



COUNCIL AGENDA: 8-28-12
ITEM: 2.19

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Dennis Hawkins, CMC
City Clerk

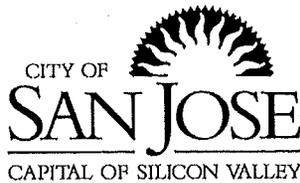
SUBJECT: SEE BELOW

DATE: 8-23-12

SUBJECT: CAP-AND-TRADE PROGRAM GUIDING PRINCIPLES

RECOMMENDATION

As recommended by the Rules and Open Government Committee on August 22, 2012 and outlined in the attached memo previously submitted to the Rules and Open Government Committee, approve the guiding principles for legislative advocacy and investment strategies on the State's forthcoming Cap-and-Trade program.



Memorandum

TO: RULES AND OPEN
GOVERNMENT COMMITTEE

FROM: Hans F. Larsen
Leslye Corsiglia
Kerrie Romanow

SUBJECT: CAP-AND-TRADE PROGRAM
GUIDING PRINCIPLES

DATE: August 16, 2012

Approved

Date

8/17/12

RECOMMENDATION

- (a) Approve staff's recommended set of guiding principles for legislative advocacy and investment strategies on the State's forthcoming Cap-and-Trade program; and.
- (b) Recommend a one-week turnaround to the City Council so that the City's legislative staff can advocate the City's position on the Cap-and-Trade program.

BACKGROUND

Cap-and-Trade Program

In 2006, the State enacted AB 32, the Global Warming Solutions Act of 2006, which set the State's 2020 greenhouse gas (GHG) emissions reduction goals into law. This legislation established a comprehensive program of regulatory and market mechanisms to achieve real, quantifiable, cost-effective reductions of greenhouse gases. It makes the California Air Resources Board (ARB) responsible for monitoring and reducing GHG emissions and directed ARB to begin developing discrete early actions to reduce greenhouse gases while also preparing a scoping plan to identify how best to reach the 2020 limit. San José supported the passage of AB 32 in 2006.

The AB 32 Scoping Plan was approved on December 12, 2008 and provides direction to reduce greenhouse gases in California to 1990 levels by the year 2020. The law's mandate is to achieve an 80 percent GHG reduction from 1990 levels by 2050. The scoping plan also indicates how these emission reductions will be achieved from significant greenhouse gas sources via regulations, market mechanisms and other actions. ARB's Scoping Plan identifies a Cap-and-Trade program for pollution credits as one of the strategies that will be used to reduce GHG emissions. The development of the Cap-and-Trade program included a multi-year stakeholder process and consideration of potential impacts on disproportionately impacted communities.

Under Cap-and-Trade, an overall limit on GHG emissions from “capped” sectors will be established, and polluters that are subject to the cap will be able to trade permits (allowances) to emit GHGs. Under State regulations, one allowance is equal to one ton of the total carbon dioxide equivalent (CO_{2e}) emissions. Producers of about 80 percent of the State’s GHG emissions, consisting of stationary large polluters such as refineries and factories creating over 25 metric tons per year, are subject to the cap. Transportation fuel, natural gas and other fuel sectors will be subject to the cap starting in 2015. The remaining 20 percent of emissions derive from smaller entities, such as agriculture and forestry and are referred to as the “uncapped” sectors.

With that guidance, the California Air Resources Board (ARB) included language in its scoping plan that supported development of a Cap-and-Trade program. Under this program, capped polluters can purchase credits from the State in the first auction, thereby creating a stream of auction revenues to the State that can then be used for GHG-reducing programs. In the future, revenues will continue to flow to the State and large polluters will also be able to purchase capacity from other facilities that pollute less than their allocation.

ARB will conduct a trial auction on August 30, 2012 and the first official auction in November 2012, with additional auctions following in February and May of 2013. Through regulation, ARB has set a floor price of \$10 per ton and a ceiling of \$50 per ton. ARB plans to sell 66 million allowances in FY 2012-13, with initial estimates on the amount of proceeds to the State from these auctions of between \$1 and \$3 billion.

Uses of Auction Proceeds

Consistent with Governor Brown’s budget request, the Assembly and Senate budget subcommittees have each adopted language that would dedicate at least \$500 million of the November auction proceeds towards eligible General Fund expenditures in order to help reduce the State’s budget deficit. Uses for the remainder of the proceeds have not yet been identified, but according to ARB staff, the Governor’s goals are for proceeds to:

- Maximize economic and environmental benefits
- Enhance air quality
- Benefit the most disadvantaged communities.

The Governor’s programmatic priorities are reportedly to fund programs for clean and efficient energy, low carbon infrastructure and transportation, and natural resources protection.

Further, there are legal requirements for the use of the auction proceeds. According to the Senate and the Assembly’s Legislative Counsel, revenues generated from the allowances are considered mitigation fee revenue subject to a legal nexus test. Legislative Counsel reviewed the Cap-and-Trade Program to determine if it would be impacted by Proposition 26. A finding was made that since the Cap-and-Trade Program was included in AB 32 and was passed by the Legislature prior to Proposition 26 taking effect, proceeds from the auction would not be considered taxes

but would be mitigation fees requiring a nexus. Therefore, such revenue may only be used to mitigate GHG emissions or the harms caused by GHG emissions.

City's Green Vision

Following the State's passage of AB 32, the San José City Council adopted the City's Green Vision on October 7, 2007. The Green Vision outlines 10 ambitious goals for economic development, environmental leadership, and an enhanced quality of life for San José residents and businesses. Each of its goals contributes to reductions in GHG emissions or mitigation of GHGs' effects. Since its passage, the Green Vision has helped guide staff's efforts in a broad spectrum of areas including economic development, energy, green buildings, water, waste, sustainable growth, streetlights, trees, and trails. This in turn has led to the formation of multiple strategic partnerships and a significant influx of grant funding that has helped advance Green Vision goals even in this time of extremely limited City funding for the initiative.

Other Governing Plans: General Plan, Housing Element, and Economic Development Strategy

The *Envision San José 2040 General Plan* was approved in November 2011 after four years of extensive planning and input from the community. It includes land use policies that will help to transform strategic and historically underutilized Growth Areas into higher-density, mixed-use "Urban Villages" which can accommodate employment and housing growth and reduce the environmental impacts of that growth by promoting transit use and walkability. This land use strategy, in combination with progressive economic and environmental policies, will guide the City's growth to be sustainable over time.

San José's *Housing Element (2007-2014)* was adopted by the City Council on June 16, 2009 and was certified by the State on July 23, 2009. The Housing Element, which is required by the State and qualifies the City for receipt of certain funding sources for housing, transportation, parks and other uses, mandates that communities accommodate a certain amount of the regional share of projected housing growth. San José's allocation for the current period is 34,721 housing units, of which 19,271 units (56%) must have various levels of restricted long-term affordability. The City's current *Five-Year Housing Investment Plan 2007-2012*, which articulates the City's own housing-related strategies, calls for the production, maintenance, and preservation of affordable housing units for residents with a range of incomes, with a focus on building apartments near transit and on the use of green building technologies.

In addition, the *San José Economic Development Strategy 2010-2015* articulates the need to develop more walkable, vibrant, mixed-use communities located near transit as a way to attract top talent and grow jobs as the population increases. The *Economic Development Strategy* also includes plans to aggressively implement the Green Vision and Clean Tech Strategy, with a focus on attracting and growing businesses that are developing GHG-reducing technologies.

Job Creation Potential

For several years, the City's Green Vision has prioritized job creation through the City's focus on GHG-reducing activities and technologies. Similarly, staff believes that use of Cap-and-Trade proceeds can promote the City's job creation objectives. While AB 32 has been accused of killing jobs in California and driving away industry, it has actually been responsible in large measure for creating the new and thriving "clean technology" sector in support of our transition to a greener economy.

For the City to grow sustainably and attract businesses and workers who care about quality of life, the City must continue to prioritize those GHG-reducing activities that will enhance our economic strength. Many researchers and publications support the City's current focus on growing a cleaner economy as a way to also grow in financial strength. While there are those that doubt that increased environmental regulation could be good for the economy, there are many arguments supporting this approach. Updated estimates on the job impacts from AB 32, according to the California Business Alliance for a Green Economy¹, are as follows:

- The transition towards a cleaner economy is well underway throughout the West Coast region with a Gross Domestic Product (GDP) contribution of \$47 billion and 508,400 full-time equivalent clean jobs in 2010. It is estimated that up to 1.03 million net new jobs can be created between 2010 and 2020 for the West Coast. GDP contributions of up to US \$142.7 billion and increased investments of \$147-\$192 billion are also possible during this period.
- California's 35-plus year history with energy efficiency shows that 50 new jobs were created across the state's diverse economy for every job forgone in the oil, gas and electric power sector.
- Analysis from University of California researchers estimates that AB 32 policies could increase household incomes by \$48 billion and create about 400,000 jobs.
- California attracted \$3.5 billion of clean tech investments in 2011, representing 25 percent of total venture capital investment in the nation and 54 percent more investments than the previous year. Further, jobs in California's green economy grew 53 percent from 1995 to 2010.
- California attracted more clean energy venture capital dollars in 2011 than all the other 49 states combined.
- A first-of-its kind survey to examine California's green jobs at a large scale, conducted by the California Employment Development Department, found that the state has nearly half a million jobs that emphasize green practices. California continues to lead the nation in the percentage of the labor force working at green jobs.
- California can reduce GHGs while growing the economy; the State has been doing it for the last 35 years. Innovative energy policies over the past three decades have allowed

¹ California Business Alliance for a Green Economy, *The Economic Case for AB 32 – California's Landmark Clean Energy Law* (July 2012), www.ca-greenbusinessalliance.com.

Californians to reduce expenditures on imported fossil fuels and redirect spending to create 1.5 million full-time jobs.

Legislation

While this request is *not* for the Rules Committee to endorse specific bills, it is helpful as background to understand which bills in the current Legislative Session would establish the allocation of Cap-and-Trade revenues for the State General Fund and would create a process for developing an expenditure plan and the allocation of non-General Fund revenues next year for inclusion in the FY 2013-14 State budget.

The two primary Cap-and-Trade bills pending in the Legislature at this time are:

- AB 1532 (Perez) - Creates the Greenhouse Gas Reduction Account for Cap-and-Trade revenue and requires funds to be spent on measures and programs that reduce GHGs, including investments in: clean and efficient energy; low-carbon transportation and sustainable infrastructure development (including transportation and housing); natural resource protection; and investments in research, development and deployment of innovative technologies, measures and practices. Requires the ARB to adopt guidelines related to the allowable uses of cap and trade revenue. Requires ARB to develop and adopt three investment plans for the following time periods: 2013-14, 2015-17 and 2018-2020. Requires submittal of an investment plan to the Legislature at least 30 days prior to the adoption of an investment plan. Requires the Governor to recommend appropriations of Cap-and-Trade revenue as part of the annual budget submission that are consistent with ARB's adopted plan. Requires submittal of an annual report to the Legislature on the use of funds. *[This bill continues to change; the version cited here reflects amendments as of August 6, 2012.]*
- SB 1572 (Pavley) - Establishes the Greenhouse Gas Reduction Fund within the Air Pollution Control Fund and requires that all moneys collected be deposited in the fund. Specifies the lesser of half of the money in the Fund for 2012-14 or \$250 million would be available for allocation in the following manner: 36 percent for K-12 energy projects; 20 percent for sustainable land use and transportation; 12 percent for clean vehicle rebate program; 12 percent for PUC program; 8 percent for public university projects that reduce GHGs; 4.8 percent for goods movement; 4 percent for residential energy efficiency; 2 percent for low-emission school bus program; 1.6 percent for agriculture energy program. *[This bill continues to change; the version cited here reflects amendments as of June 25, 2012.]*

Other bills introduced on Cap-and-Trade also include:

- AB 1186 (Skinner) – Directs the California Public Utilities Commission to require Investor Owned Utilities that receive auction revenues to designate 10 percent to cost-effective school energy efficiency improvements through CPUC's oversight of the IOUs' expenditure plans. Only public K-12 schools would be eligible for this funding.

- AB 535 (DeLeon) – Establishes the California Communities Healthy Air Revitalization Trust to be funded with at least 10 percent of the annual revenues to the Air Pollution Control Fund. Directs the Legislature to appropriate funds to programs or projects reducing GHGs or mitigating direct health or environmental impacts of climate change that benefit the most disadvantaged communities.
- AB 2404 (Fuentes) – Creates the Local Emission Reduction Program to provide local assistance grants to develop and implement multi-benefit GHG reduction projects. Funds would be administered through Strategic Growth Council. Only counties or groups of counties are eligible for funds. *[This bill is no longer alive, but is listed as its concepts could be picked up in other legislation.]*

The deadline for bills to move out of committee is August 17th and the last day of session is August 31st. If the Legislature is to pass Cap-and-Trade legislation this session, both houses of the Legislature would need to meet these deadlines.

ANALYSIS

New Funding Opportunities to Support the City's Green Vision and Other Goals

Through the upcoming Cap-and-Trade auctions, San José has the opportunity to secure needed revenues that will assist it with meeting the goals of Assembly Bill 32 both in the short-term and in the long-term. Over time, the auctions are anticipated to generate funding into the billions annually for the State. It is estimated that the first auctions in fiscal year 2012 will raise between \$1 and \$3 billion. In future years, it is estimated that the auctions may generate between \$3 billion and \$14 billion annually. Most of the revenues will be raised after 2015 when the transportation, natural gas and other fuel sectors are included in the auctions.

These revenues will be used to spur short-term investment in innovative technologies and to support projects that will not only drive a reduction in emissions, but also will provide a boost to the economy through the generation of new jobs and economic development. Equally as important, the revenues also will support long-term investments that foster sustainable mobility and land development.

Alignment with the City's Priorities

Revenues from Cap-and-Trade represent a significant opportunity to align potential funding sources with several of the City's existing goals around job creation, transportation, housing, and a reduced environmental footprint.

The Cap-and-Trade program objectives fit well with the Green Vision's strategic framework, as revenues could constitute a new financing mechanism to implement the Vision's goals of reducing GHGs by promoting use of public transit, green buildings, using clean energy, and reducing energy consumption in the City. Proceeds could help to finance emerging technologies

that reduce GHGs consistent with the City's *Economic Development Strategy*, and could create construction jobs by creating funding opportunities for projects like High Speed Rail, BART and other emission-lowering modes.

Cap-and-Trade proceeds could assist with the implementation of *Envision 2040*, which facilitates significant job growth and seeks to promote San José's mixed-use development near transit in order to create more walkable communities.

Further, Cap-and-Trade proceeds could be an important source to fund the City's work in affordable housing per its *Housing Element* and *Housing Investment Plan*. The *Housing Element's* allocation of affordable housing units to our City would require a large investment of subsidy to achieve even a portion of the goal. The *Housing Investment Plan* supports construction of new affordable homes close to transit, energy-efficient retrofits for existing buildings, and preventing displacement of lower-income families to locations that are farther away from transit and jobs. Recent analysis has again demonstrated the importance of locating low-income housing near transit, particularly in gentrifying areas such as Urban Villages, in order to reduce GHGs. Finding new funding for affordable housing programs is particularly important given the State's elimination of Redevelopment funding in February 2012.

Additionally, the City's *Greenprint* is a planning document that provides the City with a strategy for the development of new parks, recreation facilities and trails to keep San José a livable city for current and future residents. The *Greenprint* identifies 51 currently underserved areas in regards to park access and provides short- and long-term strategies to provide a balanced and equitable parks, trail and recreation system citywide. The *Greenprint* also reiterates the City's Green Vision goal of developing a 100-mile interconnected trail network that provides for commuting as well as recreational opportunities.

Proposed Guiding Principles on San José's Investment Strategy

Staff has developed a legislative and funding strategy, based on Green Vision goals and the City's other initiatives, as a way to help determine priority funding areas. This strategy provides a framework that will enable the City to engage in discussions related to the Cap-and-Trade Program and to pursue funding when auction revenues become available. All strategies must produce measurable GHG reductions. These strategies include:

- Support of funding for **low-emission transportation investments**, including High Speed Rail, and other significant regional mass transit projects like the extension of BART to Downtown San José, Bus Rapid Transit (BRT), bikeways, trails and alternative fuel vehicles.
- Support of funding for **emerging clean technologies** that reduce GHGs, such as those for innovative energy generation and storage, advanced transportation, and smart grid.
- Support of funding for **affordable housing** located near transit, including new construction and green rehabilitation, as well as preservation of affordable housing in gentrifying areas to minimize out-migration and limit VMTs.

- Support of funding for **green building** incentives, construction of green buildings and green rehabilitation of existing buildings.
- Support of **energy efficiency** investments that provide improvements to existing residential and commercial buildings and provide conversion of street lights to adaptive LED lights.
- Support of **renewable energy** systems including distributed solar and other emission lowering investments that include; water pollution control upgrades, water pumping, composting-waste to energy, and recycling programs.
- Support of programs that foster the **urban canopy and heat island mitigation**, such as urban tree planting and expansion of green spaces such as parks.

In addition to identifying uses of auction proceeds, staff suggests the following principles for funding allocation mechanisms:

- Support that the majority of funding be awarded directly to larger jurisdictions by formula. The formula approach is consistent with awards for federal programs such as ARRA, Community Development Block Grant, HOME, and can best be used flexibly to meet local priorities.
- Support competitive awards from the State to individual GHG-reducing projects.
- Support awards to be made through existing State agencies and programs, rather than through cabinet-level organizations such as the Strategic Growth Council. Program rules will need to be amended to be clear on methodology of how to quantify GHG reduction impacts for awarded projects.
- Support funding that increases award amounts to areas with high costs of living.
- Support a process for prioritizing funding uses that includes cities and multiple stakeholders, and the creation of clear and transparent funding processes.

There will be ongoing discussions among staff and other stakeholders in the near-term as to the most advantageous timing and venues in which to advocate for the optimal allocation of resources among the program's priorities.

As the State develops its allocation program, having an investment strategy will create potential opportunities for the City as it implements *Envision 2040* and the *Green Vision*.

Feedback from the Transportation and Environment Committee

Staff presented information to the Transportation and Environment Committee on August 13, 2012. The Committee unanimously approved the staff's recommendations in a 3-0 vote, giving the following feedback regarding staff's process and policy objectives:

Process:

- Support for a legislative approach that enables staff to work in a flexible manner with stakeholders on this complex topic. Staff should balance support for specific bills that change rapidly with the need to timely become part of the conversation in Sacramento and with other stakeholders in shaping the State's priorities.
- Interest in supporting an inclusive statewide process to establish periodic funding priorities and program allocations, involving legislators, stakeholder groups and the public—which may include support of particular bills in a separate action such as AB 1532 (Perez).
- Desire to use existing programs and systems to award funds.
- Advocacy for involvement of a range of businesses, including small businesses, in the priority-setting process.
- Desire for San José to receive its fair share of funding; support for block grants similar to ARRA; and, advocacy for use of a formula based on population and/or similar concepts used in the One Bay Area Grants program.
- Need for staff and the City Council to learn more about the ARB's interests and likely outcomes of the ARB's forthcoming plans for establishing expenditure priorities.
- Partnership with other local and Bay Area organizations in our advocacy, including the Silicon Valley Leadership Group, the Bay Area Council, the Metropolitan Transportation Commission, and emitters such as PG&E regarding how caps affect their facility location decisions and the inclusion of fuel sectors in the Cap-and-Trade program starting in 2015.

Policy objectives:

- Support for the staff's proposed strategic funding priorities, including support for uses that produce jobs.
- Support for funding allocations across program areas that match the City's strategic program needs.
- Integration of social equity concerns and support for lower-income people into the funding allocation framework, in addition to GHG reductions.
- Interest in a funding allocation framework that measures effectiveness by the amount of GHG reduction for the amount of funds awarded ('bang for the buck'), and that incents a mix of short- and long-term investments.
- Support for large capital projects that will produce long-term savings or revenue generation, such as express toll lanes, to support our local transit infrastructure system.

Legislative Strategy

As the Cap-and-Trade Program is still in its early stages, staff believes it will be most advantageous at this time for the City to adopt a strategic platform and to work legislatively on those priorities in Sacramento, rather than to take a position on a particular bill.

Individual bills that currently exist focus more narrowly either on process for administration of auction proceeds or on selected funding priorities, and are changing rapidly. Advocacy in the near- to mid-term will need to focus on a wide range of topics—an inclusive priority-setting process, funding areas, and recommendations on programmatic funding vehicles and award methodologies. The City's staff therefore needs the flexibility to work on a number of bills and administrative issues at the same time.

Approving these Guiding Principles will establish the framework within which staff can advocate for the City's position. In addition, staff may return to the Rules and Open Government Committee and the City Council with a position request on a particular bill regarding this Program. Further, if it is necessary to act more rapidly on a particular bill than the City's usual legislative process allows, establishing the Guiding Principles would allow the City Manager's Office, the Mayor's Office, and the City Attorney's Office to approve work on a specific piece of legislation fitting these Guiding Principles with reports back to the Rules and Open Government Committee and City Council on those efforts.

Supporters and Opponents

Several Bay Area agencies and organizations are advocating on Cap-and-Trade:

- The Metropolitan Transportation Commission (MTC) is supportive of Cap-and-Trade and is recommending that 40 percent of revenues generated through the Cap-and-Trade auctions should be returned to Metropolitan Planning Organizations (MPOs) since transportation comprises roughly 40 percent of the State's share of GHGs.
- Silicon Valley Leadership Group (SVLG) has a Cap-and-Trade platform that focuses on clean and efficient energy, low-carbon transportation, sustainable land use and infrastructure per SB 375, and natural resource management and protection. Examples align with several items on City staff's proposed platform, including: transit, bike and pedestrian networks, and High-Speed Rail; affordable housing close to transit and jobs; energy efficiency programs; emerging renewable technologies; and water conservation and efficiency projects, among several others.
- Transform and Housing California together are advocating that Cap-and-Trade funding support strategies furthering equity, environment and economic concerns. Their focus is on transit (including High-Speed Rail), vanpool, bicycle, and pedestrian facilities within developed areas, as well as homes for lower-income people located close to transit and job centers.
- Housing advocates, including the Nonprofit Housing Association of Northern California and California Housing Partnership Corporation, have been active

supporting the allocation of some auction proceeds to affordable housing construction near transit, to green rehabilitation of existing affordable housing, and to displacement prevention.

- Groups, including SPUR, are advocating that revenue from the auctions should be used to fund costs associated with High Speed Rail.
- The Bay Area Council has not taken a position on Cap-and-Trade and is not focusing on this issue as a priority.

Supporters and opponents on particular bills would be provided to the Rules Committee and the City Council in conjunction with specific bill endorsement requests.

EVALUATION AND FOLLOW-UP

Staff brought a Memorandum and made a presentation (attached) on Cap-and-Trade to the Transportation and Environment Committee on August 13, 2012, to provide background information on this program and to receive input on the City's potential platform. Assuming approval of this request by the Rules and Open Government Committee, it will be presented to the City Council on August 28th. Staff may also bring individual bill endorsement requests forward to the Rules and Open Government Committee and to the City Council. In addition, staff will present more information on this topic in recommendations to approve the City's Legislative Guiding Principles this fall and in other updates to City Council committees as appropriate.

COORDINATION

This Memorandum has been coordinated with the City Attorney's Office, the Office of Inter-Governmental Relations, the Department of Planning, Building and Code Enforcement, the Office of Economic Development, the Department of Parks, Recreation and Neighborhood Services, and the City's Sacramento Legislative Office.

/s/
HANS F. LARSEN
Director of Transportation

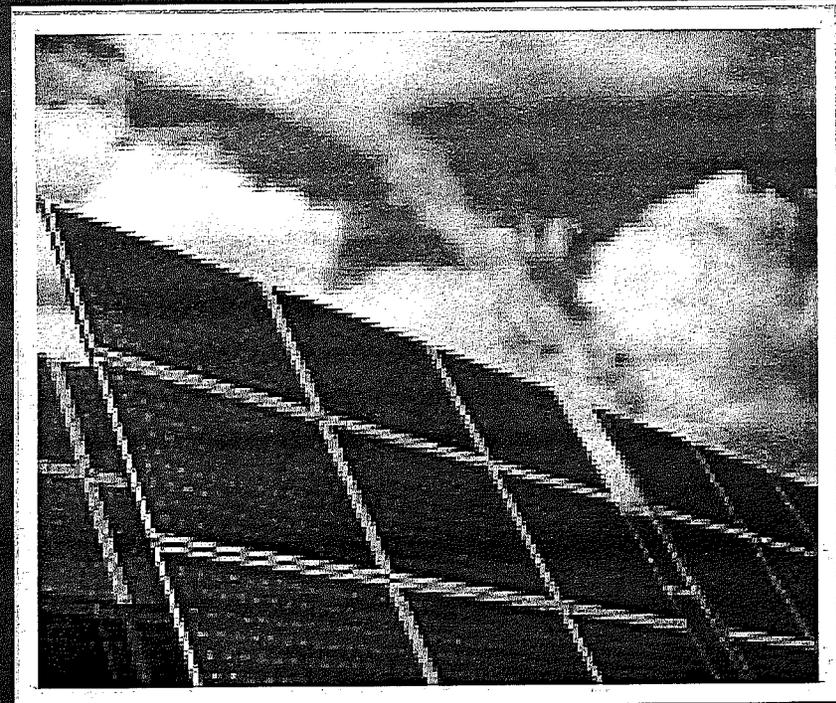
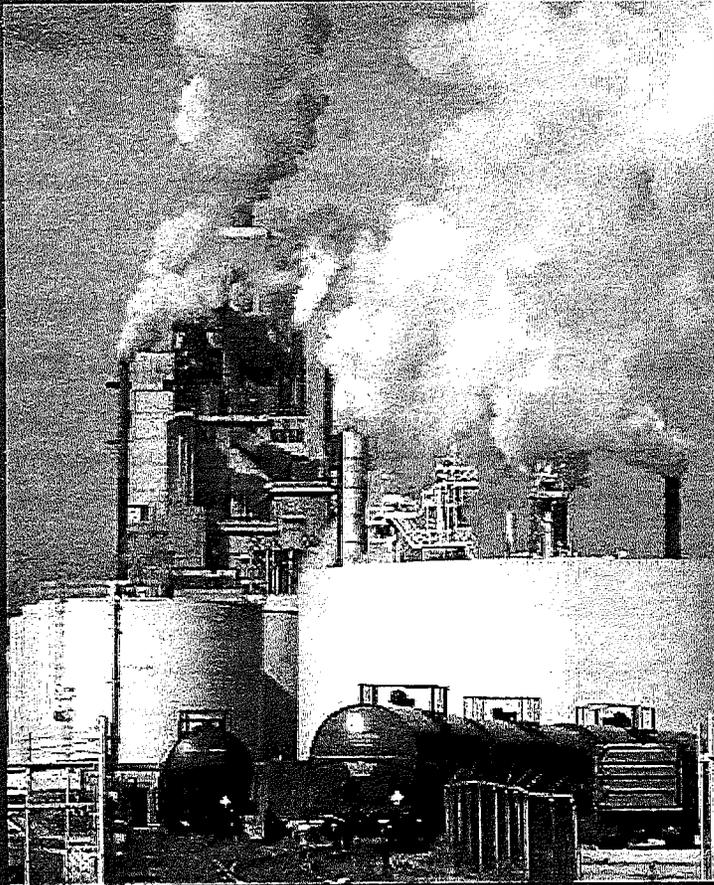
/s/
LESLYE CORSIGLIA
Director of Housing

/s/
KERRIE ROMANOW
Acting Director of Environmental Services

For questions please contact Hans Larsen at 535-3835, Leslye Corsiglia at 535-3851, or Kerrie Romanow at 535-8552.

Attachment

Cap and Trade Program

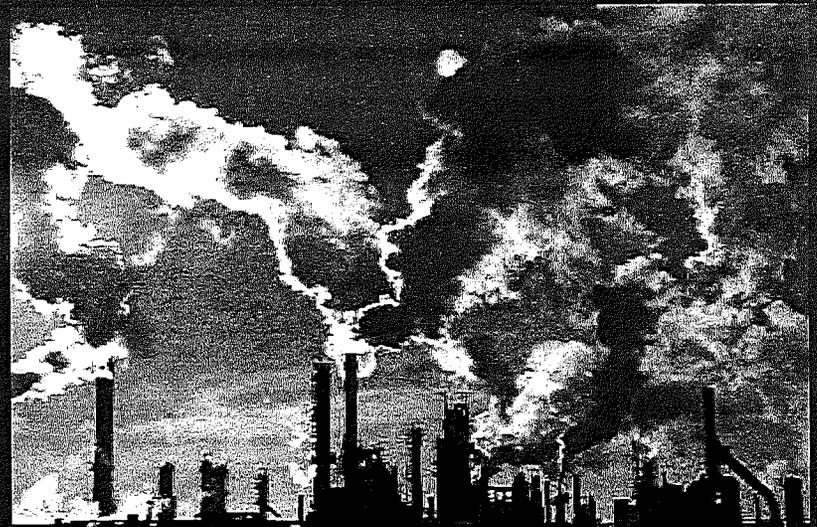


*Transportation & Environmental Committee
August 13, 2012*

Background

- *AB 32, Global Warming Solutions Act (2006)*

- *AB 32 Scoping Plan (2008)*
 - Establishes goals of GHG reductions
 - Return to 1990 levels by 2020
 - 80% reduction from 1990 levels by 2050
 - Proposes regulatory and market mechanisms



Cap and Trade Program Summary

- ***Establishes GHG emission cap for stationary large polluters (over 25 metric tons per year)***
 - Creates market for GHG emission credits
- ***Emission credits to be sold at auctions***
 - Trial auction in August
 - Auction in Nov, Feb, May
- ***Refineries and factories are subject to program in 2012; Natural gas, and other fuel sectors start in 2015***
- ***Estimated annual revenue***
 - Up to \$3 billion in 2012
 - Up to \$14 billion after 2015
- ***Revenues are considered “mitigation fees”; expenditures require “nexus”.***

Policy Advocacy on Revenue Use and Expenditure Process

■ ***Governor***

- Maximize economic and environmental benefits
- enhance air quality
- benefit disadvantaged communities

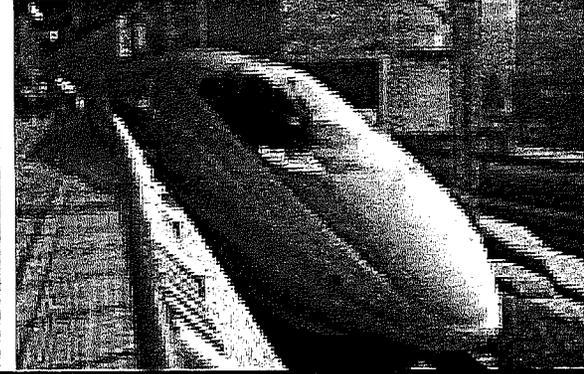
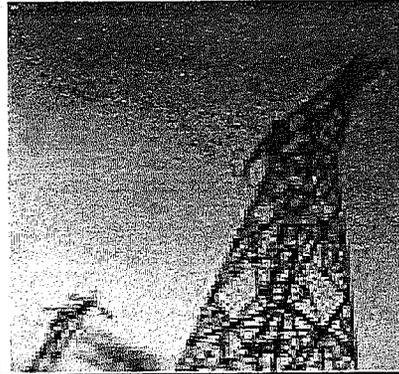
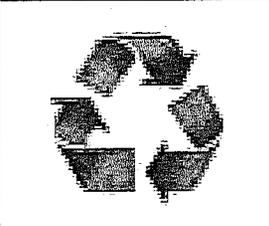
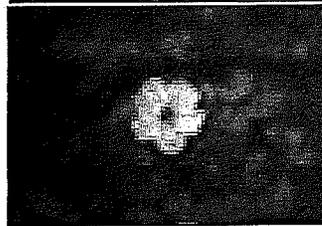
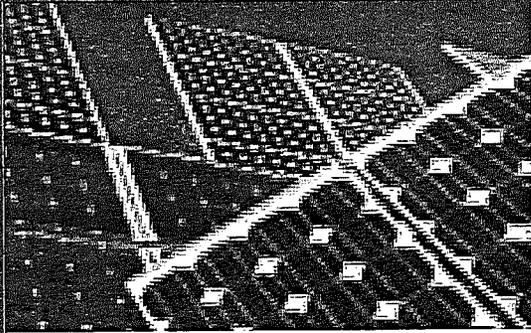
■ ***Legislation***

- AB 1532 (Perez)
- SB1572 (Pavley)

■ ***Other Stakeholder Advocacy***

- MTC: 40% to MPO's
- SPUR: \$13B for High Speed Rail
- Affordable Housing

City Interests and Opportunities



City Interests and Opportunities

■ ***Policy Direction***

- Green Vision; Envision 2040; Economic Development; Housing Investment Plan

■ ***Specific Opportunities***

- Low emission transportation
- Clean tech industry (jobs)
- Affordable housing
- Green building and energy efficiency
- Renewable energy
- Urban tree planting

Effectiveness Assessment

■ *High*

- Energy efficiency: Low income residential; Small business; Other residential (building, lighting, appliances)

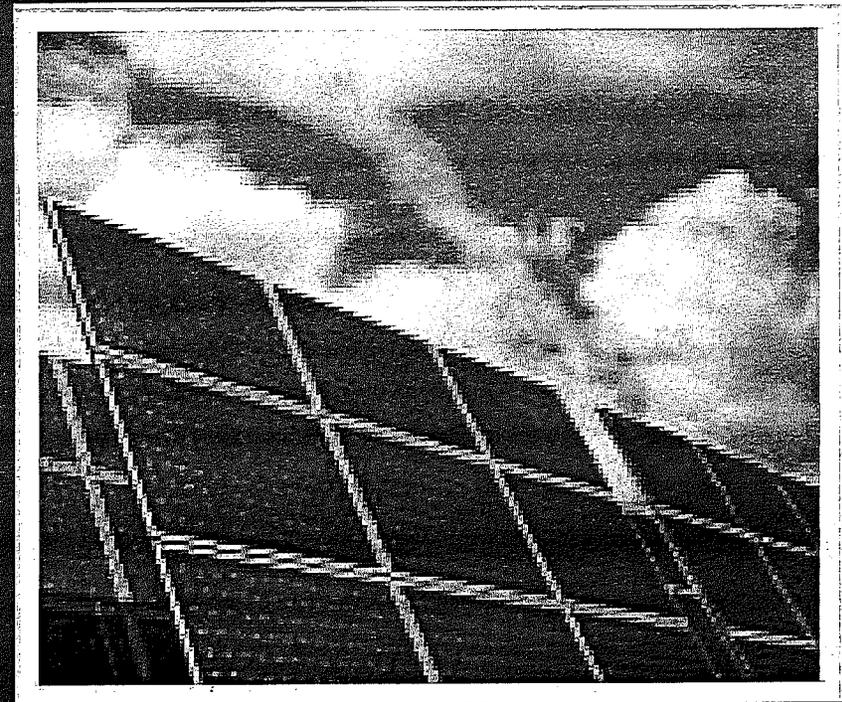
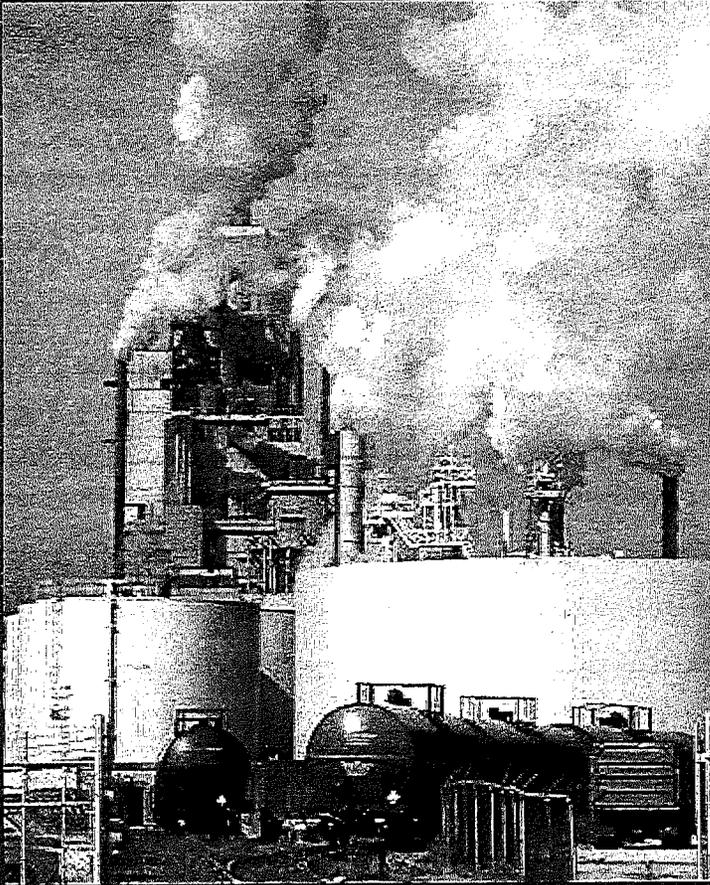
■ *Medium*

- Clean vehicles; High Speed Rail; Smart growth

■ *Low*

- Energy efficiency: Industrial; Commercial; Public buildings; Water supply; Goods movement

Cap and Trade Program



*Transportation & Environmental Committee
August 13, 2012*