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APPROVED
BY THE CITY COUNCIL

SEP 25 1990

OFFICE OF THE
CITY CLERK

DEPARTMENT OF
PLANNING AND DEVELOPMENT

CITY OF SACRAMENTO
CALIFORNIA
September 25, 1990

1231 I STREET
ROOM 200
SACRAMENTO, CA
95814-2998

City Council
Sacramento, California

BUILDING INSPECTIONS
916-449-5716

Honorable Members in Session:

PLANNING
916-449-5604

**SUBJECT: DEVELOPMENT OF AN INDIRECT SOURCE CONTROL
PROGRAM (M90-033)**

SUMMARY

On June 22, 1990 the Mayor, at the request of the City-County Environmental Commission, presented a proposed resolution to the City Council which encourages the Environmental Commission to take the lead responsibility for development of an indirect source control program. The proposed program would lead to the development of an indirect source rule (ISR) for the County which would require indirect sources (e.g., shopping centers, employment centers, residential development etc.) to mitigate air quality impacts prior to approval of the project (see Attachment 1A). The Resolution provides an opportunity for a joint effort by the City, County and Environmental Commission to develop a rule that will affect land use, air quality and transportation. This item was heard by the Transportation and Community Development Committee at its meeting of September 18, 1990.

BACKGROUND

The Sacramento Metropolitan Air Quality Management District (SMAQMD) feels that some degree of land use authority is required to enforce these control programs through specific mitigation measures. The District feels that it already has the necessary authority to prepare these programs and rules. The District intends to require a Land Use Entitlement Permit (LUEP) as a condition of development. The District likens this permit to a sewer permit.

City staff feels that land use within the City is the prerogative of the City. The Sher & Connelly bills specifically state that these new bills were not intended to grant any new land use authority to Air Quality Management Districts. Recognizing that the effectiveness of the Indirect Source Control Program depends, to some degree, on land use authority, the Resolution outlines the following course of action:

- o The Sacramento Environmental Commission should oversee development of the indirect source control rules.
- o The City Planning Commission should review the overall program elements and the specific rules, and make recommendations to the Council.
- o The City Council should review and approve the overall program elements and specific rules.
- o If necessary, the City Council can choose to delegate and otherwise empower SMAQMD for specific land use authorities.
- o Where possible, SMAQMD should make recommendations to the Council about changes which the City could incorporate that would improve air quality.
- o A task force should be formed to investigate the feasibility of reconstituting the governing body of the SMAQMD to include City Council(s) members.

Please see the attached report to the Transportation and Community Development Committee for additional background information.

POLICY CONSIDERATIONS

The proposed Resolution is intended to develop a specific program to reduce air pollution related to existing and new residential and commercial development.

FINANCIAL DATA

The development of the indirect source control program does not have a direct impact on City revenues. The indirect source rules, when formulated, will be individually reviewed for potential financial impact.

MBE/WBE CONSIDERATIONS

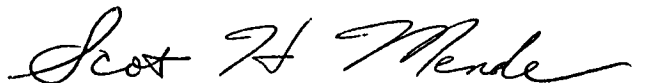
Not applicable.

RECOMMENDATION

Staff recommends that the City Council take the following actions:

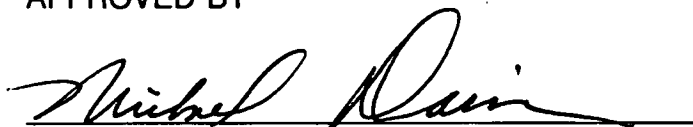
- A. Adopt the revised resolution supporting the development of an Indirect Source Rule.
- B. Suggest that AQMD continue to involve the City Staff in the development of the proposed ISR.

Respectfully submitted,



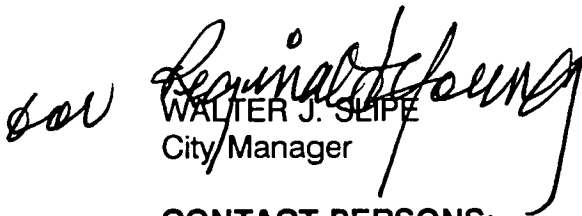
SCOT H. MENDE
Senior Planner

APPROVED BY



MICHAEL M. DAVIS
Director, Planning and Development Department

RECOMMENDATION APPROVED:



WALTER J. SLIPE
City Manager

September 25, 1990
All Districts

CONTACT PERSONS:

Scot H. Mende, Senior Planner (449-5381)

SM:ob
ISR.CC

Attachments

RESOLUTION NO.

90-809

as amended

ADOPTED BY THE SACRAMENTO CITY COUNCIL

APPROVED
BY THE CITY COUNCIL

SEP 25 1990

OFFICE OF THE
CITY CLERK

ON DATE OF _____

**RESOLUTION DIRECTING SACRAMENTO ENVIRONMENTAL
COMMISSION TO DEVELOP INDIRECT SOURCE RULES**

WHEREAS, the Sacramento area is a non-attainment area for State and Federal ozone and carbon monoxide air quality standards; and

WHEREAS, protecting the quality of life in the Sacramento region is essential to its continued economic development; and

WHEREAS, the Sacramento region is undergoing rapid growth which places additional pressure on efforts to improve air quality; and

WHEREAS, indirect sources of air pollution such as roads and highways and traffic generating developments, both new and existing, are a major source of vehicle-generated air pollution in the Sacramento area; and

WHEREAS, the Sacramento Air Quality Management District has increased authority and responsibility for the control of air pollution; and

WHEREAS, both air pollution and community disputes and protracted litigation regarding the effectiveness of air quality measures threaten the economic development of the Sacramento area; and

WHEREAS, Chapter 1541, Statutes of 1988, established the Sacramento Metropolitan Air Quality Management District and provided it with the authority to regulate indirect sources of air pollution; and

WHEREAS, Chapter 1568, Statutes of 1988, requires the implementation of measures to provide a five percent (5%) per year reduction in air pollutants that exceed State standards; and

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

WHEREAS, effective control of air pollution will require the coordinated efforts of the principal cities in Sacramento County and the County of Sacramento, as well as the Sacramento Air Quality Management District, and the business, development, and environmental communities in the region; and

WHEREAS, contributions to Sacramento's and neighboring counties' air quality problems arise from movement of pollution and motor vehicles across jurisdictional boundaries.

NOW, THEREFORE, BE IT RESOLVED:

1. The Sacramento Environmental Commission shall undertake, as a major task, the development of an Indirect Source Review Rule for the regulation of air pollution in the Sacramento region. In developing this rule, the Commission shall:
 - A. Identify and define the nature of indirect sources of air pollution for the Sacramento region and the effect on air quality from these sources;
 - B. Endeavor to establish contacts and working relationships with neighboring jurisdictions;
 - C. Solicit the cooperation and input of the business, development and environmental communities from the entire Sacramento region;
 - D. Investigate means of providing for an equitable sharing of economic and regulatory burdens between existing and new sources of air pollution;
 - E. Examine funding sources for regulatory and educational programs that are fair to both new and existing businesses;
 - F. Examine the effect, if any, of governmental regulatory requirements on indirect sources of air pollution;
 - G. Examine the relationship between government sponsored public works programs and indirect sources of air pollution;
 - H. Examine the relationship between government approval requirements of land use projects and indirect sources of air pollution;
 - I. Obtain necessary data to accurately assess the effects of new and existing indirect sources upon the Sacramento region's air quality;

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

- J. Examine existing models for the regulation of indirect sources of air pollution;
 - K. Examine the possibility of allowing new development to offset its production of air pollution with reduction of pollution elsewhere in the air region;
 - L. Explore means of increasing the flexibility of the business and development community in achieving air quality goals; and
 - M. Conduct such other investigations and make such recommendations as the Commission shall deem appropriate.
2. The above-described task is a priority project that is vital to the economic and environmental well being of the Sacramento area and, therefore, all city and county agencies shall cooperate fully in response to the request of the Environmental Commission.
 3. SACOG and the Cleaner Air Partnership are requested to cooperate with the Environmental Commission and share data, including data obtained as a result of the 1990 federal census, related to the creation of an indirect source review rule.
 4. The Environmental Commission shall identify ways in which the cities in Sacramento County and County of Sacramento can assist the Sacramento Metropolitan Air Quality District in reducing indirect sources of air pollution and shall report its findings and recommendations to the Sacramento Metropolitan Air Quality Management District and to the cities in Sacramento County and County of Sacramento.
 5. The Environmental Commission shall identify ways in which the Sacramento Metropolitan Air Quality District can assist the cities in Sacramento County in adopting and revising land use regulations that impact air quality.
 6. Pursuant to Health & Safety Code Sections 40716, 41015, and 41016, nothing in this Resolution is meant to transfer or grant authority for the control of land use (including the authority to issue development permits within the City of Sacramento) to SMAQMD.
 7. The Sacramento Environmental Commission is requested to work closely with the City and County planning staffs and planning commissions for approval during preparation of the Indirect Source Control program and to submit the proposed rules to the City Council and Board of Supervisors for approval.

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

8. The Air Quality Management District, Sacramento County, and the cities in Sacramento County are requested to coordinate and cooperate to reach a common understanding among the agencies represented as to their respective roles and responsibilities in dealing with air quality problems.
9. A special task force shall be formed to investigate the feasibility of the formation of a new governing board which will consist of the Board of Supervisors as well as members of the City Councils.

MAYOR

ATTEST:

CITY CLERK

ISR.res

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____



DEPARTMENT OF
PLANNING AND DEVELOPMENT

CITY OF SACRAMENTO
CALIFORNIA

1231 I STREET
SACRAMENTO, CA

September 18, 1990

ADMINISTRATION
ROOM 300
95814-2987
916-449-5571

Transportation and Community Development Committee
Sacramento, California

ECONOMIC DEVELOPMENT
ROOM 300
95814-2987
916-449-1223

Honorable Members In Session:

SUBJECT: DEVELOPMENT OF AN INDIRECT SOURCE CONTROL
PROGRAM (M90-033)

NUISANCE ABATEMENT
ROOM 301
95814-3982
916-449-5948

SUMMARY

On June 22, 1990 the Mayor, at the request of the City-County Environmental Commission and the Mayor presented a proposed resolution to the City Council which encourages the Environmental Commission to take the lead responsibility for development of an indirect source control program. The proposed program would lead to the development of an indirect source rule (ISR) for the County which would require indirect sources (e.g., shopping centers, employment centers, residential development etc.) to mitigate air quality impacts prior to approval of the project (see Attachment 1A). The Resolution provides an opportunity for a joint effort by the City, County and Environmental Commission to develop a rule that will affect land use, air quality and transportation.

BACKGROUND

The California Clean Air Act (CCAA) requires that districts in moderate, serious and severe areas, include in their attainment plans provisions to develop an indirect source control program. The SMAQMD has determined that the Sacramento area is in the severe stage of air pollution classification. If a district chooses not to address indirect sources of air pollution, they must provide detailed justification for doing so. The SMAQMD is developing a work program which includes a major effort for developing an ISR.

The CCAA does not contain a specific definition of an indirect source. Based on the review of definitions contained in the federal Clean Air Act and Environmental Protection Agency (EPA) guidelines, the ARB has come up with the following definition:

"An indirect source is any facility, building, structure or installation, or combination thereof, which generates or attracts mobile source activity that results in emissions of any pollutant for which there is a state ambient air quality standard. Examples of indirect sources include employment sites, shopping centers, schools, sports facilities, housing developments, airports, commercial or industrial development, and parking lots and garages."

Although the definition is derived from federal regulations and guidelines, the federal Clean Air Act and EPA no longer require the inclusion of indirect source controls in their attainment plans. The AQMD would most likely apply the ISR to all new and existing development within the City of Sacramento.

As shown on Table 1, the amount of projected emissions of reactive organic gases (ROG) and oxides of nitrogen (NOx) will vary depending on the source. Emissions resulting from the use of solvents will increase significantly, while mobile source related emissions are expected to decrease. ROG and NOx are combined in the table below to show the total tonnage of ozone precursors emitted per day in Sacramento and which sources are responsible. The two emissions have vastly different characteristics and will not necessarily be addressed with the same mitigation measures.

Table 1.

	TONS PER DAY					
	ROG & NOx					
	1987	1990	1994	1997	2000	2010
<u>Stationary Sources</u>						
Solvent Use	29.53	30.14	35.04	37.33	38.97	44.65
Other Stationary	19.72	20.27	21.50	22.16	22.69	24.80
Total Stationary	49.25	50.41	56.54	59.49	61.66	69.45
<u>Mobile Sources</u>						
Automobiles	79.61	76.18	48.73	41.01	36.64	34.19
Light Duty Trucks	16.61	16.08	11.8	10.65	10.13	10.65
Autos & Lt.Trucks	96.22	92.25	60.53	51.66	46.77	44.84
Other Mobile	67.44	66.86	62.20	63.07	65.00	76.30
Mobile Total	163.66	159.11	122.73	114.73	111.77	121.14
Mobile & Stationary Total	212.92	209.18	179.26	174.22	173.45	190.59

Mobile Sources

Mobile sources of emissions are the primary target for the proposed indirect source control program. According to the Sacramento Area Council Of Governments (SACOG), automobiles and light trucks ("mobile sources") account for approximately 44% of total ozone precursor emissions (Oxides of Nitrogen (NOx) and Reactive Organic Gasses (ROG)) in the Sacramento area (see attachments A & B).

However, the California Air Resources Board (ARB) projects that emissions from targeted mobile sources will continue to gradually decline as existing efficient technologies are more widely utilized and as older, less efficient vehicles are replaced by newer fuel efficient and low emission ones. By the year 2010 automobile and light truck emissions are estimated to be only 24% of total emissions (see attachments A & B). As shown on Table 1, "mobile sources" of emissions are expected to continue to decline through the year 2010.

It should be noted that mobile sources of emissions, particularly automobiles and light trucks have previously been controlled to a great extent through improved emission control technology. Emission reductions and improvements are expected to decline and eventually flatten out as technological limits are reached. Transportation control measures included in the ISR will be the "technology" of the future needed to address mobile source emissions.

If developers and employers are unable to achieve the emission reductions required of their projects through on-site emission mitigation measures, they will have the option of contributing funds to emission offset or off-site mitigation measures which would address not only mobile sources, but stationary sources as well. According to SMAQMD, "offset measures may include emissions offsets from existing stationary sources, transportation sources, or offset fees necessary to adequately mitigate the adverse air quality impacts attributed to the project". The criteria for emission offsets must:

1. Be Actually Implemented
2. Result In A New Or Enhanced Program
3. Have Continued Effectiveness
4. Be Legally Binding
5. Be Estimated Based On Best Information Available

Stationary Sources

Stationary sources, particularly the ones associated with the use of solvents in their operations (e.g., dry cleaners, paint shops, furniture manufacturers, printing, road paving etc.) are currently considered individually as insignificant or minor emission sources. Their cumulative impact, makes up approximately 24% of total emissions. This number is expected to increase to 41% by the year 2010 (see attachments A & B). Small scale stationary sources have a great potential for significant emission reductions.

AFFECTED AGENCIES

ARB

According to the California Air Resources Board (ARB) there are basic critical elements in the development of an indirect source control program:

- Determine Need
- Prioritize Sources (i.e., develop ranking of sources)
- Require Mitigation (i.e., define proposed mitigation measures)
- Set Performance Standards
- Define Approaches
- Involve Local Agencies

The ARB has purposely prepared their indirect source control guidance document in a non-specific form to allow for the specific approaches to be developed by local pollution control districts working in collaboration with locally affected jurisdictions (i.e., cities and the County).

SMAQMD

Development and implementation of an indirect source rule (ISR) will be the responsibility of the Sacramento Metropolitan Air Quality Management District (SMAQMD). The SMAQMD is currently in the process of preparing the provisions for the development of an indirect source program and is strongly recommended by the California Clean Air Act to have a program identified by July of 1991 to be included with the Air Quality Plan. The ISR should be implemented by 1994. SMAQMD has developed a preliminary draft work plan (see Attachment C) for the development and review of the indirect source control program, but is not yet prepared to assign a timeline to the project.

City of Sacramento

The role of the City in preparation of the program, and subsequent rule will depend on whether the City chooses an active or passive approach to the ISR planning process. The City of Sacramento falls under the jurisdiction of the SMAQMD and will therefore have a vested interest in the preparation of the indirect source control program.

An active approach will require a full time City staff member to be committed to air quality/land use issues and development of the ISR rule in particular. Active planning will involve attending meetings and workshops, reviewing materials prepared by various agencies, and contributing comments and ideas to help guide the development of the indirect source control program to assure that it is consistent with the goals and policies of the City Of Sacramento.

City Staff would be involved in the development of the proposed rule, but will also work with the SMAQMD to determine the role of the City and other local agencies regarding the administration and enforcement of the rule once it is developed.

Both existing and future development within the City will be subject to the ISR. Consequently, the SMAQMD may determine that the rule should be jointly administered by City and SMAQMD staff. The exact roles and responsibilities of each agency regarding administration and enforcement has yet to be determined. At this point, SMAQMD is still in the early phase of developing the indirect source control program which will determine the nature of the development of the indirect source rule.

DISCUSSION

The proposed ISR will incorporate approaches associated with:

- Transportation Control Measures (TCM's)
(e.g., HOV lanes, improved transit etc.)
- Transportation Systems Management (TSM)
(i.e., reduced SOV commute trips)
- Parking Management
- Other transportation oriented measures

The ISR will include best available mitigation measures that will directly and indirectly regulate the design and control of traffic generating aspects of new and existing development. Best available mitigation measures will address the design and operation of the following:

- Mixed Land Use Development
- Transit
- Shuttle and Delivery Services
- Bicycle Lanes and Storage
- Parking
- Ridesharing
- Telecommunications

AQMD REVIEW PROCESS

There is a concern that the ISR may infringe on City land use decisions. However, according to the ARB, pollution control districts (districts) already have the authority to impose requirements for air quality impact mitigation upon sources which desire to locate and operate within a district's jurisdiction. It is the opinion of the ARB that districts and local governments have concurrent authority regarding land use decisions.

Chapter 1568 (Sher), (statute of 1988, Section 40716(a)) of the California State Code, addresses land use powers of air quality districts throughout the state. It reads as follows:

40716.(a) In carrying out its responsibilities pursuant to this division with respect to the attainment of state ambient air quality standards, a district may adopt and implement regulations to accomplish both of the following:

(1) Reduce or mitigate emissions from indirect and areawide sources of air pollution.

(2) Encourage or require the use of ridesharing, vanpooling, flexible work hours, or other measures which reduce the number or length of vehicle trips.

(b) Nothing in this section constitutes an infringement on the existing authority of counties and cities to plan or control land use, and nothing in this section provides or transfers new authority over such land use to a district.

Consequently, the ARB feels that district and local governments should be able to continue to share authority. The land use question should be resolved during the preparation of the indirect source control program. City review and approval of the program would clarify and protect the City's authority over land use decision.

Chapter 1541 (Connelly), (Sections 41015 and 41016) of the Code address the separation and distinction of powers of the City of Sacramento in relation to land use decisions and authority of the Sacramento Metropolitan Air Quality Management District (SMAQMD). The sections state as follows:

41015: This chapter does not constitute an infringement on the existing authority of local governments to plan or control land use, and nothing in this chapter provides or transfers new authority over such land use to the Sacramento district.

41016: This chapter does not limit or restrict any authority of the City of Sacramento to adopt and implement any transportation system improvement program or air quality improvement program. The Sacramento district and the City of Sacramento may enter into a contract to implement any such program.

ARB staff interprets these statutes to mean that SMAQMD has the right to permit or deny a project based on its expected air quality impacts. Specific mitigation measures that affect land uses, however, may be beyond the scope of SMAQMD authority. Accordingly, the District must recognize that the land use/air quality relationships are of mutual interest to both the City and the District.

The SMAQMD has prepared a preliminary air quality permit process for land use projects (see Attachment D). Development approval would be subject to the issuance of an air quality permit prior to development. The method for application procedures, administrative requirements, air emission quantification, and mitigation measures have not yet been developed by SMAQMD. Emissions reduction standards have not yet been developed for the various land uses to be addressed. These development of standards or thresholds, and the associated mitigation fees to be applied off-site should be closely monitored by the City to ensure that they are feasible, enforceable and consistent with the overall goals and policies of the City of Sacramento's future growth and development plans.

As shown on Attachment D, development projects will be subject to review and permitting authority by SMAQMD. Projects will be conditioned to participate in a mitigation program or a mitigation offset fee, or a combination of both. Once a project is approved, mitigation monitoring will be the responsibility of the SMAQMD. Health and Safety Code Section 40717(e) states that districts may delegate any function with respect to implementation of transportation control measures to any local agency under specified conditions. The ARB feels that this provision applies equally to the development of an indirect source control program. Consequently, the SMAQMD may choose to delegate the duties of mitigation monitoring to the City.

Resolution

The proposed resolution addresses the issue of preparing an indirect source control program aimed at reducing emissions from mobile sources. The resolution also states that the Environmental Commission will be the lead agency in the development of the proposed program and that the City Planning Commission and City Council will review and approve the program. The Resolution provides an opportunity for a joint effort by the City, County and Environmental Commission to develop a rule that will affect land use, air quality and transportation.

FINANCIAL DATA

The development of the indirect source control program does not have a direct impact on City revenues. The indirect source rules, when formulated, will be individually reviewed for potential financial impact.

VOTE OF THE PLANNING COMMISSION

The draft Resolution was presented to the Planning Commission on August 30, 1990. The Planning Commission voted 6-0 in support of the Resolution.

POLICY CONSIDERATIONS

The proposed Resolution is intended to develop a specific program to reduce air pollution related to new residential and commercial development.

The indirect source control program will seek to accommodate growth without increasing total emissions of criteria pollutants.

MBE/WBE IMPACTS

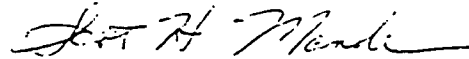
There are no MBE/WBE impacts associated with this item.

RECOMMENDATIONS

Staff recommends that the Committee take the following actions:

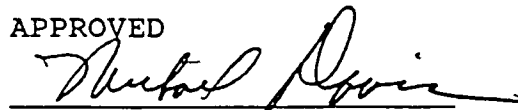
- A. Adopt the revised resolution supporting the development of an Indirect Source Rule.
- B. Suggest that AQMD continue to involve the City Staff in the development of the proposed ISR.

Respectfully Submitted,




SCOT H. MENDE
Senior Planner

APPROVED



MICHAEL M. DAVIS
Director of Planning and Development



MEL JOHNSON
Director of Public Works

Recommendation Approved For Committee Information


DAVID R. MARTINEZ
Deputy City Manager

Contact Persons:

Marty Van Duyn, Planning Director
(916) 449-5381

Scot Mende, Senior Planner
(916) 449-5381

Attachments

SHM:JM:jm/ISRTCD.RPT

INDIRECT SOURCE CONTROL PROGRAM

Indirect Source Rule

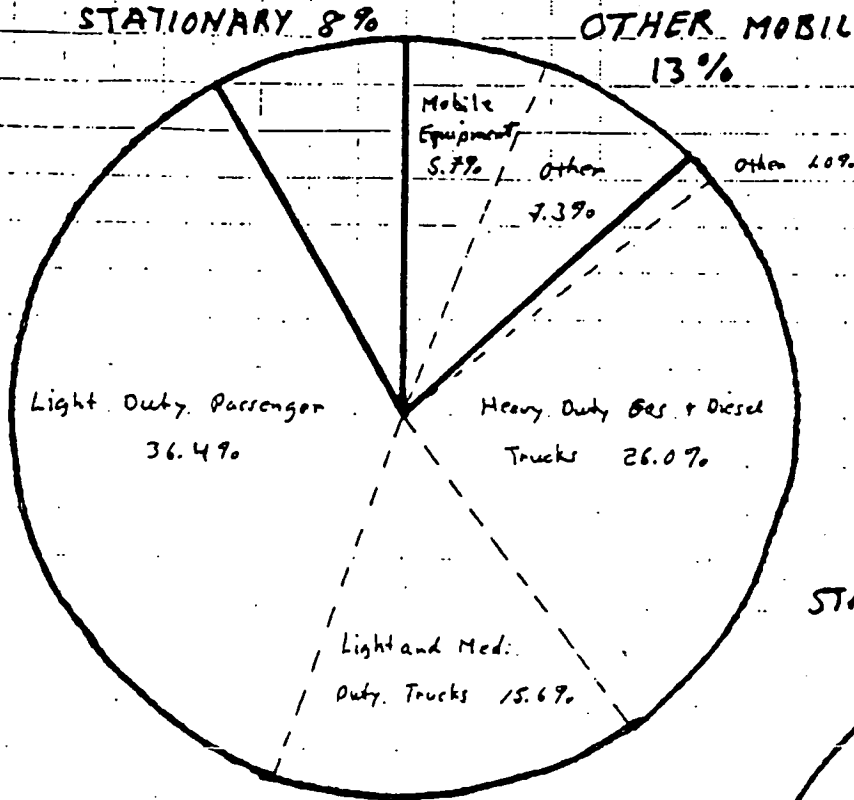
- Transportation Control Measures (TCM's)
- Land Use Control Measures (LUCM's)
- Commute Alternatives Rule (CAR)
- Parking Management
- Other Indirect Source Control Measures

Land Use Entitlement Permit

- On Site Mitigation Measures
- Offset and Off-Site Mitigation Measures

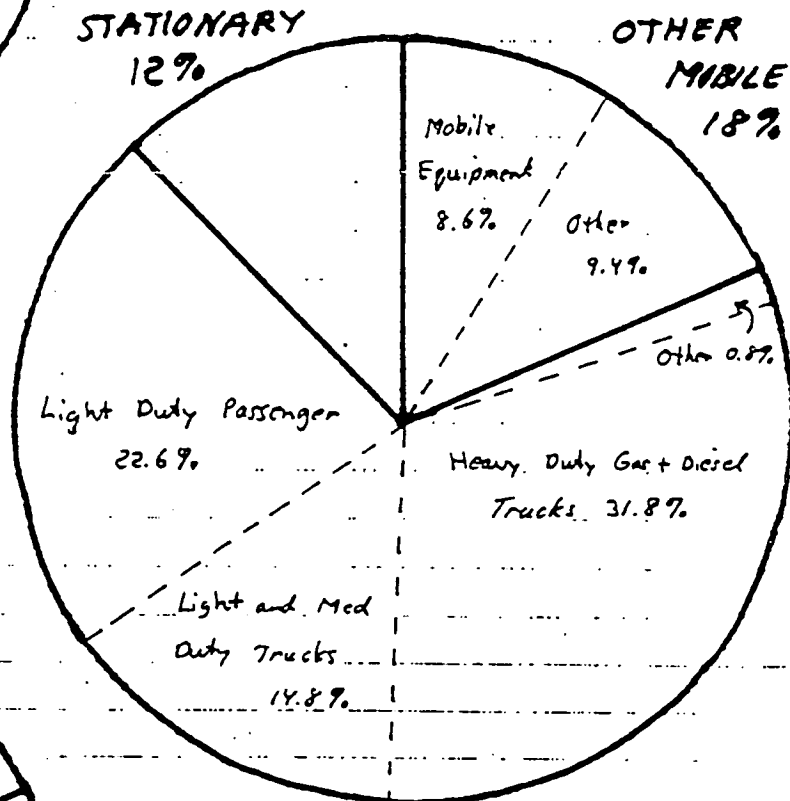
NOx EMISSION TRENDS

1987



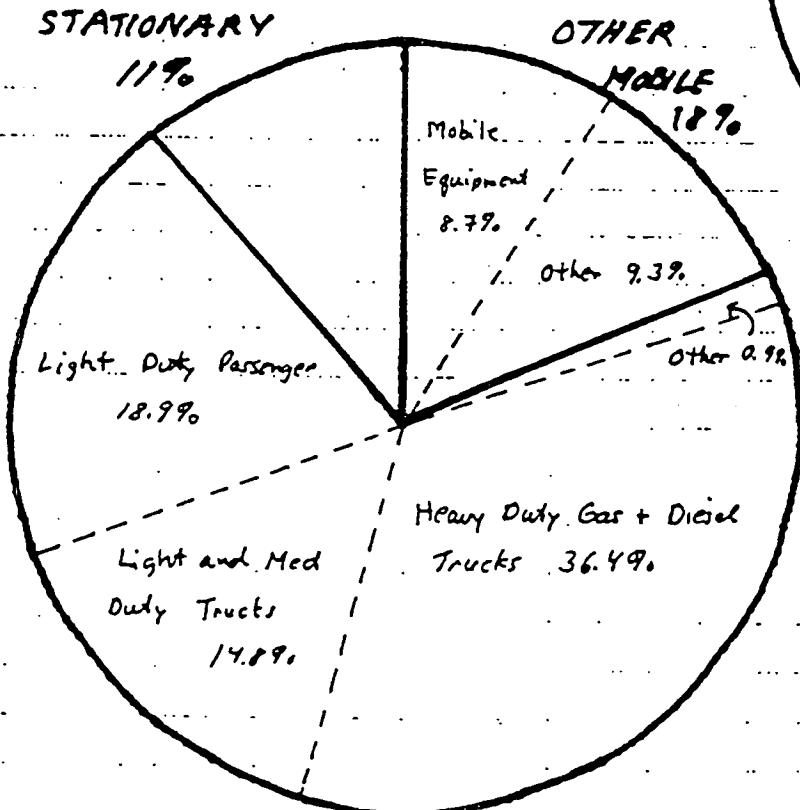
ON-ROAD MOBILE 79%

2000



ON-ROAD MOBILE 70%

2010



ON-ROAD MOBILE 71%

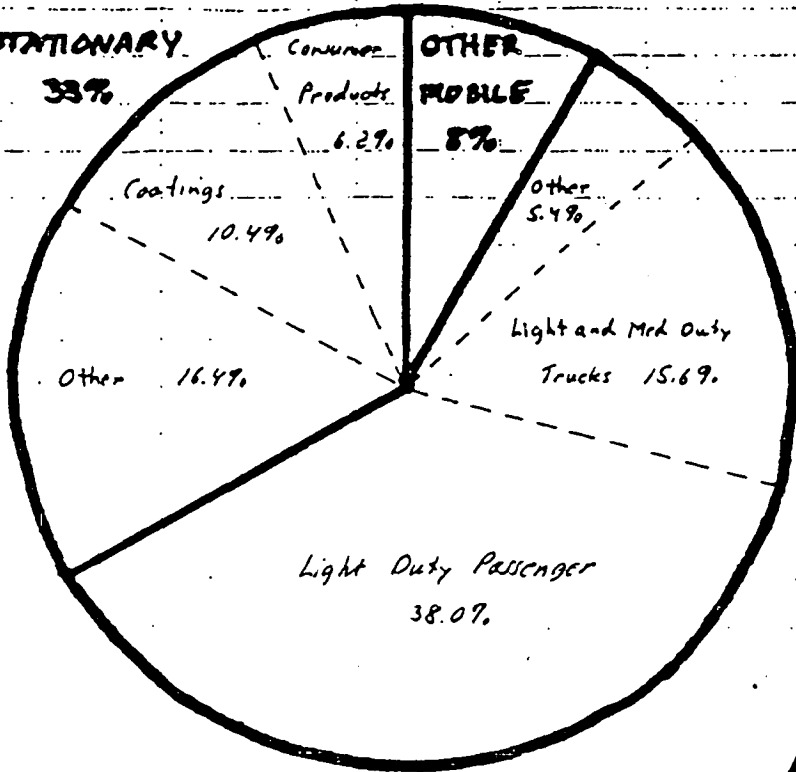
1987

SACRAMENTO COUNTY

ROB EMISSION TRENDS

STATIONARY

33%



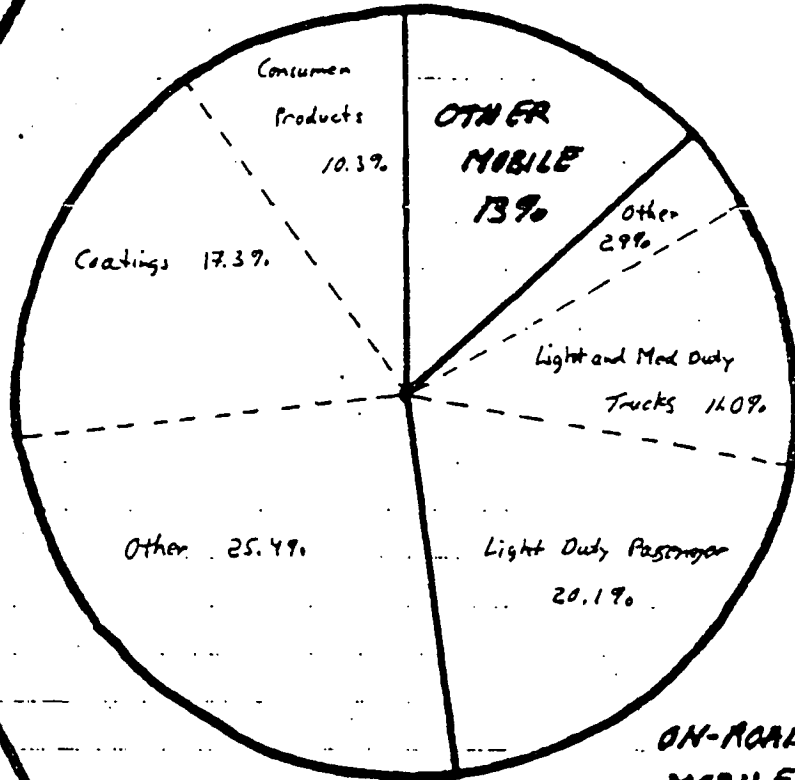
ON-ROAD MOBILE

57%

2000

STATIONARY

53%



ON-ROAD MOBILE

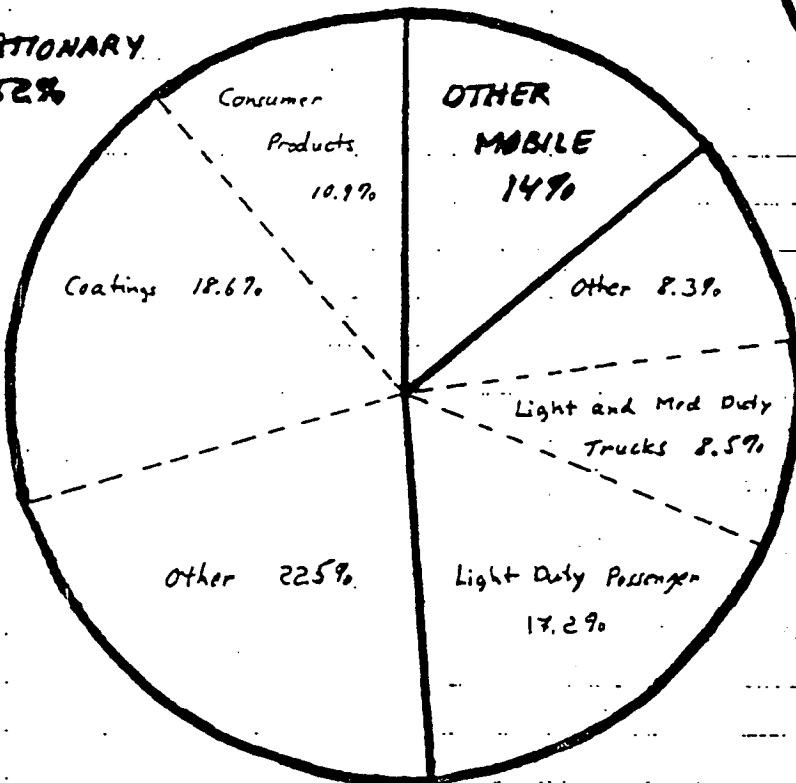
34%

34%

2010

STATIONARY

52%



ON-ROAD MOBILE

34%

DRAFT WORK PLAN
INDIRECT SOURCE REVIEW/DEVELOPMENT

ASSIGNED TO

DUE DATE

SCOPE OF ISB

- o New vs existing sources
- o Phased development of the rule.
- o Phased implementation of the rule
- o Potential impediments to rule development

Products: Issues and options report
: Decision

TECHNICAL EVALUATION AND ANALYSIS

- o Develop technical support
- o Use of contractors
- o Prioritize schedule, rule components

Product: Staff report

TASK FORCE FORMATION

Product: Guidance

DRAFT AMENDMENTS TO SUPPORT RULES AND REGULATIONS

PRE-RULE PUBLIC HEARING

ARB (and EPA) REVIEW (45 days)

Product: ARB (EPA) input

PUBLIC DISTRIBUTION

PUBLIC WORKSHOP

Product: Public input

RESPOND TO PUBLIC COMMENTS

Product: Final draft rule

ENVIRONMENTAL COMMISSION (2 weeks)

Product: Recommendation

PUBLIC NOTICE (30 days)

BOARD OF DIRECTORS

Product: Adopted plan

ADVISORY NOTICE

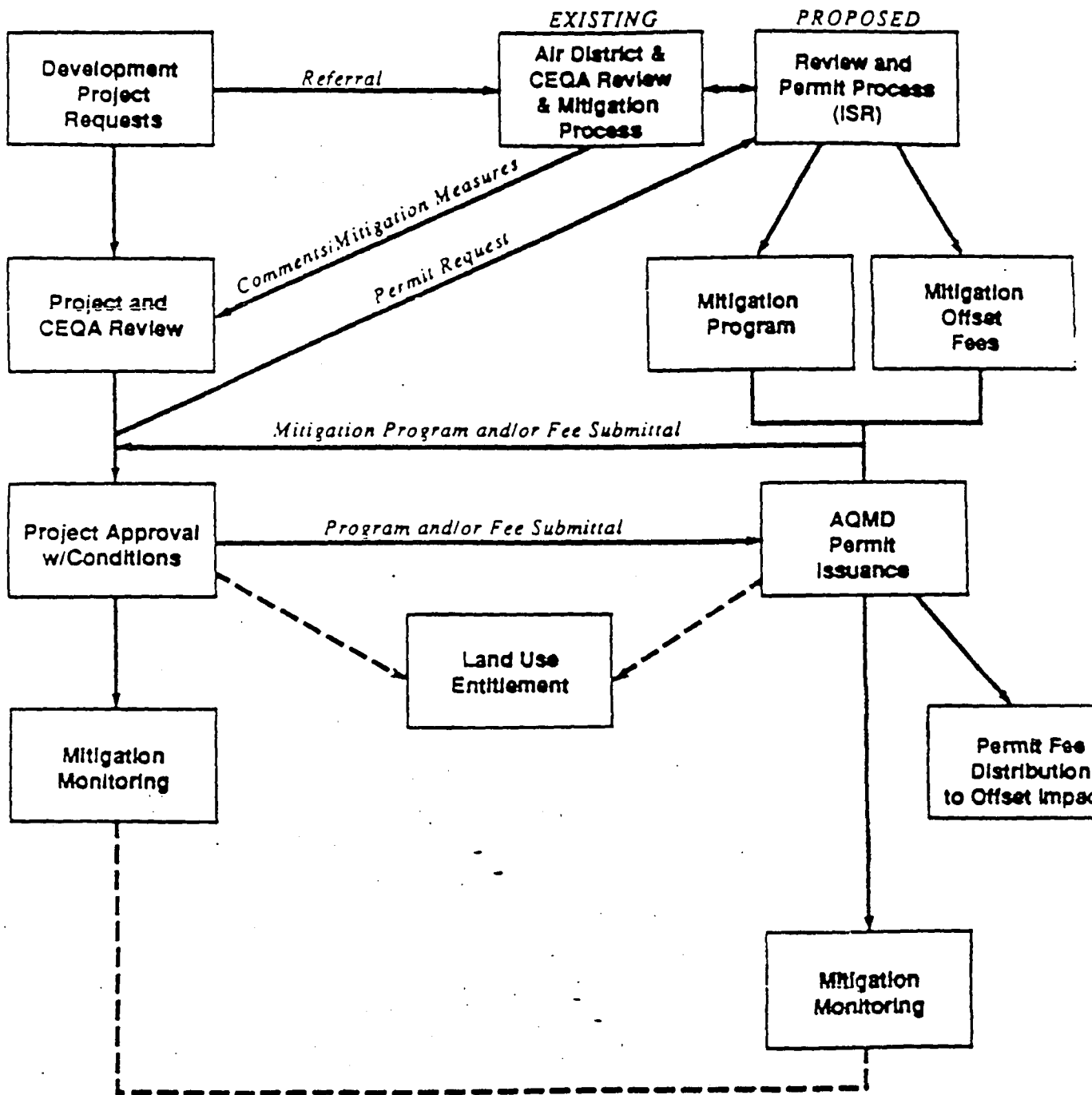
Last Quarter 1990

Illustration C

Sacramento Land Use/Air Quality Planning Process

Land Use Planning

Air Quality Planning



----- Lines of Influence
 ———— Lines of Procedure



7.3

7.2

CONTINUED

FROM 9/18/90
TO 9/25/90

DEPARTMENT OF
PLANNING AND DEVELOPMENT

CITY OF SACRAMENTO
CALIFORNIA

September 18, 1990

1231 I STREET
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City Council
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BUILDING INSPECTIONS
916-449-5716

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PLANNING
916-449-5604

**SUBJECT: DEVELOPMENT OF AN INDIRECT SOURCE CONTROL
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SUMMARY

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BACKGROUND

See the attached report to the Transportation and Community Development Committee.

POLICY CONSIDERATIONS

See the attached report to the Transportation and Community Development Committee.

FINANCIAL DATA

See the attached report to the Transportation and Community Development Committee.

MBE/WBE CONSIDERATIONS

Not applicable.

RECOMMENDATION

Staff recommends that the City Council take the following actions:

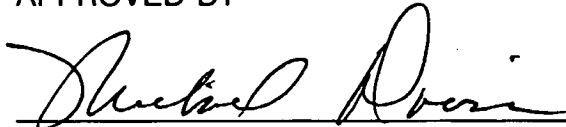
- A. Adopt the revised resolution supporting the development of an Indirect Source Rule.
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Respectfully submitted,



SCOT H. MENDE
Senior Planner

APPROVED BY



MICHAEL M. DAVIS
Director, Planning and Development Department

RECOMMENDATION APPROVED:



WALTER J. SLIPE
City Manager

September 18, 1990
All Districts

CONTACT PERSONS:

Scot H. Mende, Senior Planner (449-5381)

SM:ob
M90033.tcd

Attachments

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION DIRECTING SACRAMENTO ENVIRONMENTAL COMMISSION TO DEVELOP INDIRECT SOURCE RULES

WHEREAS, the Sacramento area is a non-attainment area for State and Federal ozone and carbon monoxide air quality standards; and

WHEREAS, protecting the quality of life in the Sacramento region is essential to its continued economic development; and

WHEREAS, the Sacramento region is undergoing rapid growth which places additional pressure on efforts to improve air quality; and

WHEREAS, indirect sources of air pollution such as roads and highways and traffic generating developments, both new and existing, are a major source of vehicle-generated air pollution in the Sacramento area; and

WHEREAS, the Sacramento Air Quality Management District has increased authority and responsibility for the control of air pollution; and

WHEREAS, both air pollution and community disputes and protracted litigation regarding the effectiveness of air quality measures threaten the economic development of the Sacramento area; and

WHEREAS, Chapter 1541, Statutes of 1988, established the Sacramento Metropolitan Air Quality Management District and provided it with the authority to regulate indirect sources of air pollution; and

WHEREAS, Chapter 1568, Statutes of 1988, requires the implementation of measures to provide a five percent (5%) per year reduction in air pollutants that exceed State standards; and

WHEREAS, effective control of air pollution will require the coordinated efforts of the principal cities in Sacramento County and the County of Sacramento, as well as the Sacramento Air Quality Management District, and the business, development, and environmental communities in the region; and

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RESOLUTION NO.: _____

DATE ADOPTED: _____

WHEREAS, contributions to Sacramento's and neighboring counties' air quality problems arise from movement of pollution and motor vehicles across jurisdictional boundaries.

NOW, THEREFORE, BE IT RESOLVED:

1. The Sacramento Environmental Commission shall undertake, as a major task, the development of an Indirect Source Review Rule for the regulation of air pollution in the Sacramento region. In developing this rule, the Commission shall:
 - A. Identify and define the nature of indirect sources of air pollution for the Sacramento region and the effect on air quality from these sources;
 - B. Endeavor to establish contacts and working relationships with neighboring jurisdictions;
 - C. Solicit the cooperation and input of the business, development and environmental communities from the entire Sacramento region;
 - D. Investigate means of providing for an equitable sharing of economic and regulatory burdens between existing and new sources of air pollution;
 - E. Examine funding sources for regulatory and educational programs that are fair to both new and existing businesses;
 - F. Examine the effect, if any, of governmental regulatory requirements on indirect sources of air pollution;
 - G. Examine the relationship between government sponsored public works programs and indirect sources of air pollution;
 - H. Examine the relationship between government approval requirements of land use projects and indirect sources of air pollution;
 - I. Obtain necessary data to accurately assess the effects of new and existing indirect sources upon the Sacramento region's air quality;
 - J. Examine existing models for the regulation of indirect sources of air pollution;

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- K. Examine the possibility of allowing new development to offset its production of air pollution with reduction of pollution elsewhere in the air region;
 - L. Explore means of increasing the flexibility of the business and development community in achieving air quality goals; and
 - M. Conduct such other investigations and make such recommendations as the Commission shall deem appropriate.
2. The above-described task is a priority project that is vital to the economic and environmental well being of the Sacramento area and, therefore, all city and county agencies shall cooperate fully in response to the request of the Environmental Commission.
 3. SACOG and the Cleaner Air Partnership are requested to cooperate with the Environmental Commission and share data, including data obtained as a result of the 1990 federal census, related to the creation of an indirect source review rule.
 4. The Environmental Commission shall identify ways in which the cities in Sacramento County and County of Sacramento can assist the Sacramento Metropolitan Air Quality District in reducing indirect sources of air pollution and shall report its findings and recommendations to the Sacramento Metropolitan Air Quality Management District and to the cities in Sacramento County and County of Sacramento.
 5. Pursuant to Health & Safety Code Sections 40716, 41015, and 41016, nothing in this Resolution is meant to transfer or grant authority for the control of land use (including the authority to issue development permits within the City of Sacramento) by SMAQMD.
 6. The Sacramento Environmental Commission is requested to work closely with the City and County planning staffs and planning commissions during preparation of the Indirect Source Control program and to submit the proposed rules to the City Council and Board of Supervisors for approval.

MAYOR

ATTEST:

CITY CLERK

ISR.res

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DATE ADOPTED: _____

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DEPARTMENT OF
PLANNING AND DEVELOPMENT

CITY OF SACRAMENTO
CALIFORNIA

1231 I STREET
SACRAMENTO, CA

September 18, 1990

ADMINISTRATION
ROOM 300
95814-2987
916-449-5571

Transportation and Community Development Committee
Sacramento, California

ECONOMIC DEVELOPMENT
ROOM 300
95814-2987
916-449-1223

Honorable Members In Session:

SUBJECT: DEVELOPMENT OF AN INDIRECT SOURCE CONTROL
PROGRAM (M90-033)

NUISANCE ABATEMENT
ROOM 301
95814-3982
916-449-5948

SUMMARY

On June 22, 1990 the Mayor, at the request of the City-County Environmental Commission and the Mayor presented a proposed resolution to the City Council which encourages the Environmental Commission to take the lead responsibility for development of an indirect source control program. The proposed program would lead to the development of an indirect source rule (ISR) for the County which would require indirect sources (e.g., shopping centers, employment centers, residential development etc.) to mitigate air quality impacts prior to approval of the project (see Attachment 1A). The Resolution provides an opportunity for a joint effort by the City, County and Environmental Commission to develop a rule that will affect land use, air quality and transportation.

BACKGROUND

The California Clean Air Act (CCAA) requires that districts in moderate, serious and severe areas, include in their attainment plans provisions to develop an indirect source control program. The SMAQMD has determined that the Sacramento area is in the severe stage of air pollution classification. If a district chooses not to address indirect sources of air pollution, they must provide detailed justification for doing so. The SMAQMD is developing a work program which includes a major effort for developing an ISR.

The CCAA does not contain a specific definition of an indirect source. Based on the review of definitions contained in the federal Clean Air Act and Environmental Protection Agency (EPA) guidelines, the ARB has come up with the following definition:

"An indirect source is any facility, building, structure or installation, or combination thereof, which generates or attracts mobile source activity that results in emissions of any pollutant for which there is a state ambient air quality standard. Examples of indirect sources include employment sites, shopping centers, schools, sports facilities, housing developments, airports, commercial or industrial development, and parking lots and garages."

Although the definition is derived from federal regulations and guidelines, the federal Clean Air Act and EPA no longer require the inclusion of indirect source controls in their attainment plans. The AQMD would most likely apply the ISR to all new and existing development within the City of Sacramento.

As shown on Table 1, the amount of projected emissions of reactive organic gases (ROG) and oxides of nitrogen (NOx) will vary depending on the source. Emissions resulting from the use of solvents will increase significantly, while mobile source related emissions are expected to decrease. ROG and NOx are combined in the table below to show the total tonnage of ozone precursors emitted per day in Sacramento and which sources are responsible. The two emissions have vastly different characteristics and will not necessarily be addressed with the same mitigation measures.

Table 1.

	TONS PER DAY					
	ROG & NOx					
	1987	1990	1994	1997	2000	2010
<u>Stationary Sources</u>						
Solvent Use	29.53	30.14	35.04	37.33	38.97	44.65
Other Stationary	19.72	20.27	21.50	22.16	22.69	24.80
Total Stationary	49.25	50.41	56.54	59.49	61.66	69.45
<u>Mobile Sources</u>						
Automobiles	79.61	76.18	48.73	41.01	36.64	34.19
Light Duty Trucks	16.61	16.08	11.8	10.65	10.13	10.65
Autos & Lt.Trucks	96.22	92.25	60.53	51.66	46.77	44.84
Other Mobile	67.44	66.86	62.20	63.07	65.00	76.30
Mobile Total	163.66	159.11	122.73	114.73	111.77	121.14
Mobile & Stationary Total	212.92	209.18	179.26	174.22	173.45	190.59

Mobile Sources

Mobile sources of emissions are the primary target for the proposed indirect source control program. According to the Sacramento Area Council Of Governments (SACOG), automobiles and light trucks ("mobile sources") account for approximately 44% of total ozone precursor emissions (Oxides of Nitrogen (NOx) and Reactive Organic Gasses (ROG)) in the Sacramento area (see attachments A & B).

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However, the California Air Resources Board (ARB) projects that emissions from targeted mobile sources will continue to gradually decline as existing efficient technologies are more widely utilized and as older, less efficient vehicles are replaced by newer fuel efficient and low emission ones. By the year 2010 automobile and light truck emissions are estimated to be only 24% of total emissions (see attachments A & B). As shown on Table 1, "mobile sources" of emissions are expected to continue to decline through the year 2010.

It should be noted that mobile sources of emissions, particularly automobiles and light trucks have previously been controlled to a great extent through improved emission control technology. Emission reductions and improvements are expected to decline and eventually flatten out as technological limits are reached. Transportation control measures included in the ISR will be the "technology" of the future needed to address mobile source emissions.

If developers and employers are unable to achieve the emission reductions required of their projects through on-site emission mitigation measures, they will have the option of contributing funds to emission offset or off-site mitigation measures which would address not only mobile sources, but stationary sources as well. According to SMAQMD, "offset measures may include emissions offsets from existing stationary sources, transportation sources, or offset fees necessary to adequately mitigate the adverse air quality impacts attributed to the project". The criteria for emission offsets must:

1. Be Actually Implemented
2. Result In A New Or Enhanced Program
3. Have Continued Effectiveness
4. Be Legally Binding
5. Be Estimated Based On Best Information Available

Stationary Sources

Stationary sources, particularly the ones associated with the use of solvents in their operations (e.g., dry cleaners, paint shops, furniture manufacturers, printing, road paving etc.) are currently considered individually as insignificant or minor emission sources. Their cumulative impact, makes up approximately 24% of total emissions. This number is expected to increase to 41% by the year 2010 (see attachments A & B). Small scale stationary sources have a great potential for significant emission reductions.

AFFECTED AGENCIES

ARB

According to the California Air Resources Board (ARB) there are basic critical elements in the development of an indirect source control program:

- Determine Need
- Prioritize Sources (i.e., develop ranking of sources)
- Require Mitigation (i.e., define proposed mitigation measures)
- Set Performance Standards
- Define Approaches
- Involve Local Agencies

The ARB has purposely prepared their indirect source control guidance document in a non-specific form to allow for the specific approaches to be developed by local pollution control districts working in collaboration with locally affected jurisdictions (i.e., cities and the County).

SMAQMD

Development and implementation of an indirect source rule (ISR) will be the responsibility of the Sacramento Metropolitan Air Quality Management District (SMAQMD). The SMAQMD is currently in the process of preparing the provisions for the development of an indirect source program and is strongly recommended by the California Clean Air Act to have a program identified by July of 1991 to be included with the Air Quality Plan. The ISR should be implemented by 1994. SMAQMD has developed a preliminary draft work plan (see Attachment C) for the development and review of the indirect source control program, but is not yet prepared to assign a timeline to the project.

City of Sacramento

The role of the City in preparation of the program, and subsequent rule will depend on whether the City chooses an active or passive approach to the ISR planning process. The City of Sacramento falls under the jurisdiction of the SMAQMD and will therefore have a vested interest in the preparation of the indirect source control program.

An active approach will require a full time City staff member to be committed to air quality/land use issues and development of the ISR rule in particular. Active planning will involve attending meetings and workshops, reviewing materials prepared by various agencies, and contributing comments and ideas to help guide the development of the indirect source control program to assure that it is consistent with the goals and policies of the City Of Sacramento.

City Staff would be involved in the development of the proposed rule, but will also work with the SMAQMD to determine the role of the City and other local agencies regarding the administration and enforcement of the rule once it is developed.

Both existing and future development within the City will be subject to the ISR. Consequently, the SMAQMD may determine that the rule should be jointly administered by City and SMAQMD staff. The exact roles and responsibilities of each agency regarding administration and enforcement has yet to be determined. At this point, SMAQMD is still in the early phase of developing the indirect source control program which will determine the nature of the development of the indirect source rule.

DISCUSSION

The proposed ISR will incorporate approaches associated with:

- Transportation Control Measures (TCM's)
(e.g., HOV lanes, improved transit etc.)
- Transportation Systems Management (TSM)
(i.e., reduced SOV commute trips)
- Parking Management
- Other transportation oriented measures

The ISR will include best available mitigation measures that will directly and indirectly regulate the design and control of traffic generating aspects of new and existing development. Best available mitigation measures will address the design and operation of the following:

- Mixed Land Use Development
- Transit
- Shuttle and Delivery Services
- Bicycle Lanes and Storage
- Parking
- Ridesharing
- Telecommunications

AQMD REVIEW PROCESS

There is a concern that the ISR may infringe on City land use decisions. However, according to the ARB, pollution control districts (districts) already have the authority to impose requirements for air quality impact mitigation upon sources which desire to locate and operate within a district's jurisdiction. It is the opinion of the ARB that districts and local governments have concurrent authority regarding land use decisions.

Chapter 1568 (Sher), (statute of 1988, Section 40716(a)) of the California State Code, addresses land use powers of air quality districts throughout the state. It reads as follows:

40716.(a) In carrying out its responsibilities pursuant to this division with respect to the attainment of state ambient air quality standards, a district may adopt and implement regulations to accomplish both of the following:

(1) Reduce or mitigate emissions from indirect and areawide sources of air pollution.

(2) Encourage or require the use of ridesharing, vanpooling, flexible work hours, or other measures which reduce the number or length of vehicle trips.

(b) Nothing in this section constitutes an infringement on the existing authority of counties and cities to plan or control land use, and nothing in this section provides or transfers new authority over such land use to a district.

Consequently, the ARB feels that district and local governments should be able to continue to share authority. The land use question should be resolved during the preparation of the indirect source control program. City review and approval of the program would clarify and protect the City's authority over land use decision.

Chapter 1541 (Connelly), (Sections 41015 and 41016) of the Code address the separation and distinction of powers of the City of Sacramento in relation to land use decisions and authority of the Sacramento Metropolitan Air Quality Management District (SMAQMD). The sections state as follows:

41015: This chapter does not constitute an infringement on the existing authority of local governments to plan or control land use, and nothing in this chapter provides or transfers new authority over such land use to the Sacramento district.

41016: This chapter does not limit or restrict any authority of the City of Sacramento to adopt and implement any transportation system improvement program or air quality improvement program. The Sacramento district and the City of Sacramento may enter into a contract to implement any such program.

ARB staff interprets these statutes to mean that SMAQMD has the right to permit or deny a project based on its expected air quality impacts. Specific mitigation measures that affect land uses, however, may be beyond the scope of SMAQMD authority. Accordingly, the District must recognize that the land use/air quality relationships are of mutual interest to both the City and the District.

The SMAQMD has prepared a preliminary air quality permit process for land use projects (see Attachment D). Development approval would be subject to the issuance of an air quality permit prior to development. The method for application procedures, administrative requirements, air emission quantification, and mitigation measures have not yet been developed by SMAQMD. Emissions reduction standards have not yet been developed for the various land uses to be addressed. These development of standards or thresholds, and the associated mitigation fees to be applied off-site should be closely monitored by the City to ensure that they are feasible, enforceable and consistent with the overall goals and policies of the City of Sacramento's future growth and development plans.

As shown on Attachment D, development projects will be subject to review and permitting authority by SMAQMD. Projects will be conditioned to participate in a mitigation program or a mitigation offset fee, or a combination of both. Once a project is approved, mitigation monitoring will be the responsibility of the SMAQMD. Health and Safety Code Section 40717(e) states that districts may delegate any function with respect to implementation of transportation control measures to any local agency under specified conditions. The ARB feels that this provision applies equally to the development of an indirect source control program. Consequently, the SMAQMD may choose to delegate the duties of mitigation monitoring to the City.

Resolution

The proposed resolution addresses the issue of preparing an indirect source control program aimed at reducing emissions from mobile sources. The resolution also states that the Environmental Commission will be the lead agency in the development of the proposed program and that the City Planning Commission and City Council will review and approve the program. The Resolution provides an opportunity for a joint effort by the City, County and Environmental Commission to develop a rule that will affect land use, air quality and transportation.

FINANCIAL DATA

The development of the indirect source control program does not have a direct impact on City revenues. The indirect source rules, when formulated, will be individually reviewed for potential financial impact.

VOTE OF THE PLANNING COMMISSION

The draft Resolution was presented to the Planning Commission on August 30, 1990. The Planning Commission voted 6-0 in support of the Resolution.

POLICY CONSIDERATIONS

The proposed Resolution is intended to develop a specific program to reduce air pollution related to new residential and commercial development.

The indirect source control program will seek to accommodate growth without increasing total emissions of criteria pollutants.

MBE/WBE IMPACTS

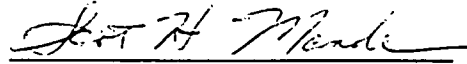
There are no MBE/WBE impacts associated with this item.

RECOMMENDATIONS

Staff recommends that the Committee take the following actions:

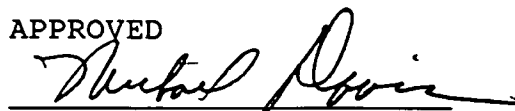
- A. Adopt the revised resolution supporting the development of an Indirect Source Rule.
- B. Suggest that AQMD continue to involve the City Staff in the development of the proposed ISR.

Respectfully Submitted,

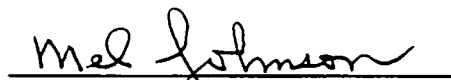


SCOT H. MENDE
Senior Planner

APPROVED



MICHAEL M. DAVIS
Director of Planning and Development



MEL JOHNSON
Director of Public Works

Recommendation Approved For Committee Information


DAVID R. MARTINEZ
Deputy City Manager

Contact Persons:

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(916) 449-5381

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Attachments

SHM:JM:jm/ISRTCD.RPT

INDIRECT SOURCE CONTROL PROGRAM

Indirect Source Rule

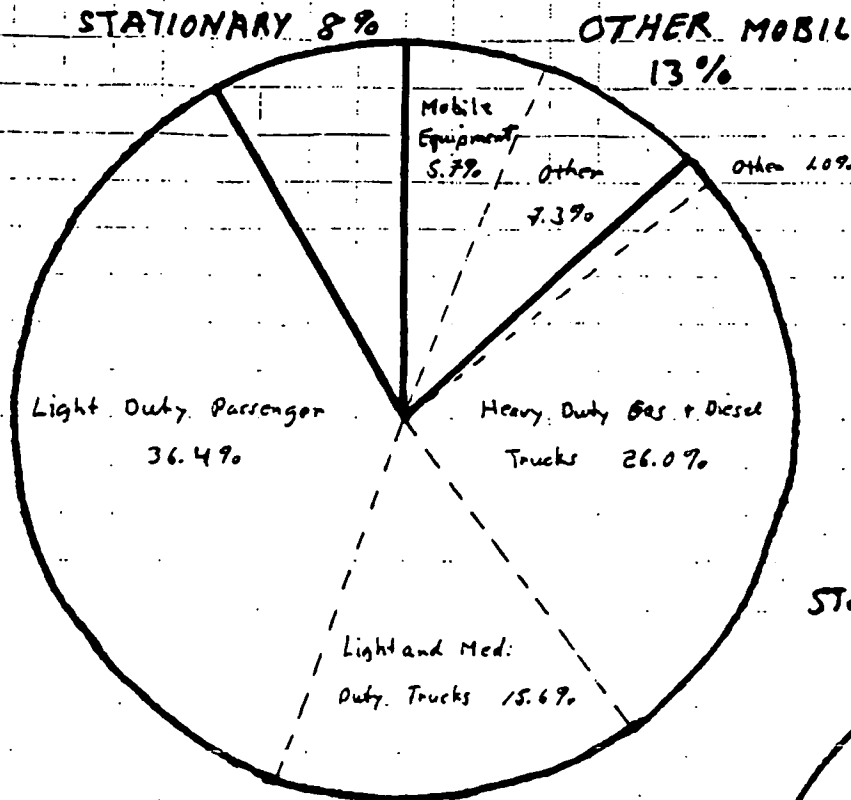
- Transportation Control Measures (TCM's)
- Land Use Control Measures (LUCM's)
- Commute Alternatives Rule (CAR)
- Parking Management
- Other Indirect Source Control Measures

Land Use Entitlement Permit

- On Site Mitigation Measures
- Offset and Off-Site Mitigation Measures

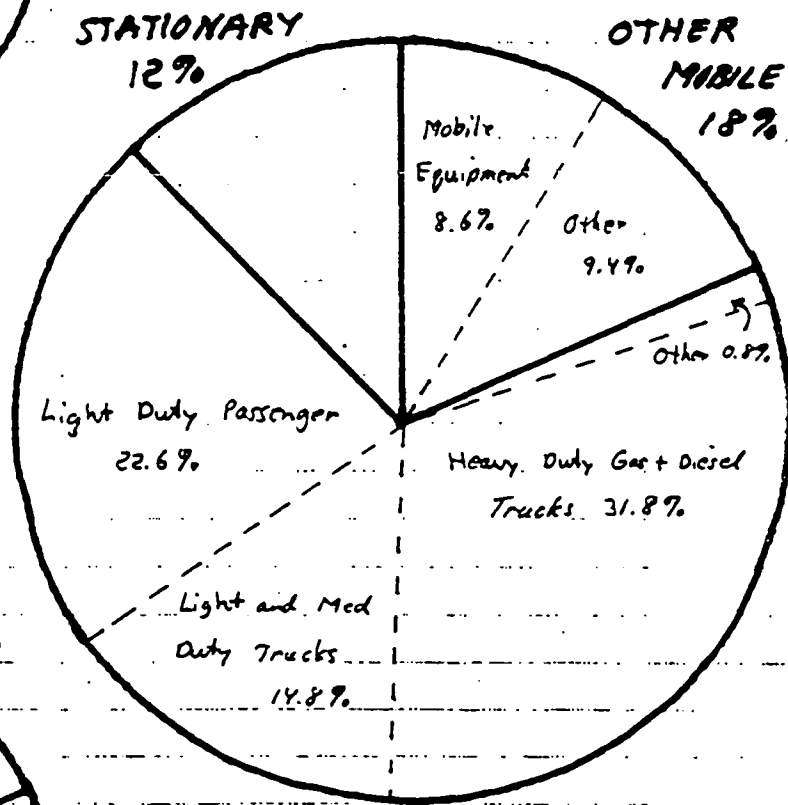
NOx EMISSION TRENDS

1987



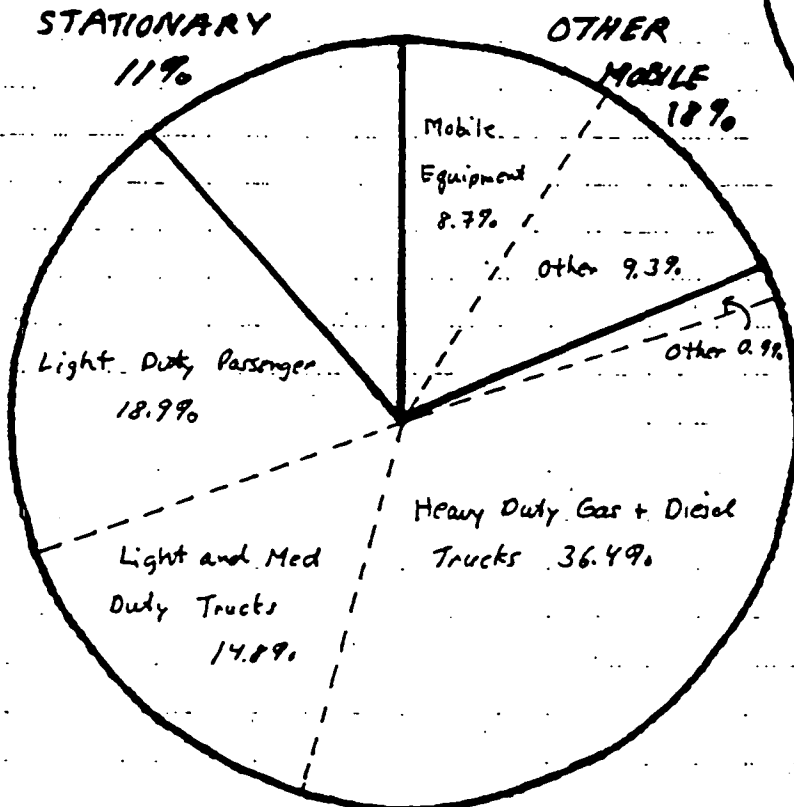
ON-ROAD MOBILE 79%

2000



ON-ROAD MOBILE 70%

2010

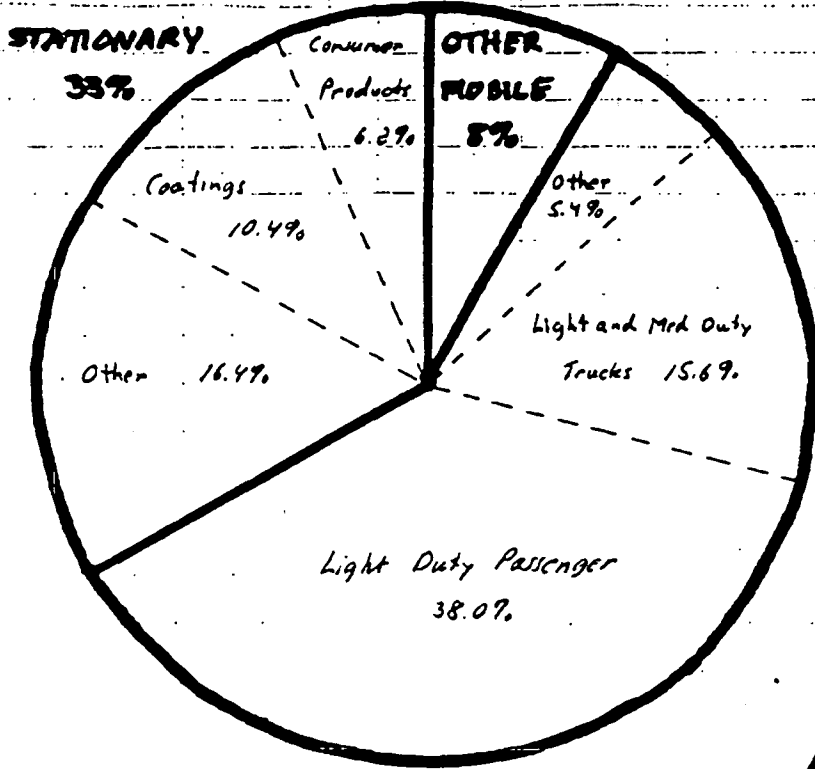


ON-ROAD MOBILE 71%

1987

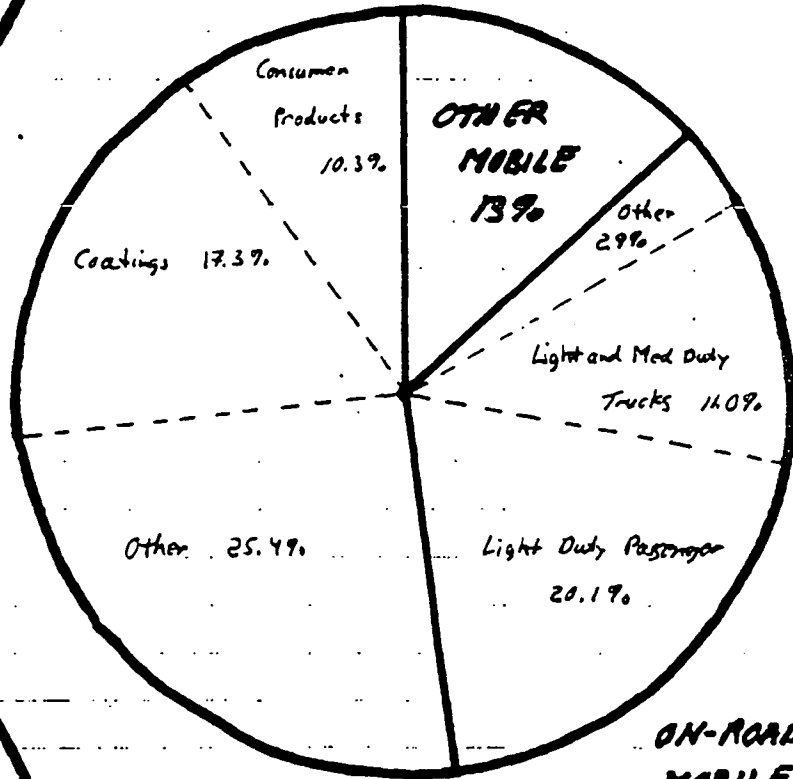
SACRAMENTO COUNTY

ROB EMISSION TRENDS



ON-ROAD MOBILE 59%

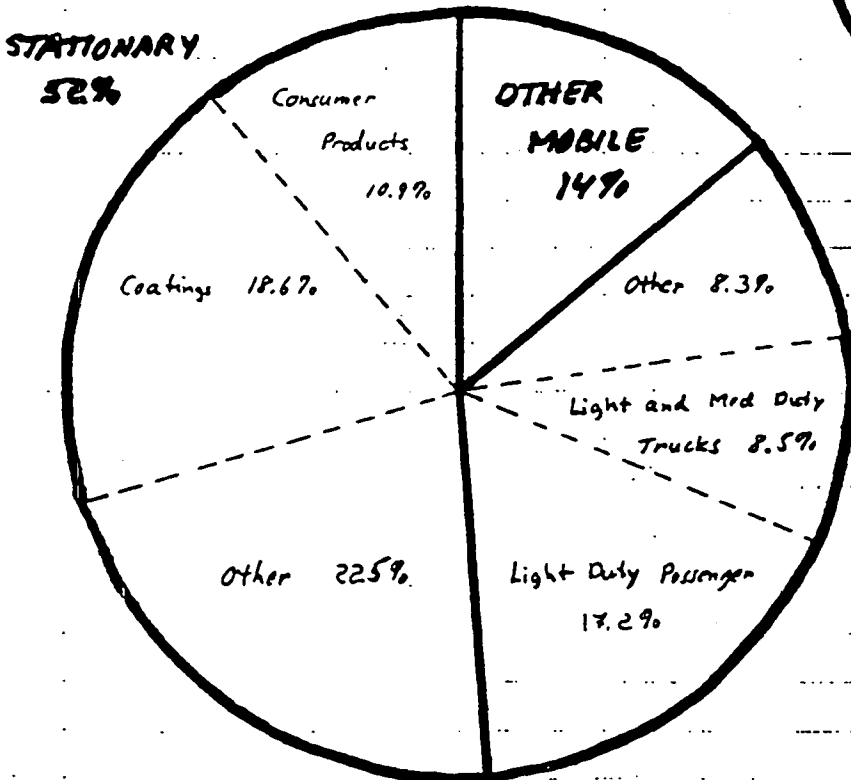
2000



STATIONARY 53%

ON-ROAD MOBILE 59%

2010



ON-ROAD MOBILE 59%

DRAFT WORK PLAN
INDIRECT SOURCE REVIEW/DEVELOPMENT

ASSIGNED TO DUE DATE

SCOPE OF ISR

- o New vs existing sources
- o Phased development of the rule
- o Phased implementation of the rule
- o Potential impediments to rule development

Products: Issues and options report
: Decision

TECHNICAL EVALUATION AND ANALYSIS

- o Develop technical support
- o Use of contractors
- o Prioritize schedule, rule components

Product: Staff report

TASK FORCE FORMATION

Product: Guidance

DRAFT AMENDMENTS TO SUPPORT RULES AND REGULATIONS

PRE-RULE PUBLIC HEARING

ARB (and EPA) REVIEW (45 days)

Product: ARB (EPA) input

PUBLIC DISTRIBUTION

PUBLIC WORKSHOP

Product: Public input

RESPOND TO PUBLIC COMMENTS

Product: Final draft rule

ENVIRONMENTAL COMMISSION (2 weeks)

Product: Recommendation

PUBLIC NOTICE (30 days)

BOARD OF DIRECTORS

Product: Adopted plan

ADVISORY NOTICE

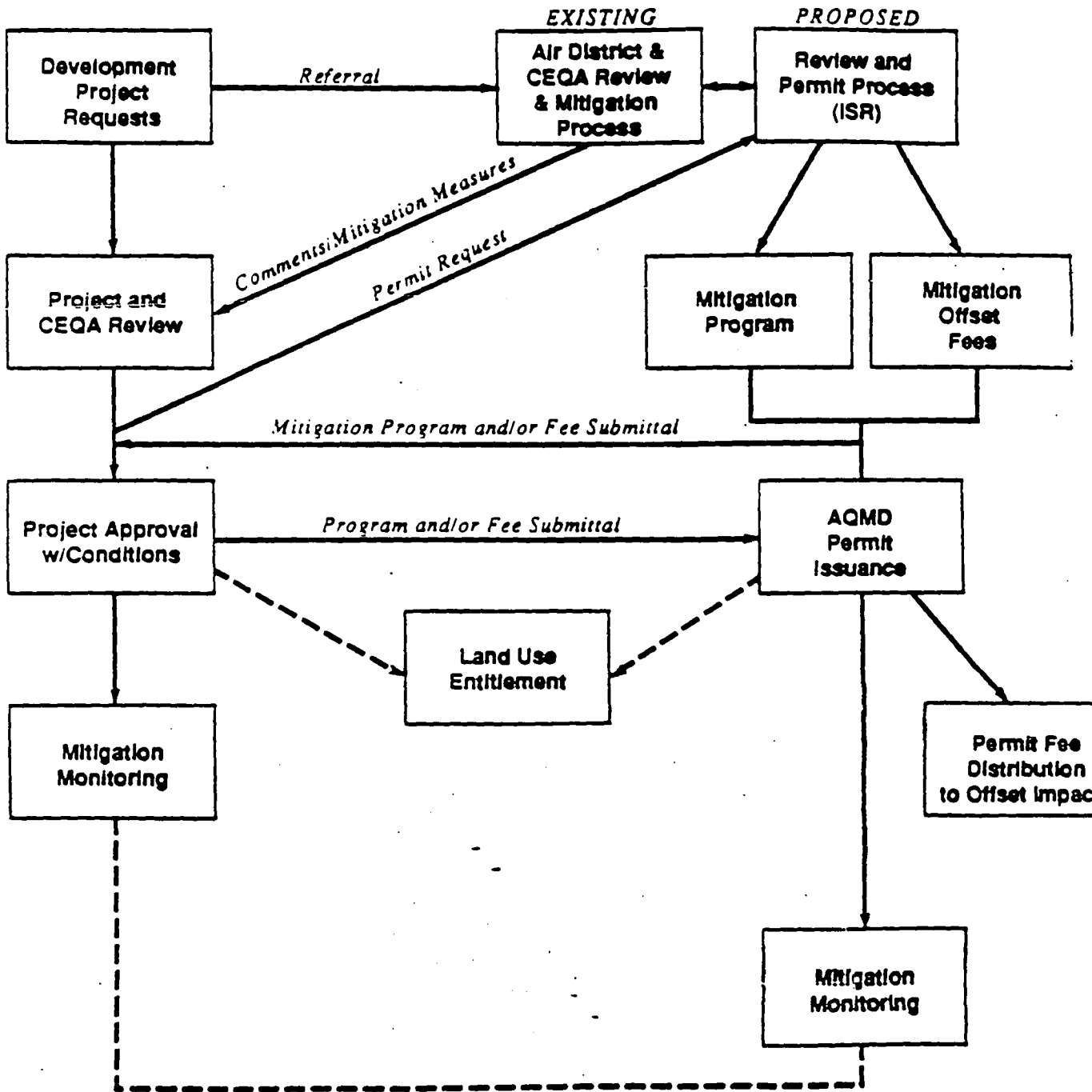
Last Quarter 1990

Illustration C

Sacramento Land Use/Air Quality Planning Process

Land Use Planning

Air Quality Planning



----- Lines of Influence
 _____ Lines of Procedure