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Ms. Mary Nichols, Chair
Dr. John Balmes
Mr. Hector De La Torre
Mr. John Eisenhut
Supervisor John Gioia
Ms. Judy Mitchell
Senator Bill Monning
Mrs. Barbara Riordan
Supervisor Phil Serna
Dr. Alex Sherriffs

CTC COMMISSIONERS:
Mr. Paul Van Konyenburg, Vice Chair
Mr. Bob Alvarado
Ms. Yvonne Burke
Ms. Tamika Butler
Ms. Lucy Dunn
Mr. Carl Guardino
Ms. Christine Kehoe
Ms. Hilary Norton
Mr. Joseph Tavaglione
CALIFORNIA TRANSPORTATION AGENCY:
Mr. David Kim, Agency Secretary
Mr. Darwin Moosavi, Deputy Secretary

CARB STAFF:
Mr. Richard Corey, Executive Officer
Ms. Edie Chang, Deputy Executive Officer
Mr. Steve Cliff, Deputy Executive Officer
Mr. Kurt Karperos, Deputy Executive Officer
Ms. Ellen Peter, Chief Counsel
Ms. Veronica Eady, Assistant Executive Officer
Ms. Jen Gress, Chief, Sustainable Transportation and Communities Division
Mr. Alberto Larios, Information Officer
Mr. Craig Segall, Assistant Chief Counsel
Ms. Maggie Witt, State Air Pollution Specialist
Mr. Stanley Young, Director of Communications

CTC STAFF:
Ms. Susan Bransen, Executive Director
Mr. Mitch Weiss, Chief Deputy Director
Mr. Garth Hopkins, Deputy Director
Mrs. Laura Pennebaker, Associate Deputy Director
Mrs. Teresa Favila, Associate Deputy Director
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Mrs. Dawn Cheseer, Associate Deputy Director
Ms. Brigitte Driller, Assistant Deputy Director
Mr. Matthew Yosgott, Associate Deputy Director
Mrs. Christine Gordon, Assistant Deputy Director
Ms. Amy Macpherson, Public Information Officer
Mr. Doug Remedios, Associate Governmental Program Analyst

SPECIAL GUESTS:
Ms. Kristine Cai, Deputy Director, Fresno Council of Governments
Mr. Andrew Chesley, Executive Director, San Joaquin Council of Governments
Mr. Vito Chiesa, Stanislaus County Supervisor
Ms. Kate Gordon, State of California, Director, Office of Planning and Research
Mr. Ahron Hakimi, Executive Director, Kern Council of Governments
Ms. Terri King, Executive Director, Kings County Association of Governments
Mr. Zachary Olmstead, Deputy Director, Department of Housing and Community Development
Ms. Rosa Park, Executive Director, San Joaquin Council of Governments
Mr. Ted Smalley, Executive Director, Tulare Council of Governments
SPECIAL GUESTS:
Ms. Patricia Taylor, Executive Director, Madera County Transportation Commission
Ms. Tanisha Taylor, California Association of Councils of Government

ALSO PRESENT:
Mr. Will Barrett, American Lung Association
Mr. Sean Edgar, CleanFleets.org
Ms. Chanell Fletcher, ClimatePlan
Ms. Elaine Gorman
Mr. Kevin Hamilton, Central California Asthma Collaborative
Ms. Julia Jordan, Leadership Counsel for Justice and Accountability
Ms. Linda Khamoushian, California Bicycle Coalition
Mr. Ryan Kenny, Clean Energy
Mr. Bill Magavern, Coalition for Clean Air
Ms. Esther Rivera, California Walks
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PROCEDINGS

CTC VICE CHAIR VAN KONYENBURG: I'll call this meeting to order. Good morning. My name is Paul Van Konynenburg.

Doug Remedios, will you call the roll for the Transportation Commissioners?

CTC CLERK REMEDIOS: Good morning, Mr. Vice Chair. Thank you very much.

Commissioner Alvarado?

CTC COMMISSIONER ALVARADO: Yes, sir.

CTC CLERK REMEDIOS: Commissioner Burke?

CTC COMMISSIONER BURKE: Here.

CTC CLERK REMEDIOS: Commissioner Butler?

CTC COMMISSIONER BUTLER: Here.

CTC CLERK REMEDIOS: Commissioner Dunn?

CTC COMMISSIONER DUNN: Here.

CTC CLERK REMEDIOS: Commissioner Ghielmetti?

Commissioner Guardino?

CTC COMMISSIONER GUARDINO: Present.

CTC CLERK REMEDIOS: Commissioner Kehoe?

CTC COMMISSIONER KEHOE: Here.

CTC CLERK REMEDIOS: Commissioner Norton?

CTC COMMISSIONER NORTON: Present.

CTC CLERK REMEDIOS: Commissioner Tavaglione?

CTC COMMISSIONER TAVAGLIONE: Present.
CTC CLERK REMEDIOS: Vice Chair Van Konynenburg?
CTC VICE CHAIR VAN KONYNENBURG: Here.
CTC CLERK REMEDIOS: Chair Inman?
Senator Beall?
Assembly Member Frazier?
Mr. Vice Chair, we have quorum.
CTC VICE CHAIR VAN KONYNENBURG: Thank you.
Would the CARB Clerk please call the roll of CARB Board members, please?
ARB BOARD CLERK CARLOS: Dr. Balmes?
BOARD MEMBER BALMES: Here.
ARB BOARD CLERK CARLOS: Mr. De La Torre?
ARB BOARD MEMBER DE LA TORRE: Here.
ARB BOARD CLERK CARLOS: Mr. Eisenhut?
BOARD MEMBER EISENHUT: Here.
ARB BOARD CLERK CARLOS: Supervisor Fletcher?
Senator Flores?
Assembly Member Garcia?
Supervisor Gioia?
ARB BOARD MEMBER GIOIA: Here.
ARB BOARD CLERK CARLOS: Ms. Mitchell?
ARB BOARD MEMBER MITCHELL: Here.
ARB BOARD CLERK CARLOS: Senator Monning?
SENATOR MONNING: Here.
ARB BOARD CLERK CARLOS: Mrs. Riordan?
ARB BOARD MEMBER RIORDAN: Here.
ARB BOARD CLERK CARLOS: Supervisor Serna?
ARB BOARD MEMBER SERNA: Here.
ARB BOARD CLERK CARLOS: Dr. Sherriffs?
ARB BOARD MEMBER SHERRIFFS: Here.
ARB BOARD CLERK CARLOS: Professor Sperling?
Ms. Takvorian?
Vice Chair Berg?
Chair Nichols?
ARB CHAIR NICHOLS: Here.
ARB BOARD CLERK CARLOS: Madam Chair, we have a quorum.

CTC VICE CHAIR VAN KONYNENBURG: Thank you, everyone, for attending this morning and welcome to Modesto. And as we like to say everything you liked in your youth came from Stanislaus County. Your candy bar was made here. Your favorite movie was conceived here.

This is the second of two annual joint meetings this year. The first meeting was in 2019 was held in Sacramento back in April. This is a very important meeting today. In the past month, the Governor has issued an Executive Order directing State agencies to take further action in climate change. He has signed Assembly Bill 185, which requires a representative from the Department of Housing and Community Development to be
included in our joint meetings starting next year. And he has appointed two new Commissioners, Tamika Butler - Tamika, if you would raise your hand - and Hilary Norton. Welcome, Tamika and Hilary.

CTC VICE CHAIR VAN KONYNENBURG: We have a new Secretary of California Transportation Agency, Secretary David Kim. I don't believe he has joined us yet this morning. He had some phone calls. This is his first joint meeting.

The Governor has also announced the appointment of a new Director of CalTrans, Toks Omishakin, who will begin later this month. We look forward to meeting him.

Commissioner Lucy Dunn is fond of saying, "Homes are where jobs go to sleep at night". And the closer people live to where they work, the less time and effort they spend on their commute. AB 185 expands the focus of these joint meetings to coordinate the implementation of policies that jointly affect transportation, air quality, and housing. While this change is not effective until next year, we are excited to begin including the housing sector into our conversations.

Zachary Olmstead, Deputy Director of Housing Policy for HCD is at the meeting today. Zachary, please raise your hand.

Hi, Zach. And we'll provide a presentation on
the State's housing requirements. I would like to take a moment to mention the following -- the following finalization of the Safer Affordable Efficient Vehicle Rule, the SAFE Rule.

On September 19th, the Commission will -- is looking at hosting a public workshop in the future to discuss the potential impacts to transportation delivery -- project delivery. I am looking forward to the presentations we have today, including an update on the SAFE Vehicles Rule, an overview of Governor Newsom's recent Executive Order, and a panel discussion on sustainable transportation planning and project implementation in the San Joaquin Valley.

I will now introduce Chair Nichols and thank Chair Nichols for the meeting we had at the beginning of June here in Modesto where a lot of -- we had some successful outcomes on dealing with sustainable transportation planning here in the valley. So thank you, Chair Nichols, for all of your help.

ARB CHAIR NICHOLS: Thank you also.

I guess this is on, right?

Excuse me.

Well, first of all, I also would like to welcome the two new Commissioners, both fellow Southern Californians. It's great to see you here. And I'm
looking forward to working with you to achieve the State's vision of a future where all Californians have access to a range of affordable transportation and housing options that increase access to economic opportunity, reduce greenhouse gas emissions, and promote community resiliency.

The meetings that we've had to date between our two boards have, I think, improved coordination and communication between our two agencies, as was evidenced by our workshop back in May on the federal government's rollback of national emission standards by sharing information and common concerns in that venue and the ongoing conversations. Since then, we've made California's position on that matter stronger and certainly improved our voice -- made our voice heard more successfully at the national level.

On that topic, I do want to update folks on our ongoing battles against the Trump administration's effort to dismantle programs that protect public health and cut air pollution, while increasing consumer choice and reducing fuel costs.

In mid-September, the Trump administration finalized the SAFE Vehicle Rule as it's called. And in doing so, they withdrew, or purported to withdraw, California's Clean Air Act waiver for our greenhouse gas
and zero-emission vehicle standards. These standards so far have been in effect -- in the years that they've been effect -- in effect have not only improved air quality, but they've also driven innovation and prevented some serious pollution-related public health impacts. Furthermore, the benefits extend beyond California to 13 other states and the District of Columbia that have adopted California's standards.

The reasons that the administration has cited for taking this action defy reality. They claim that cutting the standards will reduce vehicle prices, which is wrong. The EPA's own analysis shows that consumers will save money under the current existing standards. They also say that revoking the waiver will make cars safer. And this is just nonsense. We don't need to make cars more polluting to make them safer. We need to make them safer. And their legal preemption arguments aren't any better.

I don't want to spend more time debating the merits of the case, but just to say that there's really been no change in terms of the stance that the administration is taking unfortunately, and therefore, there are consequences for us, and for the CTC, and for the Metropolitan Planning Organizations, and other stakeholders who may be here or tuning in today.

We will be required to take action. And I'm
confident that we can and will confront the challenge particularly related to air quality conformity. While the federal action does not identify any immediate issues about conformity - they just don't say anything about it - we recognize that there are serious issues here. And as such, we've established an interagency coordination group and we will be reaching out to transportation agencies and other stakeholders to identify near- and longer-term issues. We're confident that we can work together to address them and we will be able to identify solutions, but it's going to take some work.

Now, I also want to say a word about our host region. I'm really glad that we're having today's meeting here in the San Joaquin Valley. Because while this region faces some unique and difficult air quality and transportation challenges, the Air District, and other agencies, and levels of government have really worked hard to continually produce air quality improvements over the last 15 years. And I think it's important that we recognize that fact, that while we have a ways to go -- quite a ways to go to meet standards, we have continually made progress at whittling away at this problem, despite many challenges, including growth in vehicle miles traveled.

CARB and the local air district are collaborating
closely to implement the current particulate matter standards for the valley that were adopted last January. Our efforts are focusing on ensuring that we're making progress continually. Implementation is underway, but we have a lot of work to do, as we've said. We're working on strengthening rules, funding incentive programs, which everybody recognizes must be funded, and accelerating transportation, planning, and implementation to advance air quality and climate goals.

So to that end, I'm looking forward to hearing from the valley MPOs about some of the transformative and innovative projects that they're implementing as part of their Sustainable Communities Strategies pursuant to SB 375. And again, these are projects that have multiple benefits associated with them. So it's really good that we're able to recognize the framework that was established in 375 with CARB setting targets, but then the strategies allowing and encouraging MPOs and local governments to define their own destiny choosing the strategies that get them to their target in the way that makes most sense for their local region and also help to illuminate their goals and visions for their communities.

Finally, I want to acknowledge Governor Newsom's recent landmark Executive Order, which will help the State continue to lead on climate, as well as deliver further
reductions from the transportation sector. This order addresses one of the key opportunity areas that were recognized in our recent report that we filed under Senate Bill 150, which is to align our transportation and housing policies and investments to support climate, air quality, health, equity, and economic goals. So this is all about implementation, whereas the Governor said in New York, when he spoke at climate week in front of nations of the world, we are building on all of the goals and targets that we've set, and all of the policies, but now this is about implementation.

So looking forward to the discussion and to the whole agenda. Thank you very much. And now I'll pass the baton back.

CTC VICE CHAIR VAN KONYNENBURG: Thank you, Chair Nichols. So the CTC exists to make transportation planning, funding, and policy more understandable and accountable. We welcome comments from the public. The public comment agenda item is scheduled for 1:00 p.m. However, that could come forward or move back. Those who wish to make public comments, we ask that they fill out a speaker card and give it to Doug Remedios. Doug, could you raise your hand?

Please do your best to be concise with your comments. Since we often have many speakers, we may limit
your comment period to anywhere from one to three minutes depending on how many speakers we have.

Doug, would you please give us a brief safety briefing.

CTC CLERK REMEDIOS: Thank you, Mr. Chair.

Ladies and gentlemen, if there is any emergency, there are exit doors on either side of there, over here. Please exit the building out to the green area out in front of the community center and await further instructions. If you have a medical emergency, please bring it to our attention. We will call 911 and have emergency responders come to you where you're at.

If you have any questions, please let me know.

CTC VICE CHAIR VAN KONYENBURG: That you, Doug. I'd like to acknowledge Secretary Kim has now joined the meeting. Thank you, Secretary Kim. If anyone hasn't met him, that's who he is.

(Laughter.)

CTC VICE CHAIR VAN KONYENBURG: I'd now like to ask Director Susan Bransen of the California Transportation Commission to offer comments.

CTC EXECUTIVE DIRECTOR BRANSEN: Well, I'm going to keep my comments rather brief. I wanted to give you all an update on the Commission's effort to develop guidelines for the next round of funding for the
Commission's discretionary programs, the Active Transportation Program, the Congested Corridors Program, the Local Partnership Program and the Solutions for Congested Corridors Program.

These -- we have made a decision to move out the date for adopting guidelines to ensure that our guidelines will align with the Transportation Agency's Freight Mobility Plan. And so in doing that, we are in the process of writing guidelines where the plan is that the Congested Corridors Program Guidelines would be adopted in January of 2020, and all the other competitive program guidelines would be adopted in March 2020.

And this is a very important time for all of us to work together as we put those guidelines in place and bring those to the Commission for adoption, because those are the guidelines that will help us in achieving the State's goals and objectives with regards to climate change, housing, but also mobility safety, our -- just our overall environmental goals, and our economy, and so much more. So we have been holding public workshops. And we just encourage all of you to participate in those and help us inform and get those guidelines right.

I also wanted to just take the opportunity to thank our respective staffs that put together this meeting that we're having today. A lot of work goes into these
meetings. And I just want to thank all of you that have helped us bring forward a good -- a good program today, a good -- a good meeting. And also our presenters, I just want to thank you for preparing and for being here today, and also to the valley for hosting us.

So with that, Mr. Chair, I'll pass it back.

CTC VICE CHAIR VAN KONYNENBURG: Thank you, Director Bransen. Now, I'll call on California Air Resources Board Executive Officer Richard Corey.

ARB EXECUTIVE OFFICER COREY: Yes, thanks, Vice Chair.

And as noted, we're pleased to be here. And I really look forward to hearing from today's speakers about the transportation, housing, and the air quality challenges we face, and how we're partnering to identify solutions.

Chair Nichols highlighted the Trump administration's attack on California's authority. But the attacks didn't end with the SAFE Rule. We received a letter a few weeks ago from U.S. EPA Administrator Wheeler suggesting that EPA would impose federal highway funding sanctions outlined in the Clean Air Act for what Mr. Wheeler described as California's failure to carry out its air quality responsibilities under the Act.

As evidence of this claim, the EPA Administrator
looks to EPAs backlog of California's State Implementation Plans, or SIPs - a backlog created by EPA's failure to act on SIP submissions. Administrator Wheeler's letter appeared only days after EPA attacked our State's authority on car emissions, and as Chair Nichols noted, an act that will increase air pollution while also limiting our ability to reduce it.

The letter from U.S. EPA contains multiple inaccuracies, omissions, and misstatements. EPA failed to act on these submittals for years and is now threatening California regarding paperwork issues of its own creation. We've been working in a very methodical manner with staff at EPA to reduce their backlog and will continue to do so. But EPA also needs to do its job and protect air quality. California and other states had to go to court repeatedly to get the EPA to implement that strict smog standards it claims to be worried about.

Regarding the federal highway sanctions referred to in EPA's letter and provided for in the Clean Air Act, these sanctions govern all our work on SIP submittals and implementation of those SIPs. This is nothing new. As I mentioned, we'll continue to work with EPA to reduce the backlog and to achieve approval of the California SIPs before them.

California has met federal air quality standards
in the past, and we're working hard to meet the current ones. But we cannot get there until federal government addresses emissions of federally regulated mobile sources including heavy-duty trucks, locomotives, planes, and ships. The proportion of emissions from these sources will increase in the future as emissions from sources under California's authority continues to drop.

With all that said, I'd like to focus briefly on how CARB is working with its partners to improve air quality and protect public health, particularly here in the valley, which has a unique set of air quality and transportation challenges.

We at CARB are committed to helping this region overcome these challenges through incentives, regulations, and key strategic partnerships. The remainder of my remarks this morning will highlight some of the ways that we're working to help the valley reduce emissions and improve air quality, while also contributing to healthy and sustainable communities.

To date, the valley has received hundreds of millions of dollars through CARB's broad portfolio of incentive programs. These programs advance the zero-emission light-duty vehicle market, clean transportation equity projects, clean heavy-duty vehicles and off-road equipment, and cutting-edge demonstration
technologies. They also influence the many sectors that are important to the economy and to the character of the valley, including freight, the agricultural industry, and transportation.

A few projects and programs worth mentioning include one right here in Modesto, where 15 million in Cap-and-Trade dollars are funding heavy-duty battery, electric trucks, as well as low NOx trucks that will run on renewable natural gas. The Prop 1B Program has also delivered $188 million to the valley funding cleaner trucks, locomotives, and transportation refrigeration units.

In the agricultural sector, the FARMER Program funds cleaner vehicles and equipment used in agricultural operations like tractors, trucks, and pumps. The Community Air Protection Incentive Program funds clean air projects in the most impacted communities in the valley. Over 60 percent of the $80 million appropriated so far has been committed to projects funding off-road agricultural equipment, locomotives, and school buses, including 22 zero-emission school buses.

As CARB looks for ways to help clean up the valley air, it also considers new regulations to facilitate advancements in zero and near zero-emission emission technologies and to encourage turnover of dirty
buses and trucks.

For example, we have an Advanced Truck Regulation that will come before our Board in December. And the Board already adopted the Innovative Clean Transit Regulation last December. Both rules will spur development of zero-emission trucks and buses.

We know that we can't do this work alone. We rely on key strategic partnerships to be successful. Our incentive programs especially depend on partnerships with the air districts, community-based organizations, as well as other state, regional, and local agencies like those here today. Working together is essential to ensure that these programs provide meaningful benefits in the communities we serve.

This underscores the importance of these joint meetings. By getting together a couple times a year, we're far better able to learn from partner -- and partner with one another and support one another as well. And it's worth noting these joint ventures are not only taking place between our two agencies. Last week, I was in the valley for a joint Senate Bill 100 scoping workshop with the Public Utilities Commission and the Energy Commission.

While we have a lot of work to do to clean up the air here in the valley, there's clearly great work underway. And we're pleased to be a partner in the effort
to reduce emissions, improve air quality and public health, and enhance resilient and sustainable communities. We're striving to create additional opportunities to clean the air and advance sustainable transportation in the valley and throughout the state.

With that, I end my remarks.

Thank you.

CTC VICE CHAIR VAN KONYNENBURG: Thank you.

We'll now move to our next topic. It's an update on the SAFE Vehicle Rule. Craig Segall with the California Air Resources Board -- raise your hand, Craig, so everyone knows who you are - and Darwin Moosavi from the California State Transportation Agency - raise your hand. There you go - and Tanisha Taylor from the California Association of Councils of Government are here and going to give us an update.

So Craig we'll start with you. And I will just ask that Commissioners and Board members we'll hold your questions till the end. Write them down. And then we'll have a question and answer period at the end of their present -- all three of their presentations.

Thank you. Go ahead, Craig.

(Thereupon an overhead presentation was presented as follows.)

ARB ASSISTANT CHIEF COUNSEL SEGALL: All right.
Well, good morning, everyone. I'm Craig Holt Segall. I'm Assistant Chief Counsel of the California Air Resources Board. And I'm glad to be here with Darwin and Tanisha. Sitting here at the same table indicates how closely we're already working together to deal with these issues and we'll continue to do so.

So my role today is to begin this update on the ongoing litigation around the federal attacks on our vehicle emission standards and some of their implications for transportation. Because this is early stages, this will be a high level briefing. The very high level is it's illegal and we're doing our best to handle it.

(Laughter.)

--o0o--

ARB ASSISTANT CHIEF COUNSEL SEGALL: So where do we start?

The Trump administration has continued to move forward in two phases to finalize its rollback of vehicle emission standards and to attack our own. The first of those phases was finalized a few weeks back, which as the proposed -- which revokes California's waiver for its GHG and ZEV programs and determines those programs to be preempted by the federal fuel economy statute.

The second phase of that rollback, which is not yet final, proposes to flat line federal greenhouse gas
emission standards for cars and pick-up trucks at 2020 levels through model year 2026. Although, it considered a range of slightly less extreme rollbacks.

That second proposal was opposed by 17 auto companies, the UAW, consumer reports, and most of the states, and has not yet been finalized, but we expect to see it finalized sometime later this year.

CARB submitted extensive comments on both of these actions, which we believe to be illegal and contrary to the factual record. We will proceed and are already proceeding with litigation on these attacks as appropriate.

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ARB ASSISTANT CHIEF COUNSEL SEGALL: So we are already litigating to defend Californians. At the end of September, as I mentioned, the first phase of the rollback was finalized. The next day, we filed suit in the federal district court for Washington D.C. to challenge the rule issued by the U.S. Department of Transportation's National Highway Transportation Safety Administration, or NHTSA. That again was the rule purporting to preempt our vehicle emission standards.

We were joined at the time by 22 other states, including -- and then plus California, Washington D.C., and the cities of Los Angeles and New York. That was
accurate as of yesterday. San Francisco, the City and
County have joined that litigation as well.

We also have ongoing litigation regarding and
earlier federal decision to scrap the Obama era standards.
And we'll continue to file appropriate litigation
including, in the near future, against U.S. EPA's legally
separate attempt to revoke California's waiver for its GHG
and zero-emission vehicle programs.

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ARB ASSISTANT CHIEF COUNSEL SEGALL: CARB is
fighting this hard, because these rollbacks have very
large negative consequences for all of us. The rollback
would allow vehicle greenhouse has emissions to increase
by tens of millions of tons over time, as well as
increasing emissions that form smog and soot at the very
moment when we most need to keep cutting them.

The result would be increased pollution burdens
even as we need these deep pollution cuts to meet these
federal ambient air quality standards, as Mr. Corey
discussed a moment ago. Large parts of California have
the worst air quality in the nation and we need strong
vehicle standards, including the greenhouse gas and
zero-emission vehicle standards to help meet State
Implementation Plan, or SIP is the term, federal air
quality commitments.
We risk increased asthma, heart disease, and other health threats to Californians, as well as harm to our efforts to address climate change. So this is both a public health issue and a climate issue.

Importantly for this group, dirtier cars mean the transportation projects that increase the use of cars will also be more polluting. This has near-term implications, as those impacts do need to be disclosed and addressed properly in transportation planning. It can also have long-term implications if the Trump administration actions are not reversed, as dirty cars make it hard for us to attain air quality standards in the long term, as well as our state climate goals.

--o0o--

ARB ASSISTANT CHIEF COUNSEL SEGALL: Recognizing this link between emission standards compliance and successful transportation planning, CARB, working with our partners, is taking a hard look at the recent federal actions and our own tools to address them here in California.

CARB's EMFAC, which stands for emissions factor model, which is used for conformity, assumes continued operation of our zero-emission vehicle standard, which as I've noted the feds have purported to preempt. If that program remains preempted, we'll need to consider ways to
reflect the effects of that decision in conformity analysis. We also need to continue our joint work to help to keep cleaning up the air and reducing vehicle miles traveled.

The federal government has, thus far, not stated any position at all on transportation conformity for California projects. It has not indicated that we need to revisit conformity, a process usually initiated by stating that we are in a conformity lapse or freeze. Instead, its rulemaking documents indicate that the federal administration expects states to address any relevant changed circumstances themselves.

This means that though we do face complex issues, we have some time and space to work out how to address them here in California, and that is what we are doing.

--o0o--

ARB ASSISTANT CHIEF COUNSEL SEGALL: So even as litigation continues, we are addressing these changed circumstances as best as we can deliberately and quickly. The rollbacks have created real problems. To address them, there's a joint CARB/CalSTA/Caltrans working group already established to explore near- and long-term impacts on conformity and on transportation planning. That working group will be reaching out to planning bodies throughout the state as needed. And I know some of those
meetings are already happening.

We are working to assess the emissions impact of the federal rule, develop an adjustment factor for conformity models that can be implemented quickly, and then analyze the effects of that conformity challenge for each MPO and project. So we're gathering those facts and building that analysis.

This analysis in turn will inform our options as we determine how to mitigate the impacts of the rule in a manner that protects public health and allows key transportation plans and projects to move forward with minimal disruption.

Of course, in the medium to long term, California needs to continue to invest in a range of affordable housing and transportation options, further reduce VMT, accelerate the transition to zero-emission future in order to improve air quality and to continue to support our communities.

The federal rollback intensifies this need, which already existed, because it makes cars dirtier. Therefore, we need to continue and deepen our work. We need to collaborate, address the issues as or when they arise, deal with the near-term challenges, and continue to move forward together. We look forward to this joint work.
Thank you.

CTC VICE CHAIR VAN KONYNENBURG: Darwin Moosavi.

MR. MOOSAVI: Thank you Craig for that introduction to the issue. My name is Darwin Moosavi. Despite what my placard says, I actually work for the California State Transportation Agency as the Deputy Secretary for Environmental Policy and Housing. So sorry for the confusion. I saw some looks analyzing my placard from across the room.

I wanted to expand a little bit on Craig's remarks and talk a little bit about the coordination work that we're all doing between agencies. So first off, I on behalf of CalSTA, I want to assure all of you, as was mentioned by CARB, that this issue is at the center of our attention. We're fully aware of -- and sensitive to the issue faced by many MPOs, RTPAs, and other transportation partners whose plans and projects face uncertainty due to the potential air emissions modeling challenges posed by the final rule.

While this is a complicated issue, we're mindful of the potential consequences on project delivery, as well as funding if transportation conformity requirements are not met, which is why we're taking actions to better understand the issues in order to address them in a way that minimizes negative impacts.
As was mentioned by CARB, we've already formed an internal State agency coordination group consisting of CalSTA, CARB, and Caltrans to do technical analysis and identify potential near-term options and solutions. Over the next several months, this technical coordination group will be working diligently to understand the impacts of the SAFE Rule on transportation projects.

And the goal of this group is three-fold. First off, the group will coordinate work occurring across the three agencies to defend against the SAFE Rule and understand its impacts to make sure all the agencies have up-to-date information.

Secondly, we'll coordinate, communicate, and outreach to affected stakeholders, including our regional transportation agencies and other key transportation partners, as well as this body, and the CTC in particular, to outreach -- sorry, on project and planning implications of the SAFE Rule. This outreach will be led by CalSTA and CARB as part of the work group. Communication will be ongoing and has already begun. We actually had a meeting with SACOG last week and we'll be continuing those conversations and reaching out to our MPO partners over the coming weeks.

The third part of this coordination is once we better understand the impacts, this group will discuss
policy responses to address impacts in a manner that mitigates the emissions impact of the rule, while also allowing key projects to proceed. Again, we'll engage our transportation delivery partners through this process as it unfolds and ensure that the solutions we're putting forward are ones that we all agree to.

We're confident we'll be able to address these issues together and identify a good path forward. To that end, I commit to you that we're in close communication and will continue to be in close communication with all of you over the coming months and I will turn it over to Tanisha.

Thank you.

MS. TAYLOR: Thank you. Tanisha Taylor. And you'll have to forgive me, I'm a little under the weather, so hopefully you can hear me and you can understand me.

(Thereupon an overhead presentation was presented as follows.)

MS. TAYLOR: Thank you again for the opportunity to be here today - welcome to the new Commissioners - to talk about the SAFE Vehicle Rule and the Transportation impacts. And we -- as we've all articulated, we've all been working very closely together. We were even joking that Craig started with the words, I'll finish with the pictures, so that we cover the gamut of our learners throughout the room today.
MS. TAYLOR: So a couple of things. Just to go back to our May workshop and remind everyone of what we're talking about in detail is this -- that the SAFE Rule affects approximately 93 percent of the State's population when we talk about criteria pollutant emissions. And so we're not talking about something small here, as Craig and Chair Nichols and Vice Chair Van Konynenburg have articulated as well.

MS. TAYLOR: It revokes CARB's authority to implement the ZEV and GHG mandates as Craig has mentioned already, but it also threatens our ability to meet our goals. And we're not just talking small goals. We're talking very significant goals and how the State moves forward to protect our residents both economically, in health, as well as air quality.

MS. TAYLOR: Bad news, we've talked about this, and again I'm the visual one.

MS. TAYLOR: The final rule is here and it's effective November 26th, 2019.

MS. TAYLOR: So we have projects at risk, as
you've heard. And I'll talk about why these projects are at risk as we kind of go through. But I want to remind everybody, because I continue to hear this notion that maybe there's a silver lining to this thing. There is no silver lining.

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MS. TAYLOR: This includes transit projects. It includes our large scale rail project. It include our new corridors for light rail as well as heavy rail. So there is no silver lining. There is no this may be better in someway. It's just not.

So we've heard California sues, but what does that mean?

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MS. TAYLOR: When Craig talks about California and the State have sued, when we talk about the transportation agencies and how this -- this impacts us, there are a couple of things that the litigation means to us in particular. And so there's this question of injunctive relief and what does that mean?

And so the State has requested permanent injunctive relief, which means that at the end of the court case when the court rules, that is when the impacts to transportation potentially stop depending on where you are on that scale of impacts. And in some cases, there
may be no impacts. In some cases, there may be a lot of impacts, but the impacts will vary across the regions. And that's what we're working out through this working group.

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MS. TAYLOR: But it's important to recognize that the rule will be implemented in the transportation sector and throughout the state as CARB fights its legal battle.

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MS. TAYLOR: So what does this mean for transportation. And in the chart, you can see the green and yellow. The green represents Metropolitan Planning Organizations, the yellow represents the Regional Transportation Planning Agencies. And again to reiterate, when we talk about nonattainment areas in state, there are 14 MPO regions and eight rural counties. So this is not an urban issue only. This is a rural issue in the state as well for transportation.

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MS. TAYLOR: It places local transportation projects at risk. And I'm not going to get into a lot of detail. But if you do go to the CALCOG website, we do have a SAFE Rule summary that highlights what transportation products will be at risk.

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MS. TAYLOR: It also limits nonattainment areas' abilities to amend the Regional Transportation Plan and the Federal Transportation Improvement Program. And for those documents, the Regional Transportation Plan covers a span of 20 years, the Federal Transportation Improvement Program covers a span of four years. But that's effectively how we deliver the transportation system in the state of California. And those are crucial documents in that process.

And so there's varying degrees. So these projects are -- these are projects that are -- that are -- at the Clean Air Act is applicable to and transportation conformity is not exempt from.

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MS. TAYLOR: It limits nonattainment areas' abilities to adopt new Regional Transportation Plans and Federal Transportation Improvement Programs. And that too is important, because that's where we add new projects, that's where we meet that state's ambitious GHG reduction goals. So it really does again hit all of our goals and really hamper and threaten our ability to meet those goals as we're moving forward.

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MS. TAYLOR: The impacts will be different by region. One of the reasons the impacts will be different
by region, it really depends on where you are in project delivery. So there are individual project impacts, but it also depends on where you are in the delivery of your Regional Transportation Plan. So each of the state's 18 MPOs delivers its Regional Transportation Plan on a different schedule. Some are earlier, as early as February of next year. Some will deliver it in 2022.

As we work through and we analyze the potential impacts of the rule with CARB and CalSTA, those schedules will matter, because the impacts will vary based on those schedules, and the schedule of where you are in the project delivery process, whether you're studying your environmental impacts or you're acquiring right of way, or developing for construction. That all has a different impact as to how the rule will be felt as you deliver your project.

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MS. TAYLOR: We've heard from Mr. Corey that the Trump administration has threatened us with highway sanctions. Everything that Mr. Corey has said is true. The only thing that I will add to what Mr. Corey has said, as CARB works through those things, to allay some of the fear, it's a nice headline. It's a big bold word. Sanctions are a horrible thing.

But the way highway sanctions work in the Clean
Air Act is that EPA has to publish a notice in the Federal Register first. Once that notice is published in the federal register, highway sanctions don't take effect for 24 months. I have faith in CARB that they will move forward and get this process resolved before 24 months. And obviously, if we're coming closer to 24 months, we'll all report the status of where we are in the process moving forward, but I don't think we'll have to do that. So even though it's a big headline and he's threatening our money, we have time to work through those issues, and we have quite a bit of time. So let us work through those issues. Let us coordinate with CARB. And we have faith that we'll get from. And if for some unforeseen reason we can't, we'll come back and we'll report to that and what that means.

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MS. TAYLOR: So specific project questions. Clearly today, it's a very high-level presentation. But I want to give some resources where the regions can go, where our local agencies can go. So I encourage you to contact your local MPOs, your county transportation commissions, your Regional Transportation Planning agencies, all of those agencies that my members are used to coordinating with, as well as Caltrans, on the project delivery side for our rural agencies.
MS. TAYLOR: And so what's next?

MS. TAYLOR: We're going to continue to support the State's fight for clean air and public health. We're going to work collaboratively across State, regional, and local agencies to minimize negative impacts of the final rule; continue to track the status of the SAFE Rule part 2, as well as continue to reach out to U.S. EPA and FHWA so that we continue to understand the impacts of the rule.

FHWA, Federal Highway Administration, has indicated there is no guidance currently. There is a question of how long it will take to have guidance so that they will know how to proceed. And so we'll be following that and providing updates as well.

MS. TAYLOR: Additional resources. This is the website link that we provided here for our CALCOG policy tracker. That gives you a little more detail on the types of transportation impacts. And with that, we'll be happy to take any questions.

CTC VICE CHAIR VAN KONYNENBURG: All right. Now, is the time to ask questions. I would start with -- if you want to ask a question, please put your name plate on an angle, so that I can recognize you.
All right. I'll start with Chair Nichols and then I'll go over here and --

ARB CHAIR NICHOLS: Oh, mine isn't a question. It's really a comment. I just want to thank Tanisha and the MPOs for having helped us communicate about what's going on --

MS. TAYLOR: Thank you.

ARB CHAIR NICHOLS: -- and understand the potential impacts, and make sure that we're working together closely, because you're absolutely right, it's a -- nothing has actually happened, but the potential and the process are important. And so it's one of those situations where you have to raise enough of a level of alarm so that people understand that we really are going to need to do something, but not get people panicked into thinking that they're about to lose their projects. And so I think you're doing a terrific job. I just want to thank you for that.

MS. TAYLOR: Thank you.

CTC VICE CHAIR VAN KONYNENBURG: Over here.

Forgive me, I --

CTC COMMISSIONER KEHOE: Senator Monning.

CTC VICE CHAIR VAN KONYNENBURG: Senator Monning.

SENATOR MONNING: Thank you, Senator Bill Monning. I don't know if it's for the panel or counsel,
but is there any timetable on the injunctive relief that California is seeking with other states?

ARB ASSISTANT CHIEF COUNSEL SEGALL: Senator, not at this time. We filed our complaint and our amended complaint over the last couple weeks, so it will go in early phase briefing.

Typically, the D.C. District Court operates relatively expeditiously. But, you know, it will be next near year we'll hear.

SENATOR MONNING: Thank you.

ARB CHAIR NICHOLS: Lucy Dunn.

CTC COMMISSIONER DUNN: Thank you, Mr. Chair. I don't know if this is on.

Okay. I love that we have some time and that we can rely on Air Resources Board to be a strong leader in the litigation on this. In the meantime, we also know everything is connected in this State, housing and transportation both. And those Sustainable Communities Strategies that are out there under review, can you talk a little bit about are we just going to recognize we've got code red going on here, but we also have to continue our processes and expedite those Sustainable Communities Strategies, get them out, so that, you know, we can kind of stay the course while the battle ranges? Can you talk a little bit about your strategy there?
ARB ASSISTANT CHIEF COUNSEL SEGALL: Sure. And this is really an area of developing strategy. Part of what we're doing is having exactly that conversation. So it's true just on timing is that the federal sort of preemption actions are effective at the end of November. So right now, nothing has legally formally changed. And people are making different choices during that sort of pre-effective date period.

And then the task obviously is to understand that something real has changed here in terms of increased emissions, how does one manage that? And there's both a near-term task, which is understanding the degree of change, and then a longer-term task which is figuring out how to fit that properly into strategies. But in terms of particular strategies, I think that's an ongoing conversation, just as we need to understand exactly how this is all affected.

CTC COMMISSIONER DUNNE: When do you think you'll have that? Because we need some --

ARB ASSISTANT CHIEF COUNSEL SEGALL: Oh, absolutely.

CTC COMMISSIONER DUNNE: -- definitive planning.

ARB ASSISTANT CHIEF COUNSEL SEGALL: We've talked about working over just the next couple months to get to a first phase understanding.
MS. TAYLOR: And I can add. So Tanisha Taylor with CalCOG. One of the things that the regions are doing, and have been working on, is there's a question of can they accelerate their processes, if they're really close to the finish line. And some regions are looking at whether they can accelerate their process to gain federal approval before November 26th, which would allow them to continue through.

Some regions are not at that point. And so what some regions have done to try to mitigate some of the impacts is they have actually taken a good look at their Regional Transportation Plan to see which projects aren't consistent. Maybe the schedule has been delayed a little bit. The scope and stuff are still the same, but need to amend the Regional Transportation Plans.

And so over the last couple of months, the regions have been amending their Regional Transportation Plans to mitigate some of these transportation impacts.

For some of the individual project impacts, they are unknown, and so we're going to continue to work through those. For some of the Regional Transportation Plans, they're too far out to accelerate quickly and up, and so that -- those are the schedules that we're identifying with CARB and CalSTA to help as CARB is developing the technical tools to use to continue to move
forward, and so that we can prioritize how we deal with each region's needs, so that we're meet -- we're ensuring we're minimizing to the extent feasible those impacts that we might feel.

CTC COMMISSIONER DUNN: Thank you, Tanisha.

So, I'm sorry, Mr. Chair, one more. So I'm presuming, of course, that we go back to normal processes if we can get that preliminary injunction. And then -- and everyone is back on a -- the regular paying field and we can get these things going.

ARB ASSISTANT CHIEF COUNSEL SEGALL: Yeah, just for this -- a permanent injunction formally, but, yes --

CTC COMMISSIONER DUNN: Permanent and preliminary.

ARB ASSISTANT CHIEF COUNSEL SEGALL: But, yeah, so if we win this case, we're back where we should be.

CTC COMMISSIONER DUNN: Right. Got it.

ARB ASSISTANT CHIEF COUNSEL SEGALL: And in the mean time, I just want to say we want to be fast and we want to be right. So we're trying to hit both of those goals.

CTC VICE CHAIR VAN KONYNENBURG: Board Member Mitchell.

ARB BOARD MEMBER MITCHELL: Thank you. Thank you for your reports. I assume this is on. I need to put it
up a little closer.

A couple of questions. One thing that happened in the letter that Andrew Wheeler sent to our Chair, Mary Nichols, was a request that we withdraw all of our submittals by today, October 10, and resubmit. So my question is are we doing anything? What are we doing about that ludicrous request?

ARB ASSISTANT CHIEF COUNSEL SEGALL: So what is -- what is actually going on there, as Mr. Corey discussed, is a long-running process that we were already collaborating with EPA on over the last couple years. I think, at some point, there were several hundreds SIPs they hadn't processed. It's now down to around 130.

Of those, staff have reviewed them all and are working it through. But it's a fact-specific process. So there's not really a reason to withdraw SIPs EPA has not identified anything wrong with.

But there is a need, and I think we said this in our response letter, that we're going to go right in and meet with them and talk through if there's anything they can identify that actually should be withdrawn, happy to look at that. But so far, they just haven't.

ARB BOARD MEMBER MITCHELL: Okay. And the other thing that is a bit complicated is the timing and processing of the litigation, and as it relates to ambient
air quality deadlines, ozone deadlines for the various regions, and how that can be worked through.

The permanent injunction would play into that if we get a permanent injunction. But obviously, we want to avoid sanctions and the federal government taking over our implementation plans. But have we talked about or thought about how we get these two things coordinated?

ARB ASSISTANT CHIEF COUNSEL SEGALL: Yes. So one thing I should say that may be not obvious is these two issues are pretty distinct. The SIP threat letter essentially involves U.S. EPA pressuring us to do their homework. So all those rules are already in effect and are doing their job to reduce air quality. It's just have they been reviewed by U.S. EPA?

The second issue, which is the issue you're raising, is the fact that the attack on our emission standards obviously weakens our ability to comply with federal ambient air quality standards. And so there's a real irony in U.S. EPA on a Thursday telling us that we lacked authority to implement critical standards and then on the next, I think it was, Tuesday saying that we had to do a better job implementing federal ambient air quality standards, which -- so, yes, it's a problem.

Inherently, if we can't get those tons through the efficient, effective standards we now have, we have to
look at other measures to get them. And one of the things that I said in my talk, which is critical, is that this is -- it's not a new challenge that thinking about how transportation and air go together to help reduce emissions, and protect the public, and deliver everything else we need to deliver is an urgent challenge. And one of the things that this federal action does is intensify the need to address that challenge.

So, yes, we see the connections. They are thorny. And we are dealing with the sort of bitter irony that we are trying to do our best while they try to take our tools.

ARB BOARD MEMBER MITCHELL: And do you expect the case to go to the Supreme Court?

ARB ASSISTANT CHIEF COUNSEL SEGALL: You know, it's unclear at this juncture. Obviously, it's an important case. There are many states involved. On the other hand, we have won aspects of this case before. The Supreme Court ruled in 2007 that these two programs were properly harmonized. We won in two different federal courts as to the preemption issue also in that time period.

So the issues in some ways are stale and decided in our favor and the facts are very much in our favor, so we'll see. We'll go through the district court. We'll be
in appellate court. We'll see what the timing of all that is. It could happen. It could not happen. And it will turn a bit on what the next administration decides to do.

ARB BOARD MEMBER MITCHELL: Thank you.

CTC VICE CHAIR VAN KONYENBURG: Commissioner Butler.

CTC COMMISSIONER BUTLER: First I -- is this on? Yeah.

First, I just want to thank the three of you. That was extremely helpful. Thank you. And, you know, Darwin, as folks in the transportation world, I'm used to hearing how brilliant the Agency staff is. Tanisha and Craig that was -- that was great.

Tanisha my sister's name is Tanisha, so I'm just trying to not like look at you and think you're going to tell me to clean my room.

(Laughter.)

CTC COMMISSIONER BUTLER: But I appreciate -- it's clean. Don't worry. I appreciate --

(Laughter.)

CTC COMMISSIONER BUTLER: I appreciate the pictures. And Craig and -- Craig and I went to law school together and we didn't interact as much in law school. You were always passionate about environmental work and I was always passionate about throwing parties.
CTC COMMISSIONER BUTLER: So it's good to interact now. But I think my question for you, Craig, specifically is this is a lawsuit where 23 other states --

ARB ASSISTANT CHIEF COUNSEL SEGALL: Yeah.

CTC COMMISSIONER BUTLER: -- are involved. And we're getting a lot of the news obviously as a large state. But what are some of the other states doing? And while I appreciate that, you know, we're coordinating internally within the state, how are we working with other states? Are we really the leaders on this? Are there -- you know, can you -- can you talk a little bit more about what more of the national landscape is and how we're fitting into that?

ARB ASSISTANT CHIEF COUNSEL SEGALL: Sure. So when the Trump administration came into office, we formed what's functionally an ongoing collaboration with many other state air agencies and with other states' attorneys general, and that's continuing.

In this case, our Attorney General working really closely with CARB, the Governor's office, all our partners is leading all of this litigation. We are in more than weekly contact with all the other AGs and all the other agencies working this through at every level. So that's been well coordinated and we're driving that charge.
That's not just a legal response though.

The policy response, this past summer, I think it was 24 states signed on to the Nation's Clean Car Promise, which was focused on taking policy actions across the gamut of legal and policy space to deal with these issues, recognizing that the threat on new vehicle standards, although acute, isn't the only thing folks can be doing.

So just in the past couple weeks, for instance, both New Mexico and Minnesota indicated that, if this litigation results favorably, they would be joining California's standards, which is great news. And many offer states have begun issuing executive orders, taking action, looking at ways do they join our standards, do they take other actions? And that's an ongoing collaboration. So there's a lot of joint work there that I think is really positive that I think we'll continue and intensify.

CTC VICE CHAIR VAN KONYNENBURG: All right. One last question. Darwin, you mentioned that there's -- the Department, and Caltrans, and CARB are working together. Who's the point person on that? Are you the point person that pulls that all together?

MR. MOOSAVI: Yes. I'm working closely with Jen Gress of the California Air Resources Board and then Marlon Flournoy of Caltrans. The three of us are the
leads for each of the three agencies.

CTC VICE CHAIR VAN KONYENBURG: Okay. But you get the glory when it's all done -- said and done, right?

MR. MOOSAVI: We'll take the glory together.

(Laughter.)

CTC VICE CHAIR VAN KONYENBURG: Okay. All right.

MR. MOOSAVI: But CalSTA is going to be the lead in terms of reaching out to MPOs and coordinating the meetings and whatnot.

CTC VICE CHAIR VAN KONYENBURG: Okay. So if -- so you would be the point person?

MR. MOOSAVI: Yep.

CTC VICE CHAIR VAN KONYENBURG: If staff needs to coordinate anything, you're the guy?

MR. MOOSAVI: Yep come to me.

CTC VICE CHAIR VAN KONYENBURG: That's what I like to hear.

MR. MOOSAVI: Thank you.

CTC VICE CHAIR VAN KONYENBURG: Okay. Thank you very much for your panel. I'll now dismiss you and call on our next panel to come forward.

Our next panel is going to be on housing and transportation linkages. And it's also going to review the Governor's recent Executive Order.
Kate Gordon is the -- from the Governor's Office of Planning and Research. Kate, if you'll raise your hand? It's kind of obvious that you're here.

(Laughter.)

CTC VICE CHAIR VAN KONYENBURG: And then Zach who also -- who already we saw is also here. And I'm just going to -- Chair Nichols has to take a phone call. It doesn't mean that she's unhappy or anything. She just has to take a phone call and has to come back.

(Laughter.)

CTC VICE CHAIR VAN KONYENBURG: So she's not ignoring you.

All right. Have you guys decided who is going to start?

MS. GORDON: Yeah, I think I'll go first.

CTC VICE CHAIR VAN KONYENBURG: Okay. Director Gordon.

MS. GORDON: This is on, I think. Thank you so much for inviting me to speak. And congratulations and welcome to the two new commissioners. It's great to see you here, and to see many, many folks that we've talked to before.

My name is Kate Gordon. I am the Director of the Governor's Office of Planning and Research, which is, as you know, the sort of long-range planning think tank
within the Governor's office. I'm also the Governor's Senior Advisor on Climate Change. And both of those roles have been very centrally involved with the development of the Executive Order and now with the implementation of the Executive Order. So very honored to have been invited to come and speak with you about that today.

(Thereupon an overhead presentation was presented as follows.)

MS. GORDON: I'm going to give an overview of what's in the Executive Order, a little bit of background, just a little, on why the Governor felt this was such an important moment and an important time to put this forward, a little bit on next steps. But I really want to leave room for questions, because I'm sure there will be many.

One question for you, Vice Chair, is whether you want us to do questions at the end of both presentations?

CTC VICE CHAIR VAN KONYNENBURG: We're going to do the questions at the end of both presentations.

MS. GORDON: Thank you so much.

So I think you heard this morning from Chair Nichols about the -- a little bit about the Executive Order. And I know yesterday Secretary Tim -- Kim talked about -- excuse me Secretary Kim talked a little bit about the Executive Order. One of the things Secretary Kim said
yesterday that I just want to emphasize, even before I start is, that the Executive Order in no way supersedes State law. It, in fact, really is intended to build on State law and to help us implement State law in a variety of areas in a more coherent and integrated way.

So it's very, very important just at the outset to say this Executive Order does not supersede State law nor could it legally. So I wanted to put that out first.

So the Executive Order -- I know many of you are very focused on that second point, but really is an important kind of overview integrated order that makes -- does a couple of things. And let me talk a little bit about the goals and then a little bit about what's in it.

And again, this Executive Order was signed, just as a reminder, just before - it was about three weeks ago. Just before the Governor went to New York for Climate Week, it was in development in separate pieces for quite a long time before that through several interagency processes, and sort of was the culmination of those.

What the overall goal of the order is is really to acknowledge key -- acknowledge, as Chair Nichols said, that we need to move from ambition to action, when it comes to our state's, not only climate goals, but the statutes and laws that govern what we have to do as a state to address climate change.
We -- one of the things I did when I first started is this role was to look at all of the existing goals that we have as a state in statute on climate change and look at where our gaps are. And one of the things the Executive Order is really intended to do is to acknowledge and start to address some of those important gaps, particularly around transportation, but also in other areas.

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MS. GORDON: The goal of the order is also to take a more integrated approach to climate. We've done a lot in this state that's been incredibly proactive and we've have been leaders on climate change in various areas, a lot on technology, a lot on renewable energy and efficiency. Vehicle technology obviously has been a big area.

We haven't always integrated all of those pieces. And so you'll hear from both us the need to integrate particularly the housing and transportation pieces and start to try to tackle this very difficult issue of our land use and how it impacts our climate, both in terms of mitigating climate emissions and in terms of how we deal with the risks from physical climate change is a big goal of the order.

The order is also intended to try to start
mainstreaming how we think about climate change, again both physical impacts and mitigating climate emissions, how we start to mainstream that into the planning, and financing, and decision-making at the State level, particularly when we're making multi-decadal investments and we're using taxpayer funds to do that. So how do we start thinking proactively and in a more integrated way about how we make those investments, and what the climate impacts have to do with those investment.

And finally, the order acknowledges that we're in a time of transition. This is a new moment frankly, both in terms of climate impacts -- I mean, I think we see that every day. We're in the middle of another set of blackouts right now, because of climate impacts and the economic impacts of those on our state.

But to acknowledge the time of transition both in terms of physical impacts, also in terms of our need to dramatically scale up our actions on mitigation, if we're going to meet our goals that are again in statute, and also, as you all know, a time of transition in technology in the transportation sector.

So there are four issues -- I say all that to say that each piece of the order relates to each other piece.

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MS. GORDON: There are four big pieces of the
order. The first asks for the State, the Department of Finance, and my office, Office of Planning and Research to work the CalPERS, and CalSTRS, and Cal retirement systems to leverage our investment portfolio of about $7 billion to actually advance our climate goals. And again, that's to look at both impacts from physical climate change and also to look at where the opportunities are frankly as the world shifts toward a more carbon-neutral and carbon-free economy.

The second big area is to leverage the state's transportation spending to reverse the trend of increased fuel consumption and reduce GHGs associated with the transportation sector. This piece goes directly at something that was raised in CARB's SB 150 report last year making the point about land use being an important and key contributor to our transportation emissions, that just switching out all of those vehicles for electric vehicles will not actually get us to a solution on that problem. We could do ten times the number of EVs and still need 25 percent reduction in our VMT to meet our goals.

The third section is about leveraging the State's -- working with the Department of General Services to leverage our owned and leased assets, again to minimize our carbon footprint, acknowledge physical climate risk,
and look at carbon mitigation. I would put sort of the
investment and the asset pieces a little bit together.
And I'll talk a bit more about that.

And then finally, a piece that really directs
CARB to frankly scale up and figure out new ways to get to
that EV goal, because we do, in fact, need to address the
engine and vehicle side of this.

I'm going to talk for just a couple minutes
about -- you already know all this, because we've done
other presentations, but the why here.

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MS. GORDON: As you know and have seen, and this
is from the ARB report last year, one of the areas in
which we are not meeting our goals, and in fact are going
up in emissions, continues to be our VMT per capita. That
is in large part related to our housing affordability
crisis and people moving further and further away from
their jobs. And that's something Zach will talk about I'm
sure. But this is where housing and transportation really
come together in the state when it comes to climate. And
I think this is animated.

Ooh, there we go.

Animations. This is all Chris Ganson from my
office. There we go. Oops. Animations.

So you can see we are not on track to meet our
statutorily required targets in this space. We need to take some pretty significant action, and think creatively and strategically about these land-use decisions to make our targets. And I just want to emphasize that this isn't just about sort of a esoteric set of targets that are up there about climate change.

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MS. GORDON: This is about the reality of what it is to be on the roads in California today. And we all experience this reality. I spend a lot of my time in the work I do for the Governor in inland California. Have spent an enormous amount of time in the last six weeks in the Central Valley, Inland Empire up in the north state. This is the first thing that's raised in every single part of the state at this point, how far people are driving to get to their jobs, how long their commutes are, how difficult their commutes are, and the need for alternatives and options to reduce that.

There's an air quality impact to this as we've talked about. There's a quality of life impact to this. People aren't seeing their kids. People aren't getting exercise. There are huge impacts that go beyond this -- the sort of numbers on carbon emissions and I just wanted to raise that.

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MS. GORDON: The second thing I wanted to raise -- and this is from a Caltrans report. I think you've seen some of the vulnerability Caltrans has done. One of the things we're trying to do in the Executive Order across the board is to think not just about carbon mitigation and reducing emissions, but to think about reducing impacts from physical climate risk.

Caltrans has seen enormous impacts from -- here is a picture from that report from -- or from a news story about that report from Bakersfield impacts from mud slides, impacts from sea level rise, road failures, impacts last year snow removal budget went over, I mean, impacts from climate change, impacts from extreme heat on concrete and cement. And these are things that need to be taken into account as we're thinking ahead about these investments.

One of the big reasons we need to do that is because everybody else is doing it. The people from whom we borrow money are doing it, the people who insure us are doing it. If there's one thing that has been consistent in my time in the state, it's been the sheer number of people from bond rater, issuer -- the bond rater and issuer communities, from the investment, from the pension community, endowments, insurers, reinsurers coming in and saying we are now - and BlackRock is a great example - we
are evaluating our assets individually for climate risk
and for climate mitigation. We are starting to evaluate
our portfolios based on this. We are starting to look at
bond ratings based on this. We're starting to lend at
different rates based on this. This is something that the
market is doing and we, as a state, in order to shepherd
taxpayer dollars, need to do as well.

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MS. GORDON: So I'll just -- I'll just say a
couple last words, which is to say that the Executive
Order is really new. Again, what it does is try to take
into account a huge amount of work that had been done in
the past on what do our impacts look like? We have a lot
of work that's been done through Cal-Adapt and other
systems on what the state is going to face in terms of
physical impact. A huge amount of goals and particularly
work at CARB on how do we reduce our carbon footprint and
get to mitigation.

Getting to those strategies is where the -- as
Chair Nichols said, is where the Executive Order is
centered. We did -- the Governor did just sign it and so
we're now in a process of figuring out the implementation
strategy and putting timelines on each of those pieces.

I just wanted to say a few last words. Again,
the State goals and values here are very clear. We have
very strong legal requirements both on transportation
infrastructure and on climate change. Our goals and our
values are clear in statute, but these will play out
differently in different parts of the state.

We need to have a regional conversation, a
stakeholder conversation about how this is going to work
in operation. We need to be -- we're starting the process
now across CalSTA, across DGS, across the pension funds to
have that conversation. We're including a lot of outside
folks. We're doing a lot of regional discussions. And at
the end of the day, implementation will, of course,
respect our current statutes and legal boundaries, and it
will not affect already-committed funds, which is
something I know Secretary Kim talked about yesterday, but
I think that's a really, really important piece as we move
forward here.

So I'm going to leave it there. I'm sure there
will be questions later.

CTC VICE CHAIR VAN KONYENBURG: Thank you.
Zach.

MR. OLMSTEAD: Well, thank you. Zach Olmstead.
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MR. OLMSTEAD: I am, as was said, the Deputy
Director for Housing Policy at HCD.

I'm going to start with a little bit of just
baseline understanding of what is required from the State, mostly the local governments, from a housing perspective before I get into more specifics around what we've been doing around housing and transportation linkages.

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MR. OLMSTEAD: The first is housing element law. So it is the one of seven mandatory elements in every local jurisdiction's general plan and is the only one that requires State approval. Each and every county has to prepare a housing element, has to have consistency with other aspects of the general plan. It's updated, for the most part, every eight years, some jurisdiction every five years. It does require significant public outreach. It is adopted by the local government.

We do at HCD and the folks in my division certify each and every jurisdiction's housing element. And it has very important components of having to identify what sites are available for development based on what we get -- which I'll get into a little bit later what is the housing need in that community.

And increasingly compliance with housing element law, as well as the reports that are required on an annual basis up to us on how jurisdictions are doing about meeting their housing need are beginning to be required especially for many of our housing related programs. And
we'll get into a little about housing and transportation as well for that.

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MR. OLMSTEAD: So this is a little bit of a busy slide if you have it in front of you, but it gives a little bit of a picture of the many things that go into that analysis that we do, that local jurisdictions have to engage in. Essentially, the jurisdiction has to identify their housing needs, including those for many vulnerable populations; identify a sites inventory in order to meet developable sites that can accommodate new housing; talk about their programs by which they will get there; talk about their constraints potentially to get there; and, as well as engage significant public participation in that process.

So when we -- we engage in a really iterative process back and forth with local governments in -- and they typically adopt a draft. We give them feedback on that draft and then they adopt a formal element. All throughout that process, there's public comment. We take into consideration certainly any public comment that is given. And then we want to see specific programs, right, that help them meet their individual local jurisdiction's needs, right?

As was mentioned, we have a very diverse state,
many different types of housing needs, many different types of ways to get there, right? So we look at specific programs. We'll see at the bottom there in terms of how they're going to get there, how they're going to accommodate, for example, a specific ordinance that may be implementing how they address -- I'll just use it, because it's fresh in the mind -- an accessory dwelling unit policy, for example, right? How are they going to implement that in order to, you know, help bolster their housing stock and meet their housing needs?

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MR. OLMSTEAD: So it used to be no one really paid much attention to this concept of what's called RHNA, the Regional Housing Need Allocation, but you may have seen a little bit about it in the news lately. And this is an assessment that we do leading up to that housing element process before each planning period, which is an assessment of how many new housing units will be needed in each region to accommodate projected household growth.

So -- and it also is segmented by income levels. I should have mentioned the housing element. It's extremely crucial. They have to identify in their zoning, or planned zoning how to accommodate housing needed at all income levels, so including affordable -- affordability.

And so each local jurisdiction is assigned a
share of that regional housing need. We provide the larger need to the region, which is then at the council of government level attributed down to each and every locality. And then it leads to that housing element, that accommodated need, and we review each locale -- locality's housing element to certify that is accommodates the share that has been given.

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MR. OLMSTEAD: These are some of the statutory objectives of the Regional Housing Need Allocation in terms of increasing housing supply, mix of housing types, reaching affordability, infill development, et cetera. It's very important that recent changes in law have really focused on jobs -- the jobs/housing balance relationship, and as well as trying to create more equity within that process, and obviously, balance of disproportionate household income distributions.

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MR. OLMSTEAD: I think this is helpful for us to sometimes say the RHNA is a planning requirement and a housing goal. It is a projection of housing need. Obviously, we cannot build until -- we cannot build the housing we need unless it's appropriately zoned for, right? Good planning and good zoning leads to the types of housing that we, I think, all want to see in our shared
organizations in terms of proximity to jobs, access to resources and transit, those sorts of things. If you don't have adequate zoning, it's very difficult to get there. It takes longer to get things done.

But it is not a prediction of building, permitting. It is not a quota. It's not even a prescription. But it does require that adequate planning, so you can show that when the demand is there, and certainly it is there in quite a few of our jurisdictions throughout the state, that there's appropriate zoning in order to meet there and to accelerate that process.

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MR. OLMSTEAD: And this is a little bit of a pictorial about all the various roles of various organizations in this process. I don't think I'll -- I need to spell them out or read them through in person, but there is, you know, quite a bit of layered involvement, right? We have the State Legislature that sets those laws and goals. We certainly are -- at HCD are determining the regional housing needs and actually reviewing and approving housing elements. Council of governments are very critical in not only providing support to local jurisdictions, but helping -- they're involved in that RHNA process and helping to provide resources and tools to get there.
The local governments themselves, of course, have to identify their specific needs and do that planning. And, of course, stakeholders provide not only comments, but, you know, I think in many cases help strengthen the housing plans or hold — hold local government's feet to the fire, as well as we do, but certainly at the local level in helping to meet those goals.

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MR. OLMSTEAD: A little bit on just what we -- the things that we look at, beginning to talk about the housing and transportation linkage work that we've been doing with our partner agencies. You know, I think -- we think it's important. Often in our housing world, we talk about the housing affordability and the cost of that.

But what we like to do in our statewide housing assessment begin to report is, hey, it's a shared cost burden between housing and transportation. And you look at -- I'm sorry if that's not very large, but, you know, you look at that shared cost burden, the blue is the housing cost, the green is the transportation cost.

And any time you get over 50 percent on any of that, that's really critical. And you can see a snapshot of what the burden is in many of our counties. People are paying significant percentages of their household income on shared housing and transportation costs, not to mention
obviously the other byproducts of, you know, heavy commute
times and other types of things that can have on a
household.

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MR. OLMSTEAD: So what we have been doing over
the past couple years, and certainly strengthened over
this past year, is there is a Housing and Transportation
Coordination Workgroup at the State level. You see this
first slide is the actual steering committee that meets.

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MR. OLMSTEAD: The next slide is the various
departments that are part of our working group. Everyone
here -- a lot of folks here have been involved in that
work.

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MR. OLMSTEAD: And then I'm going to talk a
little bit about what was happened over the past year.
These are the workgroup goals that we set for 2019.

And, in fact, there was even a subgroup
identified to work on linkages between housing and
transportation programs. I'm going to focus a little bit
of my comments on those pieces.

But until we really engage one another on, you
know, possible improvements in our various funding
programs, how can we make sure they're lined up to meet
our mutual goals; identifying, even down to the
nitty-gritty, of what are the threshold requirements and
scoring criteria, so we can make sure housing programs
have, you know, references to transportation,
transportation programs with references to housing and
vice versa, so we can not only make the connection for one
other, but truthfully for our applicants so they're
actually focusing on those pieces when they put together
applications for our programs.

And certainly, obviously get more, you know,
conversant in our various languages and how we talk about
things so we can more universally communicate, right, to
all our stakeholders, many of which overlap as they pursue
our programmatic funding.

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MR. OLMSTEAD: So -- and specifically, we have
been working together, the research kind of that working
group, of that sub -- of that subworking group on linkages
thought that the first two kind of areas were transit and
intercity Rail Capital Program and the Solutions for
Congested Corridors Program made the most sense for the
initial kind of collaboration. So we've been working
together in kind of strengthening the program
requirements, and scoring criteria, and other sorts of
things for those programs.
In addition, we do kind of joint review a number of our programs that overlap and link, right? So you see a list there. You know, so that I think is very effective in having our staffs actually looking at those things. We're looking at it with different lenses, right, to flag certain things, to highlight certain things, to make sure what we're seeing in those applications adequately is representing, you know, a good project that creates housing near transportation, creates transportation that can be accessed for folks near their housing, et cetera.

And I want to talk a little bit about recent developments specific to what we are doing at HCD. The most recently enacted budget puts 250 million to our Department, and my division within the Department, to provide for planning grants to local jurisdictions to help meet their housing goals and their planning, goals, right?  

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MR. OLMSTEAD: We are, for the most part, entering a new planning cycle. We're assigning those regional needs. There's housing needs allocations. And these grants provide -- or split 125 million directly to each and every city and county can access grants. We're calling them Early Action Planning Grants to begin to work on those housing strategies, that planning for this next cycle that will identify adequate zoning. Hopefully, as
I'll get into a second, work on, what we consider, kind of prohousing policies.

And then the other half will go directly to council of governments and kind of more regional entities to help facilitate and bolster kind of what may be the specific and regional needs, right, to really hammer on the strategies that may be unique to each and every region and to help support those goals.

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MR. OLMSTEAD: So it all -- the budget also tasked us at HCD with coming up with what is called a Prohousing Designation for local governments. So the idea there is if local governments are enacting policies, passing ordinances working hard to make themselves a more fertile ground for not only housing development, but the right kind of housing development, right, or that we would consider to be good housing development according to the prohousing policies, that there would be some benefit in the long term in terms of competitiveness for some of our programs.

So it gives us a little bit of a horizon in terms of developing. We'll have to go through the regulatory process by which we outline how a city would be designated prohousing. But given the infusion of that $250 million that we're going to make available, we wanted to
accelerate and signal what those prohousing policies are to jurisdictions.

We've already been doing that a little bit in some of our programs to local jurisdictions. We are in the process of already awarding a different planning grant program through the passage of Senate Bill 2 from a couple years ago as apart of the housing package that provided grants to local governments, very similar type of grants to promote housing development.

So we have a good fertile ground to build with on what those kind of prohousing policies are in terms of, you, know increased density near transit, accelerating the processing of permitting, you know, doing specific plans that do the kind of environmental analysis up front for communities on all the parcels within that dis -- that plan area, you know, by-right zoning, once you kind of meet some of those -- some of this -- some of those criteria.

And so we have a good fertile ground. But very soon, we will be issuing for public comment what those initial kind of round of prohousing policies are for public feedback. And the idea here is it's a menu of activities that we want to encourage communities to focus on with these planning grants, right? They're not required to, but we think, hey, these -- this prohousing
designation is coming. It's not a punitive designation. It's something that will help you. And if you engage in these types of activities, which will be a much more -- a pretty expensive menu of things, we will then articulate obviously over the next year or two how you get -- how you get designated there. But if -- you begin the planning activities now, right, you have these -- this is the time when you have those resources to focus on good planning, if you engage in those sorts of activities, now you're going to be better off as we moved towards the future

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MR. OLMSTEAD: So it's a little bit of our anticipated deadline. We're -- we are hoping that all of these resources will be out by the beginning of the year. And all -- in fact, all local governments need to at least apply for and be awarded by the end of this fiscal year essentially. And then the regions have a little bit longer. And we are obviously going to be doing a significant amount of outreach once we release that notice of funding availability to communities, because we want to make sure each and every city and county takes advantage of these funds. It's not often that we've had this level of infusion for planning.

And while not the only reason, you know, one of the reasons we have probably not adequately met our
housing needs is because we haven't invested as much in the planning at the community level that we could, in terms of doing all the coordinating of local ordinances, local stakeholder engagement, zoning, et cetera that, you know, leads to good planning and good housing outcomes.

So I will stop there, because I know there might be a lot of questions for Kate and I.

CTC VICE CHAIR VAN KONYNENBURG: Thank you. I now ask for questions from Commissioners and Board members, if you'd please raise your -- so I'll start with Gioia.

Board Member Gioia.

ARB BOARD MEMBER GIOIA: This is John Gioia. I am the Bay Area Air Quality Management District rep on the Air Resources Board.

First, I wanted to say thank you for this really strong Executive Order. It's great. So really two questions. First, you've got members of two State agencies here. I think there's an opportunity for our various commissions to work together with regard to helping leverage the transportation investments to reduce greenhouse gas reductions, and also, frankly, to help achieve the state's housing goals.

So give us your thoughts. I may have my own, but I'd like to hear your thoughts about how our two agencies
can work together to achieve both the housing production
goal in terms of the investments and the greenhouse gas
reduction goals.

And then the second comment is I also wear a hat
on the Contra Costa Board of Supervisors, so we're a
land-use agency. And frankly I think local governments,
cities, and counties are not doing the best job from land
use policy perspectives to either reduce -- I mean some
are doing better jobs than others, but both to -- for
housing production and for greenhouse gas reduction.

So your thoughts about I think opportunities to
link state transportation investments to communities that
are actually putting in place land-use policies to both
increase housing production and reduce GHGs. I think that
incentive actually can help get local jurisdictions to do
the right thing.

So one is how we work together, second sort of
this -- this relationship with local government.

MS. GORDON: You want me to start?

MR. OLMSTEAD: Yeah, you can start first.

MS. GORDON: Thank you so much for the question.

It's an -- an easy one. No, I'm just kidding. It's a
tricky set of questions. But you know in terms of the two
Board -- the Board and Commission working together, I
mean, one of the really valuable things is just being in
the same room, to be honest.

One of the things that we've really come to recognize I think in both the transportation sector and in working on climate more generally is just how integrated these issues are. You can't really think about any of these things in a vacuum at this point. I mean, climate change is, I often say, sort of a macroeconomic trend like globalization and automation. It will affect every sector. It will affect every decision. It's a very big set of things that we need to grapple with and transportation is one of those -- one of the biggest honestly.

It's not just 40 percent of the emissions, but it's also a major piece of our State investment portfolio, and the decisions we make in the state about long-term infrastructure. So the fact of being here together is incredibly important and starting to think about both of those things a little less siloed.

Climate isn't just about sort of environmental impact and counting emissions, although it is certainly about that. Transportation isn't just about kind of building and maintaining roads, though it is certainly about that. There are multiple ways to look at both of those things and they have to be integrated.

I think that's hard, because we're used to
working in silos.

ARB BOARD MEMBER GIOIA: Um-hmm.

MS. GORDON: Our budgets are often in silos.

ARB BOARD MEMBER GIOIA: Um-hmm.

MS. GORDON: Our decision-making processes are often in silos. There are obviously statutory requirements on both sides of that -- of that puzzle, but where are the places where we can work together to get to common goals? The State has a set of very clear goals and we're all working under those goals. And so what are the places that we can do that?

And one of them is probably the other piece you asked about, which is what kinds of incentives, and this is something Zach may be able to get to more, can -- and we're talking about a lot, in terms of housing, what incentives can we -- you know, can we get to the local level? Many of you are from local jurisdictions and are much closer to this than we are at the state.

What are you actually hearing about the barriers to some of these actions? What are you hearing about frustration? What are you hearing about what could be made easier? Could we do more to streamline funding requirements, to make those more integrated and a little easier for people to access? Could we do more to provide incentives for, you know, pro in -- like the prohousing
designation for sort of integrated approaches on the
ground.

I'm lucky. I get to chair the Strategic Grown
Council. And that's one thing that the affordable housing
development -- community strategies and the transformative
climate communities programs try to do is to integrate
this stuff on the ground. We've learned a lot from that.
What can we do -- take from that, from the learnings there
on the ground and really kind of bring those up into State
requirements, if possible, because I think there's also a
disconnect a lot of times in those two things.

ARB BOARD MEMBER GIOIA: You know, and this may
sound blunt, but I think having been on our board of
supervisor --

MS. GORDON: Yeah.

ARB BOARD MEMBER GIOIA: -- for 21 years, I
think, in many jurisdictions, there's a lack of political
will --

MS. GORDON: Um-hmm.

ARB BOARD MEMBER GIOIA: -- to approve the types
of land-use changes to increase density where it's
appropriate to increase density, and where it makes sense
to increase density, and therefore -- and approve more
housing. So sometimes what gets local officials more
incentivized to do that is extra dollars --
MS. GORDON: Yep.

ARB BOARD MEMBER GIOIA: -- linked to good actions.

MS. GORDON: Yep.

ARB BOARD MEMBER GIOIA: So I'm just --

MS. GORDON: That's a great point.

MR. OLMSTEAD: You stole a little bit what I was going to say. But yeah, I mean, that -- is this on? That is the thesis a little bit on the prohousing designation, right? Increasingly, we are going to build into more programs the -- essentially a bonus for -- if you're -- if you're doing those right things.

And if I may, you know, I think you hit the nail on the head. I think in terms of working together, we all need to drive home the message that density is not a bad word. And while --

ARB BOARD MEMBER GIOIA: Density in the right place and that's the way to say it, right, yeah.

MR. OLMSTEAD: That -- no, that's -- absolutely right. But typically, right, it is over time the actions at local government that makes a 200-unit project on the same land footprint a 150-unit project, to a 100 project, to a 75 unit project, right? And so over time, that has added up significantly over the decades, right, the resistance at the community level to increase density or
more people near me, you know, has proven -- has proven problematic.

And I think what we've done over the last couple years certainly have -- I think will begin to change the conversation there. Many aspects of our State legislation over the last couple years have actually made it harder for that to happen by making certain types of development by right, meaning, non-discretionary and, you know, if it conforms with the zoning, then you build it with certain -- certain -- I'm not saying its -- it absolves local involvement, but it's a beginning to acknowledgement, right, of the delays that occur there.

The suite of bills signed yesterday on accessory dwelling units, for example, you know, some people are saying, oh, well, it's the end of single-family zoning in California. I mean, it's maybe not that drastic, but it is significant, right?

So when you talk about the specific needs of communities and on the same land footprint, right, allowing people to put additional living space on their property, for like an age in place, so they can maybe rent it out for -- in the community, so they can have their children who maybe not able to forward yet anywhere else.

So, I mean, I think there are a lot -- a number of things that maybe are less scary from a density...
perspective, but that when combined will be helpful and
maybe more, hopefully, received with all of our
collaboration at the community level.

ARB BOARD MEMBER GIOIA: And just finally, I
mean, you -- I know you didn't get into too much detail on
how we could work together. You said, you know, being in
the same room is a start. But what I find is that we can
be at these meetings, and talk about things, and have some
general agreement. But when we leave these meetings, that
sometimes the cooperation may not be as robust.

So it seems that in having some type of organized
work group with the staffs or some direction to do that,
because, you know, these -- both our agencies have
different cultures. And as you say, this is really -- we
need an integrated approach, so maybe more incentive to
really come back with some specific deliverables about
what we can do together, other than just being here a few
times a year in the same room.

MS. GORDON: And I think this slide and Zach
talking about the Housing and Transportation Workgroup is
a really important step toward that at the Sacramento
level. I would also --

ARB BOARD MEMBER GIOIA: For GHGs too.

MS. GORDON: For GH -- for housing and
transportation --
ARB BOARD MEMBER GIOIA: Right.

MS. GORDON: -- and GHGs, the whole overlay. I would also say though that again on the regional point, we've been doing a fair amount of work in my office talking to the Caltrans district directors for instance about many of these overlapping policies, and there are -- there are conversations that should also be happening at the regional level among people who are working at that level, because I think that's a -- sometimes the Sacramento piece doesn't filter down or filters down not all that effectively and there can be, I think, a lot more there too. So I'll leave it to you on structure --

ARB BOARD MEMBER GIOIA: Yeah.

MS. GORDON: -- but I think that would be helpful.

ARB BOARD MEMBER GIOIA: Thank you.

CTC VICE CHAIR VAN KONYNENBURG: Board Member Balmes.

BOARD MEMBER BALMES: Thank you. I wanted to thank Kate and Zach for really good presentations. And I'm just going to piggyback on what Supervisor Gioia said, but maybe through a different lens.

I was glad to see that Zach mentioned equity a bit, but I think we need to emphasize it a lot more, because the folks that are having to drive the longest to
get to their jobs -- I'm not telling -- I'm not saying anything that we all don't know, but it needs to be hammered home. The people that are driving the longest are the people that have low-wage jobs in inner cities, and they have to -- to even get close to something affordable, they have to be way out.

John and I actually saw that. We drove from the East Bay and the traffic was backed up all the way to the Altamont Pass. And so -- and they're also probably driving older vehicles that are less clean, so there -- and I think, in part, good intended Sustainable Communities Strategies have contributed to this. Because when dense -- more dense housing is built in inner cities, it's often -- it's actually gentrifying neighborhoods and pushing people out.

We have to be very careful. I mean, density in the right places and density that's affordable. And, you know, I don't have any magic answer to this. But this is a huge problem that kind of gets buried, I think, a little too much. There's a huge social equity and environmental justice issue here.

MR. OLMSTEAD: Yeah, I mean -- while I didn't -- I wasn't able to show the whole menu of things that will be a part of our prohousing designation, anti-displacement strategies that are at the local level are a key part of
that in that menu. So there's a whole kind of category focusing on policies that assist with that.

And, of course, that can be a number of different things, right. So when that new housing is built requiring levels of affordability, certainly some of our programs, Affordable Housing Sustainable Communities Program, right, we're trying to increase the stock of affordable housing within -- within jurisdictions.

I think an area of focus that we certainly focus a lot on at the Department, but that hasn't gotten as much attention at the State level, but I think will, is preservation of existing -- not only existing housing, but existing affordable housing, right? We typically have covenants of affordability on housing. And then when those expire, they just become market rate. And we don't do enough to handle that.

So, you know, there's a number of ways we can approach that. And certainly our prohousing policies are seeking to not only be about zoning for production, but about the policies at a local level that deal with those equity concerns. Because we have a mandate and typically our focus typically is dealing with the neediest and most low income Californian's housing needs.

MS. GORDON: And just very briefly - I know there's a lot of questions - to say that one of the
important things about this sort of housing transportation, in some ways that's not the full story. One of the things the Governor is very focused on is the connection between housing, transportation, and jobs, and not just jobs, but what's in the Executive Order. And he's made very -- a strong pitch for also in the budget is high road jobs. So that's a shorthand for family supporting career ladders -- jobs that actually allow somebody to not have three or four jobs in order to live and kind of meet some of those costs that Zach put up there.

So we need to think about jobs near housing and transportation, not just people still going two hours, but maybe it's in a slightly better mode, right? And so those all sort of are very integrated into -- into the high level on the Executive Order, and I think really critical certainly to the Governor and the administration.

CTC VICE CHAIR VAN KONYENBURG: Okay. We're going to move to another question. I just want a point of clarification for two things that came up. When the guidelines for all the different discretionary programs are developed at the Commission, currently staffs are working together from CARB, HCD, and the CTC. So we are working together on making sure we develop those guidelines and coordination.
I'm going to go to Commissioner Norton, probably cursing the camera man who has to back over --

(Laughter.)

CTC VICE CHAIR VAN KONYNENBURG: -- but we'll do a couple on this side and then we'll come back.

CTC COMMISSIONER NORTON: Well, thank you very much. I'm so excited about the Executive Order and Secretary Kim yesterday was talking about it as well, because really this is such a great expression of the Governor's vision. And I think your point about going from ambition to action and with policy alignment is very, very exciting.

What I wanted to know is how we support you from the private sector with the opportunity to align this with economic growth? And I think that's all underlying every part of this vision, but I think -- and plan. But how can we bring the private sector in that are so excited about this, as not just housing and opportunity, but when you talk about high-road jobs, especially preventing the brain drain of all of our students that are graduating from world class institutions in California and can't afford to live in the state. It just seems to me like there's an opportunity to align this as well with the economy, and how can we go out around the state to talk about what this means in terms of a new economic moment and the economic
And then I wanted to ask a little bit about in the RHNA numbers about how areas like the SCAG region with some new RHNA numbers are going to have some opportunities for alignment of benefits for adding new goals, and what that's going to mean for the opportunities to have new transportation, new housing, new job funds to support the new housing opportunity numbers as presented in the new RHNA numbers.

MS. GORDON: Thank you so much, Commissioner Norton. Great questions. Big questions. You know, I'll -- I can obviously say more and love to connect with you on this. But in terms of the big vision, I think these things -- I appreciate you saying that they are very integrated. And there's a couple places where this sort larger vision is playing out. I mean, I think the Governor, and the administration, and the Legislature understand that we are in a moment of transition in a number of ways.

CTC COMMISSIONER NORTON: Um-hmm.

MS. GORDON: Cities are growing differently than they did. The economy is changing, in terms of the types of industries that -- the place-based nature of those industries. There is an overlay not just from our own very ambitious climate goals and agenda, but the world is
adopting climate goals and agendas that are changing markets throughout the world, and are changing pricing, and changing, you know, availability of certain technologies.

And we're seeing changes in the transportation sector that are sort of a revolution, right? Dan Sperling is not here, but I'll quote him and say, "It's a revolution".

(Laughter.)

MS. GORDON: And all those things are leading to a different sort of way of planning. And so I think the Administration is trying to think that through in a number of ways, some of which have very specific private sector engagement - the Future of Work Commission is a place that I would point to and get involved with - where that conversation is playing out at a pretty high level, both in the public and private sector.

In the implementation of the Executive Order, particularly around the investment side, we are pulling together a number of sort of more informal advisors from the investment and bond communities, because they are actually watching these impacts. And we are seeing our own bond ratings change as a result of some of these climate impacts and we need to get ahead of that. So we're trying to pull in that perspective, because that's...
ultimately the world in which we're planning.

And I just want to say, at the end of that, that I -- what I just said sounds very threatening and scary, but actually there's all kinds of opportunities when it comes to transition. Transition opens up massive opportunities for planning, for technology, for jobs, for a new way of building and developing that are actually quite exciting. And so I think there is a moment to kind of think through that opportunity side as well, and what that means for California for our industries. We're kind of world leaders on some of these transportation industry technologies. And we are -- we can be world leaders on some of these planning technologies too.

CTC COMMISSIONER NORTON: That's great.

And I also wanted to thank you on the ADU side. My kids can't wait to move me into the garage.

(Laughter.)

CTC COMMISSIONER NORTON: And so this is -- this is a very exciting moment, because I do think it's about family stability, as well as keeping neighborhoods growing in --

MS. GORDON: My kids are teenagers, so they want to move into the garage.

(Laughter.)

MR. OLMSTEAD: Real quick. I'll try to be --
I'll try to be succinct.

I think on the first piece, one thing that whenever I am able to, in my capacity, is whenever we are making investments around infrastructure or that lead to significant job growth, I often -- I think historically we've often seen housing as part of the phase two of that. Oh, we're going to bring all these folks in and then we'll build the housing.

Well, I've been saying quite a bit you have to have that be part of your phase one. You can't be, all of a sudden, saying we're going to create all these jobs in this area and then do nothing about your housing needs or else all you're doing is exacerbating our transport -- our bad transportation patterns, right?

CTC COMMISSIONER NORTON: That's right.

MR. OLMSTEAD: And so I think that's the important thing that I would love people to carry forward on this is housing needs to be an integrated part of that phase one, when we're doing those investments that lead to significant job growth.

The other piece, which is a quite complicated question, but I think the important thing that we will look at, our role at the State, is looking at the region's methodology for how they look at their dispersement of housing need and jobs needs to be a significant component
of that. It needs to by State law. But we will be
obviously looking significantly at that aspect of it when
we see those methodologies.

CTC COMMISSIONER NORTON: Thank you. Very
exciting.

CTC VICE CHAIR VAN KONYENBURG: Commissioner
Dunn.

CTC COMMISSIONER DUNN: Thank you, both, for your
presentations. Thank you very much.

Zach, if you could -- what I love about our
Governor is he's given us moonshot goals, right? We've
got 3.5 million homes we've got to figure out how to
build. We've got major electric vehicles, zero-emission
vehicles, we have to achieve. We have greenhouse gas
reductions. And I love when CARB presents the first slide
that they present shows us where we are on -- in the
track, right?

I would -- I would ask that we always, in
housing, remind folks what the baseline is. We need about
200,000 housing units a year just to meet current
population and jobs growth. And in 2018, we built
114,000. We haven't even started to address the 3.5,
which is what about 500,000 a year, 400,000 a year that
the Governor wants us to address. We haven't even started
on that.
2019, good news, we're already out about 120,000 units, so we're making some progress, but not even at the overage. And it's all about supply in housing, supply, choices, and affordability. And so I link arms with CARB and say we're going to be right there together when we increase our housing supply choices and affordability, and then we can, as well at the same time, reduce our greenhouse gas emissions, because we know it's going to be built in the right places, both edge development and building up in the right places within our cities.

So I would ask you to always give us the beginning, those benchmarks, so we know where we are today. And don't be afraid, we're not even -- we haven't even touched the Governor's goal yet, but the goal -- the good news is at least we're ticking up in 2019.

And so for all of the meetings and all of the policies, if we don't connect it to actually physical improvements and trajectory toward our goal, it's just talk, right? It's just talk.

So that would be my challenge to you. Thank you very much.

MR. OLMSTEAD: Yeah, absolutely. You've given us a good thing to bring to when we're --

CTC COMMISSIONER DUNN: Please. Please.

MR. OLMSTEAD: -- official members beginning next
CTC COMMISSIONER DUNN: Always start with the numbers.

MR. OLMSTEAD: And those numbers that you referenced -- my apologies, you know, short time -- short mandate in terms of what to talk about -- you know, began when we did our statewide housing assessment --

CTC COMMISSIONER DUNN: Of course.

MR. OLMSTEAD: -- a couple years ago.

CTC COMMISSIONER DUNN: Of course.

MR. OLMSTEAD: And so we certainly are just like you tracking on those numbers.

CTC COMMISSIONER DUNN: Great.

MR. OLMSTEAD: And so happy to, if it works, you know, try to -- try to bring those certainly to our working group meetings, but if it makes sense to do it at these meetings.

CTC COMMISSIONER DUNN: That would be great.

And then the other thing, Kate, I just am so fascinated by your discussion on CalPERS investment in California. It's been one of those most interesting things for me as a life-long learner to learn about CalPERS not -- it's just not connected to my day job. But most folks don't realize they're the second largest investment house in the nation, second only to the federal
government, and yet 90 percent of our government workers' money is invested outside the state of California in other states, and other countries, and other businesses that don't have our greenhouse gas reduction rules.

Sort of leading me to think that we're not a good investment here. And don't get me wrong, I don't think we should mandate. I think we should get good returns on investments for our government workers' pensions, so that they -- I mean, they're struggling enough, right?

But I love that you're talking about CalPERS. And I've actually even mentioned this to Fiona Ma as well, how can we make the state, with all our great goals, a better investment for our own workers that are here? And if you could look at that in your planning. When you said that I went, oh, I am so with you, girlfriend, whatever I can do --

(Laughter.)

CTC COMMISSIONER DUNN: -- to help you on that one.

MS. GORDON: That's fantastic.

CTC COMMISSIONER DUNN: Because I would love them to invest more so that we can really showcase we're not doing leakage to other states, right? We're not sending all these young people we're educating in California to other states. We're actually keeping our young people
here and keeping our investment here, because this is a great place, because our goals are outstanding, and the way our world should go.

Any thoughts on that one?

MS. GORDON: Just really briefly. I really appreciate the comment. And I think that one of the kind of good exciting things about this work is that because California has set up this framework of really ambitious policy goals that have driven the market here in the state frankly for a lot of interesting technology, both in terms of carbon mitigation, but -- so electric vehicles, renewable energy, efficiency, but also increasingly in resilience, we're starting to see -- have really interesting technologies in converting methane and CO2 into alternative plastics, into water recycling and reuse, like, all these interesting things.

We have a huge number of the world's patents actually on clean tech and resilient technologies. We have set a policy framework that gives the market a lot of consistency and certainty about where we're going, and -- by setting these moonshot goals. And we're starting to put this framework around resiliency as well.

So I -- what we're actually seeing from the private sector is that we are -- we're getting increasingly to be a good investment, because we've gotten
ahead of a lot of these issues.

CTC COMMISSIONER DUNN: Right. Right.

MS. GORDON: And I think one of the interesting places to watch, and it goes to some of the work we talked about on transportation infrastructure, is in this resilient space. One of the things Treasurer Ma has done a lot of work on is looking at the fact that bonds are actually being offered at lower rates to places that are investing proactively in resilience. The insurance industry is also a major investor and they're doing a lot of investment there as well. If we're investing in resilient systems, it lowers the insurer's rate of fire risk for instance.

CTC COMMISSIONER DUNN: Yeah.

MS. GORDON: So there's all kinds of connections being made there. I actually think we're going to trend toward those kinds of investments and that's what we're looking at.

CTC COMMISSIONER DUNN: Right. And so I'm -- my benchmark is get CalPERS to invest --

MS. GORDON: Yeah.

CTC COMMISSIONER DUNN: -- 12 percent in California.

MS. GORDON: That's a great point.

CTC COMMISSIONER DUNN: When it moves from that
10 percent, I'm kind of pushing like Zach --

MR. GORDON: Yep.

CTC COMMISSIONER DUNN: -- just give me the tail of the tape --

MS. GORDON: Yep.

CTC COMMISSIONER DUNN: -- and so I can -- I can see that we're on the right track.

MS. GORDON: That's a great point. Thank you so much for bringing it up.

CTC COMMISSIONER DUNN: Thank you. Thank you.

CTC VICE CHAIR VAN KONYNENBURG: Commissioner Burke and then we'll come back over here.

CTC COMMISSIONER BURKE: First, Zach, in full disclosure, I'm also on the Board of Century Housing.

But I am so delighted to see that 375 is going to be part of this whole approach and concept, because hard fought. I was on SCAG board when the fight was going on, because no one wanted to accept the idea that transportation and housing had to be coordinated, because they were so concerned who would get on some of those trains and buses, and where they would go, and end up, and also in terms of employment.

So I really want to commend you for using this coordinated approach of bringing housing/transportation together in terms of goals and achieving some of those
long sought-after goals.

My question is where will housing credits be in this whole plan?

MR. OLMSTEAD: When you say housing credits, what do you mean? Do you mean like credit -- where do you get credit for housing within meeting your RHNA numbers?

CTC COMMISSIONER BURKE: The use of housing credits in terms of the financing.

MR. OLMSTEAD: Tax -- like tax credits, affordable housing tax -- low-income housing tax credit?

CTC COMMISSIONER BURKE: As tax credits, right.

MR. OLMSTEAD: So obviously -- so just for everyone's benefit, the low-income housing tax credit is pretty much the foundation of each and every affordable housing development deal. We have significantly increased the State's share within some of the recent budget actions.

HCD sits on the Tax Credit Allocation Committee in the Treasurer's office. They're run through the Treasurer's office. And so we -- what we've been doing is trying to increase that resource knowing that they are the foundation. The other thing that we've been doing is -- gosh, apologies for getting into the minutia. There are two types of credits, both four percent and nine percent credits.
CTC COMMISSIONER BURKE: Correct.

MR. OLMSTEAD: Nine percents are more valuable and thus competitive. Four percent is usually paired with private activity bond debt and typically not competitive. Although, we're doing -- we've been doing so much in a good way that we may actually hit our ceiling at some point soon. But what we have done from our programmatic perspective is we have really incentivized developers, especially doing affordable housing, to pursue four percent credits. And we've done that by increasing our loan limits on our programs, because it can be -- if you can access them, access them faster, because -- with the State -- with the nine percent credits, there's two funding rounds per year, so you might be waiting to get your financing in place.

So, it's a public policy goal, right, to get the housing built faster and get it financed in a better way. And we have come in with essentially higher loan limits per unit on some of our affordable programs. That's one of the ways we've done that. And so we work really collaboratively with -- with the Treasurer's office that does the tax credits. We sit on that Board, the California Housing Finance Agency sits on that -- on that committee as voting members.

And so -- so we are able to have that lens when
those things come in about meeting our goals. And so the example I even gave around -- and this was more with the Debt Limit Allocation Committee also out of the Treasurer's office, was actually funding a big transportation project in the state. And what the presentation was like oh, yeah, and housing will come. After the jobs come, then we'll build the housing.

So my public comments were, well, actually, that's not acceptable to me. Like, you're actually exacerbate our climate challenges if that's what you're doing. You're exacerbating our housing challenges if that's what you're doing. So our representation on those boards, I think, is helping as is the Governor's certainly attention to the issue and making sure that when we make those investments through tax credits or through that -- through that bond activity that we're connected as best we can.

CTC COMMISSIONER BURKE: You see so little housing -- low-income housing --

MR. OLMSTEAD: Sure.

CTC COMMISSIONER BURKE: -- or moderate income housing that is developed unless they have access to credits.

MR. OLMSTEAD: Right. And we have increased it significantly. This year was a $500 million increase to
the State credit for example. And so we hope that that
will be something that we can continue.

CTC COMMISSIONER BURKE: Thank you.

CTC VICE CHAIR VAN KONYENBURG: All right.

Board Member Mitchell.

ARB BOARD MEMBER MITCHELL: Thank you. I have
just a couple of issues. One is that all over the state,
and even in other parts of the nation, we're seeing
disastrous homelessness. And this probably doesn't really
fall right into the bailiwick of HCD, but it does fall
into the laps of local government.

And one of the things that I think HCD might be
looking at is that what kind of housing is needed for
homeless people. And we know that substantial percentages
of them are either addicted or mentally ill. And are we
looking at types of housing that would serve those
interests? And that could be in the technical help that
you give to local government when we consider new housing
units.

MR. OLMSTEAD: Yeah. So we actually have a
number of programs that we target towards homelessness at
the State level. The No Place Like Home Program passed by
voters just a year ago is a couple billion dollars over
time. So we've been putting out in $400 million
installments down to counties and developers to build
permanent supportive housing for people who are both homeless and have experienced mental illness. We have a supportive housing component within our multi-family housing program. We have a specific program also approved by voters several years ago that deals with homeless veterans.

And so all told, on an annual basis, we're probably putting out over a billion -- maybe close to a billion dollars around actual production of new housing, permanent supportive housing. So that's affordable housing, just like you and I. You have a lease, but you're building in the services within it.

And then on the actual engagement at the local government level, each and every local government is required to cite not only for that affordability in serving all the special needs populations, including those people who are homeless, but they also have to cite for emergency shelters. So that's not permanent housing, but they are required by State law to cite for emergency shelters.

And that is often -- or it has been for many communities a sticking point in getting to compliance and their lack of desire to do that. But now that compliance has a little bit more consequence, it's helped, I think, some of those recalcitrant cities that didn't want to do
that, get into compliance on that piece.

ARB BOARD MEMBER MITCHELL: And then I have another question for Kate Gordon. I think the idea of leveraging our $7 billion in investments to address climate change is a good one. But also speaking for a number of local governments, and PERS in general, a lot of governments have unfunded liabilities because of PERS investments. They haven't realized the return on investment that was expected.

And so I'm just going to ask you what is the government going to do so that they don't sacrifice return on investment for a gain in climate investment leveraging.

MS. GORDON: Yeah, that's a great question. And I think it goes back to kind of this fundamental tenet of sort of the entire Executive Order which is that none of it supersedes existing sort of law, and rules, and regulations. There is no -- we can't go to PERS and STRS -- I mean, we can't direct them anyway, but this is a collaborative effort. We can't go to PERS and STRS and say, you know, we would like you to direct your investments these ways and throw, you know, returns out the window. They cannot do that, given their responsibility to the investors. They shouldn't do that, given fiscal responsibility.

I think what's important is that we are seeing a
change in how the rest of the market is valuing these types of investments. And so, in fact, if CalPERS and CalSTRS don't take the changing conditions both in terms of physical climate -- there's sort of the -- if they don't do a risk analysis in terms of physical climate risk, and also what they call transition risk, which is risk of like stranded assets from changes in policy or risk from technology changes -- you know, you put all your money in the combustion engine bucket and don't think about electric vehicles as an example.

A classic example is coal investments, which were disrupted pretty dramatically in the last 10 to 15 years. If you don't pay attention to those things, you're actually not taking account material risks, and so you're doing a disservice to your investors.

So what we're really saying is let's look at best practice, in terms of investments, strategy, and where the market is going and where our -- we are -- what we're -- where we're being pushed by our sort of bond holders and where we're being pushed by insurers and see where we should be going, given that reality.

So it really is a pretty hardheaded fiscal analysis. But again, one that really takes our climate goals into account, and where the market is going into account. So I just wanted to reassure you no one is
saying throw out the return on investment theory. This is one of those fundamental tenets that is there, but we are saying, you know, increasingly where the market is going and where investors are going is having to take these things into account as material risks. So this is where -- where we're going.

ARB BOARD MEMBER MITCHELL: Thank you.

CTC VICE CHAIR VAN KONYENBURG: Commissioner Guardino.

CTC COMMISSIONER GUARDINO: Thank you, Vice Chair. Kate and Zachary, thanks for joining us today and thanks for all that you professionally do to strengthen our state.

Kate, I'm going to take you back to the first comment that I think you made that we need to strengthen ambition to action. Could not agree more. I often hear from my team at the Silicon Valley Leadership Group how much they value working with you, not only because you respond so quickly, but that you proactively reach out as well.

And we -- my day job, we represent primarily the innovation economy that's driving California, but who we don't represent are the folks who build homes that our families and our workers need to be successful.

I assume both of you do the same type of reactive
responsiveness and proactive outreach to home builders, as we look at these joined issues around transportation, housing, air quality, as you do, Kate, with the innovation economy. Are you at liberty to share at all how you do that, how the success is? Because what we often hear -- and again we don't represent home builders, so -- but what we often hear is, yes, the city will zone as if they are meeting RHNA goals, but then they will put so many fees and regulations around what they've zoned, that from a practical standpoint, you just can't stay in business by acting in those jurisdictions, or again as we hear from many people in the equity and justice community, that the lawsuits against more affordable homes near transit, using a great law like CEQA, are primarily around transit-oriented development.

So how is that outreach going to the folks that actually are in the business of building either affordable or market rate homes so that we can meet any of these collective goals.

MR. OLMSTEAD: So one of the nice things that has happened the last couple of years that I didn't get the opportunity to talk about was in 2017 in the housing package, there was -- one of the components of that gave us increased essentially enforcement authority at HCD.

For many, many years, an advocates would always
say it, the housing element would have no teeth, right? You know, you had to plan for this and developers experienced that. And there was very little that could be done. Third-party lawsuits certainly could occur, but that's of great expense at the local level.

But with the passage of Senate Bill 72, we now can refer cases to the Attorney General. Obviously, you know, you probably saw earlier in the year Huntington Beach was sued. And so that has helped significantly get us to better outcomes to your point, Carl. Now, that folks know that we have a story, we now have a growing unit of folks that we can do investigations and hopefully get to better outcome, before it even gets to some of the things you've identified, in terms of providing that technical assistance or that notification to the city, that, hey, what you're doing may be putting you in violation of the State Housing Accountability Act. And, by the way, if you're doing that, then, you know, you may be liable to a lawsuit from the State.

So that's one kind of on the enforcement side. And we do hear now quite a bit from developers directly who are now very pleased that we are -- can be an ally in helping the good planning occur.

The other piece is in housing element, you have to identify constraints to housing. And things like very
high fees or some of the things you identified would be constraints. And now that it is -- that housing element compliance is tied to our enforcement authority, we can get a little more -- bit more aggressive in -- if those constraints are not being addressed.

MS. GORDON: And just quickly on that, thanks for the question, Carl. One of the things I love about my job actually is that doing -- being at OPR, and the Strategic Growth Council, and the Governor's advisor on climate change, I basically get to talk to everybody about everything all the time, because everything is impacted by those things.

(Laughter.)

MS. GORDON: So I get to spend a lot of time across many communities. And a big part of what I am doing besides being very responsive - and it's nice to hear people think that I try - is that I'm spending a lot of time actually talking to home builders and developers about these very specific questions of where are the barriers that you're actually experiencing on the ground and how do they differ in different regions.

And we're doing a lot of discussion about how do we actually address those as an administration and really get at them instead of sort of -- there's a lot of talking points about what the barriers are, and some of them are
true and some aren't, and trying to really get down to the project level and see what people's experience are. We also have a -- I have a good relationship with the building trades, so I spend a lot of time there, as well.

And then one of the, I think, most exciting things that we're doing in this administration, you may remember the Governor, in the State of the State, made a really strong point about focusing not just on the coasts and the big cities of the state, but really this idea that all regions rise together in the State, and that every part of the state is interconnected and interlinked.

And so the Regions Rise Project, what that's become, is a project Lenny Mendonca from GO-Biz and I run. And we have, as part of that project, done listening sessions, full day, and usually more than a day listening sessions across California. In the last six weeks, San Bernardino and Merced, I just came from Redding this week, Bakersfield, Riverside.

I mean, we've been sort of a lot of places. Fresno. And in all of those conversations, I'll tell you what's great about them is that at the regional level, we have a lot of this discussion. There are always developers in the room and there are always folks from Caltrans, district directors -- districts in the room, and there are always people from the community foundations,
and the EJ community, and the equity community in the room. And so it's a place where that conversation is coming together, which is incredibly interesting, and has actually contributed a lot to our thinking, in general, around some of these.

MR. OLMSTEAD: And if I may interject one more thing. We're only less than two years into some of the new laws that were passed beginning a couple years ago that do give a lot of more leverage to developers in some cases.

But what we are hearing quite a bit from them is an unwillingness sometimes to hold local governments to those laws, because like we have to continue to work with them, for example. Like, we don't want to damage our relationship. And so I think over time as this whole suite of things that are essentially progressing cities more by-right approval - Senate Bill 35 is one example - you include a piece of affordability in your project and you meet the criteria around -- around the environmental standards and other things. Then it's a -- it's a non-discretionary approval for example. But we're still seeing that, of course, litigated a little bit on a case-by-case basis.

But as -- our hope is as that and the suite of other things that have been passed over the last couple
years become more second nature, and worked through, and
accepted more holistically that we'll see some of that
hesitancy by developers in terms of, you know, pushing
that button of utilizing some of those authorities become
more -- you know, become easier to do, right, and not be
as worried about what they might perceive as future
punitive action in order to allow themselves to use those
State laws.

So I think it is -- it does take some time
unfortunately for those things to become more second
nature and part and parcel to the development process.

CTC COMMISSIONER GUARDINO: Thank you.

CTC VICE CHAIR VAN KONYENBURG: Commissioner
Butler and then Commissioner Alvarado.

CTC COMMISSIONER BUTLER: So thank you so much
again for coming and sharing with all of us. Really
appreciate it. I, too, am a fan of the Executive Order
and the promise of what it's going to bring. And I think
we're just in such a different place where we are trying
to have these conversations and break out of those silos,
and where we're having more people talk about and having
more people realize that this isn't just a transportation
problem or just, you know, a climate problem or an air
problem, that all of these issues are interconnected.

And especially for those of us who come at this
work from this frame of mobility knowing how important
that being mobile and being able to get where you want to
go is also tied to economic mobility, and also tied to
having a life that is full, and that allows you to spend
time with your family, and is healthy.

And so I really -- I like the direction. I like
the narrative that it's going. And I think what's a
struggle for me, and what I'm really struggling with is
even in this conversation, like it seems really great, but
it also seems really highbrow. And it seems like part of
what's happening is it's not necessarily resonating with
everyone.

And so, Kate, I so appreciate you talking about
the fact for there to actually need to be action, and for
us to actually see the fruits of our labors, and having a
great vision, how do we make that vision a reality?

And I think my only other thought, the thing that
has stuck out to me the most, my colleague in our first
comment, Member Balmes said, you know, there are so many
issues that get buried. And we talked about equity. And
I think that's true. I think -- I think these -- I think
these things often get buried. And so I think my ask to
you, Zach, is that when we start having these
conversations, it can't just say, like, well, when I have
a longer conversation, then that's when equity comes up,
and that's when we talk about things like preservation, and that's when we -- like those have to be key. Those have to be, you know, on the early slides. Those have to be coming up in all of our conversations, because I do think they get buried.

I also think that's not true. I don't think they get buried. I don't think they get buried by low-income people and people of color. And so it's not a surprise to us that there is a lot of traffic as people are getting pushed further out and have to drive further to their jobs, because that's the life we live all the time.

What's actually happening is now we're in a state where as the disparities continue to grow, people who don't look like me are starting to be impacted by some of these problems and now they want everybody to care. And that's how it feels to low-income people of color. And whether or not that's true, that's how it feels.

And so I think my question, because I know I'm just talking. I'm not asking a questions. But my question is how do we -- I don't think that it's just that density is a bad word, which I totally agree with Zach. I think we have to figure out how to just be honest and confront the narrative.

I think it's also about like we don't like to talk about racism. And we don't like to talk about these
hard issues, and like we've -- we've all talked around race in our comments, but like that's a lot of -- you know, we don't like to talk about what, you know, people who have things what it means to be surrounded by people who don't, and that are poor, and that look different than them.

And so how are we investing our resources not just in these visions, but in the actual technical support, when there isn't that will for folks to do it. And they will -- there will be many reasons they say there's not the will, they don't want to push back on, you know, cities. It's more expensive. It's harder.

But like also, let's be honest, like our country is based on racism. And there are just some things that like we don't like certain people and we don't want to be by certain people. And so how do we provide financial resources to help people tackle these issues? Because too often, we all get excited, and I think we live in a great State where I firmly believe in my heart that people want to do the right thing and they care and they just don't know how, in many cases.

And so how do we help those folks who want to do equity or do justice, how do we help them realize that you can't just do it if you don't even know how to do it, and provide, you know, not just the mechanisms where we can
enforce, or not just the mechanisms where we can start to
look at funding differently, but actually the mechanisms
to help people understand how to do it differently, and to
make it easy for the community-based organizations, the
community members who know how to do it, but aren't viewed
as experts, how do we allow them to also be part of the
system of helping us make that change?

And, sorry, I know that's a big question.

MS. GORDON: Yeah, that's not a little issue

there --

CTC COMMISSIONER BUTLER: But I've been sitting
here for a little while so, you know --

MS. GORDON: -- Commissioner Butler.

No, that's a obviously critically important
question. And there's no way that I can answer it fully,
except to say a couple of things, because you asked for
sort of how do we operationalize this is sort of how I'm
hearing you.

And one thing I think is really important, and
you're absolutely right about, is that the patterns that
we're seeing in the state in terms of affordability, and
driving, and peoples commutes are affecting people really
differently than they used to. And it's both affecting
more people. And so I think you're right that we're
getting more attention.
It's interesting. It's like the fires have always been in really rural areas. And then suddenly the air quality got bad in the cities and everyone paid attention. I mean, we do see that dynamic a lot, similarly with commute patterns.

Also though, you know, I think it's forcing an interesting conversation about some of the theses you talked, about race in particular, that isn't an urban/rural split as much as it has been in the past, that we're having an actual sort of much larger geographic conversation about these impacts. And I think that's good actually.

So getting beyond sort of how do we designate this community as this thing, and how do we think about, you know, urban poverty in this way, and really saying, look, what does this actually look like? Let's go back to the numbers and see what's actually happening here in this state. And that is having a much larger and more distributed impact. And I think the big challenge that we have, and that's why the anti-displacement policies have been one of the metrics that's been central, and one of the operationalizing things that's been central to the housing conversation is how do we not just have a whole planning conversation that then exacerbates all the same things we've exacerbated in the past? How do we actually
kind of build it in from the beginning?

Anti-displacement polices are a piece of that.
The Governor -- I would say the Governor's High Road Economic Development strategy that was in the budget is a piece of that, in that what it -- what it recognizes - and this is more on the climate side, but it also goes to transportation - most of the dollars that we spend on our climate policies in the state, the types of jobs they create are construction jobs. And that policy creates a high road construction career ladder that actually includes a pre-apprenticeship program and is very intentionally about having a more diverse construction workforce, and having the pre-apprenticeship piece of that, and paying people to get trained instead of asking people to get trained on their own dime, right?

So that's a big program that's now got a huge infusion of money in the budget and is very looking across regions. And particularly, we found our construction workforce is also moving out of the cities, right, because they also can't afford to live in cities. And so that is a big piece of it is sort of how do we think about the impact on actual workers, and how do we think about getting people into that workforce, which is a pretty good workforce -- high road workforce, and again, how do we think about getting jobs to the places people actually
live, instead of asking everybody to move around for hours and hours at a time.

The last thing I'll say is that I'm really proud that the Strategic Growth Council, which includes the Department of Transportation and many other departments, has actually proactively adopted a strategy to look specifically at race across all of our programs. And it's -- it's called GARE, the under -- which I can never remember that it stands for, so you probably know. You can tell us. I can never remember.

MR. OLMSTEAD: Governor's Alliance for Race and Equity.

MS. GORDON: Thank you. Thank you.

So GARE is run out of the Health in All Policies Program at the State. And it's a pro -- it really is sort of -- essentially puts this front and center and says you've got to think about these issues. Like, you have to talk about them. You have to think about them. We have to think about how to operationalize them across our agencies. And that can't just be through how we do HR, which is the usual way in, but through actual policy implementation and policy impact.

So all I can say is that there's a lot of -- we're thinking through this and struggling with it and would really, really appreciate ideas about how to get
from theory to operation in this phase. We -- unlike with
say carbon emissions or road project dollars, we don't
have a lot of metrics in the equity space. And so we're
working with the ones we have, which are the
CalEnviroScreen honestly and the anti-displacement
policies. But we need more and we need to think it
through more strategically.

MR. OLMSTEAD: So I really am glad you brought this
up, because when I do do longer presentations, sometimes I
lead with what our strategic planning is at HCD. And one
the four tenets of our policy objectives it's increasing
supply at all levels, it's climate change, it's
homelessness, and fourth one we call increasing access to
opportunity. And it does stem from some of our work that
we've done at the Department with our GARE work.

But what that means is we have begun to embed in
all of our programs and in the guidelines, the
investments -- at least a rewarding -- rewarding
investments that come in high resource communities,
meaning since we're funding affordable housing, that we
are trying to integrate that -- those -- that new housing
in places that are near resources, right?

And without getting into the weeds, we have
collaborated with lot of our academic institutions, and,
to the early point about tax credits, begun to work with
the Treasurer's office in actually mapping where those high resource communities are, so we can track where the investments are happening, so that when we are awarding tax credits, when we are scoring our applications, you are rewarded if you are doing investment there. So we're not just only building affordable housing in some areas, and we're actually going the other way and saying we want them built in high resource areas.

And so that's how we've taken the actual GARE principles, which certainly we do all the internal stuff as well, but we've tried to make them into action within our programmatic investments, and highlight them, not only for our stakeholders that are accessing the programs, but we've done a number of internal trainings for our staff around what does -- you know, we found -- it was hard, as we went with the Treasurer's office around these increased access to opportunity maps what the means, right?

So it allows us to get into the research that shows, from an equity standpoint, how people's lives are improved when they live in certain zip codes, those sorts of things, right?

And we still have work to do certainly, but it has been helpful to even educate our own staff of what that -- how important embedding those policies are, not even just in our internal practices as a department, but
actually walking the walk and putting it into our programs, right?

And I will say, it doesn't always get universally agreed with by our stakeholders. But we have held the line and included those in our programmatic updates because we think it's a very important policy objective.

CTC COMMISSIONER BUTLER: Thank you.

ARB CHAIR NICHOLS: Commissioner Alvarado.

CTC COMMISSIONER ALVARADO: Thank you, Mr. Chair.

And thank you for coming today and not only giving an excellent report but generating quite a conversation around the tables here.

This must be socialist corner right here --

(Laughter.)

CTC COMMISSIONER ALVARADO: -- and I'm going to jump right in the middle of it.

(Laughter.)

CTC COMMISSIONER ALVARADO: You know, there's not -- I'm not only a builder, but I'm an investor. And, you know, inner-city high-density development or any high-density developed around a transit hub is the most expensive front door you could build. And so when you look at, you know, the for-profit developer side -- like I say, not only am I a builder, I'm am investor. I run a pension fund. We come in with a prospectus with an 18 to
28 internal rate of return. So, you know, it's risky. It's expensive. Long-time approval process.

And then on the other side, because we're a pension plan, we made a decision to do some social investing. So we will give up a point or two in that internal rate of return and work with the nonprofit side.

And when you look at those two dynamics, they are both competing for the same land. They're both competing for the same workers. They're both competing for -- through the same approval process. I think the government needs to make a real hard decision and maybe give a leg up for three, or four, or five years on the nonprofit side. Because even if you build -- you get a development through -- the affordability component is maybe 11 to 13 percent. And when you factor in all those other, you know, make it pencil out, return to your investors and make a profit, now, you're talking about, even an affordable unit, that a trades person can't afford, like you had mentioned.

So we need to really look at serious government investment in housing. And, you know, I'm -- they don't like to call them projects, but they're communities. I'm a product of the projects. It's not -- it's not a hurdle that you can't -- I mean, it's not a label that you can't -- that's derogatory. But we need to make serious
government investment in housing to make sure that everybody can have a roof over their head.

And if you look at -- at when we talked about PERS, there's a different -- there's a different mindset. They have a different set of problems. They have a different set of investment guidelines. But there is a place and we were -- it was called a social investment. And the different conferences that we go to try to portrait it as illegal, because you're -- you're not getting the best investment for your participants.

But it comes with -- with -- it come with strings obviously. You know, you have to use apprentices. You have to use community workers, all of that that goes with developing a community. And a lot of kids that come in through pre-apprenticeship programs that work on these projects, you know, they got a job on these projects, then the qualify to live in these -- on these projects.

So it's going to take a different mindset. You know, you cannot continue to push for an 18 to 28 percent internal rate of return and expect to make any difference, because then you end up with a situation like the good doctor mentioned, where you're displacing people, and you're going to drive to where you qualify.

So, you know, the second part of that is you need to make it affordable. It's going to take some steps.
Nothing is going to happen overnight. But in the meantime, we need to rethink the way that we do public transit.

Public transit doesn't work. It's -- you know, you can put a train from Sacramento to San Francisco. That doesn't help the plumber. It doesn't help the carpenter. It doesn't help the hotel worker. It doesn't help the people who really need to get that commute shortened. You need to make -- you need to make it -- you need to make public transit work. And we need to figure out a way to -- I live in Pinole. In Contra Costa County we have three, four different transit agencies?

ARB BOARD MEMBER GIOIA: Even more.

CTC COMMISSIONER ALVARADO: Even more.

Why do we have that?

I mean, there's -- right outside my front door on the side of my driveway, there's a bus stop. A block away from my office in Oakland, there's another bus stop. That's a three and a half hour commute. Nobody is going to do it not for 37 miles, which is what my front door to my offers door is. Three and a half hours for 37 miles is a failure of the public transit system.

So whether it's -- whether it's -- you know, one of the -- one of the segments of public transportation that works is the on-demand, you know, the ride share. We
have that at WestCat, that little ride share for senior
citizens to get to the market and their appointments.
Maybe that should become more of a portion of our public
transportation system.

But we've got to somehow think that -- come up
with a mindset that says, okay, it's going to come in
steps, and not everybody is going to go at the same pace,
so maybe we need to put housing first. In the meantime,
we still need to put capacity on our roads, because we do
have a commute problem. And until we can start shifting
that population back to where the job centers are, you
know, that's what's going to have to happen, and take it
from there.

I mean, it's a -- it's not an easy problem to
solve. I admire you guys for putting the work into this.
But I think until we solve the housing problem, nothing
else -- we can do anything we want and it's going to be
very difficult, because, like the good doctor said, those
folks that travel the longest don't really have the most
efficient cleanest modes of transportation. And it's --
we should be able to provide at least a portion of it in a
safe, economical, and timely manner.

Thank you.

CTC VICE CHAIR VAN KONYENBURG: Chair Nichols.
ARB CHAIR NICHOLS: Thank you. Yes.
Are there more questions here.

CTC COMMISSIONER KEHOE: Do you mind if I make a --

CTC VICE CHAIR VAN KONYENBURG: Sorry.

ARB CHAIR NICHOLS: Yes, please.

CTC VICE CHAIR VAN KONYENBURG: Sorry, Commissioner Kehoe.

CTC COMMISSIONER KEHOE: No problem.

CTC VICE CHAIR VAN KONYENBURG: I didn't see you.

CTC COMMISSIONER KEHOE: No problem. Thanks.

It has been a fascinating and complicated discussion on -- from the panelists and from the Board members and the Commission members. This -- what we're trying to do has so many tentacles, so many tentacles that it's -- it is, you know, I guess I want to say mind blowing, because it is.

So I just want to inject a little note of political practicality. Because when we talk about these forward-looking policies that we are -- some are already on the books and we're going to be doing more in the next few years, the implementation at the local level, at the city and county level, is necessarily -- or not necessarily, but it's fraught with, I think, some contention.
For the resident that sees a neighborhood improvement, another one may see gentrification. For the people who want to put in an accessory dwelling unit on their property, that's a great step forward for some or maybe it's an Airbnb rental that will be vacant most of the time.

And we don't even have basic numbers on things like that in San Diego. There's still some discussion about whether it's five or even ten thousand units that are off the market on, you know, a semi-permanent basis, because of short-term vacation rentals.

So there's a lot of different aspects of this. And I think we need to persuade Californians about what we perceive as the benefits, whether it's going to be better housing for the next generation or right now, whether it's home ownership or rental units, whether we're going to have more diverse communities, whether we are going to be able to get around without cars, or with much cleaner cars. We haven't really done a successful sales job. We need -- we need better marketing and I'm sure you know that.

We really need to, I think, look at some of the housing policies we're implementing right now with higher density development along transit corridors. We're actually pushing people out of existing homes that are
there. They may be older, less appealing rental units on little court yards one- and two-story apartment buildings, but people live there and they're being pushed out, and in some case, actually the next step is homelessness. So we're putting people in the homeless pipeline while we're attempting to take them out at the other end.

So I think we need to -- and I think you have the resources, Kate, when you look at OPR's purview, the agencies that you have that you can call on for advice are right there, but we really need to give more detailed thought to what the practical application is of these high level discussions. So I just want to put that on the table before we wrap-up.

MS. GORDON: Thank you. I appreciate that.

CTC COMMISSIONER KEHOE: Thank you.

CTC VICE CHAIR VAN KONYENBURG: Okay. Now, Chair Nichols

ARB CHAIR NICHOLS: Thank you. I think this is a question and a comment both. So what we're learning I think in part from trying to actually implement these policies is how difficult it is to keep everybody else's priorities in mind at the same time when you're carrying out what your own agency's primary mission is.

And so I guess one of the questions I would just ask of our colleague from HCD is whether you feel that you
are able to apply, or to utilize a climate lens, or a climate filter as you develop the policies that you're now working on, and whether there's additional tools that would be good to have, if you're -- you know, as you're trying to do this?

MR. OLMSTEAD: I mean, yes, I do. I'm not sure if you were in the room when I said, you know, climate is one of our four tenets of the things we were trying to achieve in terms of effectuating the State's climate goals.

And so many of our programs obviously seek to do that directly. When it comes to the planning aspects of things, you know, we want to push, and now have greater tools to do so within our authority, we want to push local communities to do better kind of planning and development that are climate centered.

In the past, before we -- you know, I mentioned there was this belief and probably truth that the housing element law didn't have very much teeth, because there wasn't much consequence. You know, they give us a site inventory and we kind of have to accept what it might be, right. There's a little bit more of an iterative process that we're now able to go through.

And so what we've been -- especially this past year, but it proceeds us. It's -- certainly, the Housing
and Transportation Working Group has been helpful. I think tools to our disposal, for example, I'll give a very -- very specific example, right? We may get a community that says, you know, we can't plan for any housing, because we don't have any access to water, or we can't do any sort of water improvements.

Well, you know, it's hard for our analysts who are not maybe well versed in that to -- to know if that's true or not, because definitely there's times when that's not true when that's said to us, you know, because it may just be a way a community doesn't want to have to accommodate housing needs.

So we have begun conversations, for example, with partners on our water -- on the waterside, so we can validate those questions when they come up. So I think we need more of that. I mean, that's just one example. But certainly, when you speak to tools, being able to have conduits that are at our partner agencies for when local governments are telling us things that we can validate, so we just don't accept what they're saying as a fact, oh, we have to plan for here because of X, Y, and Z. We can't plan here where you're telling us to plan, because of X, Y, and Z.

So as we have the tools in our disposal to push them towards those better planning outcomes, we can tap
into, for example, the expertise of our partners. And I think being a part of this group will certainly help that. It's already borne fruit with our collaborations at the working group levels.

But as they come up, I think that may be the request you may be asking, not only the folks that are around this room, but other State partners when we have specific cases at the local level where we need to or we may be doing investigation now with our new enforcement authority where something is being alleged to maybe receptivity to our asking our State partners for advice and getting it, yeah. Does that -- does that answer your question?

ARB CHAIR NICHOLS: Yes. Yes, I think so.

Perhaps, the underlying issue here, it was on my mind, was that when we were in Los Angeles for our meeting, we were addressed by an attorney on behalf of a group that is alleging that our entire scoping plan is a violation of civil rights and environmental justice policies, because we are in, their view, making it more difficult for people to achieve homeownership as a result of everything that we do basically.

And so it's kind of a direct attack on the policies and the premises behind the scoping plan. So I think we -- we're just looking for what the correct way to
respond to this is, because this is not our area of -- we think that we do a lot of the area of environmental justice and that we do not violate civil rights laws. So I'm not suggesting that we are in agreement with the lawsuit, but we are interested in making sure that we know how, in a proactive way, we can address those kinds of concerns.

So thank you.

MS. GORDON: Just really quickly on that. Thank you, Chair Nichols.

I think that the recognition that housing is a climate issue is daunting to a lot of folks. It has previously been -- as you know well, we've thought a lot about green buildings, and the individual building envelope, and how efficient is it, and does it have solar on it?

And we're now really starting to see this integration of -- and the -- of -- with the land-use issue as a really significant climate issue, not just in California, but around the world. So that recognition is slow to dawn in the environmental community, as well as in other communities. And that's work that you've done a lot on. And I think everyone is kind of -- is pushing for is partly educational.

But the other piece, and I would really point to
one of Zach's slides as really important, is housing is not affordable if the transportation costs make it unaffordable. So affordable housing is also -- has to integrate the idea of what the transportation costs are associated with that housing. It is not affordable to live two and a half hours away from a job that pays you the same amount as if you lived two minutes away from that job. It's a -- not a sustainable situation. And I think the more we all can incorporate that idea into the concept of affordability and access, the better.

ARB CHAIR NICHOLS: Thank you.

CTC VICE CHAIR VAN KONYENBURG: Okay. I did have questions, but we are really going over time.

MR. GORDON: We can be here all day.

CTC VICE CHAIR VAN KONYENBURG: I'm going to make two points and we can talk offline.

Director Gordon on your last slide, you had two points that I thought were very critical. Stakeholder engagement will be key throughout the process. And I would just say that there are two cultures in this state. There's the culture of laying out something and trying to push it down. And there's a culture of laying out a big goal and then it's going to the bottom and engaging and saying, okay, let's rise up to the conclusion to meet that big goal. So I would -- I would just really encourage --
the Transportation Commission has always followed the
latter and that's an important part of our culture.

The second thing is implementation will respect
legal boundaries and will not affect already committed
funds. Keep in mind that's -- there's an enormous
sensitivity to that --

MS. GORDON: I know.

CTC VICE CHAIR VAN KONYNENBURG: -- within our
culture as well. And sometimes people might say, well,
that's -- what you believe is not committed, it may be
perceived in our local partners as being a committed fund.

So those are the two things. I'd love to get
into them, if you're around. We can, but we have to move
on.

MS. GORDON: Great. Thank you for those points.

CTC VICE CHAIR VAN KONYNENBURG: Thank you very,
very much.

MS. GORDON: Thank you.

CTC VICE CHAIR VAN KONYNENBURG: Obviously, you
were very popular, so you really engaged the Commission
and the Board.

So I am going to do a Chair's prerogative. We
are running very long. If you must get up to go to the
restroom, no one will judge you for going to the restroom.

(Laughter.)
CTC VICE CHAIR VAN KONYENBURG: However, we are going to move right to the next panel.

So if I could have the next panel come up right now and set up, I would appreciate it, because I'm being told that I am not managing this meeting well --

(Laughter.)

CTC VICE CHAIR VAN KONYENBURG: -- and I felt like everyone is nervous that we're way over time.

So I need to -- we need to make up time.

CTC COMMISSIONER GUARDINO: Mr. Vice Chair, it depends on which time zone that we're in, so you could be right on time.

CTC VICE CHAIR VAN KONYENBURG: That's right. That's right. We're doing great for the Hawaiian time zone right now.

(Pause in proceedings.)

CTC VICE CHAIR VAN KONYENBURG: All right.

Thank you.

Our next panel is a very important panel. It's a discussion on the sustainable transportation planning and project implementation with the -- within the San Joaquin Valley.

Our moderator today will be Stanislaus County Supervisor for District 2 Vito Chiesa. Our panelists will be Kristine Cai.
Kristine?
You've got to wave bigger. Thank you. There you go.

Ahron Hakimi from Kern County, Terri King from Kings County, Trish Taylor from Madera County, Andy Chesley from San Joaquin County, Rosa Park from Stanislaus County, and Pastor Ted from Tulare County.

(Laughter.)

CTC VICE CHAIR VAN KONYENBURG: All right. I will not turn it over to our moderator for this panel Vita Chiesa.

MR. CHIESA: You disappeared like the two boards. Well, thank you very much, Paul. It is great that you have chosen the CTC and the Air Board to come to Modesto, so I welcome you. I know you've been welcomed many times today. But thank you very much for coming down here. We will try and keep this short to get you back on time.

It is always a pleasure to see Supervisor Serna and Supervisor Gioia. I know he's around. We've been in many battles together through CSAC, and our very own John Eisenhut, Member Eisenhut from Turlock.

So quickly, you introduced everyone. We're going to get right into the questions. And I'll kind of try and prompt each one of the speakers, if I could, and if you
keep your answers pretty concise. I know that time is of the essence.

The first question I wanted to ask -- or I wanted to talk about is the valley is working on some interesting concepts utilizing climate funds. Tell us about some current innovations that support the use of electric vehicles?

I'm going to start with Kern County representative Ahron Hakimi.

MR. HAKIMI: Thank you, Vito. Good afternoon, everyone. Thank you for inviting us to speak here.

So the eight valley COGs got together about six years ago and invested about half a million dollars in grant funds in studying Interstate 5 and Interstate 99. One of the things that came out of that study was the need to look into much further the ability to move freight in the Central Valley emissions free.

So we are about to start with an investment of about $200,000 from all the counties together, mostly from Kings County - Thank you, Terri - in partnership with the Air Resources Board, the San Joaquin Valley Air Pollution Control District, and hopefully Caltrans also will be participating in this study.

What we're specifically going to study is the viability of heavy trucks traveling the roughly 225 miles
from the base of the grapevine on the Kern County side all
the way up to the 580 turnoff. That's about 225 miles.
We're going to study the ability to do that emissions
free, with either electric vehicles, hydrogen-powered
vehicles, or the shuttling of vehicles. So imagine a
vehicle that could come from the Port of Long Beach drop
off a 40-foot container on the Kern County side. And that
trip could be done with zero emissions. And then have
that container travel another 225 miles up through the
Central Valley, one of the most polluted area in the
country, completely emission free and then be delivered on
its last leg in the Bay Area emissions free.

We believe that that is viable today, and this
study is going to explore the commercial viability of
that, not just with say delivering potato chips. As you
may have read about, Frito-Lay is heavily investing in
zero-emission vehicles. But we want to be able to do it
with full 80,000 pound loads. We look forward to a
successful partnership and thank you to the Air Resources
Board for being a partner and to the San Joaquin Valley
Air Pollution Control District. And I look forward to
Caltrans also partnering with us.

MR. CHIESA: That's great. Ted, maybe you can
talk a little bit about Miocar, your experience with
Miocar and how you see it playing out in the future, maybe
what the public perception is.

MR. SMALLEY: Well, Miocar, just you -- so we can be brief. There's a write-up in your pamphlet. It's a car sharing partnership that we've started. You can look. There were partnerships with ARB, a partnership with our air -- our own pollution control district, Kern County, and ourselves and UC Davis. And it just got started, but we already have a over 100 active members. We've had 300 reservations since coming to Tulare County. And this is an increase from the 82 active members and 50 reservations from just a month ago.

So we are very excited. Although, it's in the infancy, this is a new way to help folks out. Keep in mind we're rural. Some of the suggestions about, you know, car demand companies don't exactly work in other areas, but car sharing is a great opportunity for us to help people out, and we look forward to this continuing to be successful.

MR. CHIESA: That's good.

Terri, from Kinds County. CalVans, I think that's something that's important that -- that's primarily used as an agricultural -- for agricultural workers. But do you see that expanding? How has it worked in your county?

MS. KING: Well, actually it didn't start out as
a farm worker vanpool program. It started out with our local transit agency. We have some large employers within our country. Three state prisons alone in Kings County, as well as a Naval air station. So their employee were looking for transit. So we started a regular vanpool program.

And then those vans were used -- particularly for the prisons, they have like three shifts. So that -- vans are running 24 hours a day. So there's a lot of turnover in the vans. So those vans were turned over to start up a farm worker program, and that just expanded quite a bit.

And so with the help of the Air Resources grants, they are receiving for the farm worker vanpool program electric vehicles to expand that program. Currently, it operates -- it got so big. So in 2012, they established their own entity. So there are 18 counties that are members of this entity. And there's over 18 -- 800 vans in total overall.

And just within the San Joaquin Valley, there's 376, and just within little old Kings County there are 66 vans. That includes both the regular vanpool and the farm worker vanpool.

So in terms that the benefits that we're receiving from that, in fiscal year 18-19 last reported, there were about 11 million miles carrying three million
passengers. And then from the latest data we have regarding emission reductions from 16-17 shows a reduction of 52.5 metric tons of emission reductions as a result of CalVans use.

And so with the additional use expanding that will only increase the emission reductions. So just within San Joaquin valley alone, vanpools traveled seven million miles with over two million passengers. And in just little old Kings County, we had 1.3 million miles with about 400 passenger -- 400,000 passengers. So that was about 5.8 metric tons of emission reductions just within Kings County alone.

So we really heavily on those programs to meet our SB 375 goals and the State's goals for emission reductions within Kings County and the whole valley.

MR. CHIESA: Is it funded solely by the Air Board?

MS. KING: No. The regular vanpool program is funded by rider fares. They also receive vouchers for their employers and from the air districts. So it's quite an incentive to use a vanpool program. But they receive funds through the farm worker -- the farm that they go to work to. So being in the valley with the agriculture, there's quite a few vans running around, include going over to the central coast. So all the ag areas within the
State are operating CalVans.

MR. CHIESA: Perfect.

Mr. Smalley, tell us about one low carbon project in the valley transit project?

MR. SMALLEY: Sure. We, right now, have a shuttle service that gets our college students up to the four-year college in Fresno. It actually was built off of what we did eight years ago, which is to work with the community college in a partnership to where the students just show their ASB card anywhere in our county or our sister county, Kings County, and they get to ride any bus. They just show their card. And since then, we've had 2.4 million riders in our two counties having access to community college.

The City of Visalia had a vision of how do we now help our kids get to the four-year university. And that's where the LCTOP money came in. And it was a great use of the money. And now we have a shuttle that's been going on for three years that not only goes to the college, but also goes to the international airport up in Fresno. And our ridership is up to 3,000 students now. And so we're excited about the ability to continue to help kids, have access, and grow in education.

MR. CHIESA: Perfect.

Next question. We talk about the availability of
land, cheaper labor over in the San Joaquin Valley. We've -- it's spurred tremendous growth, especially in the distribution area. How are we accommodating this growth for goods movement and how are we going to mitigate all of the truck traffic, growth in VMTs, and such?

I'm going to start with Andy Chesley who probably is the most impacted here from San Joaquin County.

MR. CHESLEY: Sure. You know from the beginning back in the gold rush days, San Joaquin County at the northern part of the San Joaquin Valley has always been a logistics center, whether it be to -- for gold rush participants to add to the mountains, and it continues to be that way today.

I've mentioned here in front of both the Commission and in front of the Board that six years ago Amazon had no employees in San Joaquin County. Today, they're our largest employer. Distribution is making a big impact in San Joaquin County. Wayfair just opened up a $1.1 million warehouse facility, and are 700 construction in San Joaquin County. That will bring 70 trucks an hour are being deposited on the Highway 120 from Wayfair.

At the Port of Stockton, which is the fourth largest port in the State of California, and admittedly there's a bit of a difference between the Port of Oakland
and the Port of Stockton, in terms of tonnage. But we are doing several things with the help of the Commission and the delivery of Caltrans. We've been able to move trucks out of a social justice community, out of that and to have a big impact in betterment of that particular community.

We are moving more movement of goods onto rail with rail improvements on both the site as well as offsite from the Port of Stockton. And we have had an effort, which is not always -- has not been totally successful, which is to move truck traffic from off the Altamont Pass onto barges coming from the Port of Oakland to the Port of Stockton. The operating cost of that has been way too high and we have had to suspend that, but we are looking for ways to put that back into effect here hopefully in the near future.

MR. CHIESA: And I might also point out, UC Merced is not here because we didn't have enough chairs for Merced, so they're out in the hallway.

(Laughter.)

MR. CHIESA: But they're trying to do an inland port to take containers down to the Port of L.A. And I know it's been tried in Stanislaus to try and get a shortcut over to the Port of Oakland for container ships to take people off of the Altamont, so there's a lot of things happening.
Trisha, from Madera, can you please talk about the need to complete the SR911 widening through the San Joaquin Valley?

MS. TAYLOR: Good morning. Thank you for this opportunity. The San Joaquin -- the State Route 99 is the good movements workhorse of California. And I know I don't need to share that with all of you. You're all well aware of all the goods that are transported from the farm to market.

But it is of crucial importance that we ensure safe mobility and efficient mobility on the State highway, both local and regional travelers who share the facility with constant freight transportation. So we need to be aware of all the local travel as well as the freight movement on State Route 99.

The intent behind this State Prop 1B funds was to relieve the system of forecasted congestion and consequences that congestion brings, which is pollution, public health, travel times, the economy, and -- but today, we are experiencing gaps. And so the State Route 99 still needs to be completed. The gaps have created -- have created traffic congestion along the highway. And in Madera -- I can speak specific to Madera, and I know that we see this up and down the State Route 99, is that it's continuing to get worse.
And on an annual basis, the rate of collisions has been increasing. Travel times increased, leading to slowed and often stopped vehicles on the state highway. And all these factors continue to create worse emission outputs.

Additionally, we are more often to observe an influx of traffic off of State Route 99. I experienced this yesterday. I did it myself. We were going. We're leaving State Route 99 due to traffic congestion and going onto our local streets and roads, which is causing safety issues for our communities.

Having said that, we know of and we strive to find many solutions to address our ambitious goals in our urban and rural communities. And so we'll be working, and I know you've heard from my colleagues here that there are a lot of other alternatives that we are looking at to address getting either trucks off the roads or any kind of alternative modes of transportation.

State Route 99 is the transport artery capturing everything from local to national travel. And completing what is needed on State Route 99 is an important piece of that big picture that we are trying to address to meet all of our goals. And so the need to complete State Route 99 is of great importance to us, in order for us to also address some of the other needs along the state highway.
MR. CHIESA: Perfect. Thank you. So the eight of us is -- make up part of the Regional Policy Council made up of the eight valley counties. We do a D.C. lobbying trip every year. And one of the main topics and -- from Tulare COG is that there's a real issue going on with trucks using local roads. And Tulare has -- I guess I'll ask you, Ted. What are you doing about that to get to dairies, to get to almond haulers, processing plants?

MR. SMALLEY: Well, two things. One, I think we are trying to educate at the federal level when we talked about goods movement, the need of truly farm to market or farm to processing, that most transportation funds are divvied up by population based and not based on the amount of miles.

And we need to look at especially farming areas like ours which is so critical to the country. We produce so much milk comes out of -- the amount of cheese and things that we produce is astronomical. And yet, it takes a lot of roads to have those dairies. It takes a lot of roads to provide the citrus.

The San Joaquin Valley is the largest agricultural area in the whole country and it's not even close. And it's not just large by volume. It's large by quality. The quality of what's produced in here is second
to none in the world. People all over the world want the produce, want the milk. And I think that's pretty famous about China wanting the milk, because it's safe and what's happened to deaths in their country.

But it takes a lot. And so, one, is lobbying the federal government to look at ways that in the next transportation bill a pilot program could occur that would have additional funding based on the amount of pure truck traffic that is on rural roads.

In addition to that, we are prioritizing our funds based on truck traffic that is on roads. To give you an example, one filled up milk container equals 16 to 18 thousand cars, as far as its wear and tear on the road. So when we have roads that have 600 truck trips a day, it's hard to imagine, but it's the equivalent of having millions of cars a day on that road beating it up.

So I think, one, is you certainly have to prioritize the funds you have, but two, it's time for us to look at the full picture of what farm-to-market is, which starts where the food is produced, where the milk is produced, and help be able to have funding to take care of those roads.

MR. CHIESA: Thank you very much.

So the valley faces some unique challenges, more than -- especially in the north valley, more than 80,000
people leave our area to go to the Bay Area for their employment. How does this impact our land-use decisions, transportation decisions, and what are you doing to address it?

I'm going to start with Rosa. Maybe you can talk about the commute shed, what it's doing in regard to housing production and what our COG is doing to help out.

MS. PARK: Thank you.

Yes. Obviously, the Central Valley remains one of your fastest growing areas in California. And for our -- particularly in the Stanislaus region, we are looking at other ways to try to help some of our commuters. ACE extension rail coming to our area is going to -- we hope that it's going to help us get some of those commuters on our rail, but also our transit stations. We're making improvements on our transit stations to improve and be ready for our rail service to get here.

Also, with -- we're very optimistic with the new AB 185 with the housing and having those conversations with the COGs as we work together with these -- with, you know, getting improvements.

Also, with AB 101, we're very happy to know that with our COG and our regions here to work together with our RHNA process. And I feel that collectively we will improve these commute patterns.
MR. CHIESA: Okay. Kristine, you're from the Fresno Cog, pretty much the same question, and how we're going to address the GHG reductions.

MS. CAI: That's right. Thank you.

So suburban greenfield development is still the primary type of development in the valley and still outnumbers, outgrows infill and redevelopment. There's a couple of underlying reasons for that. First, greenfield development is cheaper. And since the redevelopment money went away, it has been hard for the redevelopment to pencil out, especially in the urban -- existing urban core downtown areas.

And secondly, in the valley we have a younger population. Our household size is bigger. While the entire state is experiencing a decline of household size, the valley actually, our household size is growing. So with a family of three or four kids, such family will be looking for spaces. So those are the couple of reasons.

There is an impact to that kind of suburban greenfield development, because it will be hard for us to achieve density, which will be hard for transit to work in our regions. So that's why, you know, majority are -- of our residents are still -- are still relying on their own private cars.

And, you know, the transit mode share in the
valley is, you know, around two percentage. So the
land-use pattern, you know, doesn't help with the transit
ridership. But the valley, we are working really hard to
try to address that, both from transportation and land-use
strategies.

So at Fresno COG, we have a TOD program funded by
our local sales measure. It provides funding to actually
offset the impact fees for housing developments, along the
transportation BRT corridors in downtown area, of course,
at the required density close to transit. The local
government level, like City of Fresno, they have actually
streamlined their planning process -- permitting process
for housing development to go along the BRT corridor in
the downtown Fresno.

And City of Fresno, they have a tiny home program
for their old town, actually, you know, to encourage
homeowners in their old town to build accessory dwelling
units, either for rental or for their family members. And
the designs have been paid for by the city and the
permitting process has been streamlined.

So while we're working really hard on encouraging
development to go into the BRT corridors in downtown area,
we do recognize that the land-use development that --
pattern in the valley cannot be changed overnight, so we
are also working on different transportation strategies to
address GHG impact. Like Terri mentioned, we -- all of us
are active participants on the CalVan programs.

And Fresno COG and I believe many of valley COGs
we're all actively working on our EV charger programs to
look at valley-wide or county-wide deployment of EV
chargers. We do believe that long term when many people
drive EVs, then the GHG impact could be mitigated for --
even for suburban growth.

MR. CHIESA: Thank you.

Andy, you have the ACE train, which I know is big
point. And there's the potential expansion in the future.
Maybe you could talk about how that's working.

MR. CHESLEY: Sure. The Altamont Corridor
Express may be the best example of the exacerbated jobs
housing imbalance in the state of California. I want to
thank Commissioner Guardino who was one of the early
advocates for the ACE train service back in the 1990s.

Today, it carries over 1.5 million passenger
trips and is growing at a rate of about five to eight
percent per year in terms of ridership. One of the great
challenges that we face in San Joaquin County in terms of
providing for the operating cost around this is that for
the ACE rider, their household median income is a little
over $100,000. For our regional bus transit, the median
household income is a little over $30,000 a year.
But ridership on the regional transit system is dropping, as opposed to the increase that are -- we are experiencing on the ACE service. The challenge here in terms of both social equity issues of being able to provide enough funding to keep ACE operations going, but at the same time not stealing away from the bus ridership is a challenge. In fact, our board a couple weeks ago adopted a policy to shift about $5 million of road and street funding a year over to public transit to both help along with the ACE service, as well as to make sure we're supporting our local regional transit district service.

These are -- people on the ACE service are hearty people. You may be -- if you get on the first train out of Stockton it's at 4:20 a.m. in the morning. And it's not unusual for folks to actually commute from Stockton to Palo Alto, for instance. And that's -- while you may spend two hours on the train, you are actually spending over three hours in your commute to do that.

There was a New York Times article of a woman who commutes to San Francisco to work at the Federal Reserve, her commute is it totals about 14 hours a day. And so you can see the kind of challenges that people are willing to take on for lower housing costs. And that's a true challenge in terms of the jobs/housing imbalance that we're facing in California. In San Joaquin County, we are
effectively the epicenter of that challenge.

MR. CHIESA: Yeah. So I guess in the south valley, Ahron, you have the exact opposite problem. They're going south rather than north. What is Kern doing to -- Kern County doing to address that?

MR. HAKIMI: First of all, Supervisor, the numbers going out of county are much, much smaller in Kern County than they are in San Joaquin County. But since our county is so big, over 8,000 square miles, about the size of Connecticut, we have significant commutes within the county.

As an example, my former Board Chairman commutes every day from Wasco to Tehachapi. That's 70 miles. We regularly have people commuting from Tehachapi, which is Eastern Kern into Bakersfield. That's about a 50-mile commute. There are commutes from Eastern Kern to Bakersfield, which is over 100-mile commute.

To give you an idea, that there are five State prisons. Those are major employers in Kern Country. One federal prison. We have Edwards Air Force Base in Eastern Kern, China Lake Naval Base.

So to answer your question, what are we doing about it? I employ someone full time on my COG staff to do nothing but awareness about carpooling, vanpooling. She visits -- she visits the Air Force base, the prisons,

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major employers in the -- Terri already mentioned in the
San Joaquin Valley portion of Kern County, CalVans is a
great deal. If you're a federal employee or a State
employee, like someone who works at the prison or one of
these bases, your commute is covered, 100 percent. You
can commute for free if you're willing to share a van with
your co-workers. Sometimes that becomes a challenge and
that's the biggest reason why people leave vanpools, at
least in Kern County is because they can't get along with
their fellow employers. It's not cost.

(Laughter.)

MR. HAKIMI: Literally, we -- with the
incentives, they can commute for free. Their commute
costs are free.

And on a person -- personal note, we also have a
program that matches carpools and vanpools, but the
commercial companies and private companies are getting
into that. I use Google Maps regularly. I get a notice
every morning on my phone how long my commute will be
expected to take. I also use Waze when I travel in Los
Angeles. It's a little creepy, but Waze sends me
notice -- notices that, hey, there's someone else that
lives in your neighborhood that has a very similar
commute. Do you want to start carpooling with them?

Both Lyft and Uber have carpooling apps now that
we let people know about. There are definitely privacy issues. That's why, you know, I sort of wondered why I was getting this random text about someone else in my neighborhood commuting, but it has the potential to -- it has the potential for many, many more people to carpool or vanpool.

MR. CHIESA: Perfect. And I want to just ask the rural counties really quick, either Trisha or Terri, either one, how is this affecting you in a rural county? Does it affect you? Do you think there's any place for active transportation type planning also in rural -- more rural counties?

MS. KING: Well, I'll start out. I think Kings County has a bubble around it. We don't really have that issue with interregional travel. Most of our ours is intraregional travel. Just within Kings County, the prisons are located in the south part of the rural part of the county. Whereas, the City of Hanford and the County seat is in the north part.

So people who need to get to county facilities must go a long distance. So we do have transit service that does what it can. But as Andy mentioned, ridership is down. What we have done is try to modify schedules and routes. One thing we did institute was called a flex route. At the end of the day, when ridership is down,
instead of having one passenger who wants to go from here
to there, instead of going to 10 stops to where he wants
to go, he just on his phone say I'm at this top. I want
to go here. So it's like taxi service almost. So it's a
much shorter trip, much more efficient. You don't have
empty buses running around. So it's a cost savings as
well.

Also, our transit operator also has a phone app,
so they know exactly where the bus is, when it's going to
get there, if there's any issues. So we're making transit
more efficient, which is key to getting passengers on
buses.

So just need to do more, find out where they need
to go, where they need to go, where they're coming from,
what the purpose is, and I think we can do a lot better.

But we do have transit service that goes to, in
the morning, from Kings County goes over to Tulare County
for educational -- some of the colleges there and business
schools, as well as medical service to Fresno County. So
those are kind of specialized trips. We do provide
interregional service just within our small transit
service.

And then we did just recently update or prepare
our active transportation plans. So we're already
implementing that. City of Hanford spent almost a million
dollars in Safe Routes to School type projects. I've seen
pictures in urban areas where they receive grants for
sidewalks, where they already have sidewalks, where we
don't have sidewalks. And so we want to put in sidewalks.
So it's a little bit different in the rural areas how to
meet our needs, but that's how we do it.

MR. CHIESA: Perfect. I'm going to stop the
questioning there, because I promised I was going to get
you back on time. I did make a couple of notes really
quick that I just -- I always do this as people are
talking.

You see we're all the same, but we're all very
different, the eight valley counties. We're in a
difficult air shed. Everyone knows that. But it is a
priority by what you've heard from each of the COG
directors today, whether it's through CalVans, whether
it's through the San Joaquin joint powers authority, the
Amtrak system, or ACE train. And 99 is obviously a
priority. I think you heard that too, and I don't have to
tell you.

And there's a lot of pass-through pollution that
comes from trucks. The partner -- we consider the San
Joaquin Valley Air Pollution Control District a great
partner. I think we've reduced about 90 percent, if I
remember the number right, and we have to reduce another
90 percent to reach attainment. So it's still a challenge and mobile sources are not under their control.

But again, we are partners. Look at us as partners and trying to do better. And we continue to look forward to partnering with -- both with the CTC and the California Air Resources Board on a go-forward basis.

Again, thank you very much. It is harvest time for me. Paul knows that, the Chairman. So you can ask questions of these folks and I'm going to head back out to the field.

CTC VICE CHAIR VAN KONYENBURG: You can go. I know that the walnut trailer is ready to go into Blue Diamond -- go to Diamond walnut right now and it's what you're Dad is like tapping his watch.

MR. CHIESA: So the -- the saying is I only work 30 days out of the year on the farm, and this would be one of the 30 days. So I don't want to be disowned.

Thank you very much.

CTC VICE CHAIR VAN KONYENBURG: All right.

Thank you, Vito.

Okay. We'll go to questions now. And I know I have quite a few.

ARB BOARD MEMBER GIOIA: Before the Supervisor leaves can we thank him for his --

CTC VICE CHAIR VAN KONYENBURG: But I'll start
ARB BOARD MEMBER GIOIA: Oh.

CTC COMMISSIONER GUARDINO: You go ahead, Mr. Gioia.

ARB BOARD MEMBER GIOIA: I think we just -- we thank the Supervisor before he leaves. I know many of us know him in his work statewide, as well as locally and regionally, and your efforts to really try to look for regional solutions working with these partners here and other. So I just wanted to acknowledge that, Vito.

CTC VICE CHAIR VAN KONYNENBURG: Okay. Now, Carl.

CTC COMMISSIONER GUARDINO: Thank you, Vice Chair Van Konynenburg.

This has been excellent and appreciate all of your service and for speaking with us so directly today. I was taken right at the beginning with what you shared with us about 80,000 valley residents commuting to jobs in the Bay Area each week day. And we all see that on 580 and other -- and other access points like Pacheco Pass as well.

So, one, I wasn't sure if you were solely referring to 580 or if you were also taking into account 152. And if it's -- if it wasn't what are the numbers if we look at both of those corridors or any other corridors,
and then I had a more substantive question after that.

MR. CHESLEY: Sure. It's 86,000 and it does include both corridors, through the Pacheco Pass as well as through the Altamont. Of course, the Altamont takes the giant share of that, but it's 86,000 from Merced, San Joaquin and Stanislaus.

CTC COMMISSIONER GUARDINO: Great. Andy, thank you.

MR. CHESLEY: Yes.

CTC COMMISSIONER GUARDINO: So the next question, and it's one that our California Transportation Commission staff knows a real passion of mine as a Commissioner, and that is how do we continue to work together for the Altamont Pass route to advance the efforts of the Altamont Commuter Express to extend service from the current Lathrop station first to Ceres and then onto Merced? How do we champion that from a State perspective as well as a subregional and regional perspective?

MR. CHESLEY: Well, I'll go ahead and jump in on that one, since it's specifically my region. You know, great thanks to the State of California. It's invested about 400,000 -- $400 million from SB 1 to get ACE service down to eventually Merced, and then $500 million from the TIRCP program primarily to get service up to Sacramento.

So it's $900 million of expanded capital
investment to expand rail service in the northern part of
the San Joaquin Valley and into Sacramento.

There's still a challenge in terms of being able
to address goods movement issues across the Altamont Pass,
which are real. Distribution centers are going up on a
regular basis, and like manufacturing in the San Joaquin
Valley, in large part due to the differences in cost for
land and labor between the Bay Area and the northern San
Joaquin Valley. And that's not slowing down. That is
actually growing in terms of its increase on that.

And we need to figure out better ways to move
trucks across the Altamont Pass through truck climbing
lanes in the westbound direction, as well as to address
the potential for things like a valley linked rail service
for commuters to get them off of their to provide more
room for what's real true economic development,
transportation services across the Altamont Pass.

We are in the process of -- with the help of the
Commission in terms of starting the environmental document
for managed lanes on Interstate 205, on the San Joaquin
side of this. And I do want to give a heads up to our
friends from MTC, as well as SACOG, as we struggle in
terms of trying to address the larger transportation
issues across the mega region, as we team together among
our three MPOs.
CTC VICE CHAIR VAN KONYNENBURG: Okay. I'll ask for other questions?

Okay. I have a few. So, Director Hakimi, you talked about the pilot program for the self-driving truck pilot local program, lift truck.

MR. HAKIMI: Yes, Commissioner.

CTC VICE CHAIR VAN KONYNENBURG: Okay.

And have -- so -- and you've talked to -- so how can Caltrans get involved in maybe having this be a pilot program that they participate in and maybe get data out of?

MR. HAKIMI: Well, first of all, the -- I fully expect Caltrans to get on board the way Air Resources Board and the air district has gotten on board. First of all, they are letting us conduct the study and demonstration on their route. And the amount of match that we're asking them for is a very minor amount. And I expect them to eventually get on board.

What I did fail to mention - thank you for mentioning it though - is we are partnering with UC Davis, who we've partnered with before on several other studies to conduct this demonstration and study.

CTC VICE CHAIR VAN KONYNENBURG: Okay. Next question, this chart here, who did this chart? This one here with the outbound/inbound freight? Who was -- who
was ultimately -- what research department did that come out of?

MR. HAKIMI: So that was our goods movement study in 2013 that I mentioned at the beginning of our remarks, where we studied mostly north/south movement in the Central Valley.

CTC VICE CHAIR VAN KÓNYNENBURG: Okay. Did you do a correlation study on the economic multiplier of the outbound versus the inbound freight in that study as well?

MR. HAKIMI: No, I do not believe we have done that.

CTC VICE CHAIR VAN KÓNYNENBURG: Okay. Who helped -- who helped develop this study? What institute?

MR. HAKIMI: It was Cambridge Systematics was our -- was our consultant.

CTC VICE CHAIR VAN KÓNYNENBURG: Okay. I'd be very curious, and I've challenged Caltrans to look at the economic multiplier as they put together the freight mobility plan of the economic multiplier of outbound and inbound freight and how that benefits the overall GDP growth of the state.

So I'd -- if there's anyway you can coordinate on that, I'd appreciate that. You all mentioned the commuting patterns. And this is an old sheet that was done by the University of Pacific, but it's been updated.
And as Director Chesley mentioned, it's now up to 86,000 trips a day into the greater Bay Area.

So there's two solutions -- well, there's -- the solution path we're on is doing a multi-modal Solutions for Congested Corridors Program. And that study is underway. And this -- you know the Altamont corridor vision phase one is part of that. You guys have discussed that.

The downside to this one, which it's a great idea. The downside is it's not fully implemented until 2027. So there's two other ideas that are -- that we've had discussions about. And that is we somehow build a large scale amount of housing units in the -- near the job centers in the Bay Area that are affordable for employees or we work with those industries that are in the Bay Area to do satellite locations in the valley.

So I'm now going to do something that's probably going to make Carl Guardino uncomfortable. Carl?

CTC COMMISSIONER GUARDINO: Yes.

CTC VICE CHAIR VAN KONYENBURG: How do we start that dialogue in a meaningful way in this state? You know, we had the dialogue this morning about building more housing units up in -- near the job centers and the challenges to do that. How do we start the dialogue of the alternative, which is how do we put satellite
locations for the industries that are in the Bay Area near the housing units, so we can take these people off the road?

Because as many of you know, it's not just the air pollution and the greenhouse gases that happen here. Those 86,000 people, they're not involved in their community. Those 86,000 people they're not involved in their kid's school. Those 86,000 people aren't there when their kids come home from school. This is leading to some really long-term social issues in our society. This is not good for our society as a whole.

So just saying, okay, we're going to make the commute cleaner still leaves us with a commute that still has those other social issues coming to our communities, which is a lack of involvement by these people who are commuting.

So you don't have to have an easy -- but I want us -- we need to start that dialogue as well, Carl.

CTC COMMISSIONER GUARDINO: Sure. So thank you. If you'd like me to speak truth to power --

CTC VICE CHAIR VAN KONYNENBURG: Yeah.

(Laughter.)

CTC COMMISSIONER GUARDINO: -- since I'm looking up to you in your powerful position.

(Laughter.)
CTC VICE CHAIR VAN KONYENBURG: Yeah. Yeah. 
Speak the truth, man. Speak the truth.

CTC COMMISSIONER GUARDINO: I try to live by an 
expression to be candid, but kind. So Mr. Vice Chair, if 
you want an honest answer, but a candid, but kind answer, 
I will provide it to you.

We are pricing middle class, and aspirational 
middle class, and upper middle class jobs out of 
California by the decisions that we make from a policy 
perspective. Those are the jobs that we're losing, 
especially innovation economy jobs that are not industries 
in place and can go elsewhere in order for those employees 
to be competitive and survive.

So the truth of the matter is, a lot of the jobs 
that you're referencing that can be placed in other 
locations go outside of California but to other states in 
the United States where they can still be competitive.

I'll give you one example since you mentioned 
housing. The median priced home for a home in the Bay 
Area is -- last year was 1.25 million. You can buy four 
times that home for a fourth of the price in Austin at 
249,000 or you can buy an even bigger home in Seattle for 
496,000 and they'll throw in the umbrella for free.

(Laughter.)

CTC COMMISSIONER GUARDINO: That is the case in
most innovation economy regions in our country. So we're
pricing out the jobs that we say we want for people
aspiring to the middle class.

And so why aren't they staying in California?
Because the same policies that price out those jobs apply
to all of California. So it's not a case of, well, why
don't you just go to the Central Valley, because the same
State policies apply that make it challenging to do
business here, whether you're innovation economy or an
industry in place.

So it's a much longer conversation that I'll have
within anyone over a root beer, since I don't drink, to
talk about how do we have policies that meet all of our
goals, but also the goals of having jobs for hard working
Californians and people who aspire to work in California.

I often say when we're talking about these
solutions, most of us and certainly through my day job,
don't expect or want the Central Valley to be the bedroom
to Silicon Valley. That has never been our solution. We
championed, as Andy mentioned, in 1998 as the only private
sector organization to partner with the public sector to
champion ACE's establishment in 1998, because it was
already a reality of people suffering through that
commute, so how do you respond to that existing reality?
We were proud to champion it then. We're proud to
champion its expansion now, but that is not the ideal.

Bay Area communities need to much better step up to a three decade old housing neglect need that we've had in all of California, not just the Bay Area. But that's why we have the pricing challenges for all California families is because we've neglected as a state to build homes.

It's been since 1989, as Hector knows from his days in the Legislature, that California has consistently met its annual housing goals just to keep up with our current population each year. And then we wonder why we have a housing crisis and why we're pricing people out, especially out of our urban areas.

And I call it the Texas Two Step. In the Bay Area, they first look for a less expensive place in the Bay Area or in the Central Valley, and then they step right out of California.

So open to buying lots of root beers for anyone who wants to have this conversation, but we've got to stop pointing fingers and joining arms, if we're going to be serious about addressing these issues. And so far, a lot of serious people with good intents aren't coming together to address these issues.

CTC VICE CHAIR VAN KONYENBURG: You always meet my expectations.
(Laughter.)

CTC COMMISSIONER GUARDINO: You're very gracious.

CTC VICE CHAIR VAN KONYENBURG: All right.

Secretary Kim.

CALSTA SECRETARY KIM: Thank you, Mr. Chairman. Appreciate the panel coming together. I had some -- I heard some great insights from all of you. I'd love your thoughts -- this is for any or all of you. I'd love your thoughts on mobility on-demand transit services in rural settings.

I met recently with Moses Stites head of Fresno County Rural Transit Authority and heard some really promising ideas in terms of what's happening around the rural parts of Fresno County. How do you see this applying in your areas, if it applies at all? What's the future of mobility on-demand transit services?

And then the second question, not transit related, 99 and 5. I think everybody recognizes the role of 99 in the Central Valley as the backbone, as the major arterial. Can you talk about I-5 as well. I know that's to the west of you. But what are the similarities and differences in terms of freight traffic on 5 versus 99? I'd love your thoughts on both questions.

Thanks.

MR. HAKIMI: Let me start with I-5 and then I'd
be glad to also talk about the mobility on-demand too.

But Interstate 5 was built in the early 1970s in the Central Valley. It's -- like I said previously, it's about 225 miles from where it touches down in Kern County after going over the mountains and the grapevine and up to where it turns off to 580.

It was built in the early 70s as two lanes and it's still two lanes today in each direction. You all know that our population has grown dramatically since the 1970s. You also all know, because I believe most of you drive, that freight traffic has grown exponentially. All of us as directors or employees of MPOs have to consider the growth rates in our county, the traffic counts. We're all heavily involved with projecting what will happen in the future. And we all know that Interstate 5 in the next 20 years will become what Interstate 5 has become in Los Angeles. It will literally become gridlocked, unless we do something very, very soon. And you all know how long it takes to implement transportation projects.

Interstate 5 was always envisioned to be widened into the median. There's enough room, without any new right-of-way acquisition, to widen I-5, but we don't have the resources to do it on our own. Interstate 5 carries traffic of national significance. It's the same as Interstate 95 on the east coast. Yet, we're dealing with
a route that we know will fail shortly.

I'll give you a good example. If you drive Interstate 5 on a holiday weekend, like Thanksgiving or Christmas, you'll see how what engineers call level of services. You may be moving, but you're moving very slowly. You have limited mobility. We know, if we do nothing on I-5, that's what it will be like every day and we -- we want to do something about it, work with you, work with others.

Literally, it will be at least a two to three billion dollar investment to complete Interstate 5. Does that answer your questions?

MR. CHESLEY: I'd like to add in about Mobility on-demand. The San Joaquin Regional Transit District for the last eight months has been operating their Van Go program. Is that really kind of clever? They have the vehicles wrapped in art from Vango. And it's -- there's right now eight vehicles out there that are providing service. It generally takes about an hour to actually get out to the location, because the demand is so high for this service, but it's operating much better than your traditional dial-a-ride service, which generally took 24 hours to get there.

We're -- there's still some judgments going on about the program. It certainly has been meeting the
demand of most of the riders out there. But the cost and
the -- also issues associated with accessibility are still
good things that need to be assessed around this one.

But I give a lot of credit to the San Joaquin
Regional Transit District for actually putting out
there -- they have those eight vehicles. They respond
very quickly to requests for rides. And up to this
particular point, from a customer perspective, it's been
well received.

MS. PARK: Thank you. I would like to add that
in Stanislaus Council of Governments in our area, we have
a program called MOVE that is helping our people with
disabilities and mobility options that cannot use
traditional dial-a-ride services. And that program has
expanded.

As a matter of fact, when we were passing our
measure, or working on our expenditure plan, this was
something that the residents in this Stanis -- in this
county wanted the program. And it's been extremely
successful. Another program that we're working on, it's
the Miocar, which is a lot program for -- that is going to
be targeting underserved communities to try to help people
with mobility options in -- throughout the county. So we
have some new programs that are coming underway.

MR. HAKIMI: Let me jump in on that Miocar. So
in Mio -- in Kern County, it grew from a grant we received through I believe the Air Resources Board and we partnered with UC Davis. So in Kern County, we've bought used electric vehicles, about two-year old vehicles, and we're implementing service in Wasco, Arvin, and Lamont, some of our most disadvantaged communities. And I believe it's $4 an hour, which is very affordable for someone to rent a car for an hour.

And so far, it is working well. The -- our goal, at least in Kern County, is to hopefully be able to replace some fixed route transit systems that are not working well, frankly, with on-demand transit.

MS. CAI: Secretary --

CTC VICE CHAIR VAN KONYNENBURG: Okay. At this time, we are going --

MS. CAI: I'm sorry.

CTC VICE CHAIR VAN KONYNENBURG: Kristine, sorry.

MS. CAI: Okay. So, Secretary Kim, I heard from Moses about your conversation with him. He's actually Fresno COG funded a study about, you know, the program that he's going to -- looking to in the rural areas, looking at mobility on-demand. But in the entire Fresno we have a go -- grant parent program. Actually, it's that we use the -- our local sales measure to fund to -- actually, to subsidize our seniors for their rides. They
can -- it's actually using Uber and Lyft. They can actually use the app or they have a 1-800 number to call. And they can get the ride. And their ride gets -- 75 percent of their ride gets subsidized by our local transportation sales dollars.

CTC VICE CHAIR VAN KONYENBURG: Okay. All right. So, now is the time of our program we're going to break for lunch. For Commissioners and Board members, you will be going to the San Jose room. For the rest of the general public, there are one block from here on either 10th or 11th Street, there are several quick serve restaurants. And we will back here -- can we back here at 12:35, please. 12:35.

Thank you.

(Off record: 12:07 p.m.)

(Thereupon a lunch break was taken.)
AFTERNOON SESSION
(On record: 12:56 p.m.)

CTC VICE CHAIR VAN KONYNENBURG: All right.
We're going to bring the meeting to order. Order. Order.
Could I have Commissioners and Board members
please come take their seats. All right. At this time,
I'm going to open the meeting to comments from Board
members and Commissioners. And if you would like to
speak, please put your placard on its edge and I will call
on you.

ARB BOARD MEMBER GIOIA: I don't want to be the
first one, but I'll be the second one. How is that?

CTC VICE CHAIR VAN KONYNENBURG: Okay.

Commissioner Kehoe.

CTC COMMISSIONER KEHOE: All right. Thank you,
Mr. Chairman. Delighted to be called on first. Thank
you, Mr. Supervisor.

Really, I -- that last panel was excellent. And
I know we're always under a time crunch at these meetings.
And I certainly wanted to get over, because I wanted lunch
too. But it would have been nicer to hear a little more
depth on those programs, because there was such a variety
and it's such a huge geographic area. So, you know, food
for thought or maybe when we're doing a workshop at the
CTC, we could look at some of those issues a little -- in
a little deeper way.

Thank you.

CTC VICE CHAIR VAN KONYENBURG: Supervisor.

ARB BOARD MEMBER GIOIA: First, I've got to get it close. Can you hear me?

Okay. First, I want to express appreciation to everyone who spoke on all the panels. I think this was really informative, educational. I'm looking forward to HCD being -- sitting up here with us, because it is important having housing at the next meeting.

And I mean my observation as someone who wears three hats, a State -- a Board hat, a regional hat with the Bay Area Air Quality Management District, and then a local government hat, I mean, really action is needed at all three levels. And that's what's so complicated and complex about this.

And one level of government is not going to -- just like one agency is not going to solve the transportation, climate change, and housing issue. It's going to take effort at all three levels. And I do think it's going to take some strong leadership at the State level, you know, that has unique differences for different parts of the State, because we are -- the State is different. It has regions that approach things differently, so we have to consider that.
But I do think stronger State leadership will be helpful for both the regional and local levels. And I realize there's always tension when the State provides greater direction to regional or local government, but -- so we need to be conscious about how we do this in a way that has -- that maximizes the chances of success. And oftentimes, with incentive dollars, I think, you know, you either have the carrot or the stick. And I think you probably need a little of both, some carrot and some stick.

And finding that right balance is going to be the key to success, how much carrot and how much stick. And I do think changing the -- you know, our cultures of our different agencies are very different. And so as several speakers mentioned the importance of really integration of our cultures and a greater message that we have that builds greater public support.

The public doesn't really care as much about which agency is solving their problem or which level of government is solving their problem. They just want the problem solved. And so I think we need to think about how we frame all of this in ways that appeal broadly. And health is a major component, you know, shorter commutes, more time with your family, you know, more affordable housing, better health. How we figure this out in a
roadmap. So it's a start. Obviously, there was not a
conclusion to things today, but I -- but I'm looking
forward to continuing this discussion and action.

CTC VICE CHAIR VAN KONYNENBURG: Senator Monning.

SENATOR MONNING: Yes. Thank you. And I want to
thank the City of Modesto for hosting us and the
Transportation Commission for including us. I think this
is a valuable coming together of the different -- the
Board and the Commission.

This last panel representing the Central Valley
communities I would have also enjoyed the chance to
exchange a little more with them. And I know we ran out
of time. But it was raised earlier by Tamika Butler the
question of race as one of the determinants of challenges,
whether it's affordable housing or access to jobs. My
district, the 17th Senate District, it's central coast.
And our leading employer is agriculture. Our second is
hospitality/tourism, and our third is higher education.

The first two are driven by immigrant workforce,
many of whom can't afford housing at minimum wage jobs.
And the farm workers by definition are traveling huge
distances often in their own cars, sometimes in farm labor
contractor buses. And just a question to put out there,
not for anyone to answer now. The panel is gone. But the
vanpools seems to be serving prison employees, other
government agencies or large employers, but whether
there's any thought or work going into for farm labor
contractors converting fuel burning buses to electric
generation buses in the future. The housing issue of
getting all workforce closer.

When I come over the Pacheco Pass on Monday
mornings coming from west to east from the Salinas Valley
over to the Central Valley, the westbound traffic at 7:00
a.m. it's gridlock coming over Pacheco Pass. And it's
two people who have bought homes, or live in Santa Nella, Los
Banos, Patterson, and they're making that commute every
day over the hill, and they're sitting in gridlock idling
next to big 18-wheelers because the road doesn't have the
capacity to handle the number of vehicles that are
dependent on it.

That's an example where high-speed rail, if that
link is ever built between Gilroy and the Central Valley,
a lot of that workforce would be going through tunnels
through the Pacheco Pass working on their laptops or
catching up on their sleep, instead of sitting in idling
traffic.

So these issues are tough. They're
multifactorial. But when you look at the composition of
our workforce, particularly in agriculture, which is the
leading industry employer in the Central Valley, as well
in this valley, we have to factor in the housing and the transportation component directly as it affects the farmworker community, the dairy community, et cetera. And I know there's attention to that. I would have liked to have -- or as we move forward, I will look forward to learning more about some of the initiatives or efforts that are addressing that critical component of our local economies.

So thank you.

CTC VICE CHAIR VAN KONYENBURG: Thank you.

At this time, we'll move to the public comment period. I don't have a -- oh, I'm sorry. I didn't see your tag up.

Dr. Sherriffs.

ARB BOARD MEMBER SHERRIFFS: Thank you. And, yes, thanks to the panel for great information, to staff for putting today together.

I hope we will have more discussion, not necessarily today, but in the future thinking about how we can move more from information to collective action, you know, including the housing department, where this really help the goal to focus how to align transit, housing, to support climate goals. And that's really our mandate.

I think we have a good example of action that's arisen from our working together, in terms of our response
to the federal administration efforts to really limit California's authority to implement agreed on mileage standards, greenhouse gas reduction work.

So clearly, there's a good precedent. The information has been wonderful and I look forward to our thinking deeper about how to use that collectively to move forward on these issues.

CTC VICE CHAIR VAN KONYENBURG: Senator, do you have something else?

SENATOR MONNING: Oh, I'm sorry. I just didn't put it down. Thank you.

CTC VICE CHAIR VAN KONYENBURG: Sorry about that.

All right. Now, we will move to public comment period. I would ask that as you make your public comments, you limit your comments to three minutes or less, depending on the number -- and if I -- we have a whole bunch more speaker cards come up, I might have to dial that back a little bit.

If you have -- a lot of you are saying the same things, I would ask that you choose a single spokesperson to relay your collective thoughts, so that we can make sure that everybody gets heard.

Alrighty, so we're going to start with Chanell, I want to say, Fletcher, but that's not right. Chanell
Fletcher, okay, followed by Esther Rivera.

So Chanell, if you would come to the podium and then Esther, if you'd get right behind her.

Okay. If Chanell is not here, I'll go to Esther.

Where did Esther go?

She's always Johnny on the spot.

Okay. We will go to Will Barrett followed by Bill Magavern. We'll come back around. To those who weren't here, if they're still hanging out, we'll come back to them. So Will Barrett followed by Bill Magavern.

MR. BARRETT: Thank you very much. I am Will Barrett with the American Lung Association. And I know that several of my colleagues in the Climate Plan Coalition are here and they will be coming along to make their comments, so Chanell, and Esther, and Bill as well.

So, first off, I wanted to say thank you for the conversation today. I think there were a lot of great ideas raised, a lot of good spirit of cooperation and coordination that we know is needed, all of our State agencies rowing the same direction to make sure our challenges are met.

We can't operate in silos. And I think the Executive Order, for example, really kind of helps to tie together the ideas of increasing public health benefits, reducing harmful pollutants, and really making sure that
as our State grows that it's growing in a healthier way.

And one of the things that in the Executive Order we took most note about was the tying of VMT to public health benefits, and public health improvement. We know that that will come in the form of alternatives to driving. So a reduction in transportation pollution that drives California to the top of the list for most polluted in the United States. It has the significant impact on our climate challenges that are actually making the job of cleaning up our air that much more difficult.

Our State of the Air Report that we release every year showed widespread increases in ozone pollution due to extreme heat burdens and widespread particle pollution due to the wildfires.

So we know that the challenge that we're all facing in transportation pollution. We know that we need to convert as much as possible to zero-emission technologies for the passenger fleet, transit buses, school buses, the freight sector. But we also know that the VMT element of this equation really has to be at the forefront.

So within the Executive Order, we really do see that as a critical piece, that focus on public health, improving public health through VMT reduction, will help with chronic diseases, obesity, diabetes, heart disease,
asthma rates. All of those are impacted by our dependence on the automobile. And so everything we can do to align State funding and State agency missions with pollution reduction is only going to help all of us get healthier communities that we're all working for.

It was helpful to hear as usual from our friends in the valley, the COGs who are doing innovative things and want to see more of that. We want those innovative projects to really become the norm and not kind of a special panel that they're focused on. And we want to help them. We've been working with them a lot over the last few years trying to identify funding opportunities to help boost those things through grant programs, and really feel like we can -- we can really make a difference as we elevate those great projects and make sure that those become the norm going forward.

Finally, on the SAFE Rule, the American Lung Association has been a very outspoken critic of the administration's policy to revoke California's waiver. We think it's far, far out of line with the history of the Clean Air Act that has saved so many lives and improved so much health in so many communities in California and beyond.

There are about 90 health organizations across the country -- health organizations across the country,
about 90 of them, who have banded together voicing our
opposition to that. And we'll continue to fight with you
all to preserve California's authority under the Clean Air
Act, save lives, and improve our air.

So thank you very much.

CTC VICE CHAIR VAN KONYNENBURG: Thank You.

Bill Magavern. And then if Julia Jordan could
right behind.

Okay. Julia Jordan. And then if -- I saw Esther
come in. So Esther, if you could be right after Julia,
please.

MS. JORDAN: Okay. Thank you so much. Julia
Jordan with Leadership Counsel for Justice and
Accountability. And I'll try to be brief.

I just mainly want to echo the comments my
colleague at ALA just made about supporting the Executive
Order, and especially really urging you to take this
opportunity as an opening to really work together and
advance something bold, and to do it in a way that
addresses, as Dr. Balmes and Commissioner Butler, and
others mentioned environmental justice and equity as
really a central component of that planning, land use, and
decisions about where transportation investments go.

And I think part of that means really ensuring
that there's equitable funding in historically
disadvantaged communities. And that includes the low
income rural areas, including those in the San Joaquin
Valley that we heard about today, but specifically
residents -- excuse me -- in some of these areas, like
unincorporated areas of the state.

And I also want to just echo the comments about
that some of the innovative transit and flexible transit
we heard about is also really promising. And it would be
valuable to see that become more of the norm and something
that's -- that's invested in from a variety of funding
sources. It really is a long term kind of way of
addressing and rethinking public transit.

It's also important for us to consider listening
to the direct input of marginalized communities and rural
low-income communities. And that means really having
robust public participation and planning processes at the
local and regional level, including in RTPs, and other
planning processes, so that those communities who are
interested in things like zero emissions, carshare,
vanpool can really be part of designing what works for
them in their community -- you know, for communities for
whom preservation of affordable housing is really
critical.

We heard a little bit about that today, but I
think that needs to be lifted up as well in this
conversation, and those who are really living with the threat of eviction and in places where a really basic lack of infrastructure can be kind of the difference between whether or not you're able to take a job, how you even get around your own neighborhood in cases where maybe there's not a sidewalk, for example.

So just smart investment, smart planning, in addition to some of the electric vehicle technologies and things likes that is critical. And I'm really looking forward to a strong implementation and meaningful actions from these agencies to address climate, transportation, housing, and land use with a racial justice and equity lens.

Thank you.

CTC VICE CHAIR VAN KONYENBURG: Thank you, Julia.

Esther.

Chair Nichols, do you know why Esther is awesome?

ARB CHAIR NICHOLS: No.

CTC VICE CHAIR VAN KONYENBURG: She's from Modesto. Did you know that?

ARB CHAIR NICHOLS: Oh, no.

CTC VICE CHAIR VAN KONYENBURG: That makes her awesome.

MS. RIVERA: I am from Modesto.
Thank you so much. Esther Rivera, Deputy Director for California Walks. Happy to be here with you all today. I'm really encouraged by today's discussion. I just want to highlight a few things and I'll keep it brief.

Today, there was discussion on topics that haven't really been breached in this -- you know, in these spaces, homelessness, racism, things that we really need to be discussing as we're talking about advancing our transportation and as we're talking about addressing the goals that we have as a state.

I think something to really consider as we're trying to align the Executive Order with our transportation spending and our climate goals is also to keep in mind that what really comes to mind with that is safety. If we're making our roads safer for not only people who are driving, but people who are walking and biking, we're going to get to that, and we're going to make it easier for people to make those choices. So as we're aligning our spending, always keeping in mind the safety component for people who live in these communities.

I think, not just today, but over the past two days I've been really encouraged with the conversation that's happened in the spaces at the listening session that was held on Tuesday, at yesterday's Commission
meeting, today at the joint meeting. And I'm so happy it
happened in Modesto, so that puts us on the map.

So I really appreciate the conversation. I
really look forward to more of this happening in these
spaces, and continuing, and am really excited again just
to echo the new Commissioners, and excited to see where
these conversations will go.

Thank you.

CTC VICE CHAIR VAN KONYENBURG: Thank you, Esther.

Kevin Hamilton and if Elaine Gorman can be right
behind Kevin.

MR. HAMILTON: And Bill Magavern is back in the
room as well.

Good afternoon, members of the Commission, Board.
Thank you for your time today and for continuing this
great effort that's necessary to the health and well-being
of our State, coordinating transportation and air
pollution.

Speaking for the San Joaquin Valley as a region,
which is where I focus, I have to say that I am frustrated
and continue to be by the failure of my valley and the
counties in my valley to work more actively together in
transportation planning and coordinating that planning.

We see other communities, other areas of the
State where multi-county entities are able to connect
their residents to work, to places to live in a fairly
effective fashion drawdown incredible amounts of money
from the federal and the State government because of that
collaboration.

There was a ray of sunshine today in the
discussion about the long-term collaboration on Highways
99 and I-5. I think about Highway 33 and 132, and, you
know, the other State routes that run the length of the
valley carry a lot of truck traffic, a lot of truck
traffic. Most of that truck traffic is local. It's
moving back and forth from farm, to city, to distribution
centers with product, and supplies, and waste.

And so these are running through our communities
everywhere. Yet, that road could be in one county a
really beautiful wide road, in some places two lanes on
each side, and step into another county and it becomes a
smaller, narrower, two-lane road, because it's not
considered as important or as worth investment there.
We're still undergoing those same kinds of situations in
the valley.

Air pollution is still hit and miss. We've got a
SIP coming now from -- not to let you guys off the hook
there Richard and company, and Mary, but that has been
committed to. But because of the Governor's budget and
other unintended consequences, there won't be money to
make sure that SIP is actually able to be carried out.
So, you know, we have a lot of concerns and our region
needs this coordinated, effective way of planning these
two critical pieces and connecting them to our housing.

I heard somebody say earlier that people are
moving businesses out of the state. I'm sure they are.
But just as many are coming in, at least that's been my
experience.

I work in the health care sector. And because
we've got so many health care problems, we've got plenty
of people coming here to work, I'll tell you right now.
And they're coming to the valley as well, because of the
price of housing. They are commuting. My daughter who
lives here in Modesto with her family and her husband both
commute two days a week to the Bay Area. It is two of the
most miserable days of their lives.

You know, we don't have the mass transit here to
take care of that, because again it's just not coordinated
and we're kind of waiting for an uber agency that runs the
ACE train to get it down here, when in reality, you know,
we should be working together as an eight-county group to
be able to bring that asset to bear very quickly and move
it forward, not just to Merced but all the way down the
valley.
We all believe, or many of us do, in the dream of high-speed rail, but we recognize we probably wouldn't see that for another 10 or 15 years either. Meanwhile, everybody has still got to get to work. And I want to tell you right now, we've got tons of communities in the lower counties of the valley who are completely isolated from the economy. They are stuck in unincorporated communities 50 miles from the nearest employment hub, unless they work in farm work. So the horizons for those young people there are also limited. And again, it's because we haven't been able to coordinate all these efforts together. We're doing some nice pilots, but I don't see any sign of how those pilots would be replicated in other communities.

CTC VICE CHAIR VAN KONYENBURG: Thank you, Mr. Hamilton.

MR. HAMILTON: So I would just ask you to do better.

Thank you.

CTC VICE CHAIR VAN KONYENBURG: Thank you.

MR. HAMILTON: As Jeff Jeffers says we can always be better.

CTC VICE CHAIR VAN KONYENBURG: Okay. Elaine Gorman then Ryan Kenny. If -- Ryan Kenny, if you could kind of be on deck so... And then it will be Sean Edgar,
if Sean could be ready to go as well.

MS. GORMAN: Hi there.

CTC VICE CHAIR VAN KONYLENBURG: Hi.

MS. GORMAN: My name is Elaine Gorman. And I really appreciate you guys coming down here, because I had a seven-mile drive. It was great. I doubt if I would have driven up to Sacramento, so I appreciate your effort in being here. And I'm sure that you guys noticed the air quality as you were driving down, either today or yesterday. And those of us who live in the valley full time, the air quality has been terrible for lots of reasons, but I'm having a little bit breathing difficulties right now. Anyway.

I have lived and worked in Modesto for about 30 years. And I'm a retired science teacher. I'm also an active member of the local Yokuts Group of the Sierra Club. The California Air Resources Board has failed to control vehicle emissions in the San Joaquin Valley. Poor air quality is responsible for thousands of deaths and illnesses, such as asthma and other respiratory ailments. CARB has also failed to impale[SIC] the San Joaquin Valley Air Pollution Control District to improve air quality to meet standards of the Clean Air Act.

Our State needs vehicle regulations that will provide healthier air for all Californians. Low-emission
and zero-emission vehicle standards and clean vehicle incentive programs, such as charging infrastructure, can help to meet clean air goals.

California needs additional strategies to reduce driving, such as smart growth and improved public transit. California needs a plan to show how cars and light-duty trucks can hit climate stabilizing targets. With the likelihood of increasing fire activity and accompanying smoke and other pollutants, combined with San Joaquin Valley's agricultural dust, and vehicle emissions, we are living with a toxic air quality situation here.

CARB and CTC must do all that is possible to ensure that San Joaquin Valley residents have the cleanest and healthiest possible air quality. I know it's going to be a difficult task. We are relying on you guys to help lead the way.

And thank you very much.

CTC VICE CHAIR VAN KONYNENBURG: Thank you, Ms. Gorman.

Okay. Ryan Kenny followed by Sean Edgar.

MR. KENNY: Hi. Good afternoon. I'm Ryan Kenny with Clean Energy. We are the nation's largest provider of renewable natural gas transportation fuel.

And this has been obviously a very productive discussion today in having both the Board and the
Commission in one place talking about a variety of issues. But I did want to just have a broader discussion and focus on the heavy-duty sector. And we're hearing from other stakeholders today about the impacts of heavy-duty trucks on our road and the need to get rid of diesel.

We all saw on the way over here, whether you're local or out of town, the multitude of heavy-duty trucks on the road on the 99, and we talked about the 5 as well. The leading source of NOx emissions are the heavy-duty and medium-duty sectors. They're one to two percent of the vehicle pollution, but they are the largest source of NOx.

And, you know, the remedy that our industry really is tying to move forward is the implementation of low-NOx heavy-duty trucks on our highways to displace diesel. And they are at 0.02 NOx optional standard. They're 90 percent certified cleaner than diesel and they're 99 percent in-use cleaner from in-use testing.

So as we look at a longer term solution focused on zero emission, I think a lot of -- most of us, including our industry, does support zero-emission technologies, but we do see the gap in the near term for both greenhouse gas emission reductions and NOx. And we'd like to see more policy emphasis on low-NOx trucks to remove diesel on the load.
Secretary Kim mentioned last week he had some comments, which aligned both the climate goals and transportation spending. And he did mention the reinforced commitment to reduce greenhouse gas emissions in the transportation sector, citing both AB 32 and SB 32. And he also mentioned that they need a -- they want an approach considering the economy, jobs, and income equality. And I think, you know, the goals of ARB and the Commission align with what he was looking to promote.

Just finally, I'll also mention to you, you may have seen this week, Next 10, the organization, released their annual California Green Innovative Index. And it mentioned that California will reach climate targets more than 100 years too late, if current pace of emissions reductions holds.

And they go on to say it will happen without major policy and technology breakthroughs to dramatically accelerate emissions decline. So again, we do believe low-NOx trucks are a solution. And we would appreciate both the Commission and ARB, their further consideration to get more trucks on the road.

Thank you.

CTC VICE CHAIR VAN KONYENBURG: Thank you, Mr. Kenny.

ARB BOARD MEMBER SERNA: Excuse me, Mr. Vice
Chair?

CTC VICE CHAIR VAN KONYNENBURG: Yes.

ARB BOARD MEMBER SERNA: I just wanted to make
mention of the fact that Mr. Magavern is back in the
audience and you'd call his name earlier.

CTC VICE CHAIR VAN KONYNENBURG: Yeah. He's
going to come back around. So thank you. Thank you. I
appreciate that.

Sean Edgar, then Linda Khamoushian.

MR. EDGAR: Good afternoon, Commissioners and
Board members. I'm Sean Edgar. I'm the Director of Clean
Fleets based in Sacramento. Here today on behalf of the
valley-operated sanitation companies. You talked about
sustainable communities. And sustainable communities and
more sustainable housing means more customers that need
sustainable and integrated waste management services.

So at a high level, I just wanted to touch on the
fact that maybe little known to some in the audience,
there are over 50 family operated entities here in the San
Joaquin Valley from San Joaquin County down through Kern
County that operate integrated solid waste management
services.

It's a diverse group of owners in these
family-operated companies. Many of them come from
immigrant backgrounds, and they have a diverse workforce,
and they have a diverse facility, and they operate diverse
types of equipment. And with all of that diversity,
there's one thing in common, these folks have made a
sustainable business out of protecting the environment.
And that's a unique value proposition that the waste
industry has to offer. So I'll just touch in a few
minutes on a couple high-level views.

I think borrowing from Mr. Corey's conversation
to paraphrase, we all work better when we work together.
So sustainability and integrated are two things that are
key to the folks that I have the privilege to work with.
And whether it's here in the valley, or from Humboldt all
the way down to San Diego, very common issues in the waste
industry.

First of all, the challenges of clean trucks. We
have one of our elderly members who's still active in the
waste hauling community and he's down there in Kern
County. He has an expression that I like, and he says,
when there's a disturbance and you resist, you become the
disturbance.

The waste industry 20 years ago had a huge
challenge from ARB to implement a clean vehicle program.
So what did we do, we implemented a clean vehicle program.
We figured out how to operate some of the cleanest trucks
on the road today. We do so with the understanding that
your customers -- you're our customer and you're going to need more containers, because multiple master is not just air quality, water quality, and other pollution prevention programs.

So Senate Bill 1383 requires us to manage organics better. So many of you will be putting your food in your green waste barrel. If you don't have a green waste barrel, you may be getting an extra barrel to put your food waste in there. I bring that up just to say that we have mandates to protect the public from pollution as our first line of defense, reduce all the other components of waste, the construction demolition debris when you go out and build sustainable communities. Even if it's a green building, it's still going to have some waste and recycling component.

So the bottom line is integrated policy works the best. And I would just add that for today's discussion, you have willing partners in the waste industry. You have folks that I've referred to in front of ARB as the A Team. And these are folks that literally went into a bank to build a business plan, to buy the fleet, to buy the facilities, to pay their workers well, to be able to deliver services every day of the week.

We hope to continue that dialogue. And I'm sure for another day we can talk about electric vehicles and
the fact that my University of California, Berkeley alma
mater shut down today because they don't have electricity.
So there are a lot of other things for another day we can
talk about, but for today, we're your willing partners.
Thank you for the process.

CTC VICE CHAIR VAN KONYNENBURG: Thank you.
Linda, and then Chanell Fletcher, and then Bill
Magavern.

MS. KHAMOUSHIAN: Good afternoon. My name is
Linda Khamoushian: I'm with the California Bicycle
Coalition. We are a statewide advocacy group. We
advocate for equitable, inclusive, and prosperous
communities where bicycling helps all Californians lead
health and joyful lives. So I want to emphasize here that
we work at the intersection of so many important issues
that have been discussed here today.

And so I'm encouraged by the conversation and
so -- and as a planner, someone who's been studying this
work and asking why are we not doing more, this is the
type of space where I see, and the leadership here
today and the con -- and the thoughtful conversation.

And so I encourage more and more people to tune
in, but beyond that to see how far we've come from just
last year, from the first engagement here. But even
beyond that, why we're even here together is that because
there is political will. There are communities who have been working at this intersection for a long time. Advocates at the local level have been working at this a long time, because these have, in a lot of ways, become intractable situations and issues. It's reached crisis not because of an overnight challenge. These are policy decisions that have been made over time that we need to tackle together.

And so the political will does come from the local communities and listening to them. And we appreciate the forums that have been brought in to do that at the CTC and at the Air Resources Board. But what I would say is that it also takes decision makers and at your level to listen, and to make informed decisions, and to understand that you can't always do things at the Agency level or the Department level, because they've become systems that have become calcified at times in certain situations, because to -- beyond what they can do.

And so legislation as helped to form this forum. It's helped to inform bringing in more diverse voices as Commissioners. Legislation is a very key point to see where the political will is and what communities want, because as many of you who are legislators know, it's not easy to get legislation in place, but it becomes necessary when there is no other option.
For example, expanding incentives to electric bikes has been an effort we've pushed forward, because it was not easy to do necessarily through the agency level. So we've had to go the legislative route, but it's definitely becoming more embraced. And as a way that's expanding options to more people to be able to use biking as a method to get around in their communities. But the other is that we have to look at making it safe, as my colleague Esther did mention, safe and accessible for people to do this. We have to look at places where we need to put in the resources for people to walk their children safely to school in the mornings.

And beyond the air quality benefits to our health, there's so many more public health indicators of bringing those resources to the community. So I would encourage us to also look at beyond -- the health impacts beyond air quality as well.

Thank you.

CTC VICE CHAIR VAN KONYENBURG: Thank you.

You said calcified. The older I get, the more calcified I feel.

(Laughter.)

CTC VICE CHAIR VAN KONYENBURG: Stiff and sore.

Okay. Chanell and then Bill.

MS. FLETCHER: I'm not feeling calcified. I do
want to apologize for missing my original time. I am exclusive breast feeding a nine-month old, so I did have to pump, so sorry about that guys. You guys very important, but he's important too.

Okay. Let my clock start now, please.

ARB BOARD MEMBER GIOIA: More important.

MS. FLETCHER: Thank you, right? He's super adorable. I love him a lot.

(Laughter.)

MS. FLETCHER: Okay. So my clock is officially starting now hopefully. So my name is Chanell Fletcher. I am the Executive Director of ClimatePlan. We work on policies and strategies to advance sustainable, equitable communities. There was a lot discussed today. I am going to try to condense this into three things.

One is that the SAFE Rule is something that we are very, very interested in. So CalSTA, as you are leading that process, please, please, please loop us in. We would love to kind of be a part of that and really thinking about how we as advocates can continue to support the work that you're doing, and also I think with our MPO partners.

In terms of the comments that Commissioner Butler made, where she's no longer here, around equity and race, I think I wanted to say that we are very supportive of
calling that out. And so when we're looking at planning and housing, I mean, it's entrenched. So I think we're talking about red-lining, we're talking about segregation, we're talking about racial covenants. And even though all of those things are illegal now, that's what our communities were shaped by, what they were built upon.

And so when we're talking about, you know, infill, and density, and housing, we really do also need tools to start anything about how do we address the fact that many of the communities that we're talking about or, you know, predominantly communities of color that you want to densify, how do we think about displacement, and protections, and making sure that we're not pushing out or leaving out communities of color. So that is something that we are very supportive of. And I know HCD is no longer here, but I think we would love to also work on that process with them as well.

The final point that I wanted to talk about what was the Executive Order. It was great kind of hearing that presentation. We are super supportive of it and I think believe that it will be really helpful in terms of as we go forward.

I think one of the things that I thought I heard Supervisor Gioia mentioned was that it could helpful to have some kind of clear deliverables for this group to
work towards. And I just wanted to say I think that's a great idea. I think that when we're talking about aligning transportation funding with our climate goals, this venue actually feels like a really great place to do that, because we have CARB here, we have CTC. One is working on climate. One is working on transportation. There's a clear nexus between that.

And so one of the things that I'd be really interested in I think thinking through and potentially hearing more thoughts about is is it possible as implementation happens with the Executive Order to really kind of give some clear deliverables or just guidance for this group to think about like what does that look like in these meetings? How can we start to kind of think a little bit more about that action, and the outcomes, and what we want to see around that.

So happy to follow that up with anybody. I'm sure if it the CTC, or ARB, or even CalSTA. But I do think that starting to get more and more towards action and thinking about what we can do together as a joint entity would be really helpful.

Thank you so much.

CTC VICE CHAIR VAN KONYENBURG: Thank you, Chanell and congratulations again.

MS. FLETCHER: Thank you.
CTC VICE CHAIR VAN KONYENBURG: Babies are awesome.

MS. FLETCHER: Oh, my God. He is.
Okay. Bill go.

(Laughter.)

CTC VICE CHAIR VAN KONYENBURG: Bill.

MR. MAGAVERN: Hi. I'm Bill Magavern with the Coalition for Clean Air. And thank you for the second chance. My excuse is not nearly as good as Channell's.

(Laughter.)

MR. MAGAVERN: I was having lunch with some agency employees. That was my mistake.

(Laughter.)

MR. MAGAVERN: So we're not on track to meet our 2030 standard for greenhouse gas emissions, which is in, law according to the Next 10 report. We're also, unfortunately, not on track to deliver healthy air to the residents of the San Joaquin Valley or the South Coast region. And the consequences, if we do miss that mark, include a possible loss of transportation dollars, as you heard this morning.

The consequences would certainly include elevated levels of illness and premature death from that air pollution. In fact, there are far more people who die from traffic related air pollution than from traffic
accidents. And both of those death tolls are unacceptably high.

We also know that the people who suffer from the health impacts of this pollution are disproportionately in communities of color. And, of course, the biggest cause of both of our emission problems, those related to climate and to air quality, is transportation. It causes over 80 percent of our air pollution and roughly 50 percent of our greenhouse gas pollution when you include the upstream impacts.

So to solve these problems, I think we all agree that we need to better align transportation, land use, air, and climate policies. And that's why we so welcome the Governor's Executive Order and thank Governor Newsom and Director Gordon for that. It starts to put us on the right path to aligning those policies, though obviously, a lot of the hard work is ahead in making that happen.

So as you look forward to your work together, one area that I would suggest that you focus on is sustainable freight, because you already have the plan. The agencies worked together on it three, four years ago. And a lot of that Sustainable Freight Action Plan still needs to be implemented.

So I would strongly recommend that both the Commission, and the Board, and the other relevant agencies
who are part of that reconvene with a strong focus on sustainable freight, carrying out everything that was in that plan, and also updating it to meet our future challenges.

    Thank you.

    CTC VICE CHAIR VAN KONYENBURG: Thank you, Bill.
    Doug, do we have anymore speaker cards?
    CTC CLERK REMEDIOS: We do not.
    CTC VICE CHAIR VAN KONYENBURG: Thank you.
    So we heard some very insightful presentations today. I want to especially thank the San Joaquin Valley eight counties, seven of which who were on the panel today, and Vito Chiesa. I want to thank them, especially because their time -- given that our previous panels went over, their time was truncated. And I know that there was a lot more detail that they wanted to go in. So my apologies to them for not letting them have -- get more time.

    If you look at that trifold pamphlet, if I could steal yours for a second, they have lots of things they wanted to talk about of what they're doing on the back and inside. So again to the San Joaquin Valley coalition, I apologize for -- that we didn't get to hear all of it, but it was exciting to hear.

    Chair Nichols, do you have any final words?
ARB CHAIR NICHOLS: Yes. I was going to hold up
this brochure myself.

CTC VICE CHAIR VAN KONYENBURG: Okay.

ARB CHAIR NICHOLS: So I'll do it again. I think
this is an amazingly packed piece of paper here. It's got
a lot of really interesting data and charts. I noticed
that you asked a question one time about the source of
some of the data, and a question whether it was tied to
other things that were here. There's a -- it raises
questions. Let's put it that way. It raises more good
questions, but it's also full of some really interesting
and useful information.

So I have a request, which is I would like
another copy of it, because even though I passed my eye
exam with my current glasses, this is in really small
print, really tiny print. So it would be really nice if
there was a version of it that could be done that was just
a little bit larger, maybe it could be a couple pages or
something like that.

CTC VICE CHAIR VAN KONYENBURG: We'll make
sure -- yeah, we'll make sure we get the blown-up version
of it.

ARB CHAIR NICHOLS: Yeah, yeah, yeah. But the
stuff that's in it is very interesting and useful
information. So thank you.
CTC VICE CHAIR VAN KONYENBURG: Anything else?

ARB CHAIR NICHOLS: That's it.

CTC VICE CHAIR VAN KONYENBURG: Okay. So we will continue this dialogue between CARB, and CTC, and HCD, which will join us officially on January 1, 2020. The two dates that are currently scheduled for our meetings in 2020 are April 29th in Sacramento, and November 4th in Los Angeles. I want to thank everyone for attending in person and everyone who was listening to -- on the webcast, especially Fran Inman. Hope Ron is doing great.

And this meeting is adjourned.

(Thereupon the California Air Resources Board and California Transportation Commission meeting adjourned at 1:40 p.m.)
CERTIFICATE OF REPORTER

I, JAMES F. PETERS, a Certified Shorthand Reporter of the State of California, do hereby certify:

That I am a disinterested person herein; that the foregoing CARB and CTC meeting was reported in shorthand by me, James F. Peters, a Certified Shorthand Reporter of the State of California, and was thereafter transcribed, under my direction, by computer-assisted transcription;

I further certify that I am not of counsel or attorney for any of the parties to said meeting nor in any way interested in the outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of October, 2019.

JAMES F. PETERS, CSR
Certified Shorthand Reporter
License No. 10063