



A Tradition of Stewardship
A Commitment to Service

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NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Hillary Gitelman - Director
Conservation, Development & Planning
REPORT BY: Hillary Gitelman, Director - 253-4805
SUBJECT: SB 375 Implementation

RECOMMENDATION

Director of Conservation, Development and Planning to provide a summary of regional planning efforts related to implementation of SB 375 (Steinberg) and development of a Sustainable Communities Strategy for the Bay Area, followed by Board of Supervisors discussion and possible direction to staff.

(CONTINUED FROM SEPTEMBER 14, 2010)

EXECUTIVE SUMMARY

Following adoption of AB 32 in 2006, the California Air Resources Board (CARB) adopted a scoping plan aimed at achieving AB 32's goal of reducing total green house gas (GHG) emissions to 1990 levels by 2020, or about 15% below 2005 levels. In addition, the California State Legislature adopted SB 375 which was aimed at reducing GHG emissions from cars and light trucks. SB 375 directs the CARB to develop GHG transportation-related emission reduction targets for use in preparing a Sustainable Community Strategy (SCS) in each region in California, including the Bay Area. Specifically, SB 375:

- | requires that an SCS be developed as an element of the Regional Transportation Plan (RTP) that is prepared and adopted by the Metropolitan Transportation Commission (MTC);
- | requires preparation and adoption of a separate Alternative Planning Strategy (APS) if the SCS does not meet the GHG emission reduction targets established by CARB;
- | provides a California Environmental Quality Act (CEQA) streamlining incentive for projects that are consistent with the adopted SCS/APS; and
- | requires coordination between the SCS and the Association of Bay Area Government's (ABAG's) Regional Housing Needs Allocation (RHNA) process.

The Bay Area's regional planning agencies, including MTC, ABAG, the Bay Area Air Quality Management District

(BAAQMD), and the Bay Conservation and Development Commission (BCDC) all play different roles in the region, and are all participating to some extent in preparation of a SCS for the Bay Area, with MTC and ABAG taking the lead. These agencies have been hosting a series of meetings for local agency planning staff and elected officials, providing input to CARB, and beginning the forecasting, modeling, and public outreach work that will be needed to develop and adopt an SCS.

According to the agencies' current schedule (and assuming CARB adopts the final GHG reduction targets as planned by September 30), MTC will begin analyzing RTP/SCS planning scenarios and ABAG will begin the RHNA process in 2011. The SCS will be incorporated into a Draft RTP and the RHNA will be adopted (by ABAG) in 2012, followed by adoption of the RTP/SCS by MTC in 2013. An APS will be prepared in 2013/14 if necessary after RTP/SCS adoption.

While some members of the Board of Supervisors are familiar with the regional planning efforts underway because of their membership on the regional boards/commissions or because of their participation at the California State Association of Counties (CSAC), members of the public and other interested parties may not be fully aware of these efforts. This agenda item is intended to provide a summary of the regional planning process, as well as discussion regarding Napa County's participation and related local efforts/outcomes.

PROCEDURAL REQUIREMENTS

1. Staff report
2. Public comments
3. Board discussion and possible direction to staff

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

As noted in the Executive Summary, AB 32 was adopted in 2006 and established a limit for Green House Gas (GHG) emissions in 2020 equivalent to 1990 levels. For ease of implementation, this limit was subsequently defined by the California Air Resources Board (CARB) as 15% below 2005 GHG emissions. In California, an estimated 40% of GHG emissions are from transportation, and the State has taken a three pronged approach to addressing transportation emissions: (1) cleaner vehicles (AB 1493, Pavley); (2) cleaner fuels (low-carbon fuel standard); and (3) more sustainable communities (SB 375, Steinburg).

SB 375 is currently the subject of a regional planning effort being undertaken by the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG). The effort involves regular meetings of local agency representatives as well focused agenda items at meetings of the MTC Commission and the ABAG

Executive Committee. On August 30, 2010, a "leadership roundtable" on the subject was hosted by the Napa County Transportation and Planning Agency (NCTPA).

In summary, the SB 375 regional planning process is aimed at developing a Sustainable Communities Strategy (SCS) for incorporation into the Regional Transportation Plan (RTP) scheduled for adoption in 2013. The SCS adds three new elements to the RTP: a land use component; a resource and farmland protection component; and a demonstration of how the development pattern and transportation network work to reduce GHG emissions. The planning process is expected to jump off from the adopted RTP and the FOCUS planning process that identified "priority development areas" (PDAs) and "priority conservation areas" over the last several years. Planners at the regional agencies will develop new projections of population & employment growth to the year 2035, use MTC's revised travel forecasting model to test various strategies and scenarios, and undertake other planning activities necessary to ensure adoption of a revised RTP (including the SCS) by MTC in 2013.

Targets & Indicators

The first focus of the SB 375 regional planning process in the Bay Area has been on the establishment of targets. There are three targets required by statute:

1. GHG emission reduction targets for 2020 and 2035 that will be set by CARB;
2. a housing target for 2035 that will be based on ABAG's projection of total housing demand in the region; and
3. a clean air target for 2035 aimed at reducing emissions of fine particulate matter (PM2.5) by 10% below existing levels.

Also, staff of ABAG and MTC have expressed an interest in adopting additional targets for the SCS planning effort, as well as performance indicators against which the success of the plan's implementation can be gaged over time.

Based on the suggestions of MTC and draft materials circulated by CARB, it looks as if the GHG emission reduction targets for the Bay Area will be to achieve a 5-10% per capita reduction by 2020 and a 3-12% per capita reduction by 2035. Based on a June 29, 2010 memo by ABAG staff, it looks like the housing target for the Bay Area will involve adding between 800,000 and 1.1 million new dwelling units to the region by 2035 (depending on the methodology). It should be noted that SB 375 requires a projection of unconstrained housing demand that does not assume any of the region's employees are housed outside the region. This is a significant change from ABAG's regular series of biannual projections (in ABAG's *Projections 2009*, the agency projected 635,000 new units between 2010 and 2035).

Strategies & Scenarios

The RTP generally articulates the region's transportation investment strategy, with about 80% of the investment focused on operating and maintaining existing transportation systems/infrastructure. Other investments include spending on transit, roads, and programs such as the "Transportation for Liveable Communities" (TLC) program, which has recently been used to provide funding to designated "priority development areas" (PDAs).

Consistent with SB 375, the CSC will be a component of the RTP and will contain strategies needed to achieve the GHG, housing, and clean air targets discussed above. To prepare the SCS, MTC and ABAG have proposed evaluating a number of planning scenarios using MTC's revised travel forecasting model, and the agencies have already undertaken some "sensitivity tests" using the model. For example, sensitivity tests have indicated that the use of transportation demand management (TDM) strategies can achieve a 3% per capita reduction in GHG emissions by 2035, that transportation pricing changes can achieve a 8% reduction, and that stimulating significant land use changes can achieve a 12% reduction. Further scenario development and testing is expected

to commence following adoption of the GHG emission reduction target by CARB at the end of September, and to continue in 2011.

One of the questions that have not been addressed fully is how SCS scenario development and analysis by MTC will be coordinated with ABAG's Regional Housing Needs Allocation (RHNA) process, which is expected to occur simultaneously. In the past, ABAG has convened a task force to advise them on a RHNA methodology, and the RHNA process has been separate from the RTP process.

Likely Impacts & Related Activities

At the big picture level, the regional planning effort dictated by SB 375 will affect local agencies through the same mechanisms -- transportation funding and RHNA allocations -- as past planning efforts, and it is incumbent on local agency representatives to participate fully in order to maximize benefits and minimize untenable mandates.

Based on specific provisions of SB 375, County staff believes that Napa County will benefit in some ways from the legislation, but will still face greater challenges than ever in meeting the RHNA mandate. Specifically, Napa County has nominated -- and ABAG has designated -- agricultural areas of the County as a "priority conservation area," and the SB 375 offers some protection to farmland and priority conservation areas. Also, land use changes anticipated as part of the SCS will tend to increase densities in urban areas (San Francisco, Oakland, San Jose) in lieu of suburban and rural areas. This tendency, and SB 375's protections for resource areas and farmland, will likely mean that Napa County will continue to get a small share of the region's housing allocation. On the other hand, SB 375 extends the seven year RHNA cycle to be consistent with the eight year RTP cycle, so even a small share of the region's housing allocation, may involve higher RHNA allocations than in the past.

Napa County is also likely to continue to get a small share of the region's transportation funding, although SB 375 specifically calls on MTC to "consider financial incentives for cities and counties that have resource areas or farmland... for the purposes of, for example, transportation investments for the preservation and safety of city street or county road system and farm to market and interconnectivity transportation needs." It is unclear how this provision of the law will be addressed by the SCS and RTP.

County staff is participating in the regional planning process via monthly Regional Advisory Working Group meetings, and will continue to monitor activities related to the SCS and the RHNA process. In addition, the County has encouraged and is assisting NCTPA in applying for a Sustainable Communities grant from the State which -- if awarded -- could be used to fund a collaborative planning effort with Napa County cities/town to consider desirable locations for housing and employment given infrastructure constraints and shared agricultural preservation objectives.

NCTPA, local agency staff, local elected officials, and members of the public will have an opportunity to comment on the SCS land use scenarios and analyses as they unfold, as well as proposals to increase transportation costs through a regional gas tax or other measures.

Other Planning Efforts

While SB 375 only addresses GHG emissions from cars and light trucks, there are other planning efforts underway related to other sources of GHG emissions. Specifically, the Bay Area Air Quality Management District (BAAQMD) has adopted CEQA significance thresholds for use by local agencies in the Bay Area, and has also defined the contents of "qualified" climate action plans that can be used to achieve further CEQA streamlining.

In addition, in early 2010, the NCTPA completed a "climate action framework" for Napa County, setting the stage for individual jurisdictions to craft their own qualified climate action plans if desired. Starting from this "framework" -- and consistent with action items in the 2008 General Plan Update -- the Napa County Department of Conservation, Development and Planning is currently updating the GHG emissions inventory prepared by NCTPA to better

account for transportation and agricultural emissions, and is undertaking preparation of a qualified climate action plan for consideration by the Planning Commission and the Board of Supervisors in late 2010 or early 2011. This effort is being assisted by the Department of Environmental Management, which is also applying for a Sustainable Communities grant to collaborate with Sustainable Napa County, a non-profit organization, on development of a carbon offset system that could be included in the climate action plan.

SUPPORTING DOCUMENTS

A . SB 375 Summary Materials

CEO Recommendation: Approve

Reviewed By: Helene Franchi