



Date: April 21, 2010
To: Regional Advisory Working Group
From: Ashley Nguyen, MTC and Christy Riviere, ABAG
Subject: **Three Es, Goals and Targets**

The development of a more sustainable Bay Area calls for defining policies, strategies and investments that meet our region's present needs without compromising the ability of future generations to meet their own needs. Using the Three E principles of sustainability – economy, environment, and equity – as the architecture for a sustainable Bay Area will help us to frame both the *process* by which we plan for future jobs and housing growth and travel demand and the *outcomes* that we hope to achieve.

Three Es Architecture

The Three Es will essentially provide the direction for the development of an integrated approach to developing the Regional Transportation Plan (RTP) and Sustainable Communities Strategy (SCS) pursuant to SB 375. Under this architecture, it is our aim to put forth a strategic regional vision and long-range plan that make our region a place with a prosperous and globally competitive *economy*, a healthy and safe *environment*, and *equity* wherein residents share in the benefits of living in complete communities that are served by a well-maintained, efficient and connected regional transportation system.

Underpinning the Three Es is a set of complementary goals and performance-based targets. Arrayed under each of the Three Es are plan goals that are crafted with the intent to reflect the regional vision, offer specificity, and state desired outcomes. The goals are not entirely confined to any one of the Three Es; rather, several goals cut across and reinforce all three principles. Furthermore, the performance targets are numerical benchmarks to measure the region's progress towards implementing its vision. The targets are not meant to be rigid. Instead, they may change at any time to respond to changes in policy direction or circumstance. All the performance targets are *voluntary* except for the greenhouse gas (GHG) and housing targets which are mandated under SB 375.

Taken together, the Three Es, goals and performance targets serve as pillars of the RTP/SCS, framing the evaluation of scenarios, strategies, and investments as well as policy discussion and decision-making that will lead to a preferred RTP/SCS.

Performance Targets

There are three sets of targets: (1) greenhouse gas emission reduction target, (2) housing target, and (3) other targets.

Greenhouse Gas Emission Reduction Target

The California Air Resources Board is directed under SB 375 to set regional targets for each metropolitan area to reduce GHG emission from cars and light trucks for years 2020 and 2035. These targets will be exclusive of reductions which CARB itself is able to achieve through vehicle efficiency and fuel standards. The Regional Targets Advisory Committee (RTAC), which advised CARB on the target-setting methodology, recommends a target metric of percent per-capita GHG emissions reduction from 2005. CARB will issue draft targets by June 30, 2010 and final targets by September 30, 2010. MTC, in partnership with the regional agencies, may recommend to CARB a regional target for the Bay Area. CARB is slated to update the targets eight years thereafter, but may opt to update the targets in four years. Importantly, the SCS must demonstrate how the region will meet the GHG emission reduction target. If the SCS falls short of meeting the target, the region must prepare an Alternative Planning Strategy (APS) that, if implemented, would meet the target.

Housing Target

SB 375 also 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, taking into account net migration into the region, population growth, household formation and employment growth. That is, the region cannot limit the housing capacity, assuming a spillover of future excess housing demand into surrounding counties.

The estimates of the magnitude of the housing target must be established early so they can accompany the GHG-reduction process throughout the planning process. In consultation with local government partners and with the state Department of Housing and Community Development (HCD), the regional agencies will establish a 25-year housing growth target, by economic group, no later than the release of a final GHG target in September 2010. The target will be set in consultation with responsible state agencies, particularly the Department of Finance and the Department of Housing and Community Development, and will be based on the best econometric and demographic data and forecasts available. The assumptions underlying our forecasts will be made explicit so that our local government partners can review and comment before target adoption.

Other Targets

Greenhouse gas emission reductions and accommodation of regional housing growth are not the only purposes and outcomes of SCS. Other regional qualities related to air quality and public health, transportation performance, and livability are also central elements of the SCS. To this end, we look to targets tested in recent regional planning efforts such as the Transportation 2035 Plan, Projections 2009 and Draft Bay Area 2010 Clean Air Plan (CAP). In addition to GHG emissions, targets also focused on economic growth, congestion, particle pollution (note the Bay Area was recently designated non-attainment for national fine particle matter standard), affordability and equitable access help to establish a vision of a more sustainable and livable region, in which there is economic growth opportunities, less traffic delay and vehicle emissions, and more a affordable transportation system.

Based on our past experiences, we continue to strive to define appropriate performance measures for the economy and equity principles. For example, the Transportation 2035 Plan featured a transportation/housing affordability measure under the equity principle, but we found it difficult

to forecast the cost of housing. For this SCS effort, we welcome other economic and equity target ideas.

Proposed Three Es, Goals and Targets

For discussion purposes, below is a preliminary draft matrix of the proposed Three Es, goals and performance targets that will help guide us in the development of the SCS.

The regional agency staff seeks input and discussion from the Regional Advisory Working Group on these draft goals and targets. We specifically seek your ideas on possible targets under the economy and equity principles. In defining targets it is important to remember that the target ought to be a metric that can be forecasted via the regional transportation/land use models. The metric must also be correlated to transportation investments and/or future land use development patterns, meaning the metric is actually affected by the investments and/or development patterns.

“E” Principle	Goals	Possible Performance Targets
Economy	Economic Growth System Reliability	<p>Delay: Reduce per-capita delay by 20 percent below today’s levels <i>(Source: Transportation 2035)</i></p> <p>Other Ideas?</p>
Environment	Clean Air Climate Protection	<p>Greenhouse Gases: TBD (Likely: Reduce _ percent per capita from 2005) <i>(Source: CARB)</i></p> <p>Fine particulate matter (PM2.5): Reduce emissions by 10 percent below today’s levels <i>(Source: Transportation 2035 and 2010 CAP)</i></p>
Equity	Housing Equitable Access Livable Communities	<p>Housing: House all the region’s projected 25-year growth in housing demand within the Bay Area, by all demand segments (very-low income, low-income, moderate-income and market) <i>(Source: SB 375)</i></p> <p>Transportation/Housing Affordability: Reduce share of earnings spent on housing and transportation by low and moderately-low income households by 10 percent from today’s levels <i>(Source: Transportation 2035)</i></p> <p>Access: Increase non-automobile dependent access to jobs and essential services by 20 percent from today’s levels <i>(Source: Projections 2009)</i></p> <p>Other Ideas?</p>