Real Estate & Land Use Update



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California Air Resources Board Releases Growth Targets for California

Author: Jon Costantino

What will California look like in 25 years? What are the factors that will influence its growth? Population? Demographics? The global economy? Political winds? There are many unknowns in this puzzle, but one of the pieces of California's future was revealed this week—the greenhouse gas (GHG) reduction targets required by SB 375. The California Air Resources Board (CARB) released its long-awaited staff report, which contains region-by-region goals for achieving more sustainably planned and built communities.

SB 375 was passed in 2008 as a follow-up and companion statute to AB 32-The Global Warming Solutions Act of 2006. SB 375 specifically authorized action where AB 32 did not—local land use. The ultimate goal of SB 375 was to fundamentally change the way California grows in the future. It did this by 1) providing an incentive for local jurisdictions and developers to alter the sprawling growth patterns historic in California, and 2) requiring regional transportation plans, which are the regions' road maps for growth and are needed for accessing federal transportation dollars, to have a new planning element focused on GHG reduction. This new GHG element is called a Sustainable Community Strategy and is supposed to meet the proposed reduction targets released on August 9th by CARB.

"These proposed targets are ambitious, achievable and very good news for Californians. Improved planning means cleaner air in our cities, less time stuck in your car, and healthier, more sustainable communities," said ARB Chairman Mary D. Nichols. "Cities that choose to develop Sustainable Communities Plans that meet these targets have an advantage when it comes to attracting the kinds of vibrant, healthy development that people want."

The target-setting process has been ongoing publicly for over a year. It began when CARB formed the statutorily required advisory body to assist it in this target-setting process, known as the Regional Targets Advisory Committee or RTAC. The committee membership included regional planning officials from around the state. The RTAC released



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Roger Grable
Partner
rgrable@manatt.com
714.371.2537

Bryan C. LeRoy Partner bleroy@manatt.com recommendations in September 2009. In May CARB held a workshop to allow the regional entities known as the Metropolitan Planning Organizations (MPOs) to show the world their modeling work and suggested targets (see previous newsletter article for addition background). And then, finally, CARB released its proposed targets on August 9, 2010. This release date also starts the 45-day open comment period prior to the CARB Board acting on these recommended reduction goals. The CARB Board has the authority to accept, reject, or modify the staff proposal.

For the most part, CARB took the GHG per capita percentage reduction targets proposed by each MPO for both 2020 and 2035. The exception was the 2035 target proposed by the Southern California Association of Governments (SCAG). The SB 375 GHG proposed reduction targets are listed in the table below and are grouped into three distinct categories. The first includes the four biggest MPOs in the state, the last includes the six smallest MPOs, and in the middle are the MPOs from the San Joaquin Valley.

Region	МРО	CARB Proposed 2020 GHG Reduction Target	CARB Proposed 2035 GHG Reduction Target
Los Angeles	SCAG	8%	13%
San Diego	SANDAG	7%	13%
Bay Area	MTC	7%	15%
Sacramento	SACOG	7%	16%
San Joaquin Valley	Various	5%	10%
Monterey	AMBAG	tbd	tbd
Santa Barbara	SBCAG	+6%	+4%
San Luis Obispo	SLOCOG	8%	8%
Butte County	BCAG	0%	1%
Shasta County	SCRTPA	0%	0%
Lake Tahoe	ТМРО	7%	6%

^{*}Subject to consideration by the SCAG Board on September 2, 2010.

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Subscribe Unsubscribe Newsletter Disclaimer Manatt.com The staff report provides straightforward explanations on each region and how the reductions are envisioned to be achieved. CARB needed to make these distinctions because only the big four urban areas have the staff and resources at their disposal to model future growth in a manner that can predict GHG reductions. The Central Valley is working with its bigger brethren to complete the necessary work, and the smaller MPOs are in line for assistance when the next major planning deadlines dictate it.

Until the release of the staff report, it was uncertain whether CARB was going to propose one statewide target or go with the region-by-region approach. In the end, it was determined that the state was too diverse and the regional differences were too great to have a single unified goal.

As it was the only target not accepted on its face, the SCAG long-term number deserves some discussion. CARB did accept SCAG's recommended short-term 2020 target which is characterized as "ambitious and achievable." Under this scenario land use patterns reflecting locally supported land use concepts were developed through the region's Compass Blueprint efforts. But for 2035, SCAG recommended a target reduction range of 5 to 6 percent based on its modeling work. ARB noted that this is significantly out of line with what the other regions of the state are projecting. So ARB made the decision to recommended a more aggressive GHG emission reduction target which was more in line with the other major MPOs. It settled on a figure of 13 percent per capita for 2035, which is more than double what SCAG had recommended. As noted above, the SCAG Board has a meeting in early September to consider this proposal prior to ARB's Board taking action at the end of the month.

"This report builds on the pioneering efforts of cities throughout the state that blazed the trail and set the standard for developing more livable communities," said Nichols. "Working together, ARB and all cities can benefit from those models and develop coordinated growth, development and transportation planning that will benefit families and businesses in every region of the state."

Someday California historians will look back at how the state grew between 2010 and 2035 and only then will it be known for sure how significant CARB's SB 375 targets were in changing the basic fabric of California life—the relationship between the suburb and the automobile.

For additional information on this issue, contact:

Jon Costantino Jon Costantino manages environmental issues for clients in both political and regulatory environments. He is a seventeen-year legislative and regulatory professional

specializing in the areas of climate change and air pollution control. He has developed policy and implemented programs with billion-dollar implications.

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