

January 12, 2024

Draft Connect SoCal Plan Comments
Attn: Connect SoCal Team
Southern California Association of Governments
900 Wilshire Blvd., Ste. 1700
Los Angeles, CA 90017

Dear Ms. Jepson:

California Air Resources Board (CARB) staff appreciate the opportunity to review and engage with the Southern California Association of Governments (SCAG) staff on its draft 2024 Regional Transportation Plan / Sustainable Communities Strategy (Draft 2024 RTP/SCS). This work is more important than ever. CARB's second *Senate Bill 150 progress report* shows that as of 2019, California as a whole and the SCAG region are not on track to meet the greenhouse gas (GHG) emission reductions expected under Senate Bill (SB) 375 and that vehicle miles traveled is increasing. Governor Newsom signed Executive Order N-19-19 to redouble the State's efforts to reduce GHG emissions, explicitly focusing on lowering vehicle miles traveled. 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.

The SCS plays a critical role in supporting the State's climate efforts, as well as in accomplishing its objectives to create a stronger economy, healthier environment, and improved quality of life. We appreciate SCAG's work on regional strategies for reducing vehicle miles traveled and associated GHG emissions in its geographically, economically, and socially diverse region. The Draft 2024 RTP/SCS outlines these goals and benefits as well as the proposed strategies for getting there. It is helpful to CARB staff and supports public transparency that Chapter 2 includes a discussion of progress made since the last plan and that Chapter 3 includes a table outlining which strategies support quantified GHG emission reductions under SB 375 and clearly identifies SCAG's role and other responsible parties. CARB staff also appreciate the inclusion and discussion of equity and the historical inequities and harm to overburdened communities in the region, as well as the discussion of future challenges and uncertainties. The use of visuals, data, and maps to communicate information in the plan is also effective.

In reviewing the Draft 2024 RTP/SCS, CARB staff looked to identify preliminary concerns and where additional information would be needed to conduct its final SCS GHG evaluation under SB 375, with a focus on whether the plan includes supporting actions and/or investments to implement the strategies. CARB's final SCS evaluation will focus on assessing whether GHG emission reductions are reasonably supported by the plan, as outlined in the *Final Sustainable Communities Strategy Program and Evaluation Guidelines* (SCS Evaluation Guidelines).

Although this letter is focused on policy analyses, it is important to note that CARB's evaluation of the final RTP/SCS is predicated on the technical accuracy of GHG emissions quantification. Early in the SCS development process, SB 375 requires MPOs such as SCAG to submit a technical methodology to CARB.¹ The MPO and CARB staff are then intended to work together until CARB staff conclude that the calculations and quantifications provided would yield accurate estimates of GHG emission reductions. As detailed in a separate letter provided to SCAG staff on January 12, 2024, CARB staff continue to have significant outstanding concerns about the technical methodology.

It is critical that CARB staff and SCAG staff continue working together to reach agreement on SCAG's technical methodology as soon as possible to avoid the risk of quantification issues arising in SCAG's final RTP/SCS. Issues with quantifications that leave CARB staff unable to accept SCAG's determination as to whether its SCS meets GHG emission reduction targets could lead to the need for SCS revisions and further board approvals, the requirement to develop an Alternative Planning Strategy under California Government Code §65080 (b) (2) (H), and/or ineligibility for certain State transportation funds.

Policy analyses of GHG emission reduction strategies

As outlined in the SCS Evaluation Guidelines, CARB's policy analyses evaluates whether the RTP/SCS strategies and commitments support the stated GHG emission reductions, and whether there are any risks to not achieving those strategies. As part of this, CARB staff assess whether there are supportive key actions (e.g., investments and whether the region is making plan adjustments and evaluating potential risks to achieving the land use and transportation goals, as necessary, to meet the targets) for the RTP/SCS strategies. In the final 2024 RTP/SCS submittal, if CARB cannot evaluate that the region is on track to achieve the GHG emission reduction target with either demonstrated progress on implementing the strategies and/or clear commitments to actions to get on track, then CARB may not be able to accept SCAG's final GHG emission reduction quantification and determination.

Below are CARB staff's concerns about the GHG emission reduction strategies as discussed in the Draft 2024 RTP/SCS and the additional information needed to evaluate the SCS GHG emissions quantification upon final submittal to CARB. Please address these comments and make the following information available to CARB in the final 2024 RTP/SCS or technical appendices to support our final evaluation.

- **Congestion pricing:** The Draft 2024 RTP/SCS includes a strategy to support implementation of congestion pricing programs as part of the Local Road Charge Program, but it is not clear how this will be achieved and to what extent it will happen by 2035. In CARB's final SCS evaluation, CARB staff will be looking for commitments to specific actions outlined with timelines, key milestones, and investments necessary

¹ Government Code § 65080(b)(2)(J)(i)

to support the implementation of this strategy by 2035 to be identified in the RTP/SCS or technical appendices. This is especially important because CARB staff are concerned that not enough progress has been made towards implementing this strategy since the last plan to fully support the GHG emission reductions being quantified because of the strategy.

- **Mileage-based user fee:** The Draft 2024 RTP/SCS includes a strategy to support the transition to a mileage-based user fee to replace state and federal gas taxes. However, it is CARB staff's understanding from the revised draft technical methodology that this is also a GHG emission reduction strategy, indicating that this pricing strategy would be implemented in a way that helps to reduce vehicle miles traveled and not only replace the gas tax. This should be clarified in the final 2024 RTP/SCS. In CARB's final SCS evaluation, CARB staff will be looking for commitments to specific actions outlined with timelines, key milestones, and investments necessary to support the implementation of this strategy by 2035 to be identified in the RTP/SCS or technical appendices. This is especially important because CARB staff are concerned that not enough progress has been made towards implementing this strategy since the last plan to fully support the GHG emission reductions being quantified because of the strategy.
- **Job center parking strategy, parking deregulation, and co-working strategies:** The revised draft technical methodology outlines a GHG reduction strategy to increase the parking price in job centers throughout the region, a strategy to support eliminating parking minimums in areas within a half-mile of high-quality transit, and a strategy to support the strategic development of co-working spaces in the region for long-distance commuters in certain industries. However, CARB staff could not locate any supporting strategies, actions, or specific investments to support these three strategies in the Draft 2024 RTP/SCS. As noted earlier, CARB staff's final determination relies on an analysis of policy commitments in the RTP/SCS. CARB staff will need to see evidence that these strategies are supported with key actions in the 2024 RTP/SCS. Additionally, CARB staff will be looking for recent investments or significant actions, beyond planning studies, that demonstrate that these individual strategies are moving forward since the last plan. CARB staff are concerned that not enough progress has been made towards implementing these strategies since the last plan to fully support the GHG emission reductions being quantified for these three strategies.
- **Infill development, increased density near transit, and shorter trips through land use strategies:** These complementary strategies are outlined in the revised draft technical methodology and have a clear nexus to the goals, strategies, and outcomes highlighted in the Draft 2024 RTP/SCS. The draft plan and the technical appendices include information about how the forecasted development pattern was developed

and where growth is expected to occur. CARB staff need a better understanding of growth assumed in the different priority development area (PDA) types because one of the PDA types is "Spheres of Influence", which does not support the infill development strategy the same way that growth in the other PDA types do. A summary of housing, employment, and population growth by PDA type and by PDA type by jurisdiction will assist with CARB staff's final evaluation. For the final evaluation of the SCS, CARB staff will also need to see additional information summarizing growth by place type that is not currently available in the Draft 2024 RTP/SCS or the technical appendices. Per CARB's SCS Evaluation Guidelines, please provide a summary of housing, employment, and population growth by place type or other sub-regional geography.

- **2035 data and assumptions:** The Draft 2024 RTP/SCS describes the existing conditions and the vision for the future in 2050 using data, maps, and performance measures. When the final 2024 RTP/SCS is submitted to CARB for evaluation, CARB staff will need much of this information for the 2035 SCS target year, in addition to the base year and plan horizon year of 2050, to complete our policy analyses. For transparency, please consider publishing this information for 2035 in the final 2024 RTP/SCS, a subsequent appendix, or a technical memo.
- **Regional Housing Needs Assessment (RHNA):** Senate Bill 375 requires that the SCS, among other things, "identify areas within the region sufficient to house an eight-year projection of the regional housing need for the region pursuant to Section 65584." This is referring to the RHNA. Although no RHNA is being developed with the 2024 RTP/SCS, the plan must accommodate the most recent (sixth cycle) RHNA, that was adopted by SCAG's Regional Council in 2021. In round numbers, SCAG's sixth cycle RHNA is to plan for 1.34 million housing units by 2029. The Draft 2024 RTP/SCS forecasts 1.6 million new housing units to be built by 2050.

The Draft 2024 RTP/SCS only provides the total housing unit estimate for the region by 2050. It does not include housing unit projections by any other geography, such as county, or for any other year than 2050. CARB staff need to understand the differences between the amount of housing assumed to be built by 2050 in the 2024 RTP/SCS and the units being planned by 2029 to satisfy the current RHNA at a finer level than regionally. Please provide the housing units projected in the final 2024 RTP/SCS for 2035 and 2050 compared to the RHNA at a jurisdiction level for the entire region. If the final 2024 RTP/SCS includes housing unit projections for 2029 or 2030, that information would also be useful since SCAG's sixth cycle RHNA plans through October 2029.

- **Revenues:** The Draft 2024 RTP/SCS has a revenue forecast of \$750.1 billion for years 2025 to 2050. Most of the plan relies on core revenues, which are existing transportation funding sources projected to 2050. Approximately 22% of the total

revenue forecasted, or \$162.2 billion, is assumed to be from “new reasonably available revenue sources.” A large percentage of the revenues projected from “new reasonably available” sources is from pricing – primarily mileage-based user fee pricing, congestion pricing, increases in parking pricing at major job centers, and additional toll revenue from planned express lanes. However, the timing for these pricing revenues, and for all the new revenue sources forecasted, is unclear. CARB staff are concerned about this because several of the GHG emission reduction strategies rely on these new revenues for implementation prior to 2035, per the revised draft technical methodology. Also, these pricing strategies are themselves included as GHG emission reduction strategies. It is not clear how these pricing strategies will be implemented early enough to not only see the GHG emission reductions from pricing, but also see enough revenue from pricing or other new revenues to implement the other GHG emission reduction strategies by 2035. Given the concerns noted above on the pricing strategies, if SCAG revises the timing or implementation of these strategies in the final plan, please also revise the final plan to demonstrate that the pricing revenues will be available by the dates they are needed for each strategy relying on these funds, as appropriate. Please also show alternative revenue sources for the implementation of the impacted strategies, as needed.

Conclusion

The comments in this letter represent initial concerns and questions that are critical to address prior to CARB staff’s final SCS review and determination. CARB staff look forward to continuing our collaboration with SCAG staff and are committed to working together to address these requests so that we are achieving the climate goals we are all working towards. CARB’s final evaluation and ultimate decision to accept or reject SCAG’s determination that the 2024 RTP/SCS achieves the GHG emission reduction target for 2035 will reflect a full review of the 2024 RTP/SCS and is not limited by these comments, concerns, or requests. Upon receiving the final SCS submittal, CARB staff will conduct a thorough review following the SCS Evaluation Guidelines.

Finally, please note that SCAG’s 2035 GHG emission reduction target is 19%. The current SCS Evaluation Guidelines allow MPOs to round up if necessary to reach their targets. CARB staff will be re-evaluating this policy in coming years as part of discussions with the MPOs and the public. CARB staff advise SCAG to ensure the 2024 RTP/SCS plans to achieve the full target and not assume that rounding will be allowed in the future. If you have any questions, please contact me at (279) 208-7841 or lezie.kimura@arb.ca.gov.

Sincerely,

Lezlie Kimura Szeto

Lezlie Kimura Szeto, Manager, Sustainable Communities Policy & Planning Section