

July 19, 2021

Ms. Therese McMillan, Executive Director
Metropolitan Transportation Commission
Bay Area Metro Center
375 Beale Street, Suite 800
San Francisco, California 94105-2066
tmcmillan@bayareametro.gov

Dear Ms. McMillan:

California Air Resources Board (CARB) staff appreciate the opportunity to review and engage with the Metropolitan Transportation Commission (MTC) staff on the draft Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) known as "Plan Bay Area 2050." This work is more important than ever as CARB's first SB 150 progress report¹ showed that California is not on track to meet the greenhouse gas (GHG) reductions expected under Senate Bill (SB) 375 for 2020 and that vehicle miles traveled (VMT) are increasing. To achieve the State's climate mandates, California needs significant and immediate changes to how we plan, fund, and build our communities and transportation systems. In recognition, Governor Newsom signed Executive Order N-19-19 to redouble the State's efforts to reduce GHG emissions, explicitly focusing on lowering VMT.

The SCS plays a critical role in supporting the State's climate efforts, and local objectives to create an economically vibrant region that responds to the needs of its diverse communities and provides better access to jobs and cleaner air for its residents. We appreciate MTC's work to innovate beyond the traditional RTP/SCS plan framework in considering how to better prepare the region's housing, job centers, and infrastructure for climate change impacts, as well as its consideration of new regional strategies as we endeavor together to achieve these shared goals.

In reviewing the draft 2021 RTP/SCS, CARB staff looked to identify whether additional information would be needed to conduct its final SCS GHG evaluation under SB 375. As discussed with MTC staff in meetings this spring and summer, for all third round RTP/SCSs, like Plan Bay Area 2050, CARB will focus on assessing whether GHG reductions are reasonably supported by the plan. CARB staff will conduct its final evaluation, as outlined in the Final Sustainable Communities Strategy Program and Evaluation Guidelines (SCS Evaluation Guidelines). CARB staff requests that, as MTC finalizes and adopts its 2021 RTP/SCS, it provides the following additional information.

¹ CARB's *2018 Progress Report: California's Sustainable Communities and Climate Protection Act*.

2020 GHG Emission Reduction Target

State law requires CARB to provide 2020 GHG targets and MPOs to develop an SCS that achieves the GHG targets approved by CARB.² Given that 2020 is a specific milestone in SB 375, CARB staff expect that MPOs will continue to monitor, and report observed data as it relates to that target in the SCS. As part of the SCS Submittal, CARB will need MTC to demonstrate or quantify how the 2020 GHG target was achieved and maintained. Consistent with the SCS Evaluation Guidelines, MTC could compare available observed data with performance indicators to understand whether the region is moving in a direction consistent with the SCS's planned outcomes to meet the 2020 target. If, based on this evidence, the region is not meeting its 2020 targets, MTC should identify what adjustments and changes the region has prioritized in the SCS to get the region on track to achieve its 2020 target as soon as reasonably practical.

SCS Strategies to Reduce GHG Emissions

CARB staff request that, as MTC staff work toward finalizing the 2021 RTP/SCS and its SCS submittal, strategies be described in a consistent way across documents, including MTC's Technical Methodology submittal, and that strategies assumed to be credited toward achievement of the SB 375 targets be clearly indicated as such.

In addition, CARB staff requests that MTC provide some additional clarifications on its assumptions regarding the applicable geographic scope, with specific locations if known; implementation timeframes; and measurable actions and investments MTC and its member agencies will undertake to support and track strategy implementation for some of its strategies. This information is critical for CARB staff to assess whether the strategies are likely to be implemented as assumed, and therefore, reasonable for inclusion and credit. Adding this information is especially important for the following highlighted draft strategies:

- Allow a greater mix of housing densities and types in Growth Geographies and Allow greater commercial densities in Growth Geographies: The draft 2021 RTP/SCS outlines major changes to the regional planning context that caused MTC to reexamine the region's approach to land use in the SCS. Prior SCSs were constructed on the premise of the region's growth occurring on under five percent of land, primarily urbanized, in the Bay Area. The culmination of MTC's latest efforts have produced a revised approach to land use, characterized by development and update of four "growth geographies" that overall, reorients the region's growth compared to the 2017 SCS. CARB staff appreciate the information contained in the draft plan describing its recommended priorities for implementation to support this shift, including funding and technical assistance to local jurisdictions for getting necessary planning and zoning in place. To help put these efforts in context, CARB staff request that MTC provide information that summarizes differences between existing housing and commercial density and type assumptions in its key Growth Geographies, compared

² Senate Bill 375 (Statutes of 2008, Chapter 728). Sections 65080(b)(2)(A) and 65080(b)(2)(B).

to what is currently allowable in local land use plans for the corresponding geographies.

- Per-mile tolling on congested freeways with transit alternatives: Please clarify the expected timeline for operation and expected revenue as it relates to the 2035 target milestone. CARB staff also noticed mention in the draft of an MTC proposal to lead a study to advance the freeway all-lane tolling concept and would like to learn more about this effort and whether it is envisioned as moving into a recommended priority for implementation of that strategy.
- Expand commute trip reduction programs at major employers and Expand transportation demand management (TDM) initiatives: Please provide information to further support the reasonableness of the assumed implementation and impact of these strategies. Specifically, further information on current participation and/or planned actions or investments to support the reasonableness of the expansion assumptions for the Targeted Transportation Alternatives and Carshare elements of these strategies would be helpful. In addition, the cost of changing travel behavior is a key assumption associated with some of these strategies. CARB staff request that MTC provide further region-specific information to support its assumed incentive values for both households and employees that consider the wage and cost of living in the Bay Area.

Strategy Funding and Revenues

CARB staff appreciate MTC's inclusion of a Draft Implementation Plan and Implementation Briefs in Draft Plan Bay Area 2050, which viewed together make helpful connections between the plan's strategies and recommended priority implementation steps, including strategy funding. Of the strategies MTC intends to meet the region's GHG reduction targets, CARB staff is encouraged to see that many of the strategies have existing funding structures. In addition to this information, it would be helpful to receive further clarification on the amount of funding resources currently committed to these efforts and anticipated to be available between now and 2035 for implementation of:

- H3: Allow a greater mix of housing densities and type in Growth Geographies
- H5: Integrate affordable housing into all major housing projects
- H6: Transform aging malls and office parks into neighborhoods
- H8: Accelerate reuse of public and community-owned land for mixed-income housing and essential services
- EC4: Allow greater commercial densities in Growth Geographies
- EN4: Maintain urban growth boundaries
- EN7: Expand commute trip reduction programs at major employers

Furthermore, the draft plan identifies an overall gap between existing and needed revenues to support SCS strategies. Specifically, MTC states: "Given the gap between existing and needed revenues, new funding sources will be essential to advancing Plan Bay Area 2050's strategies. While the specific sources of new revenue have yet to be determined, there are a

variety of ways that new funding could be generated. These range from user fees like parking surcharges and all-road tolling to increasing taxes on wealth, income, sales or property.”³ CARB staff is concerned that strategies and investments that contribute to the SCS meeting its targets may be at risk if the region is not able to secure these new funding sources. CARB requests that MTC further explain whether and to what extent the high-impact strategies to achieving the GHG reduction targets in the draft plan are reliant on these additional revenue sources.

Roadway Expansions and Complementary Strategies

The draft 2021 RTP/SCS notes Strategy T6 (Improve Interchanges and Address Highway Bottlenecks) entails a \$11 billion investment in roadway expansion projects. The purported investment need is to address near term service needs to new developments.⁴ However, CARB staff is uncertain how that magnitude of investment does not jeopardize the region’s ability to achieve, and maintain, its 2020 and 2035 GHG targets, especially for those projects whose scope includes adding new lanes. CARB staff request clarification on whether and how these projects relate to the region’s focused Growth Geographies, what anticipated complementary strategies are included in the plan to offset adverse GHG/VMT impacts in these locations, and if known, the anticipated funding sources for implementation.

CARB staff look forward to continuing our collaboration with MTC staff and are committed to working together on potential approaches to address these requests. If you have any questions, please contact me at Lezlie.Kimura@arb.ca.gov.

Sincerely,

Lezlie Kimura Szeto

Lezlie Kimura Szeto, Manager
Sustainable Communities Planning and Policy Section

cc: David Vautin, AICP, Assistant Director, Major Plans, MTC
dvautin@bayareametro.gov

Bill Higgins, Executive Director, CALCOG
bhiggins@calcog.org

Jennifer Hargrove, CalCOG
jennifer@calcog.org

³ See, MTC Draft Plan Bay Area 2050 (May 2021), at page 147

⁴ See, MTC Draft Plan Bay Area 2050 (May 2021), at page 59