

PUBLIC NOTICE

March 18, 2009



TO: INTERESTED PARTIES
FROM: EXECUTIVE OFFICER / APCO
SUBJECT: Initiation of the development of an Indirect Source Review Rule and proposed amendments to Regulation 3: Fees

The Bay Area Air Quality Management District (Air District) is initiating development of an Indirect Source Review Rule (ISR) to address the adverse impacts of growth on local and regional air quality as well as address the impacts of growth on our climate. The Air District will be convening a workgroup to assist in rule development and will hold extensive public workshops throughout the Bay Area to allow stakeholders to provide input. Air District staff anticipates proposing an Indirect Source Review Rule for consideration by the District Board of Directors in 2010.

The proposed Indirect Source Review Rule is one of several elements of a more comprehensive approach to address health concerns in communities that are disproportionately impacted by poor air quality and to minimize the cumulative effects of land use decisions on local and regional air quality. This multifaceted approach will coordinate ongoing efforts at the District and develop and implement key enhancements to existing Air District programs. This will provide a cohesive strategy that will assist in the growth of the Bay Area while protecting public health and minimizing impacts on our climate.

The Air District is also proposing to amend Regulation 3: Fees by adding Schedule U for the purpose of assessing administrative and mitigation fees associated with implementation of an Indirect Source Review Rule. The fees outlined in Schedule U (and provided below) of Regulation 3: Fees are preliminary estimates and could be amended as the new Indirect Source Review Rule is developed.

Indirect sources are development projects that generate or attract motor vehicle trips and emissions and also include other sources of emissions, such as fireplaces, home heating and cooling and landscape maintenance equipment, that indirectly cause air pollutant emissions that can adversely affect local and regional air quality. Health and Safety Code Section 40716 grants explicit authority to air districts to "...adopt and implement regulations to ...reduce or mitigate emissions from indirect and areawide sources of air pollution." The Air District currently implements various programs to reduce emissions from indirect sources, including: Transportation Fund for Clean Air grants for bicycle facilities, traffic calming, shuttles and other projects; promotion of air quality elements in local general plans; review and comment on CEQA documents; and cooperation with other regional agencies and stakeholder groups.

The Bay Area is not yet in attainment of state ozone standards, so the region must implement all feasible measures to reduce the pollutants that form ozone: nitrogen oxides and volatile organic compounds. Further Study Measure FS-18 of the District's 2005 Ozone Strategy proposed additional evaluation of an indirect source review rule to assist the region in meeting health based ambient air quality standards and requirements in the California Clean Air Act. In addition, air districts throughout the State are required to adopt all feasible measures as expeditiously as practicable. The San Joaquin Valley Unified APCD's Rule 9510 Indirect Source Regulation, was adopted in December 2005 and is currently being implemented. Imperial County APCD also has adopted and is implementing an ISR rule. Adoption and implementation in other regions indicates an ISR rule may be a feasible measure for the Bay Area.

For copies of the draft amendments to Regulation 3: Fees and the proposed Schedule U that the District is considering, see the District's website at http://www.baaqmd.gov/pln/ruledev/regulatory_public_hearings.htm. For questions or comments on the proposed Regulation 3: Fees amendments and development of the Indirect Source Review Rule, please contact Dave Vintze, Air Quality Planning Manager, at (415) 749-5179 or via e-mail at dvintze@baaqmd.gov. **Written comments, submitted by U.S. mail or electronic mail, are requested by 5pm on April 3, 2009.**

REGULATION 3: FEES

PROPOSED SCHEDULE U

INDIRECT SOURCE REVIEW FEES

The applicant for any project deemed an indirect source pursuant to District rules shall be subject to the following fees:

1. APPLICATION FILING FEE

When an applicant files an Air Quality Impact Assessment as required by District rules, the applicant shall pay a non-refundable Application Filing Fee as follows:

a. Residential project:	\$533
b. Non-residential or mixed use project:	\$796

2. APPLICATION EVALUATION FEE

Every applicant who files an Air Quality Impact Assessment as required by District rules shall pay an evaluation fee for the review of an air quality analysis and the determination of Offsite Emission Reduction Fees necessary for off-site emission reductions. The Application Evaluation fee will be calculated using the actual staff hours expended and the prevailing weighted labor rate. The Application Filing fee, which assumes eight hours of staff time for residential projects and twelve hours of staff time for non-residential and mixed use projects, shall be credited towards the actual Application Evaluation Fee.

3. OFFSITE EMISSION REDUCTION FEE

(To be determined)