MEETING NOTICE AND AGENDA

REGIONAL PLANNING TECHNICAL WORKING GROUP

The Regional Planning Technical Working Group may take action on any item appearing on this agenda.

Thursday, June 11, 2009

1:15 to 3:15 p.m.

SANDAG, 7th Floor Conference Room
401 B Street, Suite 800
San Diego, CA 92101-4231

Staff Contact: Carolina Gregor
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AGENDA HIGHLIGHTS

• STATUS UPDATE ON THE 2050 REGIONAL GROWTH FORECAST
• REGIONAL CLIMATE ACTION PLAN
• REGIONAL ALTERNATIVE FUELS, VEHICLES, AND INFRASTRUCTURE DRAFT REPORT
• STIMULUS FUNDING OPPORTUNITIES FROM U.S. DEPARTMENT OF ENERGY AND CALIFORNIA ENERGY COMMISSION
• REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) ISSUES

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ITEM #  RECOMMENDATION

1. WELCOME AND INTRODUCTIONS

2. PUBLIC COMMENTS AND COMMUNICATIONS

   Members of the public will have the opportunity to address the TWG on any issue within the jurisdiction of the Working Group. Speakers are limited to three minutes each.

   COMMENT

CONSENT

+3. MEETING SUMMARY OF MAY 14, 2009

   The Working Group should review and approve the May 14, 2009, Regional Planning Technical Working Group (TWG) meeting summary.

   APPROVE

4. DISTRIBUTION OF SMART GROWTH PHOTO LIBRARY DVD SETS TO TWG MEMBERS (Carolina Gregor)

   The Smart Growth Photo Library DVD sets are now available. Each jurisdiction will receive one free DVD set. Additional sets can be ordered for $15 from the SANDAG Web site. Staff will distribute the DVD sets to TWG members in attendance, and will mail sets to the remaining members.

   INFORMATION

REPORTS

5. OPTIONS FOR TWG WORKSHOP ON LOCAL GENERAL PLAN UPDATES (Carolina Gregor)

   At the last TWG meeting, Working Group members suggested that SANDAG organize a workshop for local jurisdictions to exchange information about their general plan updates (underway, recently completed, or in-the-works). Staff proposes that a portion of the July 9, 2009, TWG meeting be dedicated to this purpose. (This could be structured as a “Bring-Your-Own-Lunch” workshop from 12 noon - 2 p.m., with remaining TWG business to be conducted from 2 - 3:15 p.m.) Staff is soliciting ideas on this proposal, as well as two to three TWG members to help shape the format of the workshop.

   DISCUSSION
| ITEM # | RECOMMENDATION |
|-------|----------------|----------------|
| 6.    | **STATUS UPDATE ON THE 2050 REGIONAL GROWTH FORECAST** (Beth Jarosz) | INFORMATION |
|       | SANDAG staff presented the 2050 Regional Growth Forecast options to a joint meeting of the Regional Planning and Transportation Committees on June 5, 2009. The staff report is attached. Staff will provide the TWG with a status report from that meeting. Workshops on the growth forecast will be held on July 15, 22, and 23, 2009. Staff will e-mail invitations to the TWG. Planning directors are encouraged to attend the workshops and to forward the invitations to interested parties. |
| 7.    | **REGIONAL CLIMATE ACTION PLAN** (Andrew Martin) | DISCUSSION |
|       | Staff will present an update on the draft report and new schedule for the completion of the Regional Climate Action Plan (RCAP). The TWG is asked to review the attached materials and provide feedback on the policy measures included. In addition, information will be presented on the California Air Resources Board (CARB) local government toolkit on climate change. |
| 8.    | **REGIONAL ALTERNATIVE FUELS, VEHICLES, AND INFRASTRUCTURE DRAFT REPORT** (Andrew Martin) | DISCUSSION |
|       | As part of the CEC partnership, SANDAG will write a report on available alternative fuels, vehicles, and infrastructure for government fleet applications; sample ordinances and procurement policies local governments can use; funding opportunities to accelerate deployment of alternative fuel vehicles; and specific areas in the region where fueling infrastructure could be sited. A final report is due to the CEC on September 15, 2009. |
| 9.    | **STIMULUS FUNDING OPPORTUNITIES FROM U.S. DEPARTMENT OF ENERGY AND CALIFORNIA ENERGY COMMISSION** (Susan Freedman) | INFORMATION / DISCUSSION |
|       | In addition to Energy Efficiency and Conservation Block Grant Program (EECBG) movies that local governments can apply for, there are other energy-related funding opportunities available. Staff will present an overview of anticipated sources of funding from the Department of Energy and the California Energy Commission. TWG members are asked to express their level of interest in SANDAG undertaking any regional efforts for stimulus dollars. |
ITEM #          RECOMMENDATION

+10. REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) ISSUES
(Susan Baldwin and Genevieve Morelos)  DISCUSSION

A. Status of the next Regional Housing Needs Assessment (RHNA)/Housing
   Element Cycle and SB 575 (Steinberg)  DISCUSSION

   Staff will update the TWG regarding SB 575 (Steinberg), clean-up legislation for
   SB 375 as it relates to housing element and Regional Housing Needs Assessment
   (RHNA) issues.

B. Draft Work Plan for 2012-2020 Regional Housing Needs Assessment
   (RHNA)  DISCUSSION

   Staff will present a draft work plan and begin discussing an approach to the
   next Regional Housing Needs Assessment (RHNA) for the 2012-2020 housing
   element cycle that will be done in conjunction with the 2050 Regional
   Transportation Plan (RTP) and Sustainable Communities Strategy (SCS) in
   accordance with SB 375 (Steinberg).

11. ADJOURNMENT AND NEXT MEETING DATE  INFORMATION

   The next TWG meeting will be held on Thursday, July 9, 2009. The time of the
   meeting will depend on discussions related to Item #5, above.

+ next to an item indicates an attachment
Action Requested: APPROVE

SUMMARY OF MAY 14, 2009, REGIONAL PLANNING TECHNICAL WORKING GROUP (TWG) MEETING

Agenda Item #1: Welcome and Introductions

Bill Anderson, City of San Diego and TWG Chair, presided. Self-introductions were conducted.

Agenda Item #2: Public Comments and Communications

Connery Cepeda, Caltrans, provided a brief overview of California Transportation Plan 2035, and circulated a brochure and fact sheet. He announced that there will be a workshop in San Diego this fall. More information is available at www.CaliforniaTransportationPlan2035.org.

Bill Chopyk, City of La Mesa, summarized the San Diego American Planning Association (APA) awards event that took place on May 7, 2009. Notable awards included the following: the City of San Diego received the Comprehensive Planning Award for its General Plan Update; the North County Transit District (NCTD) received the Focused Issue Planning Award for its three transit station transit-oriented development (TOD) redevelopment plans; and the City of Oceanside received a Focused Issue Honorable Mention for its Bicycle Master Plan. Jane Clough-Riquelme of SANDAG received the Distinguished Planner Award. State award nominations are due this week.

CONSENT ITEMS (#3a and #3b)

Agenda Item #3a: Summary of the April 9, 2009, TWG Meeting

The TWG approved the meeting summary.

Agenda Item #3b: Summary of the April 30, 2009, TWG Special Workshop on Regional Growth Forecast

The TWG approved the workshop summary.

REPORT ITEMS (#4 through #11)

Agenda Item #4: Reports from TWG Members

Jon Brindle commented that the visual simulations are well-received at community workshops and provide a good demonstration of smart growth.
Patrick Murphy, City of Encinitas, suggested a special TWG meeting for sharing progress updates and ideas regarding each jurisdiction’s general plan updates. Bob Leiter, SANDAG, seconded the idea and shared that National City may be coordinating its general plan update with SANDAG’s Urban Core Transit Strategy. The City might also have the opportunity to piggyback on the consultant for the Urban Core Transit Strategy, which would further integrate regional and local smart growth land uses and transit planning. Carolina Gregor, SANDAG, suggested holding a special workshop this summer on general plan updates.

Mr. Anderson mentioned that the California Planners Roundtable is revisiting the general plan and collecting best practices around the state, which may also be a source of ideas. Additionally, he mentioned that the City of San Diego recently held a well-attended conference for the San Ysidro Community Plan Update.

**Agenda Item #7: Status of Next Regional Housing Needs Assessment (RHNA) / Housing Element Cycle and SB 375 (Steinberg)**

Genevieve Morelos (SANDAG) and Susan Baldwin (SANDAG) provided an update on the discussions and legislation that will affect the next RHNA/housing element cycle for the San Diego region. Senator Steinberg is the author of SB 575, which is a bill that is proposing changes to SB 375 (Steinberg). SANDAG is asking that SB 575 align the next RHNA/housing element with the update of the next RTP. The report that was prepared for the May 8, 2009, SANDAG Executive Committee meeting was provided in the agenda packet.

Eight of the 19 jurisdictions have not completed their Housing Elements, but five expect to complete them by the end of 2009, while the remaining three expect to complete them in 1-2 years. Seven out of the eight jurisdictions need to undertake and complete rezoning programs.

Ms. Morelos reported that the following potential options had been presented to the Executive Committee based on the TWG's feedback at the last meeting:

**Option A**: No change to the current law. All 19 jurisdictions in San Diego would need to complete two Housing Elements within a 2.5-year period.

**Option B**: Align fifth revision of the Housing Element with the 2011 RTP update, eliminating the “interim” Housing Element. Local housing advocates understand the difficulty of jurisdictions to provide an “interim” Housing Element, but state advocates have not been as sympathetic.

**Option C1**: Align fifth revision of Housing Element with 2011 RTP update, and require jurisdictions without a current Housing Element by January 1, 2010, to complete rezoning programs by July 1, 2011. Seven of the eight noncompliant jurisdictions could meet these deadlines.

**Option C2**: Same as Option C1, but would provide six additional months for jurisdictions to complete Housing Elements and rezoning programs.

**Option C3**: Same concept as Option C1, but would provide more stringent deadlines (12 fewer months to complete any rezoning); would require jurisdictions that do not meet the deadline to prepare 2010-2012 Housing Element; and would change Board Policy No. 033 regarding funding
eligibility. This option is recommended by the San Diego Housing Federation. Six of the eight noncompliant jurisdictions could meet these deadlines.

**Option D**: Would eliminate the requirement for SANDAG to conduct a RHNA, but require all 19 jurisdictions to complete a “mini” Housing Element for the fifth revision (2010-2012). This option is proposed by state housing advocates, and would eliminate the “interim” Housing Element for SANDAG but could entail annualizing the current RHNA numbers for all jurisdictions. A “mini” Housing Element would require more local resources than completing the rezoning of sites in options C1 - C3.

The Executive Committee directed staff to advocate for Option C1, with Option C3 as an alternative option. Staff will propose these changes to the author and sponsor of SB 575. SB 575 must move out of the State Senate by June 5, 2009, and move to the House of Representatives. The time frame of the addition of these amendments to the bill will depend on the coordination of state housing advocates and the position of Senator Steinberg.

Staff responded to a question on the timing of the amendment. Staff is aware that while the bill will be amended, the extent of the changes will depend on the position of the state housing advocates. Worst-case scenario would involve a mini-housing element and annualizing out current RHNA numbers for three years. While the Senator is supportive of eliminating the interim Housing Element, he cannot erase it due to jurisdictional non-compliance. It was asked how the non-compliant cities would do another Housing Element without the RHNA numbers. Ms. Baldwin responded that staff would take the numbers used for the last cycle and divide by 7½ years and use that annualized number. Ms. Baldwin explained that most agencies are aware that completing two Housing Elements within three years would be difficult for many jurisdictions at this time. Staff is working with the sponsor and author of the bill on Options C1 and C3.

**Agenda Item #5: Establishment of the Regional Planning Stakeholders Working Group**

The SANDAG Transportation and Regional Planning Committees have recommended that the SANDAG Board of Directors approve the establishment of a Regional Planning Stakeholders Working Group (SWG) to participate in the development of the 2050 Regional Transportation Plan (RTP) and to set the stage for a future update to the Regional Comprehensive Plan (RCP). The report to the Regional Planning Committee (RPC) was provided in the agenda packet. The Board is scheduled to take action on this item on May 22, 2009. Pending Board approval, the TWG was asked to appoint two members to serve on the selection committee.

Ms. Clough-Riquelme presented information regarding the formation of the SWG and solicited the TWG for participation on the selection committee. The SWG will be chaired by a member of the Board of Directors, and two SWG members will sit as advisory members to the Regional Planning Committee and Transportation Committee, when there are relevant items on those agendas. Members of the SWG will be selected based on two broad criteria: at-large residents with knowledge of broad topic areas and who are engaged in a variety of civic organizations, or residents who will be appointed by community networks/collaboratives in areas identified as environmental justice communities who have received a mini-grant from the Community-based Outreach Environmental Justice Mini-Grant program.
Karen Brindley, City of San Marcos, inquired as to the level of formality of the public participation process identified with forming the SWG. Coleen Clementson, SANDAG, responded that civic input is a high priority for the agency. She noted that the SWG will not weigh in on every piece of the RTP but will work, for example, on the public participation plan. The policy committees look for input from residents throughout the process.

Mr. Chopyk volunteered and the TWG recommended Gary Halbert, City of Chula Vista, to serve on the SWG selection committee. Ms. Clementson identified Brad Raulston, City of National City, as an alternate.

**Agenda Item #6: Recommendation on Alternative Growth Scenarios for the 2050 Regional Growth Forecast for Use at Public Workshops**

At the Special TWG Workshop held on April 30, 2009, the Working Group discussed and analyzed the draft results of the various 2050 alternative land use scenarios for Phase 2 of the 2050 Regional Growth Forecast. A handout and materials proposing a recommendation (based on discussion from the TWG workshop) was distributed at the meeting. The Working Group was requested to discuss the proposal and make a recommendation to the SANDAG Regional Planning Committee on preferred scenarios for additional analysis and for use at the upcoming growth forecast workshops to be held this summer.

Beth Jarosz, SANDAG, provided a brief summary of the April 30 workshop, preferred scenarios, potential modifications to scenarios, and concerns. Mr. Murphy asked a clarification question on Scenario 12 (increase density in all existing/planned and potential areas to maximum plan density or minimum place-type density, whichever is greater). Ms. Jarosz responded that there is a minimum residential density of every place-type, except for special use center. Mr. Murphy commented on mixed-use areas; for example, in downtown Encinitas, which is a unique zone. He explained that in public forums, density is not one of the standards. Mr. Murphy expressed support for Scenario 12.

Tait Galloway, City of San Diego, asked for clarification of the assumption that everything will be built out to 100% of planned density. Staff responded that build-out is only for residential areas and not on existing land uses such as parks and schools, and clarified information on existing/planned and potential place-type densities.

Mr. Anderson commented that the notion of increasing area density is a sensitive topic in community plans. One issue is the bias of pre-determination with the designated places on the Smart Growth Concept Map—Allied Gardens is an example. Ms. Jarosz noted that the TWG can consider the extent to which potential smart growth areas, or selected potential smart growth areas, are included in the 2050 scenarios. Mr. Anderson pointed out that the scenarios need to be linked with forecasts of employment growth by sector in order to offset assumptions for office space demand that may be too high.

Mr. Murphy observed that there should be two important components of the public outreach effort: (1) public education and discussion of sustainability issues, and (2) providing alternatives that allow for a variety of thought. For instance, holding public workshops that set the stage for discussions on sustainability may get people to think in a different manner about densities and land use. The public may offer alternatives that otherwise might not be expected.
Brian Mooney, City of Del Mar, commented that discussions on sustainability might result in people wanting to constrain population growth due to water-supply issues.

Mr. Galloway brought up the concern that people may interpret the “build-out” scenario as SANDAG supporting 100% build-out for all areas, even if the City does not believe that build-out will occur. Ms. Jarosz responded that the scenario is used as a worst-case scenario or a “strawman”—a scenario that is unlikely to fully develop in reality, but used as a conceptual image to illustrate existing plans. She suggested changing the build-out percentage to 80% or 90%, as this would be more realistic. Mr. Anderson commented in favor of changing the scenario to use a more realistic percentage.

Mr. Brindle asked if jurisdictions would ultimately be required to report on compliance with the forecast. Ms. Jarosz responded that staff plans to use the forecast for use in the RTP, water planning, and other facilities planning, but currently there is no strategy to use the forecast for the housing allocation. Housing Element law states that the regional housing needs allocation process begins with existing plans and goes beyond those plans with the Housing Element. How much beyond depends largely on the approaches advocated by the Regional Housing Working Group and the TWG.

Mr. Brindle inquired about the example of denying a project because it falls short of the maximum density. Ms. Jarosz clarified that SANDAG has no land use authority, but that there are incentives for local jurisdictions to align local plans with the strategy that comes out of this process which meets greenhouse gas (GHG) reduction targets, such as CEQA streamlining on projects.

Mr. Murphy asked about providing an analysis of how the scenarios meet the GHG emission reductions required by SB 375. Ms. Jarosz responded that ultimately this will be the case, but that the GHG modeling will take place with the RTP update. For now, staff will convey the information that transit-oriented land use combined with more frequent transit service has reduced GHG. Mr. Murphy made the point that this is a numbers game and that the emphasis must be on education. It is valuable to have the 100% or 90% scenario in order to show that we will not meet the GHG reduction targets under the existing plans. Only then will the public have valuable discussions about other options.

Bob Leiter, SANDAG, added that the 100% scenario is what happens if there are not more strategic changes to general plans. It is important to keep in mind the 40-year time frame. Studies have shown that recycling of housing stock occurs, and as this occurs there is a tendency to recycle closer to the maximum densities allowed than the densities that exist on the ground. This is not a policy choice but the “business as usual” approach in comparison to the more strategic approaches to designated land use, which provides a good basis for comparison.

Devon Muto, County of San Diego, suggested crafting another scenario that would depict an extreme version of smart growth for discussion at public workshops. He asked about the possibility of refining Scenario 12 to first increase density in all existing/planned areas next to transit, and then all existing/planned areas, and then factoring in the potential areas. Ms. Jarosz responded that the only constraint is the plan to take a shortlist to the RPC in June and hold public workshops in July. It is feasible to make a more aggressive version of Scenario 12 if that is the recommendation today and it can go on the shortlist, but there may not be sufficient time to bring the results back to the TWG for a final approval. TWG members expressed support for this arrangement. Andy Hamilton,
Air Pollution Control District, seconded Mr. Muto’s motion and commented that it is best to overshoot with one of the scenarios. Ms. Jarosz reminded the TWG that this is the first step in a long process where land use pieces are the first attempt to cut GHG emissions and the next step is transportation—parking pricing strategies, telecommuting, bicycle and pedestrian plans, and so on.

Mr. Mooney suggested that with information from the Urban Core Transit Strategy it would be best to have a good smart growth scenario match a good transit strategy. Ms. Gregor provided clarification on the process and goals of the Urban Core Transit Strategy. She stated that as the study progresses, the alternative transit networks created by the consultant will be incorporated into model runs as part of the RTP process. Eventually, through the RTP planning process, the most effective transit strategy will be chosen for inclusion in the 2050 RTP. If the land uses are not supporting the preferred transit network alternative, the consultant could recommend potential land use changes that could be considered as part of the Alternative Planning Strategy required by SB 375 if the SCS does not meet the GHG reduction targets.

The TWG discussed potential constraints on land use development depicted by the scenarios. Mr. Chopyk commented on Scenario 6 and airport noise as a constraint on use. He suggested calling affected areas Airport Restriction Zones. Additionally, allowing residential use in a historic structure or changing use in a historical district would not necessarily be detrimental. A one-mile radius seems appropriate, but should be looked at on a case-by-case basis. Mr. Halbert remarked that three-quarters of a mile may be best due to barriers to walking to transit stations. Mr. Muto added that there is a lot of variation of communities around transit stations and many barriers to accessibility. Ms. Jarosz responded that SANDAG would include “walk-shed” buffers in models. Mr. Brindle brought up the impacts on parks and schools.

Mr. Galloway suggested another alternative to combine Scenarios 6 and 12. The mile is too large for an urban area—a ½-mile would be better. He recommended talking with the Airport Authority and looking at safety zones. Ms. Jarosz clarified that staff is seeking 3-5 scenarios for public feedback. The input would then be brought to the TWG, where a refined scenario can be crafted. One option is to keep the scenarios separate for now and then to bring them together later in the process.

Mr. Muto motioned to recommend Scenarios 1, 3, 6, 12, a combined 6 and 12 (which may or may not use 100% of both), and an additional “reach” scenario for use at the public workshops. Mr. Murphy seconded the motion, and the TWG passed the recommendation. Staff will internally brainstorm on the “reach” scenario and return to the TWG for additional input later in the process.

Agenda Item #8: Demonstration of Web-Based Smart Growth Photo Library

SANDAG has uploaded a sampling of photos from the Smart Growth Photo Library to the SANDAG Web site and will be producing DVDs containing all of the photos taken by the professional photographer for this project. Ms. Gregor provided a demonstration showing how to access the photos on the Web site and announced that jurisdictions will each receive one DVD set that contains the entire photo library of approximately 4,000 images throughout the region. The high-resolution images can be used in local presentations and brochures. Additional DVD sets can be purchased for $15. Staff plans to submit an article to the American Planning Association newsletter and the Urban Land Institute and others to ensure that interested parties have access to the photos and other resources for implementing smart growth.
Mr. Anderson suggested that it would be useful for staff to provide information about the areas in the photos such as the densities and parking.

Mr. Galloway commented that it would be helpful for jurisdictions to be able to update information on-line. A good example is the Web site for CCDC, where developers can update their own project information.

**Agenda Item #9: Sustainable Region Program Action Plan and Toolkit**

As part of the California Energy Commission (CEC) agreement, SANDAG was tasked with developing transferable tools and resources based on our energy planning efforts. The Sustainable Region Program (SRP) Action Plan and Toolkit provides guidance that other regional governments can use if they wish to implement an energy-saving program for local governments. These documents were developed in partnership with the CEC, California Center for Sustainable Energy (CCSE), and San Diego Gas and Electric (SDG&E). They will be used in the region when SANDAG expands the SRP to all local governments through a Local Government Partnership with SDG&E (expected in 2010). Information on the CEC agreement and SRP was provided in the agenda packet.

Susan Freedman, SANDAG, made a presentation. Highlights included:

- The SANDAG SRP is an energy-saving program that provides technical assistance and staff support to member agencies that either have not participated or have minimally participated in regional energy efficiency, renewable, and green building programs available to them.
- The SRP addresses energy-saving measures for existing buildings and new construction as well as policy measures that local governments can adopt.
- Policy measures have expanded to include potential ways to integrate energy efficiency, renewable energy, and climate change considerations into General Plan elements, municipal codes, and other standards.
- A final product for each local government is an energy management plan, or “energy roadmap,” tailored to their needs.
- The SRP Action Plan and the SRP Toolkit are being developed as interactive guides on the SANDAG Web site.
- SRP is an expansion of a pilot program undertaken with the City of Carlsbad in 2005 and 2006. The program was developed in partnership with CCSE and implemented by SANDAG with CCSE and SDG&E. Through the SANDAG-CEC partnership, the SRP expanded to assist three additional cities in 2007 and 2008. SANDAG is eager to expand the SRP to assist all member agencies once supplemental resources are acquired.

Ms. Freedman fielded questions regarding prioritization of jurisdictions to partner in the program, and coordinating SANDAG’s work with federal funding opportunities for climate action planning and energy efficiency conservation strategies. She responded that in the beginning, staff targeted cities with zero or no energy resources. This time around, the initial criteria included consideration of whether the jurisdiction is undergoing a plan update, availability of designated staff, and others. Staff will be updating the criteria with SDG&E before the rollout of the expanded SRP next year. The work that SANDAG does with the jurisdictions through the SRP, and through the Regional Energy Strategy Update, can be used as a guide for energy efficiency strategies that can submitted for federal stimulus dollars. The roadmap is more of a framework for energy usage in the
jurisdiction that pinpoints what can be used with the federal dollars, and can be used as a guide for more intensive analytical research.

Mr. Anderson asked if there are jurisdictions in San Diego that require audits of private developers. Ms. Freedman responded that she is not aware of any, but that she will check. Once jurisdictions are taking actions on their own energy usage, it will pave the way for reaching out to local businesses.

**Agenda Item #10: Regional Energy Strategy Update**

Staff presented progress on the Regional Energy Strategy (RES) Update and sought input on the draft strategic goals and policy measures. The purpose of the update is to revise information and priorities from the 2003 plan; identify imperatives for the region in energy related to transportation, electricity, natural gas, and land use planning; prioritize policies and actions that will benefit the region most in the long-term; and focus on measures that regional and local governments can influence or implement.

The plan process includes the following directives:

- Develop Guiding Principles
- Update Regional Energy Goals
- Select targets, policies and actions for each goal
- Use energy analysis (ongoing) from staff, CCSE, SDG&E, EPIC and state agencies
- Include Performance Measures to track progress

Draft versions of the Guiding Principles, the Regional Energy Goals, and additional goals for consideration were provided in the agenda packet.

Mr. Murphy inquired about the policy that calls for a 20% reduction of energy use in state-owned buildings by 2015. Ms. Freedman responded that it is a state mandate but could lead to a recommendation on a local green building policy. The state goal may be set but the regional policies are up for discussion. Ms. Freedman explained that the next step is to create a shortlist of policies to bring to the Regional Energy Working Group to discuss policy prioritization.

Ms. Gregor highlighted the section entitled “Energy Considerations for Land Use and Transportation Planning” on pages 105-6 of the agenda packet, which references the Smart Growth Concept Map, converting potential Smart Growth areas to actual Smart Growth areas, and related policies.

Ms. Freedman answered a question on the concept of a regional power grid and if there has been discussion on micro-grids for community self-sustainability. She explained that the discussion has been focused on promoting on-site generation and making the grid more manageable. In some cases, places have been able to sell excess power back to the utility, for which there has been development of the necessary tariff structures.

**Agenda Item #11: Adjournment and Next Meeting**

The next regularly scheduled TWG meeting will be held on Thursday, June 11, 2009, from 1:15 to 3:15 p.m. at SANDAG.
2050 REGIONAL GROWTH FORECAST

Introduction

The 2050 Regional Growth Forecast is the first step in developing the 2050 Regional Transportation Plan (RTP). The 2050 Forecast will also support local capital improvement and water resource planning throughout the region. The forecast is completed through a multi-step, collaborative process that involves input from local jurisdictions, citizens, and elected officials over the course of eighteen months. In addition to local outreach, SANDAG staff conducts peer review by outside experts including demographers, economists, developers, and natural resource managers to review economic and demographic assumptions about fertility, migration, inflation, and other indicators. The purpose of this report is to provide the Regional Planning and Transportation Committees with an overview of the process, progress to date, and potential alternative land use scenarios for consideration in the forecast.1

Discussion

2050 Growth: Change and Challenges

Previous forecasts have consistently shown that the San Diego region will continue to grow although at reduced rates in the future. This forecast is no different, and preliminary draft projections suggest that the region will approach 4.5 million people, 1.9 million jobs, and 1.5 million housing units by 2050.2 This is a projected growth rate in population, jobs, and housing of 39 percent, 33 percent, and

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1 SANDAG denotes forecasts by a sequential series number. The current working forecast is known as the Series 12: 2050 Regional Growth Forecast
2 Local estimates are not available at this time for population, employment, and housing for each jurisdiction at this time. Staff is still working to finalize general plan updates and amendments into the regional forecast. Staff will be able to provide local jurisdiction estimates during future updates on the 2050 Growth Forecast later this year.
35 percent, respectively. While much of the projected growth between today and 2030 can be accommodated based on adopted general plans and policies, draft estimates show the region’s housing demand exceeds housing capacity around 2030 based on existing general plans and policies.

Since October 2008, SANDAG staff has been working closely with the Regional Planning Technical Working Group (TWG) to collect existing and planned land use data and develop the forecast. Based upon the data collected, draft analysis indicates that the region has capacity for approximately 370,000 additional housing units and 775,000 additional jobs. Given that the region’s projected growth is roughly 450,000 additional housing units and 500,000 jobs, the difference (approximately 80,000 units) between projected residential growth and planned residential capacity is apparent.³

Since this forecast will extend beyond the horizon year of local general plans in the region, SANDAG staff has also been working with the TWG to identify preliminary land use scenarios that could bridge the gap between the horizon year of local general plans and the 2050 forecast year. Twelve scenarios and their variants were generated through a series of workshops and meetings with the TWG. These preliminary scenarios included a wide range of options which are shown in Attachment 1.

At its May meeting, the TWG recommended that SANDAG staff continue to examine five land use scenarios. The TWG further recommended the Regional Planning and Transportation Committees recommend that the Board of Directors accept and distribute the selected alternative land use scenarios for public review and use in public workshops scheduled for this July.

The five scenarios include:

1. **Maximum general plan density region-wide**
   Assumes (re)development throughout the region to the highest possible density based on existing general plans. This scenario excludes redevelopment of mobile home parks and all sites currently under construction.

2. **Density increases in Transit Investment Areas**
   Assumes (re)development of sites within the Transit Investment Areas (See Attachment 2) to a minimum of 25 dwelling units (du)/acre, which are of 0.1 acre or larger with planned land use of multi-family, mixed-use, commercial, or office, and with current residential density less than 15 du/acre. This scenario excludes sites currently under construction.

3. **Added mixed-use near high-frequency transit**
   Assumes that all areas identified for commercial development that are located within a 10-minute walk of high-frequency transit stations are developed as mixed-use (residential and commercial) with multi-family housing at 25 du/acre. This scenario excludes sites currently under construction or already planned for redevelopment at a higher density.

³ These figures are draft results as of May 21, 2009.
4. **Full implementation of Smart Growth Opportunity Areas (SGOAs)**
   Assumes that all Existing/Planned and Potential SGOAs identified on the Smart Growth Concept Map (See Attachment 3) are developed to the greater of either maximum of existing plan density or the minimum smart growth place type density.

5. **“Stretch” land use scenario**
   The stretch scenario was recommended in concept by the TWG as an aggressive land use scenario encouraging walkable communities throughout the region as a means to increase non-motorized mode share for shopping, school, and other non-work trips.

The TWG also recommended continuing to include draft general plan updates into the 2050 Forecast. Inclusion of draft plan updates is already an ongoing process, and SANDAG staff will continue to incorporate draft plans into the forecast through the summer as they become available.

The TWG based its recommendation upon core values outlined in the Regional Comprehensive Plan and the goal of providing a range of options for public review and comment. Additionally, the TWG provided feedback to staff that the scenarios should avoid development in sensitive habitat, agricultural, and historic areas, should reflect airport safety zone regulations, and should reflect the need for parks, schools, and other amenities related to additional population demands.

**Past Growth: Alternatives**

In previous forecasting efforts SANDAG has applied a variety of strategies to the long-range land use plans to accommodate growth beyond general plan capacity. These strategies have included the following:

- General intensification (Series 8)
- Transit Focus Areas (Series 9)
- Interregional Commute (Series 10 and 11)
- Smart Growth Alternative (Series 11 – used for Regional Transportation Plan Environmental Impact Report, and Regional Climate Action Plan analysis)

**Planning for the Next 40 Years**

When considering growth patterns for the next 40 years, it is important to keep in mind the scope of technological, environmental, social, and political change that occurred in the prior forty.

In 1970 the population of the San Diego region was less than half of today's population at 1,357,854 residents. At that time the region had no light rail service and State Routes 52 and 56 did not exist. The cities of Encinitas, Lemon Grove, Poway, Santee, and Solana Beach had not yet incorporated. The San Diego Bay Bridge will be celebrating its 40th anniversary of service this year. State Route 15 was still 40th Street through the City of San Diego. The Otay Mesa Land Port of Entry, which handles over $31 billion of goods annually, would not open until 1985.

From an economic perspective, in the last 40 years the San Diego region has weathered seven economic downturns, including two protracted recessions during early 1970s and 1980s. As a result, the San Diego region’s economy has transformed from an economy largely focused on defense
services during the Cold War to a diversified economy based on biotechnology, healthcare, tourism, education, and defense services.

Growth between the present and 2050 is likely to encompass a similar magnitude of change and challenges.

**Next Steps**

Upon the recommendation of the Regional Planning and Transportation Committees, the Board of Directors will be asked at its June 12 meeting to accept the proposed five land use scenarios for public review and comment. A series of workshops will be held in July for that purpose.

Once the workshops are complete, SANDAG staff will report back to the TWG, Regional Planning Committee, Transportation Committee, and Board of Directors on comments and suggestions arising from the public review process. These groups will then work together to take the existing information, public feedback, and any necessary follow-up analysis to develop the 2050 land use alternative that will be incorporated into the 2050 Regional Growth Forecast. The final draft Forecast is anticipated for consideration by the Board of Directors in early 2010 for use in the 2050 RTP.

KURT KRONINGER  
Director of Technical Services

Attachments: 1. Draft Alternative Land Use Scenarios  
2. Transit Investment Area Map  
3. Smart Growth Concept Map

Key Staff Contacts:  
Ed Schafer, (619) 699-1967, esc@sandag.org  
Beth Jarosz, (619) 699-6997, bja@sandag.org
## Draft Alternative Land Use Scenarios

### Target Capacity (Demand)

<table>
<thead>
<tr>
<th>Description</th>
<th>TWG Recommendation</th>
<th>Housing Capacity</th>
<th>+/- Target</th>
<th>% Housing w/ 1/4 mile transit</th>
<th>Job Capacity</th>
<th>+/- Target</th>
<th>% Job Capacity w/ 1/2 Mile Transit</th>
<th>Protects Sensitive Lands</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TARGET CAPACITY (DEMAND)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&quot;EP&quot; existing plans and policies (base case)</td>
<td>NOT APPLICABLE: insufficient planned capacity for 2050</td>
<td>381,129</td>
<td>(68,871)</td>
<td>43.5%</td>
<td>776,439</td>
<td>266,439</td>
<td>43.1%</td>
<td></td>
</tr>
<tr>
<td>Incorporate draft plan updates</td>
<td>USE: (across all scenarios) with continued updates as information becomes available</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Selected

<table>
<thead>
<tr>
<th>ID</th>
<th>Description</th>
<th>TWG Recommendation</th>
<th>Housing Capacity</th>
<th>+/- Target</th>
<th>% Housing w/ 1/4 mile transit</th>
<th>Job Capacity</th>
<th>+/- Target</th>
<th>% Job Capacity w/ 1/2 Mile Transit</th>
<th>Protects Sensitive Lands</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Maximum general plan density regionwide</td>
<td>USE: as-is for public workshops</td>
<td>494,441</td>
<td>44,441</td>
<td>38.6%</td>
<td>774,887</td>
<td>264,887</td>
<td>43.3%</td>
<td>No</td>
</tr>
<tr>
<td>2</td>
<td>Density Increases in Transit Investment Areas</td>
<td>USE: with modifications to exclude historic districts, airport height restriction zones, habitat preserves, and other sensitive areas</td>
<td>533,013</td>
<td>83,013</td>
<td>42.7%</td>
<td>773,281</td>
<td>263,281</td>
<td>43.1%</td>
<td>Yes</td>
</tr>
<tr>
<td>3</td>
<td>Added mixed use near high frequency transit</td>
<td>USE: with modifications to exclude historic districts, airport height restriction zones, habitat preserves, and other sensitive areas</td>
<td>466,921</td>
<td>16,921</td>
<td>46.7%</td>
<td>774,192</td>
<td>264,192</td>
<td>43.0%</td>
<td>Yes</td>
</tr>
<tr>
<td>4</td>
<td>Full implementation of Smart Growth Opportunity Areas (SGOAs)</td>
<td>USE: as is for public workshops</td>
<td>450,461</td>
<td>461</td>
<td>45.5%</td>
<td>1,102,530</td>
<td>592,530</td>
<td>51.3%</td>
<td>Yes</td>
</tr>
<tr>
<td>5</td>
<td>&quot;Stretch&quot; land use scenario</td>
<td>DEVELOP: an aggressive Smart Growth alternative encouraging walkable communities throughout the region as a means to increase non-motorized mode share for shopping, school, and other non-work trips.</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ID</td>
<td>Description</td>
<td>TWG Recommendation</td>
<td>Housing Capacity</td>
<td>+/- Target</td>
<td>% Housing w/i 1/4 mile transit</td>
<td>Job Capacity</td>
<td>+/- Target</td>
<td>% Job Capacity w/i 1/2 Mile Transit</td>
<td>Protects Sensitive Lands</td>
</tr>
<tr>
<td>----</td>
<td>------------------------------------------------------------------------------</td>
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<tr>
<td>6</td>
<td>Allow second dwelling units in the transit investment areas</td>
<td>DROP: not a viable policy option</td>
<td>437,303</td>
<td>(12,697)</td>
<td>39.4%</td>
<td>776,439</td>
<td>266,439</td>
<td>43.1%</td>
<td>Yes</td>
</tr>
<tr>
<td>7</td>
<td>Convert mobile home parks to higher-density multifamily</td>
<td>DROP: not a viable policy option</td>
<td>457,330</td>
<td>7,330</td>
<td>37.3%</td>
<td>776,439</td>
<td>266,439</td>
<td>43.1%</td>
<td>Yes</td>
</tr>
<tr>
<td>8</td>
<td>Increase density to 125 percent of minimum targets for metropolitan, urban,</td>
<td>GROUP: into a combined Smart Growth alternative (see 4 above)</td>
<td>396,677</td>
<td>(53,323)</td>
<td>44.8%</td>
<td>999,126</td>
<td>489,126</td>
<td>53.1%</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>and town centers**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>9</td>
<td>Increase density to 115 percent of minimum targets for selected** Smart</td>
<td>GROUP: Into a combined Smart Growth alternative (see 4 above)</td>
<td>423,946</td>
<td>(26,054)</td>
<td>46.0%</td>
<td>1,100,127</td>
<td>590,127</td>
<td>56.0%</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Growth areas within the transit priority area</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>10</td>
<td>Increase density to 110 percent of minimum targets for all selected** Smart</td>
<td>GROUP: into a combined Smart Growth alternative (see 4 above)</td>
<td>433,429</td>
<td>(16,571)</td>
<td>45.5%</td>
<td>1,009,062</td>
<td>499,062</td>
<td>52.1%</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Growth areas regionwide</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>11</td>
<td>Upgrade place types and related density assumptions for selected** Smart</td>
<td>GROUP: into a combined Smart Growth alternative (see 4 above)</td>
<td>418,371</td>
<td>(31,629)</td>
<td>46.7%</td>
<td>1,303,950</td>
<td>793,950</td>
<td>60.1%</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Growth areas</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>12</td>
<td>Residential infill in existing major employment areas (exclude industrial</td>
<td>DROP: scenario 3 is the preferred alternative to scenario 12</td>
<td>422,245</td>
<td>(27,755)</td>
<td>42.9%</td>
<td>783,974</td>
<td>273,974</td>
<td>42.7%</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>sites)</td>
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</tr>
</tbody>
</table>

Note: All figures are draft as of May 12, 2009, and are subject to change.
All Smart Growth Opportunity Areas shown on the map have been identified and recommended for inclusion on the map by local jurisdictions.
REGIONAL CLIMATE ACTION PLAN  

Introduction

The Assembly Bill (AB) 32 Climate Change Scoping Plan and Senate Bill (SB) 375 emphasize the need to better connect land use plans with regional transportation networks to help achieve the state’s greenhouse gas (GHG) emissions reduction targets for 2020. State law requires metropolitan planning organizations (MPOs) to integrate the transportation network with development patterns in a way that achieves GHG emissions reduction targets from passenger cars and light-duty trucks while meeting housing needs and other regional planning objectives. SANDAG is required to demonstrate how the region will achieve the GHG emissions reduction targets to be established through the SB 375 process, in the next Regional Transportation Plan (RTP) update. The Regional Climate Action Plan (RCAP) is a key component of the next RTP. The Board of Directors is asked to discuss and provide input on the development of the RCAP.

As part of the multi-year partnership with the California Energy Commission (Energy Commission) and to satisfy a mitigation measure in the 2007 RTP Environmental Impact Report (EIR), SANDAG is preparing the RCAP for Board of Directors consideration in December 2009. The RCAP will help outline how the next RTP could achieve the GHG emissions reduction targets specified in SB 375. This report presents guiding principles developed as a framework for the RCAP, potential policy measures to reduce GHG emissions, and prospective performance measures to monitor progress. These draft components were presented to the Regional Planning Committee at its April 3, 2009, meeting, and the Board of Directors at its May 22, 2009, meeting. The Energy Working Group (EWG) is providing stakeholder input into the development of the RCAP. The Regional Planning Technical Working Group is asked to discuss and provide input on the development of the RCAP.

Staff will also provide an overview of the local government ‘toolkit’ recently approved by the California Air Resources Board to help local governments reduce costs and contribute to the state’s GHG reduction goals. The toolkit can be found online at www.CoolCalifornia.org.

Discussion

The primary purpose of the RCAP is to analyze and recommend policy measures that SANDAG and its member agencies can support to address climate change. The RCAP will help SANDAG identify measures to meet required GHG emissions reduction targets for passenger cars and light-duty trucks. Major RCAP components will include:

- A set of guiding principles to serve as a framework for regional and local planning decisions related to climate change;
• Emissions data from the GHG Emissions Inventory for San Diego County conducted by the Energy Policy Initiatives Center (EPIC) at the University of San Diego (USD);
• County-specific climate adaptation findings from the Regional Focus 2050 Study prepared by the San Diego Foundation;
• Policy measures to reduce GHG emissions, primarily focused on land use and transportation planning, and electricity and natural gas use;
• Policy guidance to help local governments address the broad range of sectors that account for regional GHG emissions and adapt to the projected regional impacts of climate change; and
• Performance measures to gauge the effectiveness of RCAP policies, monitor progress, and verify results.

The guiding principles identify a series of priorities that serve as a framework for regional and local planning decisions related to climate change. They will inform the development of goals and policies for the RCAP. The guiding principles are intended to ensure that decision-making is aligned with the level of reductions required in the near-term (2020) and long-term (2050), and prepares the region for the projected impacts of climate change. They emphasize the need to improve community design, maximize mobility without a vehicle, support the transition to alternative transportation fuels, and others. The guiding principles in Attachment 1 have been recommended for inclusion in the RCAP by the EWG.

The next step in the development of the RCAP will be for staff to estimate the potential GHG emissions reduction of potential land use and transportation policy measures, using the SANDAG travel demand model and state emissions model where possible and alternative methods when use of the models is infeasible (Attachment 2). Ongoing efforts to improve model sensitivity to transportation and land use-related GHG emissions reduction strategies will enable re-testing of these strategies and testing of new measures in the future. The RCAP will identify the capabilities and limitations of the SANDAG travel demand model and describe potential improvements needed to help determine GHG emissions reduction in future updates of the RTP. In addition to transportation and land use planning, staff also proposes to develop policy guidance in the RCAP addressing the broad range of sectors that account for regional GHG emissions and adaptation to the projected impacts of climate change to the region.

Quantifying potential GHG emissions reduction associated with land use and transportation policy measures will help inform SANDAG recommendations to the state’s Regional Targets Advisory Committee, which is charged with recommending a methodology for the California Air Resources Board to use in the establishment of regional GHG reduction targets required by SB 375. This analysis also will support SANDAG in the development of a Sustainable Communities Strategy in the next RTP update.

Finally, a preliminary list of performance measures is proposed to evaluate the success of land use and transportation policies to reduce GHG emissions (Attachment 3). Specific goals for regional climate protection also will be developed for the RCAP.

**Next Steps and Schedule**

The Energy Commission has extended the deadline for SANDAG’s submittal of a first draft of the Regional Climate Action Plan (RCAP). The extension is due to internal and external delays in
The transportation demand model will be used to estimate the potential greenhouse gas (GHG) emission reductions associated with policy measures identified in the RCAP. The major components of the revised schedule are provided below.

<table>
<thead>
<tr>
<th>Date Range</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 2009</td>
<td>Expected completion of model enhancements</td>
</tr>
<tr>
<td>August/Sept 2009</td>
<td>Testing of GHG reduction policy measures in transportation demand model for 2020 and 2030</td>
</tr>
<tr>
<td>August or Sept 2009</td>
<td>EWG review of differences between original and new modeling method and results</td>
</tr>
<tr>
<td>September 30, 2009</td>
<td>First draft submittal of RCAP to Energy Commission for peer review</td>
</tr>
<tr>
<td>October 2009</td>
<td>Hold public workshop at CCSE in 1st week of month (tentative)</td>
</tr>
<tr>
<td>October 23, 2009</td>
<td>Receive feedback from Energy Commission and stakeholders</td>
</tr>
<tr>
<td>October 2009</td>
<td>Return to EWG to discuss input provided by stakeholders</td>
</tr>
<tr>
<td>November 2009</td>
<td>Present draft RCAP to RPC and Board for input</td>
</tr>
<tr>
<td>Dec 2009-Jan 2010</td>
<td>Return to RPC and Board for consideration of plan for adoption</td>
</tr>
</tbody>
</table>

Attachments:  
1. Draft Guiding Principles for the RCAP  
2. Draft Greenhouse Gas Reduction Policy Measures for the RCAP  
3. Draft Performance Measures for the RCAP

Key Staff Contact: Andrew Martin, (619) 699-7319, ama@sandag.org
Draft Guiding Principles for the Regional Climate Action Plan

Take Immediate Action
Climate change is a serious global challenge to public health, the environment, and the economy requiring all levels of government, including SANDAG and its member agencies, to engage in immediate and sustained actions to reduce greenhouse gas (GHG) emissions and prepare for the impacts of a changing climate.

Lead By Example
SANDAG and its member agencies lead by example and increase public awareness of climate change: our actions to reduce GHG emissions from internal operations and prepare for the impacts of climate change encourage residents and the private sector to follow our lead.

Take a Broad Approach
The broad range of sectors comprising regional greenhouse gas emissions, impacts of climate change to the region, and major regional issues associated with climate change are addressed.

Promote Social Equity and Environmental Justice
Climate protection policies and actions promote the principles of opportunity, inclusion, and equal access for disadvantaged populations and ensure fair treatment and meaningful involvement for all people regardless of race, ethnicity, gender, income, national origin or geography.

Prepare for the Impacts of a Changing Regional Climate
The region will be prepared for projected impacts of climate change to San Diego, including increased threats to public health, higher sea level, warmer average temperature, more frequent and longer heat waves, increased peak demand for electricity, more vulnerable water supply, more frequent wildfires, and loss of native plant and animal species.

Design Communities to Maximize Mobility without a Vehicle
Regional transportation planning is integrated with improved community design to significantly lower demand for vehicle travel by making walking, bicycling, and public transportation practical choices for everyday travel.

Achieve Zero Net Energy Residential and Commercial Buildings
Aggressive strategies, including regulations and incentives, are employed to achieve zero net energy usage in new residential and commercial buildings and communities and reduce energy usage in existing residential and commercial buildings and communities through energy efficiency, clean distributed generation, and community planning efforts.

Minimize Greenhouse Gas Emissions from Vehicle Trips
Programs to manage demand for vehicle trips, such as carpools, vanpools, and telecommuting, and improve their efficiency are an emphasis in regional transportation planning.

Fund the Regional Transit Network
Increasing and maintaining funding for public transportation planning and operations is recognized as critical to the success of the region’s efforts to reduce GHG emissions.
**Increase Alternative Transportation Fuels and Vehicles**
Infrastructure and policy promote the transition away from petroleum to vehicles and fuels with lower greenhouse gas emissions on a full fuel cycle basis.

**Price Transportation Modes to Reflect Their Climate Impacts**
Transportation pricing signals lead to travel behavior that supports regional GHG emissions reductions.

**Reduce GHG Emissions from Interregional and Binational Movement of People and Goods**
Infrastructure, policy, and technology are deployed as necessary to significantly lower GHG emissions associated with the interregional movement of people and goods.

**Minimize GHG Emissions from Electricity and Natural Gas Use**
Conservation, energy efficiency, renewable energy, and distributed resources are preferred over new utility-scale fossil-fuel generated resources.
<table>
<thead>
<tr>
<th>Policy</th>
<th>Description</th>
<th>Method to Determine GHG Reduction*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Alternative Work Schedules</strong></td>
<td>Workers would participate in a flexible work schedule or compressed work hours program to limit commuting during peak periods and/or limit the number of home-to-work commuting trips. A typical schedule involves employees working 10 hours per day, four days per week, or nine hours per day with one day off every two weeks.</td>
<td>Staff exploring alternative methods</td>
</tr>
<tr>
<td><strong>Commuter Financial Incentives</strong></td>
<td>Financial incentives can be used to encourage the use of alternative commute modes. These include parking cash out, travel allowances, transit and rideshare benefits, and company travel reimbursement policies. These incentives are often provided as an alternative to subsidized employee parking. Parking Cash Out: commuters offered subsidized parking are also offered the cash equivalent if they use alternative travel modes. Travel Allowances: financial payments provided to employees in lieu of parking subsidies. Commuters could use the travel allowance to pay for parking or for another travel mode. Transit and Rideshare Benefits: free or discounted transit fares provided to employees. Reduced Employee Parking Subsidies: commuters who drive would pay a portion or all of their parking costs.</td>
<td>Staff exploring alternative methods</td>
</tr>
<tr>
<td><strong>Driver Education</strong></td>
<td>This strategy would promote fuel-efficient driving practices, such as reduced idling and gentle accelerations. This strategy could be implemented as a new driver education program or added to existing ones.</td>
<td>Staff exploring alternative methods</td>
</tr>
<tr>
<td><strong>Emissions-based Vehicle Registration Fees</strong></td>
<td>Under this measure, a surcharge would be added to vehicle registration of license fees based on vehicle fuel economy.</td>
<td>Staff exploring alternative methods</td>
</tr>
<tr>
<td><strong>Enhanced Smart Growth Land Use</strong></td>
<td>Build-out of the 111 potential smart growth opportunity areas shown on the SANDAG Smart Growth Concept Map.</td>
<td>SANDAG Model/ EMFAC</td>
</tr>
<tr>
<td><strong>Enhanced Regional Transit Network</strong></td>
<td>Implementation of the Regional Transportation Plan (RTP) Unconstrained Revenue Transit network plus the following transit service improvements: circulator bus service with 10-minute frequency all day in the central City of San Diego communities of Mission Valley, North Park, and City Heights and 5-minute frequency all day in Downtown; 10-minute all day service for all bus rapid transit (BRT) and regional bus routes; 7½-minute frequency all day for the Trolley; and 20-minute all day service for the COASTER.</td>
<td>SANDAG Model/ EMFAC</td>
</tr>
<tr>
<td><strong>High-Occupancy-Vehicle (HOV) Priority</strong></td>
<td>Strategies to prioritize high-occupancy-vehicles (HOVs) – carpools, vanpools, and transit vehicles – on the road and for parking.</td>
<td>Staff exploring alternative methods</td>
</tr>
<tr>
<td><strong>Nonmotorized</strong></td>
<td>Measures that increase walking and bicycling as alternative modes of travel.</td>
<td>Staff exploring alternative methods</td>
</tr>
<tr>
<td>Policy</td>
<td>Description</td>
<td>Method to Determine GHG Reduction*</td>
</tr>
<tr>
<td>--------------------------------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>(Pedestrian and Bicycling) Transportation Improvements</td>
<td>There are many ways to increase nonmotorized transportation, such as improved sidewalks, paths, and bike lanes, pedestrian-oriented land use, building design, and streetscapes, increased connectivity, traffic calming, and safety improvements.</td>
<td>alternative methods</td>
</tr>
<tr>
<td>Park-and-Ride Facilities</td>
<td>Collection points for individuals in carpools, vanpools, shuttle services or using public transit intended to encourage use of these modes as alternatives to driving alone.</td>
<td>Staff exploring alternative methods</td>
</tr>
<tr>
<td>Pricing Measures</td>
<td>Increase in the per-mile cost of vehicle trips. Two price levels are being modeled: $0.012 per mile and $0.0472 per mile. Policies to increase the cost of vehicle trips could include road tolls, high occupancy toll lanes, congestion-pricing, cordon (area) tolls, fuel or carbon tax, and a per mile fee for vehicle travel.</td>
<td>SANDAG Model/ EMFAC</td>
</tr>
<tr>
<td>Ridesharing</td>
<td>New or expanded policies, programs, and incentives to promote carpooling and vanpooling.</td>
<td>Staff exploring alternative methods</td>
</tr>
<tr>
<td>Smart Growth Parking Fees</td>
<td>Parking zones are established in the existing/planned and potential smart growth opportunity areas (SGOAs). Parking fees are assessed according to level of density and land use mixture as described below. Parking is not charged at residential uses.</td>
<td>SANDAG Model/ EMFAC</td>
</tr>
<tr>
<td></td>
<td>• $3.00 per hour in the Metropolitan Center</td>
<td></td>
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<tr>
<td></td>
<td>• $2.25 per hour in Urban Centers</td>
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<tr>
<td></td>
<td>• $1.50 per hour in Town Centers and Special Use Centers</td>
<td></td>
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<tr>
<td></td>
<td>• $1.00 per hour in Community Centers and Transit Corridors</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• No charge for Rural Communities</td>
<td></td>
</tr>
<tr>
<td>Speed Limit</td>
<td>Maximum speed limit on the regional transportation network of 55 miles per hour.</td>
<td>SANDAG Model/ EMFAC</td>
</tr>
<tr>
<td>Telecommuting</td>
<td>Two scenarios are proposed: (1) 40 percent of all jobs suitable for telecommuting, or 2 days offsite per work week; (2) 20 percent of all jobs suitable for telecommuting, or 1 day offsite per work week.</td>
<td>SANDAG Model/ EMFAC</td>
</tr>
<tr>
<td>Vehicle Retirement Buyback Programs</td>
<td>This strategy would offer financial incentives for removal of a vehicle from use.</td>
<td>Staff exploring alternative methods</td>
</tr>
</tbody>
</table>

Notes:
*The EMFAC (EMission FACtors) model is developed by the California Air Resources Board and used by SANDAG to calculate air pollutant emission rates from on-road motor vehicles for purposes of demonstrating conformity with air quality standards.
# Draft Performance Measures for the Regional Climate Action Plan

## Urban Form and Transportation
- Greenhouse gas emissions, total and by passenger vehicle type (e.g., passenger cars and light-duty trucks)
- On-road fuel consumption, total by fuel type and per-capita*
- Regional vehicles miles traveled, total and per capita*
- Share of New Housing Units and Jobs Located within Smart Growth Opportunity Areas**
- Passenger vehicle ownership, total and per-capita
- Share of passenger cars, light-duty trucks, and alternative fuel vehicles in the passenger vehicle fleet
- Average vehicle occupancy
- Average trip distance*
- Miles of bike paths and lanes, total
- Annual transit boardings**
- Mode Share (commute** and non-work trips)
  - Single Occupancy Vehicle
  - High Occupancy Vehicle
  - Transit
  - Nonmotorized
- Number of alternative fueling stations, privately and publicly accessible and by fuel type
- Miles of high occupancy vehicle (HOV) lanes, total
- Employers providing trip reduction programs and/or incentives, total employers and covered employees

## Regional Transit Operators
- Greenhouse gas emissions, total by transit mode for each operator
- Fuel consumption, total by fuel type, transit mode for each operator
- Share of low emission/clean/alternative fuel vehicles for each operator's fleet

## Local Government Vehicle Fleets
- Greenhouse gas emissions, total by jurisdiction's fleet
- Share of low emission/clean/alternative fuel vehicles for each jurisdiction's fleet

## Notes:
*Existing 2030 Regional Transportation Plan Performance Measure
**Existing Regional Comprehensive Plan Performance Monitoring Indicator
San Diego Association of Governments
REGIONAL PLANNING TECHNICAL WORKING GROUP

June 11, 2009

AGENDA ITEM NO.: 8

Action Requested: DISCUSSION

REGIONAL ALTERNATIVE FUELS, VEHICLES, AND INFRASTRUCTURE DRAFT REPORT

File Number 3003000

Introduction

Increasing the use of alternative fuels and vehicles in the San Diego region can help contribute to federal and state goals for decreasing reliance on petroleum-based transportation fuels, reducing greenhouse gas (GHG) emissions, improving air quality, and promoting clean economic development. In addition, the SANDAG Regional Energy Working Group (EWG) has recommended guiding principles for both the draft Regional Energy Strategy Update and the draft Regional Climate Action Plan that explicitly address the linkages between increasing alternative fuel and vehicle deployment and achieving regional goals for reducing petroleum consumption and GHG emissions.

As part of the California Energy Commission partnership, SANDAG is developing a regional assessment of alternative transportation fuels, vehicles, and infrastructure. In accordance with the partnership agreement, the draft report was submitted to the Energy Commission for internal peer review on May 20, 2009. The draft report is intended as a resource to help increase the use of alternative fuels and vehicles in the fleets of local governments and their franchisees (e.g., refuse haulers). Moreover, the report addresses how a strategic regional approach to the initial deployment of alternative fuel vehicles and infrastructure to local government fleets can help lay the groundwork for and facilitate a wider rollout of alternative fuel vehicles to the general public.

The EWG is providing stakeholder input to the draft report. SANDAG also has worked on alternative transportation efforts with local governments, public agencies, and regional stakeholders including the San Diego Regional Clean Cities Coalition, San Diego Regional Airport Authority, Air Pollution Control District, and San Diego Gas and Electric (SDG&E). Staff will present an overview of the draft report and seek input from the Regional Planning Technical Working Group. The full draft report is available online in the Regional Planning Committee agenda for its June 5, 2009, meeting: http://www.sandag.org/uploads/meetingid/meetingid_2253_9660.pdf. The draft report is Attachment 1 to Agenda Item 5 (starting on page 44 of the PDF). In addition, hard copies of the draft report will be available at the meeting.

Discussion

Alternative fuel vehicles operate fully or in part on fuels other than gasoline or petroleum diesel, and include biofuels (i.e., ethanol and biomass-based diesels), electricity, hydrogen, natural gas, and liquefied petroleum gas (LPG or propane). These fuels can be used in a variety of local government
fleet applications that range from light-duty passenger cars to heavy-duty vehicles like refuse haulers and sweepers to non-road applications such as forklifts.

The purpose of the draft report is to identify and recommend actions that regional and local government could take to increase the deployment of alternative fuels and vehicles in the San Diego region. While primarily focused on identifying opportunities for alternative fuels and vehicles in local government fleets, the draft report also provides analysis, tools, and recommendations that SANDAG, its member agencies, and other regional stakeholders could undertake to facilitate a wider regional rollout of alternative fuels, vehicles, and infrastructure.

The major components of the draft report include:

- Federal and state policies and funding opportunities for alternative fuels;
- Detailed assessment and comparison of alternative fuels and vehicle technologies for key assessment criteria such as amount of petroleum and GHG emissions reduction, fuel economy, fuel price, and availability and cost of vehicles and infrastructure;
- Analysis of opportunities for the integration of alternative fuel vehicles and infrastructure considerations with the core SANDAG function of regional transportation planning;
- Tools to help local governments, including sample fleet and procurement policies, alternative fuel and vehicle cost calculators, and alternative fuel vehicle case studies for government fleets.

The draft report concludes with four sets of recommendations to help local government fleets and the region as a whole increase the use of alternative fuels and vehicles and develop the supportive infrastructure:

1. Priorities and recommendations for alternative fuels and vehicles in different vehicle classes tied to available funding opportunities and the unique characteristics of the region. This information is provided to help local governments, public agencies, and other fleet operators when they make decisions regarding alternative fuel purchases, new vehicle purchases, and/or vehicle retrofits;
2. Potential near-term regional transportation projects and investments that could be expanded to include an alternative fuels component;
3. Possible collaborative approaches and measures to prepare the region for the rollout of alternative fuels and vehicles to the general public; and
4. Potential measures that SANDAG could undertake as follow-up to this report to facilitate a regional transition, particularly the identification of suitable locations for alternative fueling infrastructure. SANDAG can ensure that alternative fuel, vehicle, and infrastructure considerations are integrated with development of the regional transportation network and future regional growth.

The report also discusses existing regional efforts to increase the use of alternative fuels, including SANDAG participation in an effort to introduce electric vehicles into public fleets and support development of a regional electric vehicle charging network, and SANDAG coordination of public and private efforts to apply for federal economic stimulus funding for alternative fuels, vehicles, and infrastructure. The report will serve as a resource for SANDAG to continue providing guidance and coordination of the regional transition to alternative transportation fuels.
Next Steps

The internal peer review of the draft report by the Energy Commission will be completed in June 2009. Staff will consider the staff-level feedback and recommendations provided by the Energy Commission and integrate them into the report as appropriate. The EWG will continue to provide input to the report. The draft report will be presented to the Board of Directors for their input at its June 12, 2009, meeting. A public workshop to solicit additional stakeholder and public input will be held in summer 2009. It is anticipated the final draft report will be presented to the Regional Planning Committee for its consideration in summer 2009. The Board of Directors is scheduled to receive the final draft report in September.

Key Staff Contact: Andrew Martin, (619) 699-7319, ama@sandag.org
STIMULUS FUNDING OPPORTUNITIES FROM U.S. DEPARTMENT OF ENERGY
AND CALIFORNIA ENERGY COMMISSION

Introduction

The American Recovery and Reinvestment Act (ARRA) of 2009 (federal stimulus bill) included several new or enhanced sources of funding related to energy. Programs, projects, or planning dollars are being made available in the areas of transportation energy, energy efficiency, renewable energy, green-job workforce training, and education. Attachment 1 provides a summary by the California Energy Commission of energy-related funding opportunities in ARRA.

Discussion

Staff will present an overview of federal and state energy programs that have already or are expected to release grant solicitations that individual local governments, SANDAG, or a regional team could apply for in 2009. TWG members are asked to provide input regarding energy-related grant opportunities and express their level of interest in SANDAG undertaking any regional efforts for stimulus dollars.

Attachment: 1. HR 1 American Recovery and Reinvestment Act of 2009: Energy-Related Funding Summary

Key Staff Contact: Susan Freedman, (619) 699-7387, sfr@sandag.org
ENERGY-RELATED FUNDING SUMMARY
Updated April 10, 2009

ENERGY AND CLIMATE

<table>
<thead>
<tr>
<th>State Energy Program</th>
<th>Conference Agreement National Total</th>
<th>$3,100,000,000</th>
<th>California Share (AS OF APRIL 2009)</th>
<th>$1,401,794,910</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Conference Agreement National Total</td>
<td>$226,093,000</td>
<td>(Energy Commission allocation)</td>
<td></td>
</tr>
</tbody>
</table>

PROGRAM COMMENTS
The California Energy Commission was allocated $226 million on March 12, 2009 to support various programs in residential, commercial, transportation, industrial, institutional, and agricultural energy efficiency in renewable energy research and deployment and in transmission planning.

STATUS
State Energy Program monies awarded by the DOE to States. Guidelines available.

Application from California to the Department of Energy (DOE) due May 12, 2009. State application process not available yet.

Energy Efficiency & Conservation Block Grant Program

<table>
<thead>
<tr>
<th>Conference Agreement National Total</th>
<th>$3,200,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Includes $200 million to be awarded on a competitive basis)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>California Share</th>
<th>$351,500,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Total California award)</td>
<td></td>
</tr>
<tr>
<td>$49,600,000</td>
<td></td>
</tr>
<tr>
<td>(Energy Commission allocation)</td>
<td></td>
</tr>
</tbody>
</table>

PROGRAM COMMENTS
California was allocated $351.5 million on March 26, 2009 for local governments to use for projects and programs to reduce total energy use. About $302 million goes directly to large cities and counties. Interested parties are encouraged to contact their local city or county directly for ways to partner for the Block grant funding and assist local governments meet these goals. The Energy Commission has been allocated $49.6 million and will make 60 percent of these funds ($29.7 million) available to small cities and counties through a competitive grant program. The remaining 40 percent can be expended at the Energy Commission's discretion for Energy Independence Security Act-related (EISA) activities. The DOE allocations for individual cities and counties block grants and the program guidelines are available at this website.

STATUS
Block Grant Program monies awarded to large local governments and state agencies on March 26, 2009. Guidelines available here. State application process not available yet.

Transportation electrification

<table>
<thead>
<tr>
<th>Conference Agreement National Total</th>
<th>$400,000,000</th>
</tr>
</thead>
</table>

These competitive grants could be used for a variety of infrastructure electrification efforts.

PROGRAM COMMENTS
Funds could be used by ports for portside electric power for ships and electrification of drayage trucks, truck-stop electrification, and airport support equipment electrification. Includes plug-in electric drive program as authorized in Section 131 of the EISA.

Recipients likely to be states, local governments, port authorities and metropolitan transportation authorities.

STATUS
### Smart Grid

<table>
<thead>
<tr>
<th>Conference Agreement</th>
<th>National Total</th>
<th>California Share</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$4,500,000,000</td>
<td><em>Competitive</em></td>
</tr>
</tbody>
</table>

For research and development of smart grid technologies.

**PROGRAM COMMENTS**

Proposed 50% cost match for private smart grid demonstration projects.

Expect release of the solicitation soon to support regional demonstrations, utility-scale energy storage demonstration and synchrophaser demonstrations.

**STATUS**

Notice of Intention (NOI) originally released and then pulled. No new information on when NOI will be re-issued.

### Diesel Emissions Reduction Act

<table>
<thead>
<tr>
<th>Conference Agreement</th>
<th>National Total</th>
<th>California Share</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$300,000,000</td>
<td><em>Competitive</em></td>
</tr>
</tbody>
</table>

For diesel truck and equipment owners to retrofit or replace equipment, school bus replacement, marine engines and locomotives.

**PROGRAM COMMENTS**

Increases funding for an existing program through the U.S.EPA's National Clean Diesel Funding Assistance Program. Funding split 70% (National) - 30% (State). National program ($206 million) is allocated among three national programs areas. State program funding is $88 million.

**STATUS**

Applications requesting EPA funding between $500,000 to $10 million will be accepted for Region (that includes California). Application deadlines vary between April 28 - May 5, depending on program.

### Clean Cities

<table>
<thead>
<tr>
<th>Conference Agreement</th>
<th>National Total</th>
<th>California Share</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$300,000,000</td>
<td><em>Competitive</em></td>
</tr>
</tbody>
</table>

Acquisition of alternative fuel or fuel-cell vehicles.

**PROGRAM COMMENTS**

Competitive grant program for state and local governments to purchase energy efficient alternative fuel vehicles. Authorized under Section 721 of the EPAct of 2005. Anticipitated award size is $5 million minimum to $15 million maximum for Alternative Fuel and Advanced Technology Vehicles Pilot Program (Funding Area of Interest 4).

**STATUS**

Solicitation released March 10, 2009.

Applications to DOE due May 29, 2009 (Round 1) and Sept 30, 2009 (Round 2).

### GSA Federal Buildings and Vehicle Fleet

<table>
<thead>
<tr>
<th>Conference Agreement</th>
<th>National Total</th>
<th>California Share</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$5,000,000,000</td>
<td><em>Competitive</em></td>
</tr>
</tbody>
</table>

Energy efficiency upgrades for ready-to-go building projects and fleet upgrades.

**PROGRAM COMMENTS**

No determination on which federal buildings in which states might be eligible for funding. $300 million for replacing Federal fleet with more efficient vehicles.

$4.5 billion to convert General Services Administration facilities to high-performance green buildings.
### Renewable Energy Loan Guarantees

<table>
<thead>
<tr>
<th>Conference Agreement National Total</th>
<th>$6,000,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>California Share</td>
<td>Competitive</td>
</tr>
</tbody>
</table>

For loans and renewable power generation and transmission projects.

**PROGRAM COMMENTS**

Competitive grants for projects that avoid and lower air pollutants and greenhouse gas emissions as authorized under Title XVII of EPAct 2005.

### Bonneville and Western Power Administration

<table>
<thead>
<tr>
<th>Conference Agreement National Total</th>
<th>$6,500,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>California Share</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Increased loan and borrowing authority for new construction and upgrading of electric power transmission lines and related facilities.

**PROGRAM COMMENTS**

$3.25 billion in loans to Western Power Administration.

$3.25 billion in borrowing authority to Bonneville Power Administration.

### Clean Fossil Energy

<table>
<thead>
<tr>
<th>Conference Agreement National Total</th>
<th>$3,400,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>California Share</td>
<td>Competitive</td>
</tr>
</tbody>
</table>

Carbon capture and sequestration technology projects.

**PROGRAM COMMENTS**

Competitive grants. Recipients are to be determined, but likely will include states, utilities and private entities and partnerships.

### Energy Efficiency and Renewable Energy Research and Advanced Battery Research

<table>
<thead>
<tr>
<th>Conference Agreement National Total</th>
<th>$3,400,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>California Share</td>
<td>Competitive</td>
</tr>
</tbody>
</table>

(includes $2 billion for advanced battery system and vehicle batteries)

**PROGRAM COMMENTS**

Competitive grants for energy efficiency and renewable energy research, development, demonstration and deployment to universities, business and national laboratories.

No less than $800 million for biomass projects and $400 million for geothermal projects, leaving about $1.2 billion for other energy efficiency and renewable energy research.
OTHER ENERGY-RELATED PROGRAMS

Energy Efficient Appliance Rebate Program and Energy Star Recovery Funding

| Conference Agreement National Total | $300,000,000 |
| California Share | Competitive |

PROGRAM COMMENTS
Created in Section 124 of the EPAct of 2005. States may receive funding if they have a rebate program for Energy Star products and submit an application to DOE.

STATUS
DOE guidelines have not been released.

Research, Development, Demonstration, and Deployment (ARPA-Energy)

| Conference Agreement National Total | $400,000,000 |
| California Share | Competitive |

PROGRAM COMMENTS
Authorized under Section 5012 of the America Competes Act.

STATUS
No funding opportunity notices have been released, but DOE National Laboratories are receiving direct allocations. California national laboratories have received $1.2 billion to date.

COMMUNITY SERVICES & DEVELOPMENT
CSD.CA.GOV/RECOVERY/RECOVERY.ASPX

| Conference Agreement National Total | $6,000,000,000 |
| California Share | $185,811,061 |

Department of Energy Weatherization Assistance Program

| Conference Agreement National Total | $5,000,000,000 |
| California Share | $185,811,061 |

PROGRAM COMMENTS
Funds to be distributed to states through the existing DOE Weatherization Assistance Program formula to provide additional free installation of weatherization measures that increase the energy efficiency of dwellings occupied by low-income persons.

STATUS
Client eligibility is increased to 200 percent of the federal poverty level and the dwelling assistance cap would be increased from $2,500 to $5,000.

Weatherization Assistance monies awarded by DOE to states March 12, 2009.
### Homeless Assistance Grants

<table>
<thead>
<tr>
<th>Conference Agreement National Total</th>
<th>$1,500,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>California Share</td>
<td>$189,086,299</td>
</tr>
</tbody>
</table>

**PROGRAM COMMENTS**
Grants to Emergency Shelter Programs to provide short term rental assistance, housing relocation, and stabilization services.

### Neighborhood Stabilization

<table>
<thead>
<tr>
<th>Conference Agreement National Total</th>
<th>$2,000,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>California Share</td>
<td><strong>COMPETITIVE</strong></td>
</tr>
</tbody>
</table>

**PROGRAM COMMENTS**
To be distributed based on competitive applications. HCD is working through a regional economic development structure to build coalitions of local governments and nonprofits to apply jointly for funding to maximize leverage.

### Community Development Block Grant

<table>
<thead>
<tr>
<th>Conference Agreement National Total</th>
<th>$1,000,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>California Share</td>
<td>$123,327,429</td>
</tr>
</tbody>
</table>

**PROGRAM COMMENTS**
Programs to help distressed areas counter the economic downturn. Distributed based on 2008 formula for Entitlement areas.

### Tax Credit Assistance Program (TCAP)

<table>
<thead>
<tr>
<th>Conference Agreement National Total</th>
<th>$2,250,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>California Share</td>
<td>$325,877,114</td>
</tr>
</tbody>
</table>

**PROGRAM COMMENTS**
Funds flow to the California Tax Credit Allocation Committee. The Tax Credit Allocation Committee has indicated it is likely to partner with the State housing agencies in administering these funds.
HR 1 American Recovery and Reinvestment Act of 2009

Energy-related Tax Credits and Financial Incentives

Updated April 10, 2009

California Energy Commission • www.energy.ca.gov/recovery

Tax Credits for Energy-efficient Improvements to Existing Homes

Final ACT Estimates $2,300,000,000

Comments
The bill extends the tax credits for improvements to energy-efficient existing homes through 2010. Under current law, individuals are allowed a tax credit equal to 10% of the amount paid or incurred by the taxpayer for qualified energy efficiency improvements installed during the year. This tax credit is capped at $50 for any advanced main air circulating fan, $150 for any qualified natural gas, propane, oil furnace or hot water boiler and $300 for any item of energy-efficient building property. For 2009 and 2010, the bill increases the amount of the tax credit to 30% of the amount paid or incurred by the taxpayer for qualified energy efficiency improvements during the year. The bill also eliminates the property-by-property dollar caps on this tax credit and provides an aggregate $1,500 cap on all property qualifying for the credit. The bill updates the energy-efficiency standards of the property qualifying for the credit.

Temporary Election to Claim the Investment Tax Credit in Lieu of the Production Tax Credit

Final ACT Estimates $285,000,000

Comments
Under current law, facilities that produce electricity from solar facilities are eligible to take a 30% investment tax credit in the year that the facility is placed in service. Facilities that produce electricity from wind, closed-loop biomass, open-loop biomass, geothermal, small irrigation, hydropower, landfill gas, waste-to-energy and marine renewable facilities are eligible for a production tax credit. The production tax credit is payable over a 10-year period. Because of current market conditions, it is difficult for many renewable projects to find financing due to the uncertain future tax positions of potential investors in these projects. The bill allows facilities to elect to claim the investment tax credit in lieu of the production tax credit.

Long-term Extension and Modification of Renewable Energy Production Tax Credit

Final ACT Estimates $13,143,000,000

Comments
The bill extends the placed-in-service date for wind facilities for three years (through Dec. 31, 2012). The bill also extends the placed-in-service date for three years (through Dec. 31, 2013) for certain other qualifying facilities: closed-loop biomass, open-loop biomass, geothermal, small irrigation, hydropower, landfill gas, waste-to-energy and marine renewable facilities.

Qualified Energy Conservation Bonds

Final ACT Estimates $803,000,000

Comments
The bill authorizes an additional $2.4 billion of qualified energy conservation loans and grants to finance state, municipal and tribal government programs and initiatives designed to reduce greenhouse gas emissions. The bill would also clarify that qualified energy conservation bonds may be issued to make loans and grants for capital expenditures to implement green community programs. The bill also clarifies that qualified energy conservation bonds may be used for programs in which utilities provide ratepayers with energy-efficient property and recoup the costs of that property over an extended period of time.
Removal of Dollar Limitations on Certain Energy Credits

| Final ACT Estimates | $872,000,000 |

COMMENTS
Under current law, businesses are allowed to claim a 30% tax credit for qualified small wind energy property (capped at $4,000). Individuals are allowed to claim a 30% tax credit for qualified solar water heating property (capped at $2,000), qualified small wind energy property (capped at $500 per kilowatt of capacity, up to $4,000), and qualified geothermal heat pumps (capped at $2,000). The bill repeals the individual dollar caps. As a result, each of these properties would be eligible for an uncapped 30% credit.

Clean Renewable Energy Bonds

| Final ACT Estimates | $578,000,000 |

COMMENTS
The bill authorizes an additional $1.6 billion of new clean renewable energy bonds to finance facilities that generate electricity from the following resources: wind, closed-loop biomass, open-loop biomass, geothermal, small irrigation, hydropower, landfill gas, marine renewable and trash combustion facilities. This $1.6 billion authorization will be subdivided into thirds: qualifying state/local/tribal government projects; qualifying projects of public power providers; and qualifying projects of electric cooperatives.

Plug-in Electric Drive Vehicle Credit

| Final ACT Estimates | $2,002,000,000 |

COMMENTS
The bill modifies and increases a tax credit passed into law at the end of last Congress for plug-in electric drive vehicles placed in service during the year. The base amount of the credit is $2,500. If the qualified vehicle draws propulsion from a battery with at least 5 kilowatt hours of capacity, the credit is increased by $417, plus another $417 for each kilowatt hour of battery capacity in excess of 5 kilowatt hours up to 16 kilowatt hours. Taxpayers may claim the full amount of the allowable credit up to the end of the first calendar quarter in which the manufacturer records its 200,000th sale of a plug-in electric drive vehicle. The credit is reduced in following calendar quarters. The credit is allowed against the alternative minimum tax. The bill also restores and updates the electric vehicle credit for plug-in electric vehicles that would not otherwise qualify for the larger plug-in electric drive vehicle credit and provides a tax credit for plug-in electric drive conversion kits.

Tax Credits for Alternative Refueling Property

| Final ACT Estimates | $54,000,000 |

COMMENTS
The alternative refueling property credit provides a tax credit to gas stations that install alternative fuel pumps, such as fuel pumps that dispense E85 fuel, electricity, hydrogen and natural gas. For 2009 and 2010, the bill increases the 30% alternative refueling property credit for businesses (capped at $30,000) to 50% (capped at $50,000). Hydrogen refueling pumps remain at a 30% credit percentage; however, the cap for hydrogen refueling pumps will be increased to $200,000. In addition, the bill increases the 30% alternative refueling property credit for individuals (capped at $1,000) to 50% (capped at $2,000).

Treasury Department Energy Grants in Lieu of Tax Credits

| Final ACT Estimates | $5,000,000 |

COMMENTS
Under current law, taxpayers are allowed to claim a production tax credit for electricity produced by certain renewable energy facilities and an investment tax credit for certain renewable energy property. These tax credits help attract private capital to invest in renewable energy projects. Economic conditions have undermined the effectiveness of these tax credits. As a result, the bill allows taxpayers to receive a grant from the Treasury Department in lieu of tax credits. This grant will operate like the current-law investment tax credit. The Treasury Department will issue a grant in an amount equal to 30% of the cost of the renewable energy facility within 60 days of the facility being placed in service or, if later, within 60 days of receiving an application for such grant.
EXECUTIVE COMMITTEE

June 12, 2009

AGENDA ITEM NO.: 5B

Action Requested: INFORMATION

STATE LEGISLATIVE STATUS REPORT

File Number 7000900

Introduction

Periodic status reports on legislative activities are provided to the Executive Committee during the year. On May 19, 2009, voters rejected all but one measure on the statewide special election ballot confirming that California faces a $21 billion budget gap through June 30, 2010. In response, the Governor released his May Revision that proposed to restore the FY 2009-2010 budget to balance. This report provides a summary of the statewide special election results and the key elements of the Governor’s May Revision as well as an update on the status of SANDAG-proposed amendments to Senate Bill 575.

Discussion

Statewide Special Election Results

On May 19, 2009, voters rejected five of the six measures on the statewide special election ballot. Propositions 1A through 1E were measures placed on the ballot by the Legislature to deal with the ongoing California state budget crisis; Proposition 1F, the only measure that passed, related to legislator pay during budget crises. With the rejection of the Propositions 1A through 1E, it remains to be seen how the state’s budget will be balanced. Table 1 summarizes the special election results.

Table 1. May 19, 2009, Special Election Results

<table>
<thead>
<tr>
<th>Proposition</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prop. 1A: Strengthens state reserve funding, limits excessive state spending</td>
<td>No: 65.9%</td>
</tr>
<tr>
<td></td>
<td>Yes: 34.1%</td>
</tr>
<tr>
<td>Prop. 1B: Repays schools $9.3 billion over time</td>
<td>No: 62.6%</td>
</tr>
<tr>
<td></td>
<td>Yes: 37.4%</td>
</tr>
<tr>
<td>Prop. 1C: Modernizes the CA state lottery, allows state to securitize $5 billion for budget</td>
<td>No: 64.6%</td>
</tr>
<tr>
<td></td>
<td>Yes: 35.4%</td>
</tr>
<tr>
<td>Prop. 1D: Redirects over $1 billion in tobacco tax proceeds for state budget</td>
<td>No: 65.8%</td>
</tr>
<tr>
<td></td>
<td>Yes: 34.2%</td>
</tr>
<tr>
<td>Prop. 1E: Redirects $460 million from Prop. 63 mental health tax budget</td>
<td>No: 66.4%</td>
</tr>
<tr>
<td></td>
<td>Yes: 33.6%</td>
</tr>
<tr>
<td>Prop. 1F: Prohibits salary increases for elected state officials during budget deficit</td>
<td>No: 26.1%</td>
</tr>
<tr>
<td></td>
<td>Yes: 73.9%</td>
</tr>
</tbody>
</table>
**Governor's May Revision**

The Governor’s May Revise seeks to address California’s budget shortfall, which now is estimated to be $21 billion. The Governor initially released his May Revise on May 14, 2009, prior to the special election, but has since updated his proposal to address the additional revenue shortfall caused by the failure of the revenue-related measures on the special election ballot. The $21 billion comprises a $12 billion decline in revenues, $3 billion in increased expenditures, and about $6 billion due to the failure of the May 19 ballot measures.

The Budget Conference Committee has begun to review the Governor’s proposal, and the next few weeks will be a fluid process for the state budget. The Conference Committee is composed of 10 members, five each from the Assembly and Senate. Assembly Member Noreen Evans (D-Santa Rosa) is the chair. Other members include Assembly Member Kevin de León (D-Los Angeles), Assembly Member Bob Blumenfield (D-Woodland Hills), Assembly Member Roger Niello (R-Sacramento), Assembly Member Jim Nielsen (R-Biggs), Senator Denise Ducheny (D-San Diego), Senator Bob Dutton (R-Rancho Cucamonga), Senator Mark Leno (D-San Francisco), Senator Alan Lowenthal (D-Long Beach), and Senator Mimi Walters (R-Laguna Hills).

**Transportation**

There are two significant impacts to transportation funding in the Governor’s proposals. The first is the proposal to divert $336 million in the additional spillover revenue that is projected to accrue in FY 2009-2010, to fund transit bond-related debt service. The diversion of the spillover was included in the adopted FY 2009-2010 budget; however, since February the spillover revenue has grown from $90 million to $336 million. This diversion would relieve the General Fund of these debt service costs. (Spillover revenues occur when revenue derived from sales taxes on gasoline is proportionately higher in relationship to revenue derived from all taxable sales.)

The second proposal included in the Governor’s May Revise (as updated on May 28, 2009) proposes to use 25 percent of the state’s gasoline excise tax revenues (about $750 million) to reimburse the General Fund for debt services on transportation bonds on an ongoing basis. The funds would come from the Highway Users Tax (HUTA), which is the portion of gasoline excise tax revenues that would otherwise be subvented to cities and counties for local streets and roads. This would reduce local subventions from about $1 billion to about $300 million statewide.

Similar to the Governor, the Legislative Analyst’s Office (LAO) also has provided an option to suspend the gasoline excise tax subventions or HUTA payments to local governments for one year. The LAO stated that the subventions would need to be repaid with interest within three years, while the Governor’s May Revise assumes that these suspensions would not need to be repaid.

In addition to the Governor’s May Revise, the LAO has made recommendations to the Budget Conference Committee to address the current budget deficit. The most significant of the LAO options is to partially suspend the Proposition 42 transfer. Proposition 42 dedicates revenues from the state’s share of the sales tax on gasoline to transportation projects; it is allocated 40 percent to the State Transportation Improvement Program (STIP), 40 percent to cities and counties, and 20 percent to the Public Transportation Account (PTA). The Proposition 42 suspension proposed by the LAO would be about a $1.2 billion revenue impact. This would result in less funding for state highway and local street and road projects. The money also would need to be repaid with interest within three years as required by Proposition 1A (2006).
Local Government

The most significant impact to local government in the Governor’s May Revise is to suspend Proposition 1A (2004) and borrow $2 billion from local governments (cities, counties, and special districts). Proposition 1A (2004) allows for suspensions of property tax revenue under the following conditions:

- Governor must issue a proclamation declaring a severe fiscal hardship;
- Legislature must enact an urgency statute suspending Prop. 1A with a two-thirds vote of each house;
- Legislature must enact a law providing for full repayment of the borrowed funds plus interest within three years;
- Legislature may not enact a suspension more than twice in a ten-year period and may only do so if any previous borrowing has been repaid; and
- Legislature may borrow not more than 8 percent of the total amount of ad-valorem property tax revenues allocated from the fiscal year immediately preceding.

The LAO has pointed out that the State Constitution does not require that the 8 percent borrowing limit be implemented on an across-the-board basis. Proposition 1A (2004) only states the maximum amount that may be borrowed statewide; it does not specify how the amount might be allocated across local government entities. For example, the state could borrow a greater percentage from special districts and borrow a lower percentage from other local government entities. Table 2 shows how the 18 cities in the San Diego region would be affected by the proposed borrowing of $2 billion based on an across-the-board 8 percent reduction. The County of San Diego has estimated that the proposed borrowing would have a $70 million effect on its property tax revenues in FY 2010.

Table 2. Draft Proposed Local Property Tax Borrowing under Proposition 1A (2004)

<table>
<thead>
<tr>
<th>City</th>
<th>FY 2008-2009 Property Tax (Est.)</th>
<th>Total 8% Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlsbad</td>
<td>53,864,785</td>
<td>4,309,183</td>
</tr>
<tr>
<td>Chula Vista</td>
<td>53,982,381</td>
<td>4,318,626</td>
</tr>
<tr>
<td>Coronado</td>
<td>20,448,175</td>
<td>1,635,854</td>
</tr>
<tr>
<td>Del Mar</td>
<td>4,379,099</td>
<td>350,328</td>
</tr>
<tr>
<td>El Cajon</td>
<td>19,804,571</td>
<td>1,584,366</td>
</tr>
<tr>
<td>Encinitas</td>
<td>36,087,159</td>
<td>2,886,973</td>
</tr>
<tr>
<td>Escondido</td>
<td>29,502,755</td>
<td>2,360,220</td>
</tr>
<tr>
<td>Imperial Beach</td>
<td>4,310,783</td>
<td>344,063</td>
</tr>
<tr>
<td>La Mesa</td>
<td>13,072,181</td>
<td>1,045,774</td>
</tr>
<tr>
<td>Lemon Grove</td>
<td>5,241,363</td>
<td>419,309</td>
</tr>
<tr>
<td>National City</td>
<td>11,924,859</td>
<td>953,989</td>
</tr>
<tr>
<td>Oceanside</td>
<td>53,116,285</td>
<td>4,249,303</td>
</tr>
<tr>
<td>Poway</td>
<td>16,035,108</td>
<td>1,282,809</td>
</tr>
<tr>
<td>San Diego</td>
<td>444,118,676</td>
<td>35,529,494</td>
</tr>
<tr>
<td>San Marcos</td>
<td>15,605,762</td>
<td>1,248,461</td>
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<tr>
<td>Santee</td>
<td>15,277,157</td>
<td>1,222,173</td>
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<tr>
<td>Solana Beach</td>
<td>7,988,490</td>
<td>639,079</td>
</tr>
<tr>
<td>Vista</td>
<td>20,824,090</td>
<td>1,665,927</td>
</tr>
</tbody>
</table>
Other Major Proposals

The Governor’s May Revise also proposes major reductions in Proposition 98 spending, Medi-Cal reductions, university system reductions, and health and human services program reductions, and some additional revenue measures. The major proposals are listed below:

- $76 million from a new 4.8 percent surcharge on insurance policies to pay for CalFire and local response agencies
- $5.3 billion in cuts to education in both K-12 and community colleges
- $1.2 billion in higher education reductions
- $1 billion in one-time savings from sales of a portion of the State Compensation Insurance Fund
- $2.7 billion in cuts to health and human services
- $282 million in reductions to corrections by reducing some crimes from felonies to misdemeanors
- $1.7 billion by adoption of a 10 percent personal income tax withholding increase
- $100 million in revenues from lease oil and gas extraction off the Santa Barbara coast
- $610 million in tax accelerations
- $1 billion in other solutions
- $5.5 billion in additional reductions to replace the original May 14 proposal to use Revenue Anticipation Warrants as a borrowing tool

Staff will continue to monitor the budget as it makes it way through the legislative process. The Democratic legislative leadership has stated that it intends to resolve the budget before the start of the new fiscal year on July 1, 2009.

Senate Bill 575 (Steinberg). Local Planning: Housing Element

At its May 8, 2009, meeting the Executive Committee acted on proposed amendments to Senate Bill 575 (Steinberg), providing direction to staff to continue negotiations with the author, sponsor of the bill, and key stakeholders. SANDAG is seeking to eliminate an “interim” Regional Housing Needs Assessment (RHNA)/housing element cycle in 2010. This would allow the region to focus its resources on developing the next RHNA, Sustainable Communities Strategy (SCS), and RTP in accordance with goals of SB 375 (Steinberg, 2008). If the 2010 housing element cycle is eliminated, the deadline for completion of the next housing elements would be December 31, 2012.

Based on the Executive Committee’s direction, staff began discussions with the author’s office and the primary bill sponsor, the California League of Conservation Voters. The sponsor acknowledged that SANDAG has done a significant amount of work on the proposed amendments and recommended an additional change, as discussed below. The sponsor also voiced a concern whether the statewide housing advocates would support a longer schedule for the County of San Diego.

The current proposal set forth below is under review by several groups, including San Diego Housing Federation (local housing advocates), Housing California and the California Rural Legal Assistance Foundation (statewide housing advocates), League of California Cities, California State Association of Counties, Senate Transportation and Housing Committee staff, and other stakeholders.
For all 19 local jurisdictions in the San Diego region, align the next revision of the housing element (fifth revision) with the 2011 RTP update (the eight-year 2012-2020 housing elements would be due by December 31, 2012, 18 months after July 2011 adoption of SANDAG RTP update)

Require local jurisdictions in the San Diego region that have not completed their 2005-2010 housing elements (fourth revision) by the effective date of SB 575 to complete any necessary rezoning program(s) by July 1, 2010, except for the County of San Diego, which would be required to complete its rezoning program(s) by December 31, 2010.

Local jurisdictions that do not complete necessary rezoning programs for the 2005-2010 housing elements by July 1, 2010 (or December 31, 2010, in the case of the County of San Diego), would be required to prepare another housing element four years after the fifth revision (four-year 2016-2020 housing elements would be due by December 31, 2016).

The primary difference between the original proposals approved by the Executive Committee and the revised proposal is the timing of the requirement to prepare an additional housing element for those jurisdictions that do not meet the deadlines to complete necessary rezoning programs. Under the original proposals, those jurisdictions that did not complete their rezoning program(s) by a date certain would be required to complete a 2010-2012 housing element (due in 2010); the revised proposal would require these jurisdictions to prepare a 2016-2020 housing element by December 31, 2016. This language is similar to the current penalty language contained in SB 375 (Steinberg, 2008) that requires jurisdictions that fail to adopt a housing element within 120 days of the deadline outlined in Section 65588 of the Government Code to prepare housing elements on a four-year cycle instead of an eight-year cycle.

SB 575, which was last amended on May 4, 2009, is the vehicle for technical amendments to SB 375, including the SANDAG proposal to align the upcoming RHNA and 2011 RTP update. SB 575 is scheduled to be heard on the Senate floor during the week of June 1, 2009. The SANDAG-proposed amendments are expected to be incorporated into the bill after it moves to the Assembly. Staff will report back to the Executive Committee on the progress of SANDAG amendments to SB 575 as the bill makes its way through the legislative process.

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