Artesia
Avalon
Bell
Bellflower
Bell Gardens
Cerritos
Commerce
Compton
Cudahy
Downey
Hawaiian Gardens
Huntington Park
La Habra Heights
La Mirada
Lakewood
Long Beach
Lynwood
Maywood
Montebello
Norwalk
Paramount
Pico Rivera
Santa Fe Springs
Signal Hill
South Gate
Vernon
Whittier
County of Los Angeles
Port of Long Beach

GATEWAY CITIES
COUNCIL OF GOVERNMENTS

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OFFICE OF THE CHAIRMAN
AIR RESOURCES BOARD

September 9, 2010

Ms. Mary Nichols, Chairman
California Air Resources Board
1001 I Street
P.O. Box 2815
Sacramento, CA 95812

Dear Ms. Nichols:

SCAG Action on Proposed Regional Greenhouse Gas Targets Under SB 375

As President of the Gateway Cities Council of Governments (COG), I am writing to express our concerns with the final draft regional greenhouse gas (GHG) emission reduction targets proposed for the SCAG region by the Air Resources Board.

First, let me make it clear that the Gateway Cities are not opposed to taking action to reduce GHG. In fact, the Gateway Cities have been leaders in this arena. We have a region that is well-served by bus and rail transit. Many of our cities have already adopted dense, compact development patterns that allow residents to have among the lowest vehicle miles traveled per capita in the SCAG region. We have also undertaken a truck retrofit and replacement program that, while aimed at reducing NOx and particulate matter, has also resulted in substantial GHG emission savings.

We understand the importance of collaboration to reduce these emissions even further, and in recognition of this goal, the Gateway Cities in January of this year elected to prepare our own Sustainable Communities Strategy (SCS) as provided by SB 375. However, we are concerned that the draft final 2020 target of 8% reduction in per capita GHG emission reductions from 2005 is too ambitious. While our member cities are eager to demonstrate that they can achieve ambitious targets, the target must also be achievable, as has been acknowledged many times during the target setting process.

According to a 2009 technical analysis conducted for the Gateway Cities:

> *Using the results of the on-line Sustainability Efforts Survey [of all the Gateway Cities] and available greenhouse gas emission data from SCAG, the Consulting Team estimated that current planned policies and improvements in the Gateway Cities subregion could achieve approximately 15 percent of a potential subregional GHG emissions*

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> *reduction target. The hypothetical subregional target used in the analysis, and based on a per capita allocation of an assumed statewide GHG reduction target of 5.0 MMTCO$_2$e/day, was a 4% reduction in GHG emissions by 2020. In order to meet an SB 375 greenhouse gas emission target of 4% reduction by 2020, 80 percent of the COG jurisdictions would need to adopt a wide range of land use and transportation policies such as infill, mixed use, and transit-oriented development; affordable housing policies; rideshare programs; bicycle and pedestrian infrastructure improvements; and transit operations and infrastructure improvements. (Source: "A White Paper Addressing the Requirement of SB 375 at the Sub-Regional Level," December 2009, Section 6.0)*

This analysis demonstrated that even a 4% reduction by 2020 would be an ambitious goal for the Gateway Cities to achieve.

We are particularly concerned with our ability to help the region achieve a goal of 8% for 2020 because the target year is only ten years away, while the fiscal capacity of cities shows no signs of fast recovery from the current deep recession.

- The Gateway Cities' unemployment rate as of July 2010 stands at 15.0%, compared with a countywide rate of 13.4%, a statewide rate of 12.8%, and a national rate of 9.5%.

- A review of the latest County figures for assessed property values reveals that the Gateway Cities' combined assessed value dropped a staggering <u>$3.456 billion</u> just within the last year (2009-10). This signals a commensurate drop in property tax revenues for cities. It is likely that there was a similar drop between 2008 and 2009, and given the slow pace of recovery, it is likely that next year's values will continue the downward trend.

Other revenue sources such as sales taxes, local return funds from the County Measure R, and many others are also trending downward. Thus the Gateway Cities lack, and will continue to lack, resources to restore services and programs that have been cut, let alone to undertake new programs designed to reduce GHG emissions. This makes the assumption of a high regional target for 2020 worrisome.

In taking on the preparation of our own subregional SCS, the Gateway Cities made a commitment to do the best we can, in collaboration with SCAG and the Los Angeles County MTA, to contribute to achieving the regional target. We have previously expressed our support for a target in the form of a range, which reflects the uncertainty of this first-time process and allows a greater chance of success. We therefore request that CARB approve a 2020 target range of 4%-8% for the SCAG region with the initial 2020 target set at 4%. A target higher than 4% could potentially be achieved with additional funding support from the State and federal governments.

We are concerned that SCAG's "preconditions," described in their September 2 staff report to the Regional Council, are highly unrealistic. For example, how likely is it that

the State will restore the previous levels of funding for transportation and transit during nine year GHG reduction period (2011-2020)? The State faces chronic and ongoing budget problems that have given local government little funding stability and predictability in order to plan and implement major programs, including those reducing GHG emissions. Another "precondition" is the increase in availability of federal funding through various Congressional bills. The nation is facing extremely high budget deficits and Congress will be hard pressed to maintain existing levels of local government funding. We believe CARB needs to put forward a target that is reasonable, based on the foreseeable financial constraints facing local government during the next several years and increase the target if additional support materializes.

We thank you very much for considering our views. If you have any questions concerning this matter, please contact Mr. Richard Powers, the COG Executive Director, at 562-663-6850 or richardpowers@gatewaycog.org.

Sincerely,

Gil Hurtado
President, Board of Directors
Gateway Cities Council of Governments