

November 1, 2013

Ms. Mary Nichols
California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: City of San José comments on Climate Change Scoping Plan Update

Dear Chair Nichols:

Thank you for the opportunity to provide input on the development of the 2013 Scoping Plan Update. This Update to the original AB 32 Scoping Plan provides background on important steps that have been taken during the first five years of AB 32 and sets the tone for activities needed to meet the goals through 2050. Our comments are focused on the investment plan for the Cap-and-Trade auction proceeds. These funds are a vital component for helping California's local jurisdictions achieve the State's greenhouse gas (GHG) reduction goals, while creating healthy communities. One of the hallmarks of AB 32 is its comprehensive scope. It recognizes that sustained, meaningful reductions in GHGs depend on multiple tools working in concert. With limited resources, it is important to prioritize investments in the key areas that will make the greatest impact on GHG reduction and the greatest improvement in California's quality of life.

The auction proceeds will help to spur short-term investment in innovative technologies and to support projects that will not only drive a reduction in emissions but also provide a boost to the economy with the generation of new jobs and economic development. Equally as important, the revenues should also support long-term investments that foster sustainable mobility and land development.

As you know, local communities have one of the most important opportunities to impact GHG. Local communities lead planning efforts that set the foundation for building and transit options. Local communities drive change locally and this is what will create the long term success and change that is needed to meet and exceed California's objectives. Therefore, we respectfully request that there be significant investment in local government from the auction proceeds so that we can deliver the carbon reduction programs and sustainable communities of the future.

The draft language in Chapter VI, Funding GHG Emission Reduction Strategies, addresses sensible priorities for California to meet its GHG goals. We wish to emphasize the need to prioritize the allocation of auction proceeds and other funds to local agencies,

many of which have very limited ability to fund needed GHG reduction investments. These tools should facilitate work in two primary areas:

1. *Invest in programs and tools to advance transportation and energy efficiency and renewable energy.*
 - Low-emission transportation investments, including High Speed Rail and other significant regional mass transit projects like the extension of BART to Downtown San José, Bus Rapid Transit (BRT), bikeways, charging stations and other infrastructure for alternative fuel vehicles.
 - Green building incentives, construction of green buildings and green rehabilitation.
 - Energy efficiency investments that provide improvements to existing buildings and provide conversion of street lights to adaptive LED lights.
 - Renewable energy systems including distributed solar and other emission-lowering investments that include: water pollution control upgrades, water pumping, composting, conversion of waste to energy, recycling programs, and urban tree planting.

2. *Invest in programs and tools that facilitate Sustainable Communities including the integration of housing and land use planning with current and future non-auto transportation infrastructure.*
 - Affordable housing located near transit, which recent analysis has found will be necessary to reduce GHGs in growing areas – including new construction and green rehabilitation, as well as preservation of affordable housing in gentrifying areas to minimize out-migration and limit vehicle-miles-travelled (VMT).
 - Link jobs, housing, public transit, biking, and walking infrastructure and amenities around dense development nodes linked to transit infrastructure.

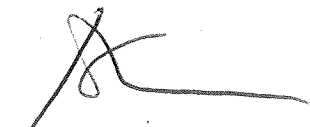
The distribution of Cap-and-Trade auction proceeds should reach cities that are: 1) advancing AB 32 and SB 375 goals; 2) participating in regional planning efforts for sustainable communities and actively facilitating strategies and a local level; 3) providing their fair share of regional housing needs; and 4) advancing equitable, accessible communities. Additional funding allocation mechanisms could include, in order of importance:

- Direct awards to larger jurisdictions, potentially in the form of block grants
- Increased award amounts to areas with high costs of living
- Additional competitive awards from the State for innovative GHG-reducing projects

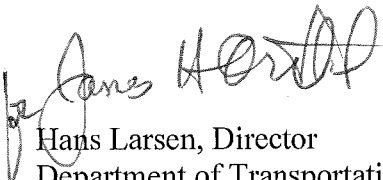
- Awards to be made through the most efficient existing State, regional and local agencies and programs

Again, thank you for the opportunity for the City of San José to provide comments on the development of the 2013 Scoping Plan Update. We look forward to staying engaged in this process, including reviewing and commenting on any revised draft or other materials prepared prior to your December meeting. Thank you for your efforts in developing the tools necessary for maintaining California's leadership in environmental and economic sustainability and healthy, strong, and equitable communities.

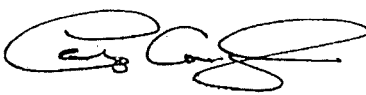
Sincerely,



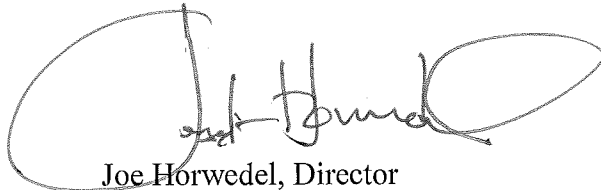
Kerrie Romanow, Director
Department of Environmental Services



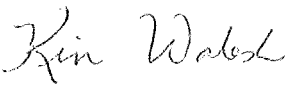
Hans Larsen, Director
Department of Transportation



Leslye Corsiglia, Director
Department of Housing



Joe Horwedel, Director
Director of Planning, Building, & Code
Enforcement



Kim Walesh
Director of Economic Development
Chief Strategist