

State of California  
AIR RESOURCES BOARD

**PROPOSED UPDATE TO SENATE BILL 375 GREENHOUSE GAS EMISSIONS  
REDUCTION TARGETS**

Resolution 18-12

**March 22, 2018**

Agenda Item No.: 18-2-4

WHEREAS, sections 39600 and 39601 of the Health and Safety Code authorize the California Air Resources Board (CARB or Board) to adopt standards, rules and regulations and to do such acts as may be necessary for the proper execution of the powers and duties granted to and imposed upon the Board by law;

WHEREAS, the Legislature enacted the Sustainable Communities and Climate Protection Act of 2008 (SB 375; Steinberg, Chapter 728, Statutes of 2008), which establishes a process for reducing greenhouse gas emissions from passenger vehicle travel through more sustainable land use and transportation planning;

WHEREAS, SB 375 requires each of the State's 18 federally designated Metropolitan Planning Organizations (MPO) to prepare as part of their Regional Transportation Plans (RTP) a sustainable communities strategy (SCS) that sets forth a forecasted development pattern for the region; which, when integrated with the transportation network and other transportation measures and policies, will reduce greenhouse gas emissions from passenger vehicles to achieve, if feasible to do so, greenhouse gas emissions reduction targets set by the Board (Regional Targets);

WHEREAS, SB 375 was designed to allow regions to independently determine how they will achieve Regional Targets;

WHEREAS, the 18 MPOs are regional agencies created by federal planning law to carry out comprehensive multimodal transportation planning and are governed by local elected officials, including city council members and members of boards of supervisors from within the region;

WHEREAS, MPOs are responsible for including SCSs within RTPs that are consistent with federal planning law, and if an MPO does not show how its SCS will meet the Regional Targets set by CARB, the MPO must develop a separate alternative planning strategy (APS) to show how the Regional Targets would be achieved through alternative development patterns, infrastructure, or additional transportation measures or policies;

WHEREAS, successful implementation of the strategies MPOs identify to meet the Regional Targets also has the potential to provide numerous public health and community benefits as a result of improved community design and better air quality;

WHEREAS, through section 65080(b) of the Government Code, SB 375 requires CARB to establish Regional Targets for these 18 MPOs that identify the emissions reductions from passenger vehicles to be planned for, taking into account greenhouse gas emissions reductions that will be achieved by improved vehicle emissions standards, changes in fuel composition, and other measures in the affected regions;

WHEREAS, the Legislature recently enacted Senate Bill 150 (SB 150; Allen, Chapter 646, Statutes of 2017), which amends section 65080 of the Government Code to include a requirement that on or before September 1, 2018, and every four years thereafter, CARB shall prepare a report that assesses progress made by each MPO in meeting the Regional Targets. The report shall include changes to the greenhouse gas emissions in each region and data-supported metrics for the strategies utilized to meet the targets. The report shall also include a discussion of best practices and challenges faced by the MPOs in meeting the targets, including the effect of State policies and funding;

WHEREAS, as amended by SB 150, Government Code section 65080 specifies three implementation roles for CARB related to SB 375: 1) setting and updating the Regional Targets; 2) accepting or rejecting each MPO determination that its SCS or APS would, if implemented, achieve the Regional Targets; and 3) monitoring and reporting to the Legislature on SB 375 implementation;

WHEREAS, the Board originally set Regional Targets in 2010, and as part of that process extensively reviewed and discussed relevant issues, including data needs, modeling techniques, growth forecasts, impacts of regional jobs-housing balances on interregional travel and greenhouse gas emissions, economic and demographic trends, the magnitude of greenhouse gas emissions reduction benefits from a variety of land use and transportation strategies, and appropriate methods to describe Regional Targets;

WHEREAS, section 65080(b) of the Government Code requires CARB to update the Regional Targets at least every eight years, and provides that the Board may revise the Regional Targets every four years. Prior to updating targets CARB must exchange technical information with the Department of Transportation, MPOs, local governments, and affected air districts, and engage in a consultative process with public and private stakeholders;

WHEREAS, starting in 2014, the Board initiated the process to develop the Proposed Updated Regional Targets to achieve a balance between goals that motivate further positive planning and action toward more sustainable communities, but are not out of reach for regions and local governments, and address the need for reductions in growth of vehicle miles traveled to meet goals identified in the Climate Change Scoping Plan,

by: 1) collaborating extensively with the MPOs to solicit target update recommendations, reviewing the information provided by the MPOs regarding data, assumptions, travel models, and planning scenarios; 2) making all target-setting data and information submitted by the MPOs publicly available on the CARB website and as Appendix B to the Draft and Final Staff Reports; and 3) considering the amount of greenhouse gas emissions reductions needed from the transportation sector to comply with the greenhouse gas emissions reduction goals in SB (Senate Bill) 32, and associated public health and community co-benefits;

WHEREAS, section 65080(b) of the Government Code authorizes an MPO to recommend targets for their region;

WHEREAS, the four largest MPOs in the State (the Southern California Association of Governments, the Sacramento Area Council of Governments, the Metropolitan Transportation Commission, and the San Diego Association of Governments) collectively recommended an SB 375 target of 18 percent per capita reduction by 2035 for each region (these four MPOs did not provide target update recommendations for 2020);

WHEREAS, the eight MPOs in the San Joaquin Valley provided SB 375 target recommendations ranging from 5 to 14 percent per capita reduction by 2020, and 12 to 20 percent per capita reduction by 2035;

WHEREAS, the six small remaining MPO regions provided SB 375 target recommendations ranging from 3 to 13 percent per capita reduction by 2020, and 3.5 to 17 percent per capita reduction by 2035;

WHEREAS, since the Regional Targets were established in 2010, CARB staff have completed over 20 evaluations to verify that, if implemented, MPO-adopted SCSs would meet their per capita greenhouse gas emissions reduction targets;

WHEREAS, updating the Regional Targets is part of the State's integrated approach to achieve overall greenhouse gas emissions reductions from the transportation sector by 2020, by 2030, and beyond, along with the implementation of other measures including, but not limited to, a low carbon fuel standard and passenger vehicle emissions standards;

WHEREAS, in 2008, the Board adopted the Climate Change Scoping Plan, which was updated in 2014 and 2017, as directed by Assembly Bill 32 (AB 32), Senate Bill 32 (SB 32), and other authorities, and identifies SB 375 as one measure for reducing greenhouse gas emissions from the transportation sector;

WHEREAS, CARB staff's review of the best available information from the MPOs' recent analysis results, current research on potential new strategy areas, new revenue sources, and action commitments by the State to support further local action, as well as analysis of transportation sector greenhouse gas emissions, potential strategies, and

goals, suggest that higher target levels than the current targets, and in some cases, higher than the target levels recommended by the MPOs, are within reach and needed;

WHEREAS, on June 13, 2017, CARB staff prepared and circulated for public review a Draft Staff Report entitled *Proposed Update to the SB 375 Greenhouse Gas Emission Reduction Targets*, which included draft Proposed Updated Regional Targets;

WHEREAS, on June 20, June 21, and June 28, 2017, CARB staff conducted three public workshops on the Proposed Updated Regional Targets, during and after which staff considered public comments received, as well as additional MPO data received;

WHEREAS, on October 13, 2017, CARB staff prepared and circulated a Staff Report to the public, entitled *Proposed Update to the SB 375 Greenhouse Gas Emission Reduction Targets*, which included minor revisions to the Draft Staff Report and recommendations;

WHEREAS, on December 14, 2017, CARB staff provided an informational update to the Board on the process to update the Regional Targets. During that meeting, staff shared feedback received on staff's original proposal, and announced a new proposal that includes a shift in focus for the Regional Targets toward added emphasis on changes to land use and transportation strategies and investments that MPO regions are making from one SCS to the next;

WHEREAS, on January 30, February 5, February 6, and February 13, 2018, CARB staff conducted four additional public workshops on the Proposed Updated Regional Targets to solicit additional feedback on this new proposed concept;

WHEREAS, on February 20, 2018, CARB staff prepared and circulated for public review a Final Staff Report entitled *Proposed Update to the SB 375 Greenhouse Gas Emission Reduction Targets*, with the revised Proposed Updated Regional Targets and concepts for enhancing the target framework in future SCSs;

WHEREAS, in consideration of the Final Staff Report, written comments, and public and government agency testimony, the Board finds that the target-setting approach used by CARB staff to develop the Proposed Updated Regional Targets necessarily and appropriately:

1. Followed a collaborative process, considering information generated by the 18 MPOs and building upon locally generated strategies, policies, and judgments about post-2020 deployment levels for many land use, transportation, housing, and pricing strategies that will be developed at the local and regional levels as part of the RTP planning process;
2. Extensively engaged the participation of the public, stakeholders, and other interested parties through meetings, public workshops, a public comment

docket, and online publication of all target-setting data and information MPOs provided to CARB staff;

3. Incorporated consideration for statutory, technological, and other factors affecting SB 375, since the targets were originally set in 2010;
4. Relied on technically sound methodologies, using the best available tools for forecasting and predicting change in travel behavior, as well as information from current data sets and models;
5. Is consistent with CARB's environmental justice policies and does not disproportionately impact people of any race, culture, or income; and
6. Creates the framework for monitoring SCS implementation and performance, including achievement of the Regional Targets as required by SB 150, recognizing that new information will become available over time.

WHEREAS, the Board also finds that:

1. The Proposed Updated Regional Targets will help incentivize the regions to implement more sustainable planning policies that promote walking, bicycling, less traffic congestion, and more transportation choices, which can provide air quality, public health, and social equity benefits;
2. Successful implementation of the Proposed Updated Regional Targets will require resources for land use and transportation planning, provision of transit and other transportation options, and development of infrastructure necessary for sustainable community development. While funding resources for transit system improvements and redevelopment of urban areas have been severely reduced in recent years, the State has recently directed new transportation-related funding through Senate Bill 1, the Greenhouse Gas Reduction Fund, and the Volkswagen settlement, as well as new permanent funding for affordable housing that should support and incentivize greater SB 375 emission reductions. While these initiatives and associated resources will help, regional and local governments need further supportive action from the State and federal governments, including additional commitment of financial and other incentives, and more flexibility to direct available funds toward projects that implement SCSs;
3. As part of the 2017 Climate Change Scoping Plan update, the State affirmed the need for reductions in vehicle miles traveled in order to meet its goals for climate and community livability, and laid out its priorities for supporting local agencies to reduce vehicle travel. Such priority future actions include developing and expanding funding and financing tools for infill development and related infrastructure, adjusting performance metrics used to select and design transportation projects, expanding investments in transit and active transportation, and developing pricing policies. All of these measures will

complement and support achieving greater GHG emissions reductions through SB 375;

4. The Proposed Updated Regional Targets will result in lower emissions in 2020 and in 2035 compared to the existing SB 375 Targets, and compared to the MPOs' target recommendations;
5. The Proposed Updated Regional Targets are consistent with the objectives underlying AB 32, SB 32, and SB 375. Specifically they would, if implemented, likely drive incremental and progressive reductions in growth of vehicle miles traveled and greenhouse gas emissions over the next 17 years that, when combined with improved vehicle emissions technologies, fuels, and State-initiated strategies to reduce vehicle travel, will result in substantial greenhouse gas emissions reductions from the transportation sector and thereby contribute to the overall statewide reduction goals for 2020, 2030;
6. The environmental analysis documents associated with these Proposed Updated Regional Targets are not intended to relieve the MPOs of any responsibility under CEQA to perform independent, region-specific impact analysis of their SCSs and the effects of implementing the policy choices contained within those strategies.

WHEREAS, CARB's regulatory program that involves the adoption, approval, amendment, or repeal of standards, rules, regulations, or plans has been certified by the Secretary of Natural Resources Agency under Public Resources Code section 21080.5 of the California Environmental Quality Act (CEQA; California Code of Regulations, title 14, section 15251(d)), and CARB conducts its CEQA review according to this certified program (California Code of Regulations, title 17, sections 60000-60007);

WHEREAS, CARB prepared a draft environmental analysis under its certified regulatory program for the *Proposed Update to the SB 375 GHG Emissions Reduction Targets* entitled *Draft Environmental Analysis Prepared for the Proposed Update to the SB 375 GHG Emissions Reduction Targets* (Draft EA), and circulated it for public comment as Appendix E to the Draft Staff Report for 45 days from June 13, 2017, through July 28, 2017;

WHEREAS, the Draft EA concluded that implementation of the Proposed Updated Regional Targets has the potential to result in: beneficial impacts to greenhouse gas emissions (long-term); less than significant impacts, or no impacts, to energy demand, greenhouse gases (short-term), mineral resources, population and housing, and public services; and potentially significant impacts to aesthetics, agriculture and forest resources, air quality, biological resources, cultural resources, geology and soils, hazards and hazardous materials, hydrology and water quality, land use and planning, noise, population and housing, public services, transportation/traffic, and utilities and service systems;

WHEREAS, staff reviewed written comments received on the Draft EA and prepared the *Final Environmental Analysis Prepared for the Proposed Update to the SB 375 GHG Emissions Reduction Targets* (Final EA), as well as written responses to the comments received in a document entitled *Responses to Comments on the Draft Environmental Analysis Prepared for the Proposed Update to the SB 375 GHG Emissions Reduction Targets* (Response to EA Comments);

WHEREAS, on March 09, 2018, staff posted on CARB's webpage the Final EA, which includes revisions to the Draft EA, and the Response to EA Comments; and

WHEREAS, prior to the duly noticed public hearing held on March 22, 2018, staff provided the final version of the Proposed Updated Regional Targets, Final EA, and the Response to EA Comments, as set forth in Attachments A, B, and C to this resolution, to the Board for consideration.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby certifies that the Final EA, set forth in Attachment B to this resolution, was completed in compliance with CARB's certified regulatory program to meet the requirements of CEQA, reflects the agency's independent judgment and analysis, and was presented to the Board whose members reviewed and considered the information therein before taking action to approve the *Proposed Update to the SB 375 GHG Emissions Reduction Targets*.

BE IT FURTHER RESOLVED that the Board approves the Response to EA Comments set forth in Attachment C to this resolution, and the responses from staff at the hearing on this matter.

BE IT FURTHER RESOLVED that in consideration of the Final EA, the Response to EA Comments, and the entirety of the record, the Board adopts the Findings and Statement of Overriding Considerations set forth in Attachment D to this resolution.

BE IT FURTHER RESOLVED that the Board hereby approves the *Proposed Update to the SB 375 GHG Emissions Reduction Targets*, as set forth in Attachment A.

BE IT FURTHER RESOLVED that the Updated Regional Targets for 2020 and 2035 approved herein apply to RTP/SCSs adopted by MPO Boards of Directors on or after October 1, 2018. As MPOs prepare long-range RTPs with horizon years beyond 2035, CARB encourages MPOs to demonstrate that per capita greenhouse gas emissions from passenger vehicles will continue declining in years beyond 2035 consistent with the State's long-term GHG reduction goals.

BE IT FURTHER RESOLVED that the Board strongly encourages all MPOs to prepare and adopt SCSs that achieve or exceed the Updated Regional Targets, and expects that these future SCSs will phase in reporting of the increment of greenhouse gas emissions reductions that are directly attributable to new or enhanced land use and transportation strategies between RTP/SCS planning cycles.



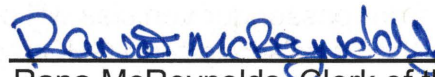
BE IT FURTHER RESOLVED that the Board also strongly encourages all MPOs to consider and maximize the co-benefits of implementing an SCS, including, but not limited to: improved air quality and public health, lower household travel costs, improved fit between wages and housing costs, and reduced pressure to develop open space and agricultural lands.

BE IT FURTHER RESOLVED that the Board directs CARB staff to develop additional reporting and tracking guidance within program guidelines. The updated program guidelines should identify a common set of land use and transportation metrics representing SCS strategies on which MPOs must report data relating to actual changes occurring between 2005 and existing conditions at the time of each RTP/SCS preparation. To facilitate assessment of the effectiveness of MPOs' plans in achieving the Updated Regional Targets, the updated guidelines should also include guidance for MPOs on reporting the increment of progress made from land use and transportation strategy commitments in their next SCS compared to their plan in effect as of October 2018.

BE IT FURTHER RESOLVED that the Board intends that the Updated Regional Targets approved herein be used to guide regional planning processes and not to judge the environmental impact nor to imply a greenhouse gas emissions reduction target or goal for any particular project.

BE IT FURTHER RESOLVED that the Board directs CARB staff to update the Board at least once every four years to: 1) review target implementation progress and resulting greenhouse gas emissions reductions made by each MPO in meeting the Regional Targets; and 2) discuss the need for updating the Regional Targets to reflect new data, modeling improvements, or other information relevant to targets. As part of this update, the Board will receive a report on best practices and challenges faced by the MPOs in meeting the targets, including the effect of State policies and funding, and progress made to implement and track additional State and local actions to reduce vehicle travel identified in the 2017 Scoping Plan Update.

I hereby certify that the above is a true and correct copy of Resolution 18-12 as adopted by the Air Resources Board.



Rana McReynolds, Clerk of the Board



Resolution 18-12

March 22, 2018

**Identification of Attachments to the Board Resolution**

- Attachment A\*:** *Final Proposed Update to the SB 375 GHG Emissions Reduction Targets*
- Attachment B\*:** *Final Environmental Analysis Prepared for the Proposed Update to the SB 375 GHG Emissions Reduction Targets, released to the public March 09, 2018*
- Attachment C\*:** *Response to Comments on the Environmental Analysis Prepared for the Proposed Update to the SB 375 GHG Emissions Reduction Targets released to the public March 09, 2018*
- Attachment D:** Findings and Statement of Overriding Considerations