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To:	Roberts, Terry@ARB
Cc:	Kalandiyur, Nesamani@ARB; King, Heather@ARB; Heather Adamson; Bhupendra Patel
Subject:	AMBAG GHG Target - 2018 MTP/SCS
Date:	Tuesday, July 12, 2016 11:29:48 AM

Terry,

As a follow-up to our discussion this spring regarding AMBAG's SB 375 target update, AMBAG proposes a 3% reduction for 2020 and a 6% reduction for 2035 as our new GHG reduction targets for our region's second Sustainable Communities Strategy (SCS) which is scheduled to be adopted in June 2018.

AMBAG is a small and slow growing region in the state. Our initial SB 375 targets were a 0% reduction by 2020 and a 5% reduction by 2035. Our first SCS, adopted in June 2014, achieved a 3% GHG reduction by 2020 and a 5.9% GHG reduction by 2035.

Over a year ago, AMBAG began a technical update to the 2035 Metropolitan Transportation Plan (MTP)/SCS. The environmental analysis (CEQA), including environmental scoping, updating our regional growth forecast, and public outreach has been underway for nearly a year. While the 2040 MTP/SCS will have a new horizon year of 2040, we are still using the existing transportation model which was developed to meet the specific requirements of SB 375, using most recent data sets (2012 California Household Travel Survey (CHTS), 2010 Census data and 2011 AMBAG Origin and Destination survey data). As you may know, such model development is not only takes huge staff time but also requires substantial financial commitment as well. AMBAG proposes to retain the same level of aggressiveness in our existing SCS, however, this will be very challenging to meet our previous GHG reduction results achieved in the 2035 MTP/SCS given that our region is currently facing a dire financial situation. Many of our jurisdictions are poor and the region as a whole is recovering slowly from the recession. There is a critical shortage of transportation funding to maintain even existing infrastructure and transit services let alone increase transportation services. For example, one of our major transit districts is suffering a $6 million structural deficit, which represents 25% of its direct cost budget and 15% of the total operating budget and is proposing to make massive cuts to transit service in Santa Cruz County effective September 2016. In addition, many projects were deprogrammed and delayed this spring due to a lack of state funding. Further transportation cuts are likely without an increase in state transportation funding, which appears unlikely in the near future.

At the June AMBAG Board meeting, our Board of Directors approved the revised goals, policy objectives and performance measures for the 2040 MTP/SCS. We delayed this action for over a year to continue to work with ARB staff on the target setting process but were unable to delay it any further as we are currently developing our project lists and begin scenario testing soon. As part of this item, the Board approved GHG reductions of 3% for 2020 and 6% reduction for 2035.

Most local jurisdictions in the AMBAG region have not received any financial support for their current SCS projects and future funding opportunities are extremely limited. In addition, our three counties are pursuing transportation sales tax measures which were included in our 2035 MTP/SCS

as future revenues. Unfortunately, one county measure failed to secure the two-thirds votes needed to pass. This requires us to make adjustments to the revenues available in the 2040 MTP/SCS. If the other two counties also fail to pass these measures, our revenue assumptions will be much lower than what were included in the 2035 MTP/SCS. Therefore, the ability of the region to develop an SCS with more aggressive targets than those achieved in the first SCS is basically nonexistent. We will continue to work with our jurisdictions but we would like to continue with our target as proposed and work for a better SCS which will not only allow us to achieve the targets but continue engage our local jurisdictions in SCS implementation and future SCS development.

AMBAG is developing the SCS Implementation Project which will provide various land use/mixed use, economic development and rural transportation toolkits and policy guidance to enable our local jurisdictions to take steps to adopt and implement the policies and strategies included in the SCS. While these strategies and recommended actions will be included in the SCS, we will not have identified resources to fund implementation to help us achieve greater GHG reductions.

Given the challenges and limitations facing our region, AMBAG proposes a 3% reduction for 2020 and a 6% reduction for 2035 as our new GHG reduction targets for our region's second SCS which is scheduled to be adopted in June 2018.

We appreciate your advice and input and look forward to a continued collaboration with ARB in the ongoing implementation of SB 375.

If you have any questions, please do not hesitate to contact me.

Sincerely,
Maura

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