

July 26, 2010

Scott Haggerty
Chair, Metropolitan Transportation Commission
101 Eighth St
Oakland, CA 94607

Subject: SB 375 greenhouse gas emission reduction targets

Dear Chair Haggerty and Commissioners:

Thank you for your ongoing work to create a more sustainable, healthier and equitable Bay Area, and your current efforts to create the Bay Area's Sustainable Communities Strategy (SCS). Implementation of SB375 will benefit the health and well-being of Bay Area residents, businesses, and governments in many ways. Ambitious greenhouse gas (GHG) reduction targets are needed to set the stage for the land use and transportation policies that will achieve those benefits.

The 21 undersigned organizations urge the Commission to **recommend GHG reduction targets of at least 7% by 2020 and at least 15% by 2035**. We appreciate many Commissioners asking for a deeper analysis of what a higher target would mean for our region. Here is some information that can help inform the discussion.

What will it take to achieve a higher reduction in GHGs by 2035?

The Bay Area has historically been a leader in innovative transportation and land use policy. Achieving a 15% or greater GHG reduction will involve building on our historic successes and taking them to the next level. Three key elements will be:

Transportation Demand Management (TDM). MTC staff's new sensitivity tests look solely at the benefits of increased telecommuting. That is only one of dozens of creative TDM measures that the region is already implementing that we can build on for the future. Other measures include carpools and vanpools; Safe Routes to Schools and Safe Routes to Transit; free transit passes for employees, residents and school-age youth; parking unbundling and cash-out (cash payments to employees who commute by methods other than driving alone); car sharing programs; flex time and alternate work schedules.

Genentech's TDM program for its South San Francisco campus, which includes parking cash-out and improved transit and shuttle services, increased transit ridership by 70% in 8 months. The parking cash-out program is so popular that, just two weeks after the launch, more than a quarter of the employee population had signed up for the program, and employees cite it as a top benefit of working at Genentech.

Transportation pricing and rewards. A key strategy will be to use transportation pricing and rewards to help roads pay for themselves and to provide more transportation choices for all Bay Area residents. Our current transportation system is unaffordable for many; households without convenient access to transportation options pay over \$15,000 annually on transportation costs, whereas households in transit-rich, walkable, bikeable areas spend only \$8,300 per year. A system that includes appropriate pricing policies will produce additional revenue that can be invested right back into our transportation system to increase transportation options and save households thousands of dollars annually.

The Vehicle Miles Traveled (VMT) charge that MTC staff included in the recent sensitivity tests is not the only option for pricing mechanisms. Policies such as varying toll amounts based on time of day (as the region is already doing on the Bay Bridge), and varied parking pricing (as is being done in Redwood City and San Francisco) can incentivize transportation alternatives, reward those who make smarter decisions and, best of all, provide additional revenue to re-invest in our transportation system.

Stanford's innovative TDM program (a requirement in its General Use Permit from the City of Palo Alto) uses revenues from increased parking fees to fund programs such as the free Marguerite shuttle, free transit passes, and car-share credits. Stanford has seen a 20% drop in the drive-alone rate since 2002.

More walkable, transit-friendly neighborhoods. From Oakland's Uptown to San Mateo's Bay Meadows to Windsor's Town Green village, the Bay Area has much to be proud of in creating neighborhoods that put housing, jobs, shops and services closer together and offer a range of transportation options.

Greenbelt Alliance's Grow Smart Bay Area research shows that our region can accommodate all of the region's projected growth as per Projections 2009 in a way that makes our cities and towns better places to live, using building heights consistent with community visions from 2002. We can be confident that a new community vision that we create 10 years later will recognize the benefits of more tight-knit, mixed-use, walkable, bikeable neighborhoods and ask for even more of the same.

How will the most vulnerable populations be affected?

We thank the Commissioners who emphasized social equity concerns and asked how low-income communities and communities of color would be affected. It is critical that we conduct an in-depth equity analysis *now* so we have a clear picture of what the associated social equity impacts will be of different GHG targets and so we can implement appropriate policy solutions to make sure that the direction we're heading not only reduces greenhouse gas emissions but also maximizes social equity.

One such policy solution is pricing policies that generate revenue that can be used to improve transit operations, access, and rates for low-income communities and communities of color. In addition, we must ensure that pricing policies are proactively

constructed to insure participation by low income communities in decision making and access by such residents to a range of benefits and opportunities including jobs, housing, education and healthy communities throughout the region. Measures that reduce negative impacts on low-income residents, including exemptions or reductions in pricing for low-income, auto-dependent drivers should be implemented.

It is important to note that issues of social equity take on many forms, including not only transportation costs but also the combined cost of transportation and housing, jobs/housing fit, public health, and neighborhood walkability (access to jobs and services). An equity analysis and associated policy solutions should not be limited to just the cost of transportation.

What will a higher reduction in GHGs by 2035 mean for residents of our region?

As outlined in a previous letter to this Commission, higher GHG reduction targets lay the groundwork for a host of co-benefits for residents, businesses and local governments, including: savings on household transportation and energy costs, reduced air pollution and associated health risks, lower infrastructure costs, shorter commutes, etc.

Research conducted this month for Envision Bay Area shows that, for the 9-County Bay Area region, a set of policies and investments that lead to a 15% or 21% reduction in GHGs by 2035 would provide significantly greater benefits than policies and investments that only achieve a 10% reduction in GHGs (see chart).

For example, achieving a 21% reduction in GHGs would save households an additional \$1,550/year beyond what they would save through a 10% GHG reduction. These savings will strengthen our economy, as residents will have more dollars available to spend in local businesses, or put towards purchasing a home.

2035 GHG reduction per capita from 2005	Land Conserved (beyond 10% Scenario)	Air pollution reduction (beyond 10% Scenario)	Decrease in auto fuel use (beyond 10% Scenario)	Annual water savings per new household (beyond 10% Scenario)	Annual household cost savings (beyond 10% Scenario)
15%	19 sq mi	4,500 tons (-6%)	200 mil gal	1,900 gal	\$750/year
21%	72 sq mi	9,400 tons (-13%)	415 mil gal	8,400 gal	\$1,550/year

Setting the right targets will have immediate and lasting economic benefits from San Jose to Santa Rosa. We've all seen that where there are significant public investments in efficient, clean transportation and land use, private investment follows, because people want to live in clean, thriving, convenient communities. For example, through Redwood City's downtown revitalization, businesses, developers, and residents have all enjoyed increased economic opportunity – which increases our local tax base – as a result of the benefits of well-planned land use and transportation.

The health benefits of walkable, bikeable communities are substantial. By reducing driving, we reduce air pollution and the staggering health costs associated with it. Air pollution is linked to 2,600 premature deaths in the Bay Area, and thousands of hospitalizations due to asthma, lung and heart disease. A recent RAND study showed that failing to meet air quality standards in California led to 33,000 hospital admissions and emergency room visits, and cost the state \$193 million over a three-year period.

Sustainable, mixed-use communities designed around mass transit, walking and cycling reduce greenhouse gases emissions, air pollution, and a range of adverse health outcomes including traffic injuries, cancers, lung and heart disease, obesity, diabetes and other chronic health conditions. In addition to the benefits to lung health, individuals who live in mixed-use walkable communities have a 35 percent lower risk of obesity.

A 2007 survey from the National Association of Realtors shows that 83 percent of Americans support building communities where people can walk and bike places and use their cars less. By setting ambitious targets that reduce traffic congestion, and increase efficiency and convenience, California can stimulate private investment to meet the demands of the marketplace. This is what our economy needs now: more jobs, more opportunity for private investment, and greater efficiencies in the costs of transportation.

Higher targets mean a stronger economy and better quality of life for Bay Area residents. If we set the bar too low, we are short-changing ourselves and our future. **Please recommend GHG reduction targets of at least 7% by 2020 and at least 15% by 2035 for the Bay Area.**

Sincerely,

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