. After the publication of the Advisory Committee Report, MPOs are required to hold at least one public workshop in their region. In establishing the targets, CARB is also required to exchange technical information with MPOs and associated air districts.

The prescribed target-setting process, including the multi-sector RTAC, creates a dynamic between *need* (i.e., the reduction required to contribute to the state's overall greenhouse-gas-reduction targets) and *feasibility* (i.e., the perceived probability of satisfying that need through

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<sup>6</sup> <http://www.abag.ca.gov/planning/currentfcst/news.html>

<sup>7</sup> In the Bay Area, the Metropolitan Planning Organization is MTC.

<sup>8</sup> In the Bay Area, the Bay Area Air Quality Management District.

<sup>9</sup> In the Bay Area, this might include Congestion Management Agencies (CMAs), transit providers, and the transportation planning/streets-and-roads arms of local governments.

available regional planning and implementation mechanisms.) That dynamic may be premature and limiting. Until one goes through the actual process of producing and evaluating a target-based plan, the feasibility of that plan, and the target to which it responds, is mostly just conjecture. The necessity to limit the target based on an *a priori* judgment of feasibility is also obviated by the legislation's provision of an escape valve, the Alternative Planning Strategy (APS), which provides a mechanism to identify additional measures if target achievement proves not to be feasible in the initial plan, the Sustainable Communities Strategy (SCS).

In the 2009 RTP update and in the *Projections 2009* process, ABAG and MTC have established very aggressive GHG-reduction targets, based on the transportation sector's large contribution to the region's GHG inventory and on the science-based need to reduce GHGs to 80 percent below 1990 levels by the year 2050. The Bay Area's regional agencies are committed to achieving a significant reduction in transportation-related GHGs and are opposed to constraining that reduction by setting targets that are too low and that do not provide sufficient challenge to business as usual. We also want to ensure our efforts are rewarded with observable progress, not just with well-intentioned but unimplemented plans.

**Policy 1:**

The Bay Area regional agencies will fully participate in CARB's regional target-setting process. This participation will occur, to the extent possible, through the RTAC process, through the exchange of data and information with CARB, and through the authority given MPOs to independently recommend targets for their regions.

In their participation, the Bay Area regional agencies will seek factors, methodologies, and targets that *do not* limit this region's ability to achieve significant GHG reductions and that *do* provide significant challenges to current trends and habits.

The regional agencies will also seek unambiguous and accurate metrics of target achievement, so that performance relative to the targets can be confidently and unarguably assessed.

Policy Subject 2: Modeling the Relationship between Transportation and Land Use

Travel models (mathematical simulations of travel behavior relative to the regional transportation system and the distribution of land uses) are used to compare the impact of alternative transportation strategies, alternative investment packages and alternative land-use patterns. The land-use patterns that are fed into the travel models are also, in part, generated by mathematical models of economic and demographic trends.

SB 375 requires that the California Transportation Commission (CTC), in consultation with the California Department of Transportation (Caltrans) and CARB, maintain guidelines for travel models. The guidelines must, to the extent practicable within resource constraints, account for:

- The empirical relationship among land-use density, automobile ownership, and vehicle miles traveled (VMT);
- The impact of enhanced transit service on vehicle ownership and VMT;
- Induced travel behavior and land development likely to result from highway or rail expansion;

- Mode splits between automobile, transit, carpool, bicycle, and pedestrian trips;
- Speed and frequency, days, and hours of operation of transit service.

SB 375 also requires that MPOs disseminate the methodology, results, and key assumptions of their travel models in a way that would be usable by and understandable to the public.

Models will be key tools in developing and assessing the alternative transportation and land-use strategies required to implement SB 375. MTC is currently replacing its travel model with a new instrument more attuned to the CTC guidelines. ABAG is about to update its land-use forecasting models.

This is an opportune time to ensure that the region's models are integrated and can be used in an iterative manner, with not only the land-use models feeding into the travel model but with the travel model also feeding back into the land-use models so that the development impacts and requirements of various transportation measures and investments can be more confidently evaluated and so that a mutually reinforcing land-use *and* transportation strategy can be constructed. At present, the relationship is very linear and one-way, with the land-use forecast informing the travel model but the travel model only indirectly influencing how we forecast land use. Achieving two-way integration will require a much closer working relationship between ABAG and MTC staff engaged in modeling and forecasting than has heretofore been the case.

While the models are very technical and complex, it is also a worthy and responsible objective to aim for more public transparency of model methodologies, assumptions and particularly limitations.

#### Policy 2:

The Bay Area regional agencies will work together to construct an integrated and transparent modeling system which facilitates technical, decision-maker and public understanding of how land-use and transportation decisions can be coordinated so as to reduce GHG emissions.

#### Policy Subject 3: Preparing a Sustainable Communities Strategy and an Alternative Planning Strategy

SB 375 requires that each MPO (MTC and ABAG in the Bay Area) prepare a sustainable communities strategy (SCS). This strategy is to, among other things, constitute the land-use forecast for the Regional Transportation Plan (RTP) and must comply with federal requirements for that forecast, including most importantly that it be judged to be realistically attainable during the twenty-five-year period of the RTP. One criterion for judging realistic attainability is congruence with local-government general plans, specific plans and zoning.

The SCS shall be adopted as part of the RTP<sup>10</sup> and shall:

- Identify the general location of uses, residential densities, and building intensities within the region;
- Identify areas within the region sufficient to house *all* the population of the region, including all economic segments of the population, over the course of the planning period of the RTP

<sup>10</sup> The next RTP update, and the first to which SB 375 will apply, is scheduled to be adopted in March 2013.

(i.e., 25 years), taking into account net migration into the region, population growth (presumably referring to natural increase), household formation, and employment growth;

- Identify areas within the region sufficient to house an eight-year projection of the regional housing need;
- Identify a transportation network to service the transportation needs of the region;
- Gather and consider the best practically available scientific information regarding resource areas and farmland in the region;
- Consider state housing goals;
- Forecast a development pattern for the region, which when integrated with the transportation network and other transportation measures and policies, will achieve, to the extent practicable, the targeted greenhouse-gas emission reduction from automobiles and light trucks, while also permitting the RTP to comply with the Clean Air Act;
- In doing all of the above, consider spheres of influence that have been adopted by LAFCOs.

Some believe that the SCS is just ABAG's *Projections* under another name and with slightly different prescriptions and constraints. It is much more than that. While the SCS will, in part, play a role similar to *Projections* in the RTP, it is not just a land-use forecast, but a preferred development pattern *integrated* with the transportation network and with transportation measures and policies. It approaches in intent and content a comprehensive land-use and transportation plan for the region. As such, it should play a more fundamental guiding role for the RTP than does *Projections*, which is mostly used now for the Environmental Impact Report (EIR) and for air quality conformity analysis accompanying the RTP.

Before adopting the SCS, we will be required to quantify the reduction in greenhouse gas emissions projected to be achieved by the SCS and identify the difference (if any) between that reduction and the CARB targets for the region.

If the SCS is unable to reduce greenhouse gas emissions to the targeted levels, then we must prepare an Alternative Planning Strategy (APS) showing how the greenhouse-gas targets would be achieved through alternative development patterns, infrastructure, or additional transportation measures or policies. The APS is a separate document from the RTP but may be adopted at the same time as the RTP. In preparing the APS, we are required to:

- Identify the principal impediments to achieving the targets through the SCS;
- Describe how the GHG targets would be achieved by the alternative strategy and why the development pattern, transportation measures and transportation policies in the APS are the most practicable choices for the achievement of those targets;
- Ensure that the APS complies with all the federal requirements for an RTP "except to the extent that compliance with those requirements would prevent achievement of the GHG targets" (i.e., the APS is essentially exempted from the criterion of realistic attainability);
- Develop the APS in the same manner and consider the same factors as we would to develop an SCS.

The APS is essentially a more aggressive GHG-reduction strategy than would be permissible under the federal requirements for an RTP—i.e., financially constrained and with a realistic land-use forecast.

As the SCS is an official part of the RTP, it is required by federal law to be internally consistent with the other parts of the RTP, including the financially constrained transportation investment package. This is what gives the SCS its power: transportation projects identified for funding in the RTP investment package must be consistent with the SCS<sup>11</sup>.

As the APS is not included in the RTP and therefore does not influence transportation investment, its potential impact is much more limited. It serves essentially two purposes, the first explicit in the legislation, the second implicit: (1) to provide access to some California Environmental Quality Act (CEQA) concessions for qualifying development projects<sup>12</sup>, and (2) to provide a means through which the state can be informed of additional powers, authorities or resources required to meet regional GHG-reduction targets.

The Bay Area's regional agencies are committed to making a real difference in reducing GHGs. Therefore, it is in our interest to achieve as much progress toward this region's targets in the SCS as possible. Those land-use changes, transportation measures and transportation policies which can only be identified in the APS are essentially those that we have conceded cannot be implemented; that is, we cannot provide the required assurances to the federal government that those changes, measures, and policies meet the realism test—at least not within the current distribution of authorities. If the changes, measures and policies are not real, then the GHG reductions are also not real. We will not attain the on-the-ground improvement we desire and need.

Meeting the realism test for the SCS requires two preconditions: (1) alignment of local land-use policy with the preferred land-use pattern in the SCS<sup>13</sup> and (2) authority and resources to undertake the required transportation policies and measures. To maximize our probability of success, we need to be acquiring those preconditions now, building upon the momentum that we have established with the target driven RTP, *Transportation 2035*, with the performance-based

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<sup>11</sup> The legislation specifically excludes a subset of investment projects from this requirement, including those contained in the 2007 or 2009 Federal Statewide Transportation Program (STP), those specifically listed in a sales tax ballot measure approved before the end of the 2008, and arguably those funded through Proposition 1-B (2006). Further the legislation does not require a sales tax authority to change the funding allocations approved by voters for categories in a sales tax measure adopted before the end of 2010.

<sup>12</sup> CEQA concessions are extended to two potentially overlapping types of development projects: (1) a residential or mixed-use project consistent with an SCS or APS; and (2) specifically defined "transit priority projects" (TPPs). Subject to incorporating mitigation measures from previous reviews, the EIRs for SCS- or APS-consistent projects will not be required to address growth-inducing impacts, global warming impacts, or regional transportation network impacts. Further SCS- or APS-consistent development projects will not have to prepare a reduced-density alternative to address local traffic impacts. TPPs will be exempt from CEQA review if they are consistent with an SCS or APS and comply with a long list of other mandatory and optional criteria.

<sup>13</sup> SB 375 explicitly provides that neither the SCS nor the APS will regulate the use of land or supersede the exercise of the land-use authority of cities and counties. It further stipulates that there is no requirement that a city's or county's land-use policies and regulations, including its general plan, be consistent with the RTP (including the SCS) or with the APS. Therefore, alignment of local land-use policy with the SCS will have to be voluntary.

*Projections 2009* and with the Bay Area's voluntary development and conservation strategy, *FOCUS*<sup>14</sup>.

*Transportation 2035* has been instrumental in introducing climate protection as a core regional transportation planning objective to the CMAs and to other transportation planning and operating agencies. The *Projections 2009* process has initiated a productive discussion with local-government officials on the impact that land-use and development has on transportation GHGs. *FOCUS* has provided mechanisms, priority development areas (PDAs) and priority conservation areas (PCAs), through which the regional agencies and local governments can partner on achieving a land-use pattern that contributes to lower VMT and hence fewer GHG emissions.

To enable the region to prepare a genuinely effective SCS in association with the 2013 RTP, the cooperative policy discussions begun with the 2009 RTP and with *Projections 2009* need to continue and accelerate over the next few years and into the formal beginning of the SCS process. A successful SCS will not be proposed and imposed by the regional agencies, but will be built and owned cooperatively at all levels by all the transportation and land-use authorities in the Bay Area.

We also need to make substantial progress on the implementation of the PDAs and PCAs, so that local governments have concrete examples upon which to draw when constructing local plans that are consistent with the SCS. And we need to establish trust among local governments that substantial regional and state assistance to PDAs and PCAs is truly forthcoming. Full local-government participation in the *FOCUS* PDA and PCA initiatives is conditioned on the provision of incentive funding. In *Transportation 2035* MTC established a \$2.2-billion<sup>15</sup> Transportation for Livable Communities (TLC) account to, in part, assist PDAs and transit-oriented development. Early programming of dollars in the TLC account can set a positive stage for an SCS that enjoys local-government support and, therefore, is more likely to be realistically attainable.

### Policy 3

The Bay Area regional agencies are committed to achieving the region's GHG-reduction targets through the SCS and will prepare an APS only as a last resort.

To assist in the preparation of a realistic and attainable SCS, the regional agencies will:

- Form a partnership with local transportation and land-use authorities and with other relevant stakeholders to cooperatively prepare an SCS, beginning no later than the end of 2009;
- Begin programming and allocating funds from the \$2.2 billion TLC account no later than fiscal year 2010-11 so as to demonstrate a tangible commitment to priority development areas that assist in reducing GHGs;
- Initiate joint programming of regional-agency funding (e.g., MTC and BAAQMD grants) to achieve synergies and maximize combined impact;

<sup>14</sup> <http://www.bayareavision.org/initiatives/index.html>

<sup>15</sup> As a federal requirement, enumerated in escalated dollars of the day.

**Policy 3 *continued***

- Give priority consideration to SCS-supportive incentives in the allocation and programming of new funding (e.g., the federal stimulus package) as it becomes available to the regional agencies;
- Advocate for early and appropriately directed incentives for PDAs and PCAs from existing state programs and for the creation of additional incentive mechanisms through new state legislation in advance of the SCS;
- Work with federal agencies to ensure that fiscal constraints and realism tests account for reasonable and probable changes in policy and financial capacity between plan initiation and the RTP horizon year;
- Advocate for road pricing and other transportation measures and authorities that can contribute to reducing VMT and hence GHGs.

**Policy Subject 4: Achieving Consistency with Adjacent Regions**

As referenced under Policy Subject 3, the SCS will be required to identify areas within the region sufficient to house all the population of the region, including all economic segments of the population, taking into account net migration into the region, natural increase, household formation, and employment growth.

This is a substantial departure from present regional-planning practice, which has assumed some spillover of Bay-Area-generated housing and transportation demand into adjacent regions, particularly into the Central Valley. We can plan to accommodate all our population growth, but our plans are unlikely to be realized if they are not consistent with those of our neighboring regions, who may continue to plan on the basis of accommodating exogenous demand from the Bay Area. Early and frequent discussions with surrounding regions to coordinate assumptions and policies is, therefore, required.

**Policy 4:**

The Bay Area regional agencies will initiate discussions and consult with our neighboring regions throughout the model-development and SCS planning processes to facilitate consistency in assumptions and policies.

**Policy Subject 5: Synchronizing and Conforming the SCS and the RTP with the Regional Housing Needs Allocation (RHNA)**

SB 375 requires that the RHNA/housing element cycle will be synchronized and coordinated with the preparation of every other RTP update, starting with the first update after 2010 (i.e., 2013). RTP updates occur every four years, and housing elements must be adopted by local governments eighteen months after the adoption of the RTP. With a few exceptions, the region will now be on an eight-year RHNA cycle and local governments will be on eight-year housing-element cycles. In addition to synchronizing with the preparation of the RTP and the SCS contained therein, the RHNA allocation must be consistent with the development pattern included in the SCS, and the resolution approving the RHNA shall demonstrate that it is

consistent with the SCS. Housing elements and associated local zoning adopted pursuant to the RHNA may be among the most important means for making the SCS real.

The 2008 ABAG RHNA process was the first in the state to explicitly connect the regional housing allocation to the sort of focused-growth and transit-oriented development principles which are likely to be central to the SCS. We, therefore, have a head start on the consistency requirements of SB 375. However, many of jurisdictions that received higher RHNA numbers as the result of the newly applied principles also persuasively argued that they required additional resources to respond to the infrastructure and service requirements of more housing and population. A more intimate connection with the RTP will be required to assist resources to flow in the same direction as housing requirements.

Existing law makes MTC responsible for the RTP and ABAG responsible for the RHNA. SB 375 makes both agencies jointly responsible for the SCS, though the SCS will also be adopted as part of the RTP. To ensure coordination and complementarity and to ensure that both agencies are fully cognizant of their commitments to each other and of their joint commitments to other partners and the region, all three instruments—the RTP, the RHNA and the SCS—should be developed and adopted together as a regional-agency partnership.

**Policy 5:**

The SCS, RTP and RHNA will be developed together through a single and integrated cross-agency work program.

Progress and interim products in the cross-agency work program will be reported *first* to the JPC, and through the JPC to the committees, boards, and commission charged with making draft and final decisions on each of three policy instruments: MTC for the RTP, ABAG for the RHNA, and both for the SCS.

The JPC may, from time to time, form subcommittees, including additional representatives from each of the agencies, to facilitate broadened vetting of significant draft documents.

To the extent feasible, policy reports and adopting resolutions for each of policy instruments will reference implications for the other instruments so that all decisions are cognizant of interdependencies.

Policy Subject 6: Providing CEQA Assistance

SB 375 provides various levels of CEQA assistance to housing and mixed-use development projects based on their conformity with a number of criteria, including consistency with an SCS or APS. However, the legislation only vaguely defines “consistency” and then in manner which may not be compatible with current Bay Area regional land-use planning practice. One approach to clarifying “consistency” is the preparation of a programmatic environmental impact review (EIR) for the SCS (and for the APS, if required). Development projects, as well as infrastructure projects, might also be able to “tier off” this EIR, and thus become eligible for additional CEQA assistance in addition to that provided through SB 375. The feasibility of this approach, and of alternatives, requires the resolution of a number of technical and legal issues, including the relationship to the EIR presently prepared for the RTP. Work to resolve these issues needs to occur as soon as possible as it will clearly affect the manner in which we prepare the SCS/APS.

**Policy 6:**

In consultation with appropriate CEQA authorities, the regional agencies will develop and finalize, no later than June 2010, a functional design for the structure and content of the SCS, the APS and associated environmental impact review documents sufficient for these to be confidently employed as the basis for determining eligibility for CEQA assistance as contemplated in SB 375 and, if feasible, to provide additional CEQA assistance for projects which contribute positively to environmental objectives for the region.

Policy Subject 7: Aligning Regional Policies

While ABAG and MTC develop the region's first SCS, the Air District and BCDC will also be putting together policies and regulations that will affect the region's distribution of land uses and the placement of public infrastructure. Both agencies may, as well, propose projects which could be included in the RTP.

In its effort to control criteria pollutants (e.g. ozone precursors and particulate matter), the Air District may, under existing authority, consider an indirect source rule (ISR) that regulates the construction and long-term transportation impacts of land development and requires mitigation or payments in lieu for development which does not meet established standards. Of particular concern is development which is deemed to increase automobile travel and hence vehicle emissions. The Air District may also seek to limit development in certain areas so as to reduce exposure to noxious particulate matter and other localized air toxins.

BCDC will be preparing an adaptation plan to prepare for inevitable sea-level rise and storm surges affecting areas on and near the Bay shoreline. This will have implications for the location of future development and perhaps for the relocation of present development and infrastructure.

It is essential that both the Air District's work and BCDC's be aligned with the SCS so that the regional agencies complement and do not contradict one another. Confusion will not contribute to the multi-level collaboration required to achieve a sustainable communities strategy that works.

**Policy 7:**

Starting immediately, all regional-agency policies affecting the location and intensity of development or the location and capacity of transportation infrastructure will be vetted through the JPC and evaluated against the filter of the emerging SCS.

**Sustainability Committee  
Monthly Meeting Topics  
2009**

<b>Presenting Department</b>	<b>Date</b>	<b>Topics</b>
DS	January 7, 2009	Solar and Energy Efficiency Financing, and Mandatory Solar for New Development
DS	February 4, 2009	Obama Green Cities and Infrastructure Plan
DS	March 4, 2009	SB 375 - Transportation Planning
	March 20, 2009	OptiSolar Presentation and Tour (7:30-9:30 am)
DS	April 1, 2009	Community Choice Aggregation – Part 1
MS	May 6, 2009	Community Choice Aggregation – Part 2
DS	June 3, 2009	Energy Efficiency of Existing Buildings
DS/PW	July 1, 2009	Energy Audit for City Buildings Facilities Discussion – New Steps Underway
	August 2009	No Meeting
DS/PW	September 2, 2009	Update on State Codes (Water Efficiency, Green Building Code, Title 24, etc.)
DS/PW	October - December, 2009	Summary of Education and Outreach Efforts (Permit Center-Green Display, Website, Water Efficiency, etc.)
PW		Water Recycling Presentation
DS		Citywide Parking Policy and Revised Standards
DS		Green Collar Jobs and Investment
DS		Annual Review of Green Building Ordinances and Implementation;