CALIFORNIA ASSOCIATION OF COUNCILS OF GOVERNMENTS

Sent Via E-Mail: eaac@calepa.ca.gov

December 15, 2009

Economic and Allocation Advisory Committee (EAAC)
California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: Support for Recommendations to the California Air Resources Board From the Economic and Allocation Advisory Committee

To Whom It May Concern:

The California Association of Councils of Governments (CALCOG) is pleased to support recommendations contained within the draft recommendations to the California Air Resources Board (ARB) by the Economic Allocation and Advisory Committee (EAAC), dated December 14, 2009.

Specifically, CALCOG supports recommendation #11:

"...that ARB devote a significant share of allowance value toward financing of public and private investment oriented toward achieving low-cost emissions reductions, adaptation, and environmental remediation."

We do, however, encourage adding language to Recommendation #11 specifically identifying use of the allowance revenue to support transit and non-motorized investment and SB 375 implementation at the regional and local level. Coordinating land use and transportation planning/implementation, as called for in AB 32, will work synergistically to reduce greenhouse gas emissions, and should be given high priority for use of allocation value.

CALCOG includes among its members all of the 18 Metropolitan Planning Organizations (MPOs) charged with the responsibility under SB 375 of preparing sustainable communities strategies (SCS) to reduce greenhouse gases to achieve a regional target to be set by the ARB as part of their federally mandated regional transportation plans (RTP) (and to supplement the plan with an
alternative planning strategy (APS) if the RTP/SCS does not achieve the regional targets).

The Committee report acknowledges this obligation and it is listed among the possible uses for investments on page 44 of the draft report:

"...investing in land use planning and implementation of CARB-approved SB 375 Sustainable Communities Strategies (SCS) could allow local governments to structure communities more efficiently; for example, by better integrating residential and commercial zoning to reduce the amount of driving necessary to access daily needs. Outdated and unwieldy local plans often block the market demand for high density, which would in turn lead to reduced greenhouse gas emissions and a variety of other benefits. Using allowance revenue to allow regions to create SCS plans and local governments to update their general plans and zoning to implement the SCS plans can remove these barriers and ensure that developers can create communities that reduce per capita transportation related greenhouse gas emissions. To ensure consistency in application of funds to implementation of SB 375, such use of allowance value should be consistent with SGC guidelines and RTAC recommendations.

The committee report footnote references a study estimating the costs:

75 The California Council of Governments estimates the costs to regions at $10 million annually after this start up period. The League of California Cities’ survey estimated the cost of bringing all California general plans up to date and consistent with the SCS at $500 million, with an additional $50 million required annually for ongoing updates.

We want to emphasize the urgency with which it is necessary to identify and commit funds to cover these costs and note that the SCS (and possible APS) plans are specifically mandated by SB 375 and are part of the AB 32 Scoping Plan. Moreover, in the work that has begun to develop these plans regions are finding that their original cost estimates (which means the costs to do the SCS/APS beyond their existing federal planning obligations) may understate by as much as 50 percent of what is actually required so that the true annual cost could be substantially higher than the $10 million stated in the referenced survey.

In addition, we strongly support the Committee's additional recommendation to use revenues for public transit. Transit systems across the state are experiencing unprecedented funding shortages due to the complete diversion of state transit funding, and current local sales tax shortages.

Funding for transit is imperative to not only meet the goals of AB 32 and SB 375, but also to cover the increased costs that may result as transportation fuels are integrated into the cap-and-trade program. Transit and the development of SCSs (and possibly APSs) are connected purposes impacting the feasibility of innovative land use projects which
feature location design and density which will rely more on public transit and pedestrian trips and reduce vehicle trips. The level of projected transit service may significantly influence that feasibility as well as the potential to reduce vehicle trips.

We look forward to working with the Committee and the Air Resources Board to review these recommendations and their implementation.

Respectfully submitted,

Rusty Selix
Executive Director

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