JoAnne B. Mounce MAYOR Barry D. Hansen MAYOR PRO TEMPORE Susan Hitchcock COUNCIL MEMBER Bob Johnson COUNCIL MEMBER Phil Katzakian COUNCIL MEMBER

November 25, 2008

City of Bodi

CITY HALL, 221 WEST PINE STREET OFFICE OF THE CITY MANAGER LODI, CA 95240 (209) 333-6700 FAX (209) 333-6807

COUL- 3 City MANAGER

**Randi Johl** City Clerk

D. Stephen Schwabauer CITY ATTORNEY





## RE: City of Lodi Comments on Air Resources Board Proposed Scoping Plan

Dear Chair Nichols:

On behalf of the City of Lodi, thank you for the opportunity to comment on the California Air Resources Board's Proposed Scoping Plan. We are proud of the work we have done already on reducing our City's greenhouse gas emissions. Much of our municipal utility's electricity is generated from geothermal and hydro sources, our entire public transit fleet is powered by natural gas and many of our heavy- and lightduty vehicles are powered through natural gas. A handful of others operate on batteries recharged by the electricity generated from solar panels.

The City offers the following comments on elements of the scoping plan:

Voluntary Local Government 15% GHG Reduction — Obviously, the City of Lodi is already taking steps to reduce GHG emissions. While the City does not inherently disagree with the suggested voluntary 15-percent reduction in GHG emissions outlined in the Scoping Plan, we remain extremely concerned about the funding sources for local actions to achieve these reductions.

The State has a history of using local government dollars to fund State obligations, ranging from the Educational Revenue Augmentation Funds (ERAF) shift, to vehicle license fees and now local redevelopment dollars in the most recent budget. This has resulted in reduced services and declining fund reserves. On top of that, general economic conditions are affecting cities, as well as the State, with a decline in property and sales taxes and overall revenue.

Because of this history, we are concerned that the City of Lodi may not have the financial means available to meet mandatory goals.

- Energy Efficiency The City of Lodi has long history of supporting energy efficiency and promoting city facilities that maximize energy efficiency and conservation. To that end, we are supportive of the Scoping Plan goal to maximize energy efficiency building and appliance standards and pursue additional energy efficiency efforts. We are also supportive of the concept of "Zero Net Energy" homes, to the extent they can be done within the state's current financial picture.
- Renewables Portfolio Standard The City supports the Scoping Plan's goal of a 33-percent Renewable Portfolio Standard. On Aug. 20, 2008, the Lodi City Council passed a resolution backing the Governor's goal of a 33-percent renewable portfolio by 2020.
- Green Building The City supports green and sustainable building practices in new and existing public, residential, and commercial buildings. With the new Reynolds Ranch development, many sustainable building practices have already begun in Lodi by simply encouraging the developer to consider a green project. We are also supportive of the notion that cities that enact stronger local green building standards should be able to count the green building measures as additional GHG reductions.
- Heavy/Medium-Duty Vehicles The cost of procurement of retrofitting existing fleets or purchasing alternative fueled vehicles for local governments is very expensive. However, unlike the business community that can pass on the cost to consumers, local governments cannot. Cost and funding considerations for fleet overhauls must be considered in the future.
- Maintaining the 5 MMT Regional Transportation-Related GHG Target Although the Scoping Plan acknowledges that the actual regional transportation-related GHG targets will be set through the regional process developed in SB 375, the City of Lodi is aware that many are advocating that this 5 MMT number be raised. Given the deference the Scoping Plan gives to the SB 375 process, perhaps such an increase would largely be symbolic. However, since CARB has ultimate responsibility for setting the targets, a higher number would create pressure for setting a higher target, regardless of the findings of the Regional Targets Advisory Committee.

The City of Lodi is generally supportive of the model proposed in the Scoping Plan that recognizes that regional transportation related GHG targets will be set through the process outlined in SB 375. But CARB should retain the 5 MMT figure (which has been increased from 2 MMT) for regional transportation-related GHG targets in the Scoping Plan and let the regional target process set out in SB 375 operate as it was intended.

■ Failure to Address Infrastructure Needs Related to Transportation Related Targets — The transportation-related GHG target will not be achieved by better planning alone. The "land use patterns that support these low-carbon modes of travel" (p. 48) will require additional revenue sources to fund the necessary infrastructure, such as sewer pipes, new fire rescue equipment, schools, park, and other public facilities. The Scoping Plan does not specify how local agencies will raise the funding necessary to provide these facilities. This will be a challenge for local governments, given the constitutional limits (for example, Propositions 13 and 218 and the two-thirds vote requirement) placed on the ability of local government to raise new revenues.

Similarly, if reduced emission reductions will come from increased transit use and more compact infill development in urban centers, then the state itself must lead by example, not only by making sure its buildings are green, but by also adopting a budget that does not raid redevelopment funds or other moneys set aside for local transportation projects to fund shortfalls in the state's general fund.

Finally, the City of Lodi encourages CARB to consider what can be done to provide incentives for the type of planning and decision-making that will reduce greenhouse gas reductions. Such incentives need not always include new funding, but may also include relief from the CEQA. While we recognize that such incentives may be beyond the scope of CARB's direct authority, the board has an important voice within state government. Although it is often easier to invent penalties that will catch a few bad actors, it's more effective to design incentives that can really help the majority of good actors achieve real carbon reductions.

Thank you again for the opportunity to comment. The City of Lodi looks forward to working with the CARB in the future.

Sincerely,

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Blair King City Manager

cc: League of California Cities, 1400 K Street, Sacramento, CA 95864