

ClimatePlan

Addressing the land use decisions that shape our climate and our lives

November 19, 2008

Chairman Nichols and Members of the Board
California Air Resources Board
1001 I Street
Sacramento, CA 95812

RE: ClimatePlan Comments on Proposed AB 32 Scoping Plan and Appendices

Dear Chairman Nichols and Members of the Board,

Thank you for the opportunity to comment on the Proposed AB 32 Scoping Plan. ClimatePlan, a network of leading environmental, public health, civic and social equity organizations, commends you for strengthening the role of land use and regional planning in the Proposed Scoping Plan. However, in order for the Plan to be successful, the 2020 target of 5 MMT must be redoubled to 11-14 MMT and a series of implementing policies and tools must be adopted.

In summary, our key recommendations are:

- Redouble the 2020 land use target to 11-14 MMT to set an ambitious yet realistic benchmark for SB 375 implementation.
- Commit to giving localities and regions additional policy tools, resources and incentives to achieve needed reductions - including indirect source review, congestion pricing, and more funding for updating general plans, zoning codes, and transit. Some of these, such as indirect source review, can be adopted as part of the Scoping Plan, while others will require CARB to partner with the Legislature and the Governor.
- Commit to broader, more meaningful participation from social equity and public health stakeholders during the upcoming AB 32 and SB 375 implementation processes, and adopt key recommendations of the Environmental Justice Advisory Committee related to land use and social equity.
- As part of the coming AB 32 and SB 375 implementation processes, commit to developing a strategy to protect carbon sinks such as forest and farmlands from urban sprawl, especially in rural counties that are excluded from SB 375.

Smart Growth is Good for California's Economy, Communities and Environment

Strengthening the role of land use in the AB 32 Scoping Plan will help stimulate the California economy while producing benefits for our climate, communities, and natural and working landscapes. According to a recent analysis of the draft Scoping Plan by Stanford University's Jim Sweeney, smart growth will produce economic benefits for California while costing very little - in fact smart growth was assigned a \$0/ton carbon abatement cost, while the study estimated that the cost is very likely negative. Like so many other pieces of the AB 32 Scoping Plan, when it comes to land use, what's good for our climate is also good for our economy. Smart growth also makes our communities more healthy and equitable, and helps ensure our forests, farmlands and other open spaces are conserved. The magnitude of these economic and social benefits will be directly related

to CARB's willingness to set a high bar for improving land use, and ensuring cities and regions have the tools to reach their targets. With strong leadership from CARB, we can change how California grows, for the betterment of our climate, our economy and our communities.

Ensuring the Success of SB 375 and the AB 32 Scoping Plan

Much has changed since CARB released the initial draft of the AB 32 Scoping Plan in June. With the passage of SB 375, California has recognized the critical role of land use in addressing our global climate crisis. This landmark legislation represents an important step forward. However, it is only a first step, and much work remains to be done to ensure that our communities do their part to achieve the needed GHG emission reductions.

The Proposed Scoping Plan reflects the new, post-SB 375 world by demonstrating a greater commitment to improved land use. We commend CARB for adopting a higher 2020 target for the land use sector in the plan, coordinating implementation with SB 375, and setting a non-binding goal for local governments to reduce their emissions by 15% from current levels.

We believe that SB 375 establishes a good framework for achieving the needed emissions reductions from the land use sector. But the success of SB 375 is not a given, and it will depend upon several key factors, including:

- **Leadership from CARB – especially in setting targets.** As the agency delegated to implement AB 32 and key provisions of SB 375, CARB should take a leadership role by setting ambitious but realistic targets for the state as a whole and then for each region by September 2010. ClimatePlan supports and strongly recommends a statewide target of 11-14 MMT based on findings of the Ewing Report.¹ This recommendation is discussed further in the next section. CARB must also develop effective protocols, provide tools and support, and track the progress of each of the regions as they work to implement the new law over the coming years.
- **Active participation from diverse stakeholders, especially the public health and social justice communities.** At both the statewide level and in each region, CARB must ensure that a broad range of stakeholders are truly engaged in SB 375 implementation. In particular, we wish to emphasize the importance of engaging the public health community and social justice advocates, who have historically been left out of most regional and local planning processes. In addition, air districts, local governments, conservation groups, civic organizations and transportation agencies must all be actively engaged.
- **Policy tools to translate regional targets into local actions.** To meet the targets, regions and localities will need additional policy tools and resources. Essential tools for helping MPOs and local governments meet the targets include indirect source review, transit funding, incentives to reform General Plan and zoning policies, rewards for complying with Sustainable Communities Strategies, and advanced modeling tools.
- **Financial incentives and resources.** Local governments, transportation agencies and MPOs

¹ **CO₂ Reductions Attributable to Smart Growth in California.** By Reid Ewing, University of Maryland and Arthur C. Nelson, University of Utah. September 2008.

are already burdened with ambitious mandates and inadequate resources. CARB must make it a top priority to help them succeed by:

- Ensuring that state funding is allocated in a manner consistent with climate reduction goals (SB 732 establishing the Strategic Growth Council is a good first step).
 - Advocating for more transit funding and grant or loan programs for smart growth.
 - Empowering regions to raise funds locally, through mechanisms such as gasoline fees, license fees and congestion pricing programs. In the realm of land use, indirect source review would raise local mitigation fees that can also be used to fund climate reduction strategies.
- **A strategy for conservation in rural areas.** Conservation of forests, farmlands and other carbon-sequestering landscapes is an important part of an overall land use strategy, as it both prevents substantial GHG emissions and retains needed sequestration capacity. Particularly since SB 375 excludes rural counties, and rural counties are where most natural and working landscapes are still intact, it is important that CARB not let the rural areas “fall through the cracks.” A rural strategy must be adopted that avoids driving growth into rural counties and recognizes and rewards conservation of these landscapes.

We encourage CARB to think broadly, both within the Scoping Plan and beyond, about how it can address these issues to ensure the success of SB 375 and the land use sector. In addition to the Scoping Plan, there are a number of venues CARB can explore to address these issues, through rulemaking, legislation, the budget, and the 'bully pulpit' of being the state agency leading the way to a low-carbon future. The remainder of this letter explores each of these issues in greater detail.

The 2020 Land Use Target Should Be 11 - 14 Million Metric Tons

The success of SB 375 relies upon leadership from CARB in setting high targets, as previously noted. The Scoping Plan is CARB's first opportunity to demonstrate that leadership by establishing an ambitious estimate for statewide reductions from the land use sector. A low statewide estimate such as the current 5 MMT will imply that regions should expect low targets that would lead to a very slight shift, if any, in land use patterns. A more ambitious target of 11-14 MMT will send a clear signal that CARB will expect each region to plan for smarter growth.

There are a number of reasons that the 5 MMT target is simply too low:

- **We can't reach the 2050 goal with 5 MMT target:** The 2020 target is essentially just a benchmark on the way to the 2050 target of an 80% reduction below 1990 levels, the number that leading scientists believe is necessary to prevent catastrophic changes to our climate. VMT reductions of approximately 10% by 2020 and 20% by 2030 are needed to keep California on track to reach the 2050 target. In contrast, the current 2020 target of 5 MMT is equivalent to a mere 4% reduction in VMT, less than half of what is needed to keep us on track for 2050. Considering that land use changes are relatively permanent, and very difficult to retrofit, we simply cannot afford ten more years of sprawl.
- **CARB should not rely solely on the meta-analysis by UC Berkeley:** In establishing the 5 MMT target, CARB relied exclusively upon a single report from UC Berkeley that, by its own admission, underestimates the emissions reductions that are achievable. The regional traffic model simulations in the UC Berkeley report are widely acknowledged to understate

the benefits of dense mixed use development. Even the author of the UC Berkeley report critiques some of the models in her study, saying, “the results confirm that even improved calibrated travel models are likely to underestimate VKT [vehicle kilometers traveled] reductions from land use, transit, and pricing policies. These models simply are not suited for the policy analysis demands in the era of global climate change.”

- **National experts find that a target of 11-14 MMT by 2020 is *conservative*:** Rather than basing their estimate on a single study, CARB should examine a more recent scientific analysis by Dr. Reid Ewing and Dr. Arthur C. Nelson², leading experts on smart growth and its impacts on GHG emissions and the authors of *Growing Cooler*, the definitive scholarly text on the relationship between land use and climate change. Unlike the UC Berkeley report, the Ewing Report is based on actual historical data exclusively from California for a 20-year period. It is a more realistic view of what is feasible within California than the UC Berkeley Report, which includes a series of regional modeling studies from different states and nations with widely differing circumstances. Ewing and Nelson find that a 2020 target of 11-14 MMT is actually *conservative*, because it assumes gas prices will remain below \$2.50 per gallon, and that large numbers of people will continue to commute from one region to another (a problem which SB 375 is specifically designed to address).

Implement Indirect Source Review

As previously mentioned, regions and localities will need a variety of policy tools and funding mechanisms to achieve California’s AB 32 targets. One tool that CARB can adopt right now is Indirect Source Review. ISR allows local governments to evaluate and mitigate GHG emissions at the project-specific level, and it is a proven measure that will achieve reductions in the short term. ISR should also apply to rural counties that are excluded from SB 375. Several California air districts have already adopted ISRs for criteria pollutants, and others are in the process of developing them. CARB should have a rulemaking process to develop guidelines for the statewide ISR, setting a minimum standard that uses the best elements of the landmark San Joaquin Valley rule for criteria pollutants.

Improve transit and implement pricing policies

The plan should make it a top priority to invest in and sustain public transportation and programs to improve transportation efficiency. When transit is convenient and reliable, people choose to use it. When Bay Area residents both live and work within ½ mile of transit, 42% of them ride it to work. The sweeping successes of transit funding measures on the November ballot (such as Prop 1A – High Speed Rail, Measure R - Los Angeles transit expansion, Measure Q – Sonoma Marin SMART Train) are a reminder that commuters are clamoring for transit options, and they are willing to pay for them, even in an economic downturn. At the same time, transit funding in California is still being raided every year, and there remain numerous bureaucratic hurdles to transportation agencies that wish to put funding measures on the ballot.

The Scoping Plan should reflect the important role of transit, and CARB should work with legislative leaders and the Governor to expand funding opportunities, both locally and at the state level. CARB should support efforts to “firewall” state transit funding to prevent it from being raided year after year. CARB should also make it a priority to pass legislation facilitating adoption

² Ewing and Nelson, *ibid*.

of regional and local pricing mechanisms tied to GHG emissions. CARB should design guidelines for how these fee programs are structured and implemented, as well as the use of revenues, to avoid regressive impacts on low-income drivers and ensure that revenues flow to proven VMT reduction programs and projects.

AB 32 and SB 375 must be responsive to social equity and public health stakeholders

The Proposed Scoping Plan has failed to respond adequately to concerns raised by the Environmental Justice Advisory Committee, the broader social equity community, and the public health community. We urge CARB to take immediate steps to improve the Scoping Plan's treatment of public health and social equity issues, and ensure that key stakeholders and agencies have an ongoing, formal role in the implementation of both SB 375 and AB 32. CARB should also ensure that some funding is set aside to facilitate their involvement.

We share concerns that CARB has disregarded most of the recommendations of the Environmental Justice Advisory Committee, and we support the EJAC's recommendations to increase the 2020 target for land use, invest in public transit in low-income communities, and create incentives for local governments to reduce their emissions.

In the realm of public health, the plan should reflect the recommendations from the public health community to fully analyze public health impacts associated with land use and community design, including impacts on obesity, chronic disease and public safety.

As CARB designs the SB 375 Implementation Process, it should ensure that social equity and public health stakeholders are involved at every level of implementation, from setting targets to developing protocols to participating in the creation of Sustainable Communities Strategies.

GHG Reductions from Land Conservation Should Be Quantified and Prioritized

In addition to reducing VMT, smart growth also reduces greenhouse gas emissions by preserving landscapes that sequester carbon, such as forests, agricultural lands, and oak woodlands. Preservation of these landscapes both limits sprawl and preserves carbon sequestration value. Unfortunately, the Scoping Plan does not currently address conservation as a key piece of land use efforts.

This is of particular concern in the rural counties that are excluded from SB 375, including most of the Sierra Nevada, the Cascades, the northern Sacramento Valley and the North Coast. These areas are home to many of California's carbon-sequestering landscapes, but because they are excluded from SB 375, these areas could become targets for low-density sprawl, thereby driving up VMT and significantly reducing their climate and ecological value.

It is therefore imperative that CARB adopt a strategy for addressing and rewarding conservation in these areas. CARB should establish guidelines for quantifying the emission reduction benefits of preserving these landscapes, and for mitigating the GHG emissions and loss of sequestration resulting from conversion. Implementation of SB 375 provides one such opportunity to ensure conservation is addressed. Other opportunities include Indirect Source Review and the CEQA guideline update. In addition, SB 375 and other land use measures should be coordinated with the Sustainable Forests measures to avoid duplicative efforts and to maximize benefits in both sectors.

These strategies will be essential to meeting 2020 as well as longer-term climate goals.

Thank you for the opportunity to submit these comments. We look forward to continuing our work with you to ensure the success of AB 32 and SB 375. For additional information, please contact ClimatePlan Director Autumn Bernstein at 530.544.1092 or autumn@climateplan.org.

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