



July 14, 2010

The Honorable Mary Nichols, Chair
California Air Resources Board
1001 I Street
P.O. Box 2815
Sacramento, CA 95812

**RE: NSBIA Comments on the Draft Regional Greenhouse Gas (GhG)
Emission Reduction Targets**

On behalf of the North State Building Industry Association (BIA), representing nearly 600 member companies in the SACOG region, we would like to express our concerns with the draft Regional Greenhouse Gas (GhG) Emission Reduction Targets.

Given the systemic change in real estate market and the commitment by the various jurisdictions in our region to achieve the systematic changes to the development costs placed on new development. Are concerns are that the regional GhG targets will increase costs and may cause delays in the development process. In addition to possible cost increases, a majority of the local SACOG jurisdictions are facing huge financial uncertainties, given the historic lows in the new construction market, the likelihood of a quick return to regional economic stability seems highly unlikely anytime in the near future.

While we support the objectives of achieving the proposed GhG reduction targets, we respectfully request the California Air Resource Board (Board) take into consideration the comments provided below and consider that the proposed targets should be balanced with the need to develop a variety of housing options for the new and existing residents in the SACOG region.

The BIA remains committed to contributing our fair share towards the reduction in the GhG targets, while also providing housing options for residents in the SACOG region. We understand the reasons that were considered when developing these proposed targets we feel these policies are important for your further review to

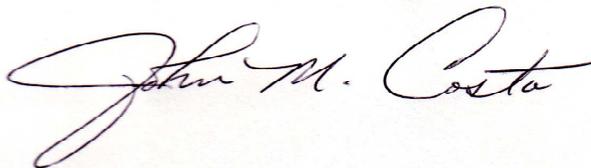
determine these possible costs and the financial affects they could have on the impact on our region. The BIA respectfully request the ARB Board to adopt final 2020 targets that are achievable given these difficult economic times. The following actions below we believe are necessary to make this happen:

1. **Reconcile AB 32 Scoping Plan and Proposed Regional Targets.** CARB must calculate the equivalent MMT of CO₂E emission reduction expected from the proposed regional targets so that it can be directly compared to the AB 32 Scoping Plan placeholder target. This information should be provided during the public comment period to enable interested parties to comment on this aspect of the proposed targets.
2. **Set Targets that Allow Needed Jobs and Housing Growth.** CARB must demonstrate that the proposed targets accommodate jobs and housing needed for the population growth assumed in the Department of Finance forecasts underpinning the statewide GHG reduction effort. This includes showing that implementation programs and resources requirements will enable the regions to simultaneously meet their state-mandated housing production goals and commensurate job growth.
3. **Base Targets on Clear Understanding of Implementation Resources.** The strategies upon which the proposed regional targets are based will establish another level of administrative review, creation of new analysis tools, and increase costs to local governments to implement the plans to achieve these targets. The regional target setting process should concentrate on reducing administrative complexity and costs.
4. **Adjust Targets to Reflect Cleaner Vehicles, Fuels in Future.** The regional targets need to reflect the fact that future vehicles will emit less GHGs and the targets reduced accordingly. The targets should only address emission reductions that are possibly needed to achieve the target in the scoping plan after the benefits of Pavley and the low carbon fuel standards.
5. **Position 2035 Targets as Advisory Placeholders.** The technical ability to accurately simulate travel behavior, available implementation resources, demographic conditions, available vehicle technology, and state and national economic conditions for 2035 is limited. We recommend that CARB set 2035 targets as called for by SB 375, with the proviso that they are advisory placeholders to be refined between now and 2020 to better reflect changing conditions.
6. **Focus on Low End of Proposed Target Ranges for All Regions to Provide Very Ambitious GHG Reductions.** We request that the Board consider instituting no more than a 1% reduction for the Central Valley. These

targets will, by our calculations, achieve ambitious reductions on the order of 20+ MMTCO₂E, far beyond what was originally called for in the AB 32 Scoping Plan for the transportation and land use sectors as the foundation for SB 375.

We appreciate your time and consideration of our concerns.

Sincerely,

A handwritten signature in black ink that reads "John M. Costa". The signature is written in a cursive style with a large, sweeping initial "J".

John Costa
Senior Legislative Advocate
North State Building Industry Association