

MEMO

To: ABAG Executive Board  
From: Christy Riviere, Principal Planner  
Date: May 6, 2010  
Subject: GHG, Housing and other Targets

**Recommendation: The Executive Board Discuss GHG, Housing and other Targets per SB 375 Requirements**

**Summary**

The development of a more sustainable Bay Area calls for defining policies, strategies and investments that meet our region's present needs without compromising the ability of future generations to meet their own needs. SB375 mandates the adoption of two targets, a greenhouse gases and housing target.

In June, the California Air Resources Board (CARB) will propose a draft greenhouse gas target for each region. At the July Executive Board meeting you will be asked to join MTC in making a recommendation on a regional GHG target to CARB. Final targets will be adopted by CARB in September 2010.

Later this year, staff will recommend the adoption of a regional housing target and other targets, similar to those used in the Transportation 2035 Plan, Projections 2009 and Draft Bay Area 2010 Clean Air Plan (CAP).

***Greenhouse Gas Emission Reduction Target***

The California Air Resources Board is directed under SB 375 to set regional targets for each metropolitan area to reduce GHG emission from cars and light trucks for years 2020 and 2035. These targets will be exclusive of reductions which CARB itself is able to achieve through vehicle efficiency and fuel standards. The Regional Targets Advisory Committee (RTAC), which advised CARB on the target-setting methodology, recommends a target metric of percent per-capita GHG emissions reduction from 2005. CARB will issue draft targets by June 30, 2010 and final targets by September 30, 2010. MTC, in partnership with the regional agencies, may recommend to CARB a target level for the Bay Area.

***Clarification Regarding Greenhouse Gas Targets With Respect to AB 32 and SB 375***

AB 32 and SB 375 are frequently mentioned together as they both represent landmark legislation that address critical environmental, economic, and land use issues. Both bills use greenhouse gas emissions (GHGe) as a metric for satisfaction of their legal requirements. These are important

similarities, but while both bills move in alignment with respect to curbing greenhouse gas emissions, there are important distinctions between them that ought to be clarified.

In 2006, the Legislature passed and Governor Schwarzenegger signed AB 32, the Global Warming Solutions Act of 2006, which set a 2020 greenhouse gas emissions reduction goal into law. AB 32 directed the California Air Resources Board (CARB) to develop discrete early actions to reduce greenhouse gases, while also preparing a scoping plan to identify how best to reach the 2020 limit. In December 2007, CARB approved a greenhouse gas emissions target for 2020 equivalent to the state's calculated greenhouse gas emissions level in 1990 - 427 Million Metric Tons of Carbon Dioxide Emissions (MMTCO<sub>2</sub>E). This would require a total reduction of 169 MMTCO<sub>2</sub>E by 2020.

In the AB32 Scoping Plan, a series of strategies are identified for achieving the targeted emissions reduction by 2020, including implementing Pavley standards, energy efficiency, low carbon fuel standards and regional targets for transportation-related greenhouse gasses. In the Scoping Plan, it is estimated that the strategy "regional targets for regional transportation" could contribute, by 2020, 5 MMTCO<sub>2</sub>E to the total 169 MMTCO<sub>2</sub>E reduction identified in the Scoping Plan.

Senate Bill 375 specifies how the "regional targets for regional transportation strategy" would be implemented. This bill mandates that CARB set a 2020 and 2035 GHG reduction target for each of the state's 18 metropolitan planning organizations. The target applies to cars and light trucks only and will likely be a "per capita reduction" from a base year of 2005. The MPO's must then develop a Sustainable Communities Strategy, which shall encompass the regional transportation plan, the regional housing needs allocation and a long term forecast of housing and jobs, sufficient to accommodate all of the region's population growth, across every economic segment of the population.

### ***Housing Target***

SB 375 effectively requires that the region set target levels for 25 years of housing growth based on accommodating all of the region's population, including all economic segments, taking into account net migration into the region, population growth, household formation and employment growth. That is, the region cannot limit the housing capacity, assuming a spillover of excess housing demand into surrounding counties.

The estimates of the magnitude of the housing target must be established early so they can accompany the GHG-reduction process throughout the planning process. In consultation with local government partners and with the state Department of Housing and Community Development (HCD), the regional agencies will establish a 25-year housing growth target, by economic group, in November 2010. The target will be set in consultation with responsible state agencies, particularly the Department of Finance and the Department of Housing and Community Development, and will be based on the best econometric and demographic data and forecasts available. The assumptions underlying our forecasts will be made explicit so that our local government partners can review and comment before target adoption.

### ***Other Targets or Performance Indicators***

Greenhouse gas emission reductions and accommodation of regional housing growth are not the only purposes and outcomes of SCS. Other regional qualities related to air quality and public health, transportation performance, equity and livability are also central elements of the SCS. To this end, we look to targets tested in recent regional planning efforts such as the Transportation 2035 Plan, Projections 2009 and Draft Bay Area 2010 Clean Air Plan (CAP). Targets focused on economic growth, congestion, particle pollution (note the Bay Area was recently designated non-attainment for national fine particle matter standard), affordability and equitable access help to establish a vision of a more sustainable and livable region, in which there is economic growth opportunities, less traffic delay and vehicle emissions, and more affordable transportation system.

However, based on our past experiences, we understand that there are limitations on what performance measures can be modeled to demonstrate how the SCS might impact the economy, the environment, or improve upon equity principles. For example, the Transportation 2035 Plan featured a transportation/housing affordability measure under the equity principle, but we found it difficult to forecast the cost of housing. For this SCS effort, we are consulting with stakeholders to determine what other performance targets or indicators may be relevant for this effort. In defining targets it is important to remember that the target must be a metric that can be forecasted via the regional transportation/land use models, and correlated to transportation investments and/or future land use development patterns. Performance indicators, on the other hand, may be useful in collecting data that show how the SCS might achieve important objectives over time, even though the information cannot be presently modeled.

### **Proposed Targets**

For discussion purposes, below is a matrix of performance targets that have been used in a variety of documents and which may be relevant to help guide us in the development of the SCS. Regional agency staff seeks input and discussion from the ABAG Executive Board on these draft targets. Staff will prepare reports demonstrating what policy interventions or investments may be needed to achieve the results listed below, as well as analyze how reliable and useful the targets may be given the capacity of the models and the data assumptions they require. This discussion is currently underway with the Regional Advisory Working Group, a mix of staff and stakeholders who are advising the regional agencies as to how to proceed with the SCS. Local input will be received during additional engagement meetings being organized this year.

<b>Possible Performance Targets</b>
<b>Greenhouse Gases:</b> TBD (Likely: Reduce _ percent per capita from 2005) (Source: CARB)
<b>Housing:</b> House all the region's projected 25-year growth in housing demand within the Bay Area, by all demand segments (very-low income, low-income,

moderate-income and market)  
(Source: SB 375)

### **Other Targets**

**Driving:** Reduce daily driving per capita by 10 percent, compared to 2006 levels.  
(Source: *Transportation 2035, Building Momentum: Projections 2009*)

**Delay:** Reduce per-capita delay by 20 percent below today's levels  
(Source: *Transportation 2035, Building Momentum: Projections 2009*)

**Fine particulate matter (PM2.5):** Reduce emissions by 10 percent below today's levels  
(Source: *Transportation 2035, Building Momentum: Projections 2009, and 2010 CAP*)

**Greenfield Development:** Limit "greenfield" development to 900 acres/year.  
(Source: *Building Momentum: Projections 2009*)

**Transportation/Housing Affordability:** Reduce share of earnings spent on housing and transportation by low and moderately-low income households by 10 percent from today's levels  
(Source: *Transportation 2035, Building Momentum: Projections 2009*)

**Access:** Increase non-automobile dependent access to jobs and essential services by 20 percent from today's levels  
(Source: *Projections 2009*)