



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
EXECUTIVE COMMITTEE MEETING

COMMITTEE MEMBERS

PAMELA TORLIATT – CHAIR
TOM BATES – SECRETARY
JOHN GIOIA
YORIKO KISHIMOTO

BRAD WAGENKNECHT – VICE CHAIR
CHRIS DALY
MARK ROSS
GAYLE B. UILKEMA

THURSDAY
NOVEMBER 19, 2009
9:30 A.M.

4TH FLOOR CONFERENCE ROOM
939 ELLIS STREET
SAN FRANCISCO, CA 94109

AGENDA

1. **CALL TO ORDER – ROLL CALL**
2. **PUBLIC COMMENT PERIOD** (*Public Comment on Non-Agenda Items Pursuant to Government Code § 54954.3*) Members of the public are afforded the opportunity to speak on any agenda item. All agendas for regular meetings are posted at District headquarters, 939 Ellis Street, San Francisco, CA, at least 72 hours in advance of a regular meeting. At the beginning of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Committee's subject matter jurisdiction. Speakers will be limited to three (3) minutes each.
3. **APPROVAL OF MINUTES OF SEPTEMBER 24, 2009**
4. **QUARTERLY REPORT OF THE HEARING BOARD – JULY 2009 – SEPTEMBER 2009**
T. Dailey/5073
Tom.Dailey@kp.org
5. **UPDATE OF SURVEY RESULTS RELATIVE TO POTENTIAL RELOCATION OF AIR DISTRICT HEADQUARTERS**
J. Broadbent/5052
jbroadbent@baaqmd.gov
The Committee will receive an update of survey results relative to potential relocation of the Air District headquarters.
6. **JOINT POLICY COMMITTEE UPDATE**
J. Roggenkamp/4646
jroggenkamp@baaqmd.gov
Ted Droettboom will provide an update on the activities of the Joint Policy Committee.
7. **AIR DISTRICT'S ROLE WITH THE JOINT POLICY COMMITTEE (JPC) AND POLICIES REGARDING SB 375**
J. Roggenkamp/4646
jroggenkamp@baaqmd.gov
The Committee will recommend Board of Directors approval of the Joint Policy Committee policies regarding SB 375.
8. **EPA TITLE V PROGRAM EVALUATION**
B. Bateman/4653
bbateman@baaqmd.gov
The Committee will receive an update of the EPA Title V Program Evaluation.

9. **COMMITTEE MEMBER COMMENTS/OTHER BUSINESS**

Any member of the Committee, or its staff, on his or her own initiative or in response to questions posed by the public, may ask a question for clarification, make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (Gov't Code § 54954.2).

10. **TIME AND PLACE OF NEXT MEETING: AT THE CALL OF THE CHAIR**

11. **ADJOURNMENT**

CONTACT EXECUTIVE OFFICE- 939 ELLIS STREET SAN FRANCISCO, CA 94109

**(415) 749-5130
FAX: (415) 928-8560
BAAQMD homepage:
www.baaqmd.gov**

- To submit written comments on an agenda item in advance of the meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.
- To request special accommodations for those persons with disabilities notification to the Clerk's Office should be given at least three working days prior to the date of the meeting so that arrangements can be made accordingly.
- Any writing relating to an open session item on this Agenda that is distributed to all, or a majority of all, members of the body to which this Agenda relates shall be made available at the District's offices at 939 Ellis Street, San Francisco, CA 94109, at the time such writing is made available to all, or a majority of all, members of that body. Such writing(s) may also be posted on the District's website (www.baaqmd.gov) at that time.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
939 ELLIS STREET, SAN FRANCISCO, CALIFORNIA 94109
(415) 771-6000

EXECUTIVE OFFICE:
MONTHLY CALENDAR OF DISTRICT MEETINGS

NOVEMBER 2009

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Advisory Council Regular Meeting	Tuesday	10	9:00 a.m.	Board Room
Board of Directors Legislative Committee <i>(Meets 2nd Thursday each Month)</i>	Thursday	12	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Climate Protection Committee <i>(Meets 2nd Thursday each Month)</i> - CANCELLED	Thursday	12	Following Board Legislative Cme. Mtg.	4th Floor Conf. Room
Board of Directors Public Outreach Committee <i>(Meets 1st Thursday each Month)</i>	Friday	13	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Stationary Source Committee <i>(Meets 3rd Monday Quarterly)</i>	Monday	16	9:30 a.m.	Board Room
Board of Directors Personnel Committee <i>(At the Call of the Chair)</i>	Wednesday	18	9:00 a.m.	4th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	18	9:45 a.m.	Board Room
Executive Committee Meeting <i>(Meets at the Call of the Chair)</i>	Thursday	19	9:30 a.m.	4 th Floor Conf. Room
Joint Policy Committee <i>(Meets 3rd Friday Every Other Month)</i> - RESCHEDULED TO FRIDAY, NOVEMBER 6, 2009	Friday	20	10:00 a.m.	MTC Auditorium 101 8 th Street Oakland, CA 94607
Board of Directors Personnel Committee <i>(At the Call of the Chair)</i>	Monday	23	9:30 a.m.	4th Floor Conf. Room
Board of Directors Budget & Finance Committee <i>(At the Call of the Chair)</i> - CANCELLED & RESCHEDULED TO MONDAY, NOVEMBER 2, 2009	Wednesday	25	1:30 p.m.	4th Floor Conf. Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i> CANCELLED	Thursday	26	9:30 a.m.	4 th Floor Conf. Room

DECEMBER 2009

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	2	9:45 a.m.	Board Room
Board of Directors Public Outreach Committee <i>(Meets 1st Thursday each Month)</i>	Thursday	3	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i>	Monday	7	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Climate Protection Committee <i>(Meets 2nd Thursday each Month)</i> RESCHEDULED TO FRIDAY, DECEMBER 11, 2009	Thursday	10	9:30 a.m.	4th Floor Conf. Room
Board of Directors Climate Protection Committee <i>(Meets 2nd Thursday each Month)</i>	Friday	11	9:30 a.m.	4th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	16	9:45 a.m.	Board Room
Board of Directors Mobile Source Committee – <i>(Meets 4th Thursday of each Month)</i> - CANCELLED	Thursday	24	9:30 a.m.	4 th Floor Conf. Room

JANUARY 2010

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	6	9:45 a.m.	Board Room
Board of Directors Public Outreach Committee <i>(Meets 1st Thursday each Month)</i>	Thursday	7	9:30 a.m.	4 th Floor Conf. Room
Advisory Council Regular Meeting	Wednesday	13	9:00 a.m.	Board Room
Board of Directors Climate Protection Committee <i>(Meets 2nd Thursday each Month)</i>	Thursday	14	9:30 a.m.	4th Floor Conf. Room
Joint Policy Committee <i>(Meets 3rd Friday Every Other Month)</i>	Friday	15	10:00 a.m.	MTC Auditorium 101 8 th Street Oakland, CA 94607
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	20	9:45 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i>	Thursday	28	9:30 a.m.	4 th Floor Conf. Room

HL – 11/10/09 (8:45 a.m.)
P/Library/Forms/Calendar/Calendar/Moncal

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Torliatt and Members
of the Executive Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 30, 2009

Re: Executive Committee Draft Meeting Minutes

RECOMMENDED ACTION

Approve attached draft minutes of the Executive Committee meeting of September 24, 2009

DISCUSSION

Attached for your review and approval are the draft minutes of the September 24, 2009 Executive Committee meeting.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109
(415) 749-5000

DRAFT MINUTES

Summary of Board of Directors
Executive Committee Meeting
9:30 a.m., Thursday, September 24, 2009

CALL TO ORDER-ROLL CALL: Secretary Tom Bates called the meeting to order at 9:41 a.m. on behalf of Chairperson Torliatt, who arrived shortly thereafter.

Present: Chairperson Pamela Torliatt, Secretary Tom Bates and Committee Members Chris Daly, John Gioia, Yoriko Kishimoto, Mark Ross and Gayle B. Uilkema

Absent: Vice Chairperson Brad Wagenknecht and Committee Member Scott Haggerty

PUBLIC COMMENT PERIOD: None

APPROVAL OF MINUTES: Director Uilkema referred to page one of the minutes and asked that her first name be spelled correctly.

Committee Action: Director Daly made a motion to approve the July 29, 2009 minutes, as amended; seconded by Director Ross; carried unanimously without objection.

Chairperson Torliatt was noted present and chaired the remainder of the meeting.

UPDATE ON THE INDIRECT SOURCE RULE:

Henry Hilken provided an update on the Indirect Source Review (ISR) Rule development, reviewed ISR objectives, projections from ABAG in the next 20 years where growth and vehicle trips and miles traveled are expected to increase, and he presented results from a survey of CEQA documents prepared in Bay Area jurisdictions over a 10-year period which reveal that a considerable amount of emissions will result from approximately 4,000 new projects.

Mr. Hilken said numerical performance standards will be set for new development and for certain types of criteria pollutants, and while they will not set a performance standard for GHG's it will be a critical co-benefit of the indirect source review and an important tool to achieve GHG reductions to meet SB 375 targets. The Rule will apply to any new or modified land use development requiring discretionary approval. An application would be submitted to the Air District at the same time a developer submits an application to cities and counties, and applicants will be expected to meet air quality standards set in the Rule.

Mr. Hilken said staff will develop tools to help cities and counties work through the process and if an agency were interested in making this part of their own permitting process and the process met the standards in the rule, staff would enter into an agreement and integrate it into their normal permitting process. Fees would be set in such a way to encourage good development which is energy-efficient, located near transit, and projects not able to meet those performance standards would incur an impact fee, which the District would use to mitigate emissions elsewhere.

Regarding stakeholder input, staff has established a workgroup comprised of city managers, planning directors, business and development interests, community groups, the four JPC agencies, and the next meeting will be held in October with an anticipated target adoption for 2010.

Committee/Staff Discussion and Comments:

Director Gioia questioned and confirmed with Mr. Broadbent that a refined timeline should be ready during the first quarter of next year. Details of the thresholds will be discussed at future ISR stakeholder meetings and he requested more meaningful discussion, citing his belief that there is a gap from the policymaker's standpoint, given pressures to locate housing in outlying regions.

Mr. Broadbent noted that the District is proposing mitigation measures in the CEQA guidelines that must be considered when approving projects in a particular infill area and dialogue is currently taking place. Director Gioia again reiterated his desire for more information and discussion to occur.

Director Ross acknowledged Director Gioia's comments and suggested that information be integrated into the ISR and CEQA that policy makers will be able to utilize in approving projects. He questioned whether a third party would be able to litigate against a project citing the District's thresholds. Mr. Bunger said the thresholds are still guidelines; the lead agency must choose a threshold it believes is supported by substantial evidence, and it can be litigated. Mr. Broadbent noted the significant efforts used to update the CEQA guidelines, and he suggested that the update process occur, with the ISR following the year after.

Secretary Bates confirmed with staff that the ISR is the regulatory tool by which the District can apply to land use decision making; the ISR will deal with the residual emissions after a certain project has been mitigated and an option to meeting mitigations may also be the reduction of emissions elsewhere.

Director Kishimoto agreed with the need for more meaningful flow of information and suggested scheduling a JPC workshop. She referred to discretionary approval and confirmed with Mr. Hilken that CEQA applies if the city/county has a discretionary decision. If it is a ministerial decision, it is not subject to CEQA.

Director Kishimoto questioned the party responsible for holding hearings and conducting enforcement. Mr. Hilken explained that staff would review applications and determine whether they meet standards. Mr. Bunger clarified that if there is disagreement with the District's action, it could be set up in such a way where applicants could go to the Hearing Board for redress.

Director Gioia said in some cases, it is not the development but existing industry that is the source of toxic air contaminants. He questioned who has the obligation to mitigate, noting that these were the discussions from a land use perspective that have not occurred amongst

policymakers. Mr. Broadbent suggested this question would be better addressed under the next agenda item.

Director Daly acknowledged Director Gioia's comments, discussed his experience living in an infill project 100 feet from a freeway and associated impacts. If conditions were mitigated better, it would make infill projects more appealing and help with the overall goal of encouraging people to live downtown as opposed to moving out to suburban sprawl. When done correctly, CEQA work compliments regional smart planning, whereas the reverse can lead to downtown environmental injustices.

Committee Action: None; for information only.

AIR DISTRICT CEQA GUIDELINES UPDATE:

Planning Manager David Vintze announced that the draft CEQA Guidelines Update was released on September 4, 2009. Staff initially identified the need for more guidance to local lead agencies regarding GHG issues, air toxics and local impacts. He said updating the guidelines is needed due to significant changes in air quality regulatory activity, changes in analytical methodologies and mitigation strategies, and to address emerging and growing air quality concerns.

Mr. Vintze reviewed objectives, discussed emissions levels to be achieved from development in order to meet AB 32 goals and noted that staff is working with various agencies in need of assistance regarding mitigations for projects.

He described thresholds for local community risks and hazards which are broken down in three categories: new sources, new receptors (impacts from a single source) and new source/receptor (cumulative). He described thresholds for criteria pollutants at the project level and plan levels, announced next steps, noted the scheduling of an additional workshop, said the public comment period was extended to October 9, 2009, the draft guidelines have been posted on the District's website, and the guidelines were emailed to a large database. The proposal is to bring significance thresholds to the Board of Directors in fall of 2009, to continue with staff support to lead agencies and for staff review and comment.

Committee/Staff Discussion and Comments:

Director Uilkema asked that the District provide assistance to city planners when reviewing development proposals and in measuring cumulative factors.

Director Ross voiced the need for education and a simplified process. He suggested the use of zones and overlays maps. Mr. Hilken said there will be modeling inputs, outreach and additional workshops held for city/county planners and stakeholders geared to address education needs.

Director Gioia discussed the ease of use with GIS systems to identify locations of business and proximity to development, and asked that additional information be discussed in a broader policy context, such as an expanded JPC meeting.

Ms. Roggenkamp said the GHG and PM thresholds are new and important. She agreed with the need for expanded discussions, said the District will continue to work with the cities and counties and that staff could look at populating data into a GIS system.

Mr. Broadbent reported that state law requires agencies to hold public hearings when making recommendations to local land use decision-makers on significance thresholds and said a broad discussion may be able to be scheduled at the upcoming JPC meeting in November.

Chairperson Torliatt said it is important for the District to move forward and adopt the guidelines knowing there are things to be worked out. Information can continue to be built upon to help the local agencies.

Director Kishimoto compared the guidelines as a work in progress and confirmed that an additional workshop, as requested by Director Garner, is scheduled to be held in Sunnyvale on October 2, 2009. She questioned whether cumulative impacts include impacts of construction itself. Mr. Vintze replied that there is a separate construction threshold. The District will speak to this in the guidelines, but staff is not recommending that contractors calculate life cycle emissions because of the difficulty in doing this. Director Kishimoto asked that this be considered in the future.

Director Ross questioned whether there was subtraction of emissions when existing development is replaced with new development. Mr. Vintze said staff has received comments requesting they be subtracted out, but if there is no activity, it is identified as a new source. Mr. Bunker said if the project includes tearing something down and building something new, all of it would be taken into account. But the other aspect is the baseline; if the use is already stopped, the baseline does not include whatever that use was previously.

Director Daly questioned why the District is defaulting to trip generation versus VMT which he believes is a much better measure, given shorter trips. Mr. Vintze said part of the issue has been infill development. The old way of calculating VMT is through the Institute of Transportation Engineers' Manual, which is outdated. He said the City and County of San Francisco staff would prefer vehicle trips because it more accurately describes higher density infill development versus being penalized for an average vehicle trip attributed to a multi-use development of 20 miles.

Director Bates questioned how the District would address cities and counties not having qualified plans. Mr. Broadbent stated that through the recommended action, plans will be developed. The District anticipates about 8 or 9 additional EIR's where the District will serve as the lead permitting agency for stationary sources.

Directors Gioia and Bates further clarified the process for identifying potential health risks, identifying mitigation measures, and the process for the lead agency to prepare a statement of overriding considerations, given remaining emissions.

Ms. Roggenkamp reiterated that the guidelines are in draft form. Another workshop will be held and staff is still open to comments.

Committee Action: None; for information only.

CONTINUED DISCUSSION TO AMEND THE AIR DISTRICT'S ADMINISTRATIVE CODE REGARDING BOARD OF DIRECTORS OFFICERS' TERM OF OFFICE:

Chairperson Torliatt said she had asked that the item be referred back to the Executive Committee to receive input. She discussed her experience over the last year in having major projects completed within a year's timeframe, such as goals identified at the Retreat such as

completing the CEQA guidelines, the Clean Air Plan, and the ISR, and cited the importance of continuity.

Secretary Bates supported moving to a two-year term for the Chair, acknowledged that a year passes by quickly, questioned an appropriate time to transition, and said he would be agreeable to whatever the Board chooses to do.

Director Kishimoto said changing to a two-year term will dramatically reduce the ability for city-appointed members to serve as Chairperson, unless there is an expeditious way to move up to Vice Chairperson, bypassing the Secretary position.

Director Gioia said he believes there are arguments for both a one- and two-year Chairperson term. The policies the Board works on are those the majority of the Board must support and the Chairperson can start a project but may not necessarily complete it. Ultimately, the full Board is the decision-making body and he suggested the Committee discuss positives and negatives and leave the decision up to the full Board.

Director Ross said having been Chair, it was not so difficult getting things started, but he agreed that projects take a long time to complete. He cited value in a two-year term for the Chairperson, but supported the final decision being left to the full Board.

Director Uilkema said she believes all agencies participating on the Board should have an opportunity to share in the leadership of the organization. She referred to the Board's need to rebuild 12 years ago and voiced concern that the 6-year timeframe monopolizes the time any one jurisdiction is in leadership. She believes that a two-year term sets up roadblocks for others who want to be considered for appointment, thinks it is not one person's agenda but rather the organization's goals and objectives established by the consensus of the entire Board that develops policy together. She also believed it is irrelevant what other agencies do and asked that any vote be taken by the full Board.

Secretary Bates agreed with the need for the Board to vote on the matter, agreed continuity is important and would be willing to sacrifice not being able to serve as Chair.

Motion: Secretary Bates made a motion to agendize the two-year appointment for the Chair and suggested considering a one-year term for the Vice Chair and Secretary. Director Daly seconded the motion.

Director Gioia said his preference is to pass the matter onto the Board of Directors for consideration and relay Committee discussion of pros and cons.

Chairperson Torliatt suggested the Committee make a recommendation to the Board of Directors. Committee members questioned the appearance of the recommendation being self-serving, and Chairperson Torliatt offered that the motion include that the action become effective beginning with the Vice Chairperson's term in 2010.

Director Uilkema suggested that the discussion and the recommendation be agendized at the upcoming Board meeting.

Committee Action: Director Bates made a motion to establish a two-year term for the Chairperson, commencing with the Vice Chairperson's term in 2010; Director Daly seconded the

motion; which carried by the following roll call vote: (4-2-3) Ayes: Bates, Daly, Ross, Torliatt; Noes: Gioia and Uilkema; Absent: Haggerty, Kishimoto and Wagenknecht.

Chairperson Torliatt requested moving up the California Air Resources Board Appointments on the agenda.

CALIFORNIA AIR RESOURCES BOARD APPOINTMENTS:

No discussion or public comment was received.

Committee Action: Director Uilkema made a motion to recommend adopting a procedure for notifying the Board of Directors when the BAAQMD position on the California Air Resources Board becomes vacant; Secretary Bates seconded the motion; which carried unanimously.

UPDATE OF SURVEY RESULTS RELATIVE TO POTENTIAL RELOCATION OF AIR DISTRICT HEADQUARTERS:

Chairperson Torliatt recommended the item be deferred to the next meeting. Director Uilkema suggested that a separate committee be formed to consider relocation of the Air District headquarters. Director Daly said a separate committee had been recommended, but not formed.

Mr. Broadbent noted that HOK has surveyed staff and results are in from the survey. He recommended continuing the process and scheduling an Executive Committee meeting to discuss the results.

COMMITTEE MEMBER COMMENTS/OTHER BUSINESS: None

TIME AND PLACE OF NEXT MEETING: At the call of the Chair.

ADJOURNMENT: The meeting was adjourned at 11:25 a.m.

Lisa Harper
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
 Memorandum

TO: Chairperson Pamela Torliatt and Members
 of the Executive Committee

FROM: Chairperson Thomas M. Dailey, M.D., and Members of the Hearing Board

DATE: November 9, 2009

RE: Hearing Board Quarterly Report – JULY, 2009 – SEPTEMBER, 2009

RECOMMENDED ACTION:

This report is provided for information only.

DISCUSSION:

<u>COUNTY/CITY</u>	<u>PARTY/PROCEEDING</u>	<u>REGULATION(S)</u>	<u>STATUS</u>	<u>PERIOD OF VARIANCE</u>	<u>ESTIMATED EXCESS EMISSIONS</u>
Solano/Benicia	BAY AREA COFFEE, INC. (BENICIA) – Emergency Variance – Docket No. 3569 – Application for Emergency Variance from regulation requiring compliance with permit conditions and Volatile Organic Compound Emissions.	2-1-307	Denied	7/15/09 – 7/17/09	===
Contra Costa/Richmond	WEST COUNTY LANDFILL, INC.; WEST CONTRA COSTA SANITARY LANDFILL, INC. - Further Hearing for Further Extension of Variance – Docket No. 3552 – Request for Further Extension of Variance from regulation requiring compliance with permit conditions and Volatile Organic Compound Emissions (APCO not opposed).	8-34-113.2, 301.2, 301.3 2-1-307 2-2-112 (Major Facility Review Permit)	Hearing Held; Withdrawn		===

<u>COUNTY/CITY</u>	<u>PARTY/PROCEEDING</u>	<u>REGULATION(S)</u>	<u>STATUS</u>	<u>PERIOD OF VARIANCE</u>	<u>ESTIMATED EXCESS EMISSIONS</u>
Contra Costa/Rodeo	CONOCOPHILLIPS COMPANY (RODEO) – Appeal - Docket No. 3452 – Request for Dismissal from the issuance of a Major Facility Review Permit. (APCO not opposed).	2-1-307 2-6-307 (Major Facility Review Permit)	Withdrawn	6/29/09 – 7/3/09	===
Santa Clara/Gilroy	GILROY ENERGY CENTER, LLC (GILROY) – Emergency Variance – Docket No. 3570 – Application for Emergency Variance from regulation requiring compliance with permit conditions and Volatile Organic Compound Emissions.	2-1-307 (Major Facility Review Permit)	Approved	9/1/09 – 9/30/09	===

NOTE: During the third quarter of 2009, the Hearing Board processed and filed a total of two (2) Emergency Variance applications and one (1) Appeal. A further hearing was held for one (1) Request for Further Extension of Variance (Docket No. 3552) on September 17, 2009 (The applicant withdrew the application for variance less than the required 72 hours' notice). The Hearing Board processed two (2) Orders of Dismissal, and one Order Granting Emergency Variance. A total of \$5,075.10.00 was collected as Hearing Board fees (applications and further hearing) during the third quarter of 2009.

EXCESS EMISSION DETAILS

<u>COMPANY NAME</u>	<u>DOCKET NO.</u>	<u>TOTAL EMISSIONS</u>	<u>TYPES OF EMISSIONS</u>	<u>PER UNIT COST</u>	<u>TOTAL AMT COLLECTED</u>
					\$ 0
				TOTAL COLLECTED:	<u>\$ 0</u>

Respectfully submitted,

Thomas M. Dailey, M.D.
Chair, Hearing Board

Prepared by: Lisa Harper
Reviewed by: Jennifer Chicconi

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Pamela Torliatt and Members
of the Executive Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: November 18, 2009

Re: Update on Survey Results Relative to Potential Relocation of Air District Headquarters

RECOMMENDED ACTION

For information only.

BACKGROUND

The Executive Committee at its July 29th meeting, received an overview of the Strategic Facility Planning Process. The Committee received an overview of a revised Request for Proposal for Strategic Facilities Planning issued to include Phase I: Visioning Process and Phase II: Data Gathering. The Strategic Facility Planning process is a multi-phased approach that will be instrumental in determining recommendations for improvements.

DISCUSSION

The Committee will receive an overview of the study process and progress. The overview will include interview and survey results conducted with Executive Management staff, operational staff, the Board of Directors, the Advisory Council and the Hearing Board.

NEXT PHASE

The Air District will issue an RFP for a commercial real estate services broker with a preference towards a firm that specializes in tenant representation only.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO
Prepared by: Mary Ann Okpalaugo
Reviewed by: Jack Colbourn

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Pamela Torliatt and Members
of the Executive Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: November 4, 2009

Re: Joint Policy Committee Update

RECOMMENDED ACTION:

Receive and file.

DISCUSSION

At the November 19, 2009, meeting of the Executive Committee, Ted Droettboom will provide an update on the activities of the Joint Policy Committee.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Pamela Torliatt and Members
of the Executive Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: November 10, 2009

Re: JPC Policies for Implementation of SB375

RECOMMENDED ACTION:

Recommend that the Board of Directors approve the JPC Policies for the Bay Area's Implementation of Senate Bill 375.

BACKGROUND

SB 375 was passed by the State Legislature and signed into law by the Governor on September 30th, 2008. The bill mandates an integrated regional land-use-housing-and-transportation-planning approach to reducing greenhouse gas (GHG) emissions from automobiles and light trucks, principally by reducing vehicle miles traveled (VMT). Within the Bay Area, automobiles and light trucks account for approximately 26% of the region's overall GHG emissions, and approximately 64% of emissions from the transportation sector. The Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) have key roles in implementing the bill's provisions for the Bay Area, in close collaboration with the Air District and BCDC.

At its meeting on September 18, 2009, the Joint Policy Committee adopted a set of policies designed to guide the process through which the Bay Area's regional agencies will implement SB 375. Also at its September 18 meeting, the JPC referred and recommended the Policies for adoption by its member agencies.

DISCUSSION

Staff will present an overview of the Policies for Implementation of SB 375 adopted by the JPC (attached).

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Abby Young
Reviewed by: Henry Hilken



JOINT POLICY COMMITTEE

Policies for the Bay Area's Implementation of Senate Bill 375 (Adopted September 18, 2009)

Introduction

SB 375¹ (Steinberg) was passed by the California State Assembly on August 25th, 2008, and by the State Senate on August 30th. The Governor signed it into law on September 30th, 2008.

The bill mandates an integrated regional land-use-and-transportation-planning approach to reducing greenhouse-gas (GHG) emissions from automobiles and light trucks. Within the Bay Area, automobiles and light trucks account for about 26 percent of our 2007 GHG inventory² and about 64 percent of emissions from the transportation sector.

The bill also expands regional and local responsibilities relative to state housing objectives. It requires that the region identify residential areas sufficient to accommodate all of the Bay Area's population, including all economic groups, for 25 years; and it requires that, within three years of amending their housing elements, local governments enact zoning to implement those elements.

SB 375 explicitly assigns responsibilities to the Association of Bay Area Governments (ABAG) and to the Metropolitan Transportation Commission (MTC) to implement the bill's provisions for the Bay Area. Both agencies are members of the Joint Policy Committee³ (JPC). The policies in this document were approved by the JPC and provide guidance to the two lead regional agencies in fulfilling their responsibilities in collaboration with their JPC partners, the Bay Area Air Quality Management District (Air District) and the San Francisco Bay Conservation and Development Commission (BCDC).

Bay Area Climate-Protection Context

On July 20th, 2007, the JPC approved a *Bay Area Regional Agency Climate Protection Program*⁴. This program has as a key goal: "To be a model for California, the nation and the world." Following from this key goal is a supporting goal: "Prevention: To employ all feasible, cost-effective strategies to meet and surpass the State's targets of reducing greenhouse-gas emissions to 1990 levels by 2020 and to 80% below 1990 levels by 2050." In pursuit of these goals, MTC's current Regional Transportation Plan (RTP) update, *Transportation 2035*⁵, has

¹ http://www.leginfo.ca.gov/pub/07-08/bill/sen/sb_0351-0400/sb_375_bill_20080930_chaptered.html

² Bay Area Air Quality Management District, *Source Inventory of Bay Area Greenhouse Gas Emissions*, December 2008 (http://www.baaqmd.gov/pln/documents/regionalinventory2007_003_000.pdf)

³ The Joint Policy Committee (JPC) is a regional planning consortium of the Association of Bay Area Governments (ABAG), the Bay Area Air Quality Management District (BAAQMD or the "Air District"), the San Francisco Bay Conservation and Development Commission (BCDC), and the Metropolitan Transportation Commission (MTC)

⁴ <http://www.abag.ca.gov/jointpolicy/JPC%20Action%20on%20Climate%20Protection.pdf>

⁵ http://www.mtc.ca.gov/planning/2035_plan/index.htm

evaluated transportation strategies and investment programs relative to a target of reducing GHG emissions from on-road vehicles in the year 2035 by 40 percent compared to 1990 levels. ABAG has established the same target for assessing alternative land-use scenarios in the development of the latest iteration of the region's policy-based forecast of population and employment: *Projections 2009*⁶.

The Bay Area's regional agencies have clearly recognized the primacy of the climate-change challenge as a driver of public transportation and land-use policy, and we have embraced the urgency of GHG reduction. The momentum established by our policies and actions to date will carry over into our implementation of SB 375. We do not regard SB 375 as a vexatious new requirement, but rather as an instrument to assist us in continuing and accelerating the climate-protection journey upon which we have already embarked. We are genuinely concerned with making real and measurable progress in reducing the impact which motor-vehicle travel has on the global warming problem. That concern will be paramount in our approach to SB 375 and is reflected in the policies which follow.

Policy Subject 1: Setting Targets

SB 375 requires that the California Air Resources Board (CARB) set GHG-reduction targets for cars and light trucks in each California region for the years 2020 and 2035. CARB must release draft targets by June 30, 2010 and adopt targets by September 30, 2010.

To assist in establishing these targets, CARB is required to appoint a Regional Targets Advisory Committee (RTAC) composed of representatives of Metropolitan Planning Organizations⁷ (MPOs), affected air districts⁸, the League of California Cities (the League), the California State Association of Counties (CSAC), local transportation agencies⁹, and members of the public—including homebuilders, environmental organizations, environmental-justice organizations, affordable housing organizations, and others. The Advisory Committee is tasked with recommending factors to be considered and methodologies to be used in establishing the targets, not recommending the targets themselves—though MPOs are explicitly permitted to recommend targets for CARB's consideration.

In recommending factors to be considered and methodologies to be used, the Advisory Committee may consider any relevant issues, including, but not limited to, data needs, modeling techniques, growth forecasts, the impacts of regional jobs-housing balance on interregional travel and GHG emissions, economic and demographic trends, the magnitude of GHG-reduction benefits from a variety of land-use and transportation strategies, and appropriate methods to describe regional targets and to monitor performance in attaining those targets. The Advisory Committee shall provide a report with its recommendations to CARB no later than September 30, 2009, and CARB must consider the report before setting the targets. After the publication of the Advisory Committee Report, MPOs are required to hold at least one public workshop in their region. In establishing the targets, CARB is also required to exchange technical information with MPOs and associated air districts.

⁶ <http://www.abag.ca.gov/planning/currentfcst/news.html>

⁷ In the Bay Area, the Metropolitan Planning Organization (MPO) is MTC.

⁸ In the Bay Area, the Bay Area Air Quality Management District.

⁹ In the Bay Area, this might include Congestion Management Agencies (CMAs), transit providers, and the transportation planning/streets-and-roads arms of local governments.

The prescribed GHG-target-setting process, including the multi-sector RTAC, creates a dynamic between *need* (i.e., the reduction required to contribute to the state's overall greenhouse-gas-reduction targets) and *feasibility* (i.e., the perceived probability of satisfying that need through available regional planning and implementation mechanisms.) That dynamic may be premature and limiting. Until one goes through the actual process of producing and evaluating a target-based plan, the feasibility of that plan, and the target to which it responds, is mostly just conjecture. The necessity to limit the target based on an *a priori* judgment of feasibility is also obviated by the legislation's provision of an escape valve, the Alternative Planning Strategy (APS), which provides a mechanism to identify additional measures if target achievement proves not to be feasible in the initial plan, the Sustainable Communities Strategy (SCS).

In the 2009 RTP update and in the *Projections 2009* process, ABAG and MTC have established very aggressive GHG-reduction targets, based on the transportation sector's large contribution to the region's GHG inventory and on the science-based need to reduce GHGs to 80 percent below 1990 levels by the year 2050. The Bay Area's regional agencies are committed to achieving a significant reduction in transportation-related GHGs and are reluctant to constrain that reduction by setting targets that are too low and that do not provide sufficient challenge to business as usual. We also want to ensure our efforts are rewarded with observable progress, not just with well-intentioned but unimplemented plans.

In addition to GHG-reduction targets, SB 375 effectively requires that the region set target levels for 25 years of housing growth based on accommodating all of the region's population, including all economic segments. These housing-growth targets need to be established early so they can accompany the GHG-reduction process throughout the planning process.

Policy 1:

The Bay Area regional agencies will fully participate in CARB's regional target-setting process. This participation will occur, to the extent possible, through the RTAC process, through the exchange of data and information with CARB, and through the authority given MPOs to independently recommend targets for their regions.

When considering whether or not to recommend targets to CARB and in determining the levels of any recommended targets, primary attention will be given to a scientific assessment of need, noting that feasibility is most accurately judged through the process of producing the Sustainable Communities Strategy itself.

In consultation with local partners and with the state Department of Housing and Community Development (HCD), the regional agencies will establish 25-year housing-growth targets, by economic group, no later than the release of final GHG-targets in September, 2010.

The regional agencies will also seek unambiguous and accurate metrics of target achievement, so that performance relative to the targets can be confidently and unarguably assessed.

Policy Subject 2: Modeling the Relationship between Transportation and Land Use

Travel models (mathematical simulations of travel behavior relative to the regional transportation system and the distribution of land uses) are used to compare the impact of alternative transportation strategies, alternative investment packages and alternative land-use

patterns. The land-use patterns that are fed into the travel models are also, in part, generated by mathematical models of economic and demographic trends.

SB 375 requires that the California Transportation Commission (CTC), in consultation with the California Department of Transportation (Caltrans) and CARB, maintain guidelines for travel models. The guidelines must, to the extent practicable within resource constraints, account for:

- The empirical relationship among land-use density, automobile ownership, and vehicle miles traveled (VMT);
- The impact of enhanced transit service on vehicle ownership and VMT;
- Induced travel behavior and land development likely to result from highway or rail expansion;
- Mode splits between automobile, transit, carpool, bicycle, and pedestrian trips;
- Speed and frequency, days, and hours of operation of transit service.

SB 375 also requires that MPOs disseminate the methodology, results, and key assumptions of their travel models in a way that would be usable by and understandable to the public.

Models will be key tools in developing and assessing the alternative transportation and land-use strategies required to implement SB 375. MTC is currently replacing its travel model with a new instrument more attuned to the CTC guidelines. ABAG is about to update its land-use forecasting models.

This is an opportune time to ensure that the region's models are integrated and can be used in an iterative manner, with not only the land-use models feeding into the travel model but with the travel model also feeding back into the land-use models so that the development impacts and requirements of various transportation measures and investments can be more confidently evaluated and so that a mutually reinforcing land-use *and* transportation strategy can be constructed. At present, the relationship is very linear and one-way, with the land-use forecast informing the travel model but the travel model only indirectly influencing how we forecast land use. Achieving two-way integration will require a much closer working relationship between ABAG and MTC staff engaged in modeling and forecasting than has heretofore been the case.

While the models are very technical and complex, it is also a worthy and responsible objective to aim for more public transparency of model methodologies, assumptions and particularly limitations.

Policy 2:

The Bay Area regional agencies will continue to work together with local partners and regional stakeholders to construct an integrated modeling system which, to the extent possible within the available time and resources, achieves these essential qualities:

- **Transparency**—technical, decision-maker and public understanding of how land-use and transportation decisions can be coordinated so as to reduce GHG emissions, facilitated through open disclosure and explanation of assumptions and methodologies, but without over-simplifying complex relationships;

Policy 2 (continued):

- **Comprehensiveness**—sensitivity to the many factors that influence individual and collective land-use and transportation choices, including, but not limited to: energy prices, parking prices and availability, transportation usage charges, travel-time comparisons among alternative modes, housing affordability, employment locations, perceived school quality, perceived public safety, and the presence or absence of complementary uses, supportive design and other community amenities or liabilities;
- **Resolution**—Spatial and temporal data and analysis at the highest possible level of detail (e.g., below the census tract level and for additional hours beyond just weekday peak periods), but without making the modeling results so dependent on detail that they become unreliable with small variations in the underlying assumptions;
- **Uniformity**—Full involvement of the CMAs and others who engage in complementary modeling activities to facilitate commonality and compatibility among models and a consistent modeling system which extends beyond the regional agencies;
- **Appropriate Usage**—Explicit recognition of the limitations of models in accurately predicting the future and guiding choice (They are representations of potential reality, not reality itself, and are best employed to help differentiate among alternative strategies, not to predict the precise results of a single strategy. They inform decisions; they do not make decisions.).

Policy Subject 3: Preparing a Sustainable Communities Strategy and an Alternative Planning Strategy

SB 375 requires that each MPO (MTC and ABAG in the Bay Area) prepare a sustainable communities strategy (SCS). This strategy is to, among other things, constitute the land-use forecast for the Regional Transportation Plan (RTP) and must comply with federal requirements for that forecast, including most importantly that it be judged to be realistically attainable during the twenty-five-year period of the RTP. One criterion for judging realistic attainability is congruence with local-government general plans, specific plans and zoning.

The SCS shall be adopted as part of the RTP¹⁰ and shall:

- Identify the general location of uses, residential densities, and building intensities within the region;
- Identify areas within the region sufficient to house *all* the population of the region, including all economic segments of the population, over the course of the planning period of the RTP (i.e., 25 years), taking into account net migration into the region, population growth (presumably referring to natural increase), household formation, and employment growth;

¹⁰ The next RTP update, and the first to which SB 375 will apply, is scheduled to be adopted in March 2013.

- Identify areas within the region sufficient to house an eight-year projection of the regional housing need;
- Identify a transportation network to service the transportation needs of the region;
- Gather and consider the best practically available scientific information regarding resource areas and farmland in the region;
- Consider state housing goals;
- Forecast a development pattern for the region, which when integrated with the transportation network and other transportation measures and policies, will achieve, to the extent practicable, the targeted greenhouse-gas emission reduction from automobiles and light trucks, while also permitting the RTP to comply with the Clean Air Act;
- In doing all of the above, consider spheres of influence that have been adopted by LAFCOs.

Some believe that the SCS is just ABAG's *Projections* under another name and with slightly different prescriptions and constraints. It is much more than that. While the SCS will, in part, play a role similar to *Projections* in the RTP, it is not just a land-use forecast, but a preferred development pattern *integrated* with the transportation network and with transportation measures and policies. It approaches in intent and content a comprehensive land-use and transportation plan for the region. As such, it should play a more fundamental guiding role for the RTP than does *Projections*, which is mostly used now for the Environmental Impact Report (EIR) and for air quality conformity analysis accompanying the RTP.

The SCS also performs an important role in housing planning, extending well beyond the current *Projections* series and the current Regional Housing Needs Allocation (RHNA) process. The SCS must specifically identify areas within the region sufficient to accommodate twenty-five years of future housing demand from all income categories.

Before adopting the SCS, we will be required to quantify the reduction in greenhouse-gas emissions projected to be achieved by the SCS and identify the difference (if any) between that reduction and the CARB targets for the region.

If the SCS is unable to reduce greenhouse gas emissions to the targeted levels, then we must prepare an Alternative Planning Strategy (APS) showing how the greenhouse-gas targets would be achieved through alternative development patterns, infrastructure, or additional transportation measures or policies. The APS is a separate document from the RTP but may be adopted at the same time as the RTP. In preparing the APS, we are required to:

- Identify the principal impediments to achieving the targets through the SCS;
- Describe how the GHG targets would be achieved by the alternative strategy and why the development pattern, transportation measures and transportation policies in the APS are the most practicable choices for the achievement of those targets;
- Ensure that the APS complies with all the federal requirements for an RTP "except to the extent that compliance with those requirements would prevent achievement of the GHG targets" (i.e., the APS is essentially exempted from the criterion of realistic attainability);

- Develop the APS in the same manner and consider the same factors as we would to develop an SCS.

The APS is essentially a more aggressive GHG-reduction strategy than would be permissible under the federal requirements for an RTP—i.e., financially constrained and with a realistic land-use forecast.

As the SCS is an official part of the RTP, it is required by federal law to be internally consistent with the other parts of the RTP, including the financially constrained transportation investment package. This is what gives the SCS its potential power: transportation projects identified for funding in the RTP investment package must be consistent with the SCS¹¹.

As the APS is not included in the RTP and therefore does not influence transportation investment, its potential impact is much more limited. It serves essentially two purposes, the first explicit in the legislation, the second implicit: (1) to provide access to some California Environmental Quality Act (CEQA) concessions for qualifying development projects¹², and (2) to provide a means through which the state can be informed of additional powers, authorities or resources required to meet regional GHG-reduction targets.

The Bay Area's regional agencies are committed to making a real difference in reducing GHGs. Therefore, it is in our interest to achieve as much progress toward this region's targets in the SCS as possible. Those land-use changes, transportation measures and transportation policies which can only be identified in the APS are essentially those that we have conceded cannot be implemented; that is, we cannot provide the required assurances to the federal government that those changes, measures, and policies meet the realism test—at least not within the current distribution of authorities. If the changes, measures and policies are not real, then the GHG reductions are also not real. We will not attain the on-the-ground improvement we desire and need.

Meeting the realism test for the SCS requires two preconditions: (1) alignment of local land-use policy with the preferred land-use pattern in the SCS¹³ and (2) authority and resources to undertake the required transportation policies and measures. To maximize our probability of

¹¹ The legislation specifically excludes a subset of investment projects from this requirement, including Proposition 1-B projects and projects contained in the 2007 or 2009 Federal Statewide Transportation Program (STP) if programmed for funding on or before the end of 2011. Local funding for projects specifically listed in local sales tax measures approved prior to the end of 2008 is also exempt from the consistency requirement, though state and federal matching funds, if any, are not exempt. Further, the legislation does not require a sales tax authority to change the funding allocations approved by voters for categories in a sales tax measure adopted before the end of 2010.

¹² CEQA concessions are extended to two potentially overlapping types of development projects: (1) a residential or mixed-use project consistent with an SCS or APS; and (2) specifically defined "transit priority projects" (TPPs). Subject to incorporating mitigation measures from previous reviews, the EIRs for SCS- or APS-consistent projects will not be required to address growth-inducing impacts, global warming impacts, or regional transportation network impacts. Further SCS- or APS-consistent development projects will not have to prepare a reduced-density alternative to address local traffic impacts. TPPs will be exempt from CEQA review if they are consistent with an SCS or APS and comply with a long list of other mandatory and optional criteria.

¹³ SB 375 explicitly provides that neither the SCS nor the APS will regulate the use of land or supersede the exercise of the land-use authority of cities and counties. It further stipulates that there is no requirement that a city's or county's land-use polices and regulations, including its general plan, be consistent with the RTP (including the SCS) or with the APS. Therefore, alignment of local land-use policy with the SCS will have to be voluntary.

success, we need to be acquiring those preconditions now, building upon the momentum that we have established with the target driven RTP, *Transportation 2035*, with the performance-based *Projections 2009* and especially with the Bay Area's voluntary development and conservation strategy, *FOCUS*¹⁴.

Transportation 2035 has been instrumental in introducing climate protection as a core regional transportation planning objective. The *Projections 2009* process has initiated a productive discussion with local-government officials on the impact that land-use and development has on transportation GHGs. *FOCUS* has provided mechanisms, priority development areas (PDAs) and priority conservation areas (PCAs), through which the regional agencies and local governments can partner on achieving a land-use pattern that contributes to lower VMT and hence fewer GHG emissions. The PDAs also provide laboratories through which many of the assumptions underlying our models can be tested.

To enable the region to prepare a genuinely effective SCS in association with the 2013 RTP, the cooperative policy discussions begun with the 2009 RTP and with *Projections 2009* need to continue and accelerate over the next few years and into the formal beginning of the SCS process. A successful SCS will not be proposed and imposed by the regional agencies, but will be built and owned cooperatively at all levels by all the transportation and land-use authorities in the Bay Area.

We also need to make substantial progress on the implementation of the *FOCUS* PDAs and PCAs, so that local governments have concrete examples upon which to draw when constructing local plans that are consistent with the SCS. And we need to establish trust among local governments that substantial regional and state assistance to PDAs and PCAs is truly forthcoming. Full local-government participation in the PDA and PCA initiatives is conditioned on the provision of incentive funding. In *Transportation 2035* MTC established a \$2.2-billion¹⁵ Transportation for Livable Communities (TLC) account to, in part, assist PDAs and transit-oriented development. Early programming of dollars in the TLC account can set a positive stage for an SCS that enjoys local-government support and, therefore, is more likely to be realistically attainable.

In addition to incentives to facilitate supportive development, local governments and other local partners (such as CMAs and transit agencies) will require resources to participate fully and effectively in the process of developing the SCS and to undertake associated planning activities (e.g., specific plans for potential *FOCUS* PDA areas). The regional agencies have sponsored and advocated for SB 406 (DeSaulnier). If passed by the State Legislature and signed by the Governor, this will enable a small vehicle-license surcharge which will provide funds to regional agencies and local governments to undertake work on the SCS and related plans. With or without SB 406, the regional agencies are committed to advocating for and securing appropriate planning resources for their partners

If we are successful in enlisting local governments and other local agencies as genuine partners in the construction of the SCS, then we should also be able to enlist those partners in some positive expression of their participation in the process and their comprehension of the results. While under the law, the SCS can only be adopted formally by ABAG and MTC, explicit council

¹⁴ <http://www.bayareavision.org/initiatives/index.html>

¹⁵ As a federal requirement, enumerated in escalated dollars of the day.

or board resolutions that acknowledge local implications would be highly appropriate and collectively would constitute one indicator of realism. The resolutions, similar to those required for the designation of PDAs, will need to be crafted in such a way as to not prejudge future local-plan and zoning amendments. However, they should occur in the context of local governments fully understanding their contribution to the realism tests applied by federal reviewing agencies.

Policy 3

The Bay Area regional agencies are committed to achieving the region's GHG-reduction targets through the SCS and will prepare an APS only as a last resort.

To assist in the preparation of a realistic and attainable SCS, the regional agencies will:

- Partner with CMAs, transit agencies, local governments, and other relevant stakeholders to cooperatively prepare an SCS, beginning no later than the end of 2009;
- In balance with other programming priorities, begin programming and allocating funds from the current RTP's \$2.2 billion TLC account no later than fiscal year 2010-11 so as to demonstrate a tangible commitment to priority development areas that assist in reducing GHGs;
- Initiate joint programming of regional-agency funding (e.g., MTC and BAAQMD grants) to achieve synergies and maximize combined impact, beginning with pilot efforts built upon the MTC's new Climate Change fund and the Air District's TFCA program;
- Consistent with the current RTP and forthcoming discussions on new incentives for priority development areas, give priority consideration to SCS-supportive incentives in the allocation and programming of new funding (e.g., the federal stimulus package) as it becomes available to the regional agencies;
- Advocate for early and appropriately directed incentives for PDAs and PCAs from existing state programs which are intended to encourage infill development and land conservation, and advocate for the creation of additional incentive mechanisms through new state legislation in advance of the SCS;
- Advocate for the restoration of more stable funding to transit operations, which will be essential to reducing VMT and GHGs;
- Continue to seek planning resources so that our local-government and CMA partners can share leadership roles with the regional agencies in the SCS process and undertake related planning activities;
- Advocate for regional transportation pricing authorities that can contribute to reducing VMT *per capita* and related GHGs so that these authorities can be available to the SCS if required.

As a tangible demonstration of partnership and to assist reviewing agencies in assessing the realism of the SCS, the regional agencies will seek council or board resolutions from our local partners affirming that they understand the implications for their jurisdictions in the context of the realism criteria that will be applied to the RTP and SCS.

Policy Subject 4: Achieving Consistency with Adjacent Regions

As referenced previously, the SCS will be required to identify areas within the region sufficient to house all the population of the region, including all economic segments of the population, taking into account net migration into the region, natural increase, household formation, and employment growth.

This is a substantial departure from present regional-planning practice, which has assumed some spillover of Bay-Area-generated housing and transportation demand into adjacent regions, particularly into the Central Valley. We can plan to accommodate all our population growth, but our plans are unlikely to be realized if they are not consistent with those of our neighboring regions, which may continue to plan on the basis of accommodating exogenous demand from the Bay Area. Early and frequent discussions with surrounding regions to coordinate assumptions, policies and targets are, therefore, required.

Policy 4:

The Bay Area regional agencies will initiate discussions and consult with our neighboring regions throughout the model-development and SCS planning processes to facilitate consistency in assumptions and policies.

Policy Subject 5: Synchronizing and Conforming the SCS and the RTP with the Regional Housing Needs Allocation (RHNA)

SB 375 requires that the RHNA/housing element cycle will be synchronized and coordinated with the preparation of every other RTP update, starting with the first update after 2010 (i.e., 2013). RTP updates occur every four years, and housing elements must be adopted by local governments eighteen months after the adoption of the RTP. With a few exceptions, the region will now be on an eight-year RHNA cycle and local governments will be on eight-year housing-element cycles. In addition to synchronizing with the preparation of the RTP and the SCS contained therein, the RHNA allocation must be consistent with the development pattern included in the SCS, and the resolution approving the RHNA shall demonstrate that it is consistent with the SCS. Housing elements and associated local zoning adopted pursuant to the RHNA may be among the most important means for making the SCS real. SB 375 requires that local governments enact implementing zoning within three years of the adoption of their housing elements.

The 2008 ABAG RHNA process was the first in the state to explicitly connect the regional housing allocation to the sort of focused-growth and transit-oriented development principles which are likely to be central to the SCS. We, therefore, have a head start on the consistency requirements of SB 375. However, many of jurisdictions that received higher RHNA numbers as the result of the newly applied principles also persuasively argued that they required additional resources to respond to the infrastructure and service requirements of more housing and population. A more intimate connection with the RTP will be required to assist resources to flow in the same direction as housing requirements, noting that those resources must respond not just to an eight-year RHNA but to a 25-year identification of housing growth areas.

Existing law makes MTC responsible for the RTP and ABAG responsible for the RHNA. SB 375 makes both agencies jointly responsible for the SCS, though the SCS will also be adopted as

part of the RTP. To ensure coordination and complementarity and to ensure that both agencies are fully cognizant of their commitments to each other and of their joint commitments to other partners and the region, all three instruments—the RTP, the RHNA and the SCS—should be developed and adopted together as a regional-agency partnership.

The structure of the SCS, itself, should also facilitate coordination. The fundamental expression of the Sustainable Communities Strategy will be a “vision” of the region we hope to become at the end of the twenty-five year planning period. While responding to the core housing and greenhouse-gas objectives of SB 375, the vision will also need to accommodate many other local and regional aspirations generally categorized under the three sustainability “e”s of economy, environment and equity. All policies, measures, and allocations contained in the SCS, the RTP, the RHNA will need to be at least consistent with the vision and ideally will contribute to its realization.

To maximize the ability of the vision to drive coordination, it should be confirmed early in the SCS process. All consequential long-term *and* short-term decisions directed at both the 2020 and 2035 target years, as well as at the 2040 RTP and housing horizon, can then be tested against this long-term vision. Fortunately the vision need not be constructed from scratch; it can build upon a rich legacy of cooperative regional planning that has occurred continuously for most of the past decade and most recently through the *FOCUS* program.

SB 375 requires nominal consistency among the SCS, RTP and RHNA documents. Genuine consistency on the ground necessitates that we go beyond the law and that we do cooperative follow-up after the adoption of the various documents. Under the law, RHNA housing numbers are still only distributed at the jurisdictional level. As jurisdictional control totals, these jurisdictional distributions are nominally consistent with the SCS. However, to be effective in reducing GHGs, it is essential that actual housing development be distributed to particular sub-jurisdictional locations as identified by the SCS (e.g., in PDAs, near transit stations, employment centers and other activity nodes; and with regard to sub-regional commute sheds as defined by centers and corridors). The regional agencies should use their investments and other programs to assist local governments in ensuring that housing elements, implementing zoning, and actual projects are not only compliant with state housing law and with RHNA control totals, but are also consistent with the detailed SCS growth distribution.

Policy 5:

The SCS, RTP and RHNA will be developed together through a single and integrated cross-agency work program, developed and implemented in partnership with the other regional agencies, congestion management agencies, local governments, and non-governmental organizations which have a stake in the work and its outcomes.

All products in the cross-agency work program will be reported in draft to the JPC for a thorough interagency vetting before being referred with JPC recommendations, for final decision by the committees, board, and commission formally responsible for each of the three policy instruments: MTC for the RTP, ABAG for the RHNA, and both for the SCS.

The JPC and its member agencies will share draft material with partnership groups, consultative committees and advisory councils and with one another to facilitate broadened vetting of significant ideas and initiatives.

Policy 5 (continued):

From time to time, the JPC may initiate special task forces, widely representative of affected regional and local interests, to assist in the detailed drafting of contentious and consequential policies and measures.

To the extent feasible, policy reports and adopting resolutions for each of policy instruments will reference implications for the other instruments so that all decisions are cognizant of interdependencies.

The process will begin with the construction and confirmation of a twenty-five-year vision for the Bay Area. That vision will respond to the 2035 GHG target and to the 25-year housing growth objective mandated by SB 375 as well as to other desired economic, environment, and equity qualities. All long-term and short-term strategic policies, measures, and allocations will be assessed against this long-term vision.

After the adoption of the SCS, RTP, and RHNA, the regional agencies will, within the limits of their resources and authorities, assist local governments in achieving housing elements, implementation zoning, and housing projects which, in addition to fully complying with state housing-element law, are consistent with the detailed growth distribution in the SCS. Assistance will include, but not be limited to, resolving infrastructure and service issues related to the provision of housing.

Policy Subject 6: Providing CEQA Assistance

SB 375 provides various levels of CEQA assistance to housing and mixed-use development projects based on their conformity with a number of criteria, including consistency with an SCS or APS. However, the legislation only vaguely defines “consistency” and then in manner which may not be compatible with current Bay Area regional land-use planning practice. One approach to clarifying “consistency” is the preparation of a programmatic environmental impact review (EIR) for the SCS (and for the APS, if required). Development projects, as well as infrastructure projects, might also be able to “tier off” this EIR, and thus become eligible for additional CEQA assistance in addition to that provided through SB 375. The feasibility of this approach, and of alternatives, requires the resolution of a number of technical and legal issues, including the relationship to the EIR presently prepared for the RTP. Work to resolve these issues needs to occur as soon as possible as it will clearly affect the manner in which we prepare the SCS/APS.

Policy 6:

In consultation with appropriate CEQA authorities, the regional agencies will develop and finalize, no later than June 2010, a functional design for the structure and content of the SCS, the APS and associated environmental impact review documents sufficient for these to be confidently employed as the basis for determining eligibility for CEQA assistance as contemplated in SB 375 and, if feasible, to provide additional CEQA assistance for projects which contribute positively to environmental objectives for the region.

Policy Subject 7: Aligning Regional Policies

While ABAG and MTC develop the region's first SCS, the Air District and BCDC will also be putting together policies and regulations that will affect the region's distribution of land uses and the placement of public infrastructure. Both agencies may, as well, propose projects which could be included in the RTP.

In its effort to control criteria pollutants (e.g. ozone precursors and particulate matter), the Air District may, under existing authority, consider an indirect source rule (ISR) that regulates the construction and long-term transportation impacts of land development and requires mitigation or payments in lieu for development which does not meet established standards. Of particular concern is development which is deemed to increase automobile travel and hence vehicle emissions. The Air District may also seek to limit development in certain areas so as to reduce exposure to noxious particulate matter and other localized air toxins. Many of these areas overlap with *FOCUS* PDAs.

BCDC will be preparing an adaptation plan to prepare for inevitable sea-level rise and storm surges affecting areas on and near the Bay shoreline. This will have implications for the location of future development and perhaps for the relocation of present development and infrastructure.

It is essential that both the Air District's work and BCDC's be aligned with the SCS so that the regional agencies complement and do not contradict one another. Confusion will not contribute to the multi-level collaboration required to achieve a sustainable communities strategy that works.

Policy 7:

Starting immediately, and consistent with the JPC's role as defined in state law, all *significant* regional-agency policy documents affecting the location and intensity of development or the location and capacity of transportation infrastructure will be vetted through the JPC and evaluated against the filter of the emerging SCS.

As with all regional-agency policies affecting local land-use discretion or local-level transportation investments, the policy documents will be developed in partnership with the applicable local governments, congestion management and transit agencies and with the participation of other interested stakeholders.

The final decision on any regional policy will continue to rest with the responsible regional board or commission to which the JPC is advisory.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Pamela Torliatt and Members
of the Executive Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: November 4, 2009

Re: EPA Title V Program Evaluation

RECOMMENDED ACTION:

Receive and File.

BACKGROUND

On September 29, 2009, EPA Region IX issued a final report entitled Bay Area Air Quality Management District Title V Operating Permit Program Evaluation. The report contains the findings of a program evaluation that was conducted by EPA staff in 2008, and that consisted of four stages as follows: (1) a questionnaire focusing on Title V program implementation, (2) review of the District's Title V permit files, including copies of permits, statements of basis, permit applications, and correspondence, (3) interviews with District staff, and (4) follow-up and clarification of issues for completion of draft and final reports.

DISCUSSION

The conclusion of the EPA program evaluation is that the District's Title V program has no significant issues that need correction. The report indicates:

“The District benefits from experienced staff and management who successfully implement the title V program. BAAQMD issues title V permits in a timely manner that are well-written and practically enforceable. All emission limits and other applicable requirements are included in the permits, and monitoring is sufficient to determine compliance with the emission limits. The District excels in many aspects of its title V program, including the preparation of statements of basis, the use of its website to publish comprehensive and timely documentation of every title V permitting action, its effective field enforcement program, and on-going evaluations of the effectiveness of its public involvement efforts.”

The major findings from the EPA report also include four items that EPA indicates may be useful towards the District's ongoing efforts for program improvement. Staff is preparing an Action Plan to address these program improvement recommendations, and will provide the Committee with a summary of this at the November 19, 2009 meeting.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

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