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April 17, 2015

Gabriel Corley, CTP Project Manager
Division of Planning, MS-32
California Department of Transportation
1120 N Street
Sacramento, CA 94274

Re: Comments on Draft California Transportation Plan

Transmitted Electronically: ctp2040@dot.ca.gov

Dear Mr. Corley:

The California Building Industry Association (CBIA) appreciates the opportunity to submit these comments and suggestions on the California Department of Transportation *Draft California Transportation Plan 2040 (CTP 2040)*. CBIA is a statewide trade association based in Sacramento representing thousands of member companies including homebuilders, land developers, trade contractors, architects, engineers, designers, suppliers and other industry professionals.

CBIA acknowledges the extensive work the Department has done in preparing the Draft. We are largely supportive of the short-and mid-to-long range recommendations in Chapter 8. However, as we will explain, aspects of the recommendations are problematic and should be revised as we recommend.

Additionally, we have identified important instances where the text of the Draft is inaccurate or incomplete, and falls short of adhering to the key statutory obligation that the Department analyze and describe whether the transportation sector can “feasibly” attain a GHG emissions reduction by 2050 of 80% below 1990 levels.

Our specific comments and recommendations follow:

I. The Policy Advisory Committee (PAC)

In light of the significant influence the PAC had on the Draft, we note that the makeup of the PAC excludes key stakeholder representation from business, economic development and taxpayer interests who clearly have significant appreciation and interest in the future decisions and investments that underlie California’s transportation system. Had a more inclusive PAC been established, perhaps some of the more problematic elements might have been identified early and addressed prior to release of the Draft.

Recommendation: We recommend that the makeup of the PAC be broadened to include, at a minimum, business, economic development and taxpayers representatives.

II. SB 391 and Feasibility

SB 391 requires the final Plan to address how the state will achieve “feasible emissions reductions” in the transportation sector and analyze how the transportation sector fares in terms of reducing by 2050 GHG emissions 80% below 1990 levels. The Draft attempts to address this directive by analyzing the VMT and GHG reductions associated

with the Plan and two Alternatives. However both of the Alternatives offered in the Draft contain statewide transportation strategies and other assumptions that are offered without evidence of their feasibility.

Alternatives 2 and 3 rely for their estimated GHG (and VMT) reduction on transportation strategies identified in Table 17 on p. 91. By far the most effective strategy is “road pricing.” As we read this strategy though it envisions dramatic increases in the costs of driving (73% over the projected 2040 baseline costs associated with the Draft’s actual forecast).

Recommendation: For purposes of clarity and transparency, the Draft should clearly describe the “road pricing strategy” as a proposed measure to increase auto operating costs by about 73% in real terms over currently forecasted costs¹

Certainly, a 73% increase in the cost of auto use calls into question whether or not the strategy is in any way feasible in light of the massive cost increases that would be visited on Californians --- particularly lower-income households. In recognition of this fact the Draft identifies a response strategy called “improved transit services.”

As we explore the improved transit strategy we note that it incorporates certain assumption. To wit: transit services statewide will double; transit speeds statewide will double; transit fares will be reduced; and High Speed Rail fares will be reduced by 50% below those assumed in the 2013 California State Rail Plan. Notably, the Draft acknowledges on page 93 that ... *The draft transit strategy has garnered a lot of attention as potentially unrealistic and unaffordable. However, the intention has been to identify the maximum VMT reductions from transportation strategies. Thus, the aggressive transit improvement strategy was devised. In particular, the transit strategy was also designed to help offset road pricing by making transit a more viable option.*

This is clearly an acknowledgement that the “improved transit” response, like the “road pricing strategy,” is likely infeasible.² That these two strategies are likely infeasible is extremely significant because they are by far the most effective transportation strategies in Alternatives 2 and 3.³

Even with the two major strategies incorporated, Alternative 2 comes nowhere close to achieving the 2050 GHG reduction metric of 80% below 1990 levels. ⁴

The vast majority of Alternative 3’s GHG reduction comes from additional assumptions relating to fuel efficiency increases.⁵ As with the two key performance strategies, there

¹ Importantly, the Draft shows that the “baseline” 2040 driving cost already assumes a real increase in the price of gasoline from \$3.72/gallon in 2010 to \$4.83/gallon in 2040, yet because of fuel efficiency gains, the projected 2040 auto operating cost is *less* in real terms in 2040 than 2010 (Table 3, p.142).

² Remember, SB 391 requires feasibility to be a necessary consideration.

³ Table 17 on page 91 estimates that increasing the price of driving by 73% would yield a VMT reduction of 17% . The “transit service improvements” would yield a 6% reduction. None of the other 13 strategies are estimated to reduce VMT by 3%, with 6 of the strategies estimated to reduce VMT by less than 1%.

⁴ According to Figure 12 on p. 103, Alternative 2 results in a roughly 25% reduction. Alternative 3 is shown as “meeting” the 80% by 2050 metric.

⁵ The Draft, however, relegates explanation of these crucial assumptions to the final page of the document in the form of a memo from ARB staff to the Department. **The public and decision makers should not have to wade through the entire Draft before learning that:** “For alternative 3, for LDVs the assumptions are that fuel efficiency increases such that new fuel efficiency is four times higher from today’s levels and an assumption of 20 million LDV ZEVs on the road in 2050. For HDVs, the assumptions are that fuel efficiency is more than 50% higher by 2030 for new vehicles, and ZEVs will represent 12% of total sales by 2020. For freight rail and aviation, the assumptions are that fuel efficiency increases by 2.0% per year starting in 2015.”

is no evidence or analysis from the Department or ARB as to the feasibility or reasonableness of these assumptions.

Recommendation: For these reasons we recommend that the Draft’s alternatives analysis should be revised to eliminate all strategies and assumptions not reasonably established to be feasible. Only alternatives that are demonstrated to be feasible should be included in the Draft.

In sum, as to this aspect of Draft we believe that it presents a serious disconnect with the SB 391 requirement that the Department identify and analyze *feasible* transportation strategies. This becomes clear in the ARB memo noted in our footnote 5 below.

Recommendation: We recommend that the Draft Executive Summary clearly state that neither alternative 1 nor alternative 2 meets the 2050 metric. The Executive Summary should further state that while alternative 3 appears to meet the metric it is based on potentially unrealistic and unaffordable road-pricing and transit-improvement strategies.

III. Housing & Land Use

We embrace the notions of integrating transportation planning with housing and land use policy. This fact was demonstrated by our key involvement in SB 375 and in our industry participation in the development of the sustainable community strategies statewide. However, we note some serious deficiencies in the way the Draft treats key housing and land use issues.

For example on page 36, the Draft states that “For more than 25 years, the State, local governments, and redevelopment agencies have helped facilitate availability of affordable housing and engage in community development.” To read this pleasing statement one might conclude that all is well with housing ... both in terms of supply and affordability. Well, that couldn’t be further from the truth. Decades of policies at all levels of government have had the profound effect of retarding housing development and creating significant affordability challenges.

Recommendation: The above referenced statement should be deleted from the draft. In its place language from the recent State Legislative Analyst report on housing⁶ should be included to note that the state must build at least 100,000 more new units each year, much of it in high demand coastal regions.

Recommendation: in those areas of the Draft that provide both short-range to mid-to-long-range recommendations we suggest the following language: *Increase the overall supply of new housing units for all income levels to meet California’s housing needs* followed by a footnote citing the LAO report.

In other parts of the Draft certain planning assumptions about housing are incorrectly presented as facts and they need to be reframed. For example on page 11, the Draft quotes text from an appendix to the ARB’s 2013 Scoping Plan labeled “**Did you Know.**” The Draft goes on to say that “in Southern California, two-thirds of new housing will be multifamily.” Will it? Who knows? The point here is that this is not a fact rather it is an aggressive assumption made by an MPO in southern California and it needs to be acknowledged as such.

⁶ <http://www.lao.ca.gov/reports/2015/finance/housing-costs/housing-costs.aspx>

Recommendation: It is important that when statements in the Draft are made concerning long-term land use shifts which by their very nature are assumptions not presently capable of being verified that they be noted as such.

For this very reason we believe it inappropriate for the Draft to suggest that “growth in more transportation efficient land uses can provide even greater reductions in GHG emissions beyond those modeled in the CTP 2040.” This is inappropriate because it is a statement of aspiration or hope or desire ... not fact. The Draft provides no evidence nor cites to any research to support this statement.

Recommendation: This language should be deleted.

In chapter 8, regarding planning (Pg. 114) the Draft includes as one of its recommendations “Avoid planning, developing, or building in places where structures will require significant protection from sea level rise, storm surges, or coastal erosion during the expected life of the structure.” It cites from the 2009 California Climate Adaptation Strategy. The concern we have here is that this statement is not presented in its full supporting context and as such is misleading.⁷

As one can see from a full reading of the text, the state Adaption Strategy is limited to guidance for state agencies in their own planning and permitting; is qualified by considerations regarding careful planning and whether the area can be adequately protected; is qualified by considerations regarding existing significant development; and contains the imperative to accommodate infill development.

Recommendation: If the statement in Chapter 8 is to remain in the Draft it should be qualified by the above factors.

Again, we thank you for the opportunity to offer these comments and suggestions and look forward to the next iteration of the Draft Plan.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Lyon". The signature is fluid and cursive, with a long horizontal stroke at the end.

Richard Lyon
Senior Vice President

⁷ The actual full text from the CCAS is as follows: “Consider project alternatives that avoid significant new development in areas that cannot be adequately protected (planning, permitting, development, and building) from flooding, wildfire and erosion due to climate change. The most risk-averse approach for minimizing the adverse effects of sea level rise and storm activities is to carefully consider new development within areas vulnerable to inundation and erosion. State agencies should generally not plan, develop, or build any new significant structure in a place where that structure will require significant protection from sea level rise, storm surges, or coastal erosion during the expected life of the structure. However, vulnerable shoreline areas containing existing development that have regionally significant economic, cultural, or social value may have to be protected, and in-fill development in these areas may be accommodated. State agencies should incorporate this policy into their decisions and other levels of government are also encouraged to do so.”