

TO: MEMBERS, FORMATION COMMISSION

FROM: PAUL L. HOOD, EXECUTIVE OFFICER

DATE: APRIL 16, 2009

SUBJECT: LAFCO PARTICIPATION IN THE IMPLEMENTATION OF SB 375

Recommendation: It is respectfully recommended that the Commission review this report and appoint a LAFCO Commissioner to be a member of the Joint Policy Committee.

Discussion: This report is to bring the Commission up-to-date with regard to the implementation of Senate Bill 375 which was signed into law by the Governor on September 30, 2008. Planning is underway for the development of a *preliminary* Sustainable Communities Strategy (pSCS) to be included in the 2010 update to SLOCOG's Regional Transportation Plan. A Joint Policy Committee is being formed to help guide the preparation of the pSCS. The Joint Policy Committee would include the Executive Officers of SLOCOG, APCD, LAFCO and County Planning and Building, as well as two Board Members from SLOCOG and one Board member each from APCD, the County and LAFCO. It has been requested that the Commission designate a Commissioner to participate on this committee.

LAFCO staff has been working with staff from the San Luis Obispo Council of Governments (SLOCOG), Air Pollution Control District (APCD) and the County to identify a process and timeline for development of a preliminary Sustainable Communities Strategy (pSCS). Several staff meetings have been conducted at the LAFCO office to develop this process. LAFCO Staff has also been helping to prepare the agendas for these meetings and has assisted in the development of a timeline. The pSCS would be included in the 2010 update to SLOCOG's Regional Transportation Plan (RTP). To be included in the 2010 update of the RTP, the pSCS would need to be ready by November/December of 2009. Developing a pSCS gives San Luis Obispo County a significant advantage in terms of preparing a full SCS in the next RTP Update. The San Luis Obispo Region has an opportunity to get ahead of the curve by preparing a preliminary SCS that would be used as a foundation to preparing a complete SCS in the next RTP update.

SB 375 requires the metropolitan planning organization (San Luis Obispo Council of Governments-SLOCOG) to address greenhouse gas reductions in a sustainable community strategy which is incorporated into the Regional Transportation Plan (RTP). The California Air Resources Board (CARB) is required to set greenhouse gas reduction targets for each region in the state including San Luis Obispo County by July 2010. These targets will be used by SLOCOG to prepare a SCS that would be submitted to CARB for consideration. Eventually, priority for transportation funding will likely be given to regions that have a growth scenario that meets the region's target for greenhouse gas reductions, as set by the California Air Resources Board (CARB).

Waiting until final targets are adopted by CARB before starting development of an SCS will put our region at a disadvantage in achieving needed GHG reductions by 2020. A pSCS would also help LAFCO prepare the next round of Sphere of Influence Updates by identifying areas of potential future growth. It would also be used by the APCD to develop the Clean Air Plan (CAP), which would rely on the pSCS to achieve needed emission reductions from motor vehicles. The pSCS would be a proactive step that could enhance transportation funding opportunities for the San Luis Obispo Region.

It is envisioned that two working groups would help develop interim targets, model various growth scenarios and conduct analyses needed to prepare the pSCS:

- **Joint Policy Committee (JPC).** This would be a nine member committee consisting of the Executive Officers of SLOCOG, APCD, LAFCO and County Planning and Building, as well as two Board Members from SLOCOG and one Board member each from APCD, the County and a LAFCO Commissioner. The Board Members from each agency are anticipated to include two County Supervisors, two City Council Members, and one LAFCO Commissioner. The role of this committee will be to oversee the process of developing the pSCS. Primary responsibilities will include:
 - Providing direction to the Working Team (below) by reviewing/setting the interim regional targets, as well as goals and performance measures for the pSCS.
 - Reviewing alternative planning scenarios, associated performance measures and other recommendations from the Working Team.
- **Working Team (WT).** The working team would consist of both senior and technical staff from each of the four agencies represented on the JPC. The WT will serve to manage the process, perform technical analysis and evaluation of alternatives and prepare recommendations for the JPC. It will also implement the Stakeholder Outreach program.
- **Stakeholder Outreach.** This program is anticipated to involve representatives from local jurisdictions/planning agencies, as well as development interests, community organizations and other stakeholders in community planning and

development. The outreach would provide feedback to the Working Team on important factors to consider in the preparation of the pSCS. A series of workshops (three) would be conducted to provide the opportunity for review and comment on the proposed interim regional targets, goals, performance measures and draft work products.

It is anticipated that the Committees would meet monthly over a period of about four-five months as interim regional targets are established and the pSCS developed and evaluated. The Working Team may meet more often to discuss the preparation of materials and development of various scenarios.

Commissioner Allen Settle and LAFCO Deputy Executive Officer David Church attended a CALFCO University Course in San Jose regarding how SB 375 might affect LAFCOs. The course included quest speakers Ted Droettboom the Regional Planning Director for the Joint Policy Committee representing numerous agencies in the Bay Area, attorney Mal Richardson with a expertise in land use law and representing Cities in Southern California, and Jose Henriquez, El Dorado LAFCO Executive Officer. Case studies were discussed in small groups and with the larger group as well. Interestingly, the implications of SB 375 for LAFCOs are uncertain. The SCS may be another factor for LAFCO to consider if SB 215 is passed which amend 56668 (g) of the CKH Act. It appears that preparing a Preliminary SCS is an idea unique to San Luis Obispo County.

Summary: The preparation of a pSCS provides the Region of San Luis Obispo County with an opportunity to get ahead of the SB 375 implementation curve. A pSCS would result in enhanced interagency relationships, a clearer idea of how to achieve greenhouse gas reductions within the required timeframes, and an increase in the likelihood of having the SCS approved by CARB. An approved SCS could result in the funding of more projects in the San Luis Obispo Region.