

February 24, 2025

Mario Orso
Chief Executive Officer
San Diego Association of Governments
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San Diego, California 92101
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Dear Executive Officer Orso:

In accordance with the Sustainable Communities and Climate Protection Act of 2008, please find enclosed CARB staff's evaluation of the San Diego Association of Governments' (SANDAG) SB 375 Amended 2021 Regional Transportation Plan / Sustainable Communities Strategy (Amended 2021 SCS). CARB accepts SANDAG's determination that the SCS would, when fully implemented, achieve its target of 19% per capita greenhouse gas (GHG) emissions reduction from automobiles and light trucks by 2035 relative to 2005 levels. CARB staff's evaluation report summarizes its assessment, findings, and recommendations relating to the determination on the 2035 target.

CARB staff would like to acknowledge SANDAG for working with us early in its amendment process to determine whether it would need to reanalyze the SCS for target achievement, especially given the importance of maintaining an MPO's SCS target achievement. We look forward to continuing work with SANDAG staff on its fourth cycle SCS.

CARB staff also encourages SANDAG's participation in CARB's process to update the SCS Evaluation Guidelines as we discuss potential changes to CARB's evaluation of quantification methodologies for subsequent cycles. Of note, while CARB accepts SANDAG's use of rounding for the Amended 2021 SCS, we anticipate updating our SCS Evaluation Guidelines on this topic and advise all MPOs to create SCSs that achieve their adopted target and not assume that rounding will be allowed in the future.

CARB staff appreciates SANDAG's continued work to advance environmental sustainability in a way that increases transportation choice and housing opportunities and looks forward to an ongoing partnership to implement this SCS.

Executive Officer Mario Orso
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If you have any questions or need further information, please do not hesitate to contact me at Jennifer.Gress@arb.ca.gov.

Sincerely,

/s/

Jennifer Gress, Ph.D., Division Chief

Sustainable Transportation and Communities Division

Enclosure

cc: (via email)

Antoinette Meier, Senior Director of Regional Planning
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EVALUATION OF THE SAN DIEGO ASSOCIATION OF GOVERNMENTS' AMENDMENT TO SB 375 2021 SUSTAINABLE COMMUNITIES STRATEGY

February 2025

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¹ sustainablecommunities@arb.ca.gov

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Overview

On December 10, 2021, the San Diego Association of Governments (SANDAG), which serves as the metropolitan planning organization (MPO) for the San Diego region, adopted its 2021 Regional Transportation Plan/Sustainable Communities Strategy (2021 SCS). CARB staff evaluated the 2021 SCS's quantification of GHG emissions reductions, and on August 26, 2022, issued an acceptance that the 2021 SCS would, when fully implemented, achieve the 19% per capita greenhouse gas (GHG) emission reduction target for automobiles and light trucks by 2035, relative to 2005 levels (2035 target).

On July 8, 2022, SANDAG's Board of Directors directed SANDAG staff to develop an update to the 2021 SCS that would remove the regional road usage charge (regional RUC), a key SCS strategy, from the 2021 SCS. For a list of strategies previously accepted toward meeting the 2035 target, please see Appendix A of CARB's [Evaluation of the San Diego Association of Governments' SB 375 2021 Sustainable Communities Strategy](#). The regional RUC is a fee that drivers would pay to use the road based on the number of miles traveled or other factors. On October 13, 2023, SANDAG's Board of Directors approved an amendment to the 2021 SCS that removes the regional RUC, with updates to the SCS's revenue assumptions. SANDAG determined its amended SCS will achieve an 18.6% reduction and continues to meet its GHG emission reduction target of 19%, after rounding.

SANDAG provided a complete submittal of the amended 2021 SCS (amendment) and all necessary supporting information for CARB staff's review on October 13, 2023. This evaluation reflects CARB's evaluation of SANDAG's amendment and SANDAG's determination that it would meet its 2035 target when fully implemented.

Based on a review of all available evidence in consideration of CARB's [Final Sustainable Communities Strategy Program and Evaluation Guidelines](#) (SCS Evaluation Guidelines), CARB staff accepts SANDAG's determination that its amended 2021 SCS and supplemental materials reasonably demonstrate that the SCS would meet its 2035 target, when fully implemented. However, CARB staff finds that significant issues with achieving full implementation of the 2021 SCS, as previously identified in CARB's August 2022 SCS evaluation report, remain present in the amendment.

CARB's Evaluation

I. Trend Analysis

CARB staff finds that the removal of the regional RUC strategy results in a decrease in auto operating costs and transit ridership, and increases in single-occupancy driving, vehicle miles traveled (VMT), and GHG emissions, compared to the 2021 SCS. When accounting for these changes, CARB staff found that the updated trend analysis metrics reported from SANDAG's travel model continue to support SANDAG's determination that the region will reduce VMT and GHG emissions to the level necessary to meet the 2035 target.

II. Plan Adjustment Analysis

CARB staff finds that the Plan Adjustment Analysis from its evaluation of the 2021 SCS still stands. Even with the removal of the regional RUC strategy, the SCS continues to include other policy adjustments compared to the previous 2015 SCS that are intended to support the achievement of the 2035 target.

III. Policy Analysis

Removal of the regional RUC strategy from SANDAG's SCS has two effects on VMT and GHG. The first is removing a strategy that could be used to encourage travelers to consider non-auto or high-occupancy travel choices and thereby also manage congestion, and the second is removing a strategy that could generate revenue for funding future investments.

In CARB's 2021 SCS evaluation, CARB staff identified issues with being able to implement the regional RUC strategy and other included regional pricing strategies, due to a lack of existing authority to implement the strategies and the need for legislation, without identified supportive key actions for advancing the strategies.

With the regional RUC strategy removed, CARB staff looked for evidence that the removal of the regional RUC did not jeopardize the implementation of remaining SCS strategies due to the loss of either common supportive key actions for advancing strategies or previously forecasted revenues. CARB staff did not find evidence that the removal of the regional RUC resulted in the removal of supportive key actions for advancing other SCS strategies. (CARB staff also assessed impacts on travel patterns as discussed in I. Trend Analysis above.) See the next section for further discussion of findings on previously forecasted revenues.

IV. Investment Analysis

The amendment includes updated revenue assumptions that SANDAG finds will be sufficient to fund the \$163 billion investments identified in the original 2021 SCS. No changes were made to the 2021 SCS project list. The updated revenue assumptions are a net loss of \$7.9 billion compared to the 2021 SCS, and include:

- Removal of the regional RUC
 - Reduces estimated revenue by \$14.2 billion
- Delayed timing of future local sales tax revenue
 - Reduces estimated revenue by \$1.9 billion
 - An initiative that proposed a half-cent sales tax to help fund the 2021 SCS did not make the 2022 ballot.
 - A second half-cent sales tax measure is still expected in 2028
- Increased revenue from current TransNet sales tax measure
 - Assumes an additional \$1.9 billion through 2050
- Increased federal and State funding
 - Assumes an additional \$6.4 billion through 2030

Because the amendment maintains the 2021 SCS project list and investments identified in the original 2021 SCS, CARB staff finds that the 2021 SCS project investments support the implementation of the 2021 SCS strategies and achievement of the SCS's estimated GHG reduction benefits, if implemented.

However, in the 2021 SCS evaluation, CARB staff identified considerable risk to the delivery of SCS-supportive projects on the project list by 2035, as they were not associated with any firm funding, particularly due to reliance on new funding sources, which were 35% of total revenue through 2035. The amendment revenue forecast adjustments decrease the reliance on new funding sources to 27% of total revenue through 2035, which CARB staff finds to be an improvement but still a significant risk to the implementation of SCS-supportive projects.

CARB's Determination

Accept (with issues regarding implementation)

Based on the policy evaluation of the amendment, CARB staff concludes that the amended SCS still includes near-term supportive policy actions and transit, active transportation, and other SCS-supportive project investments that, when fully implemented, will lead the SANDAG region to achieve its 2035 GHG reduction target.

However, there continue to be significant questions about whether key SCS strategies in the amended 2021 SCS will be fully implemented and whether the anticipated GHG emission reductions by 2035 will be realized. For reasons outlined in CARB's August 2022 *Evaluation of the San Diego Association of Governments' SB 375 2021 Sustainable Communities Strategy* and now with the loss of forecasted revenue in the amendment from the recent sales tax ballot measure election results, the need for SANDAG to continue to identify and pursue mechanisms to fully fund the strategies in the SCS is intensified. To address this issue, CARB staff reemphasizes recommendations originally provided to SANDAG in the August 2022 evaluation report that are focused on the development of its fourth cycle SCS and include: prioritizing funding for transportation projects that advance SCS implementation and goals, continuing to monitor implementation of the adopted SCS strategies, actions, and transportation project list, and accelerating infill to further SCS implementation and goals.