

Date of Hearing: June 26, 2017

ASSEMBLY COMMITTEE ON TRANSPORTATION  
Jim Frazier, Chair  
SB 150 (Allen) – As Amended June 21, 2017

**SENATE VOTE:** 26-13

**SUBJECT:** Regional transportation plans

**SUMMARY:** Requires the California Air Resources Board (ARB) to prepare a report to assess the progress of the state's 18 metropolitan planning organizations (MPOs) in meeting their regional greenhouse gas emissions (GHG) targets. Specifically, **this bill:**

- 1) Requires ARB to prepare a report to assess the progress made by each MPO in meeting the regional GHG reduction targets set by the board.
- 2) Requires ARB to prepare the report on or before September 1, 2018, and every four years thereafter, to align with target setting.
- 3) Requires the report to include the changes to GHG emissions in each region and data-supported metrics for the strategies utilized to meet the targets.
- 4) Requires the report to include best practices and challenges faced by the MPOs in meeting the targets, including the effect of state policies and funding.
- 5) Requires ARB to develop the report in consultation with the MPOs and affected stakeholders.
- 6) Updates the requirements for ARB to set the regional targets to include the GHG emissions reduction target of 40% below 1990 levels by 2030.
- 7) Requires the report to be transmitted to the Legislature.

**EXISTING LAW:**

- 1) Requires ARB to adopt a statewide GHG emissions limit equivalent to the statewide GHG emissions levels in 1990 to be achieved by 2020 and adopt GHG emissions reduction measures by regulation. Requires ARB to prepare and approve a scoping plan for achieving the maximum technologically feasible and cost-effective reductions in GHG emissions from sources or categories of sources of greenhouse gases. Authorizes ARB to adopt market-based compliance mechanisms.
- 2) Requires ARB to adopt a statewide GHG emissions reduction target of 40% below 1990 levels by 2030.
- 3) Requires California's 18 MPOs and 26 regional transportation planning agencies (RTPAs) to prepare a long-range (20-year) plan, the regional transportation plan (RTP), which identifies the region's vision and goals and how to implement them.

- 4) Requires ARB to set regional targets, every eight years, for MPOs for GHG emissions reductions from the automobile and light truck sector for 2020 and 2035. Authorizes ARB to review and update the targets after four years, if needed.
- 5) Requires ARB to work with the affected region on the target setting process and authorizes MPOs to recommend a target for the region.
- 6) Requires each MPO to develop a sustainable communities strategy (SCS), as part of its RTP, to coordinate transportation and land use planning to meet the regional target for the reduction of GHG emissions.

**FISCAL EFFECT:** Unknown

**COMMENTS:** The Global Warming Solutions Act, AB 32 (Núñez), Chapter 488, Statutes of 2006, requires California to reduce GHG emissions to 1990 levels no later than 2020. This landmark piece of legislation authorized ARB to develop strategies to reach this goal, including adopting regulations and developing a market-based compliance mechanism. The ARB is tasked with the development of a scoping plan. The scoping plan describes the approach California will take to reach the GHGs targets and encompasses all sectors that emit GHGs. Last year, the Legislature approved SB 32 (Pavley), Chapter 249, Statutes of 2016, that extended the GHG target for California by codifying a portion of Executive Order B-30-15, issued by Governor Brown, to reduce GHG emissions 40% below 1990 levels by 2030. The first scoping plan was approved in 2008 and updated in 2014. ARB is currently working on the second update of the scoping plan to incorporate the 2030 targets.

The transportation sector contributes nearly 50% of the GHG emissions in California, with cars, trucks and various off-road equipment. As a part of the strategy to meet the state's climate goals and focus on the transportation sector, the Legislature passed SB 375 (Steinberg) Chapter 728, Statutes of 2008. SB 375 aligns transportation planning, land use and housing to reshape development in communities. SB 375 authorizes the ARB to set GHG emissions reduction targets for each of the state's 18 MPO regions. The MPOs work with the ARB, exchanging technical data, to set the targets, including recommending a target for their region. In setting the targets ARB must take certain factors into account, such as considering the likely reductions that will result from actions to improve the fuel efficiency of the statewide fleet and regulations related to the carbon content of fuels. The first regional targets, for 2020 and 2035, were developed through a Regional Targets Advisory Committee process, as required by SB 375, and were adopted in 2010.

MPOs are required to adopt an SCS as part of their RTP to demonstrate how their region will meet the target. The SCS sets forth a vision for growth in the region taking into account its transportation, housing, environmental, and economic needs. The SCS should set a development pattern for the region, which when integrated with the transportation network, will reduce GHG emissions from automobiles and light trucks to achieve the targets. If an MPO, through the development of an SCS, determines they will not be able to reach the target, the MPO may develop an alternative planning strategy that identifies the principal impediments to meeting the targets.

Additionally, SB 375 requires extensive public outreach for the development and approval of an SCS, such as is required for an RTP, with workshops, public hearings and meetings with affected

city and county officials. MPOs must also complete an environmental impact report (EIR) for the RTP/SCS, as required by the California Environmental Quality Act (CEQA).

After the adoption of the SCS or APS, the MPO must submit the plan for ARB to review, including the quantification of the GHG emissions reduction the strategies would achieve and a description of the technical methodology used for the plan. ARB is authorized to accept or reject the MPO plan based upon the determination that if implemented it would achieve the GHG targets.

SB 375 empowers regions to develop innovative strategies as part of their SCS to meet their target. While there are requirements for information the SCS must contain including identifying areas for future development and housing, information on resources and farmland, and integrating development with the transportation network, it does not prescribe any one strategy for achieving the targets. For example, some techniques used in SCS's include changes in land use and development; increasing public transportation to provide more service; increasing alternative modes of transportation, such as biking and walking; traffic systems operations, such as Freeway Service Patrols and ramp metering; and enhanced mobility, such as use of ridesharing services. The success of some strategies may also rely on state actions, such as increased funding to support transit and other transportation options or authorization of new policies, such as roadway pricing.

SB 375 does not require a specific report to be developed to assess the progress of how the regions are doing in meeting the targets set by ARB. Although the ARB does conduct ongoing discussions with the regions, there is no separate mechanism to monitor and assess the regions' status in meeting the targets, including identifying any barriers or challenges to their success. This bill would require an assessment report to be transmitted to the Legislature, on changes to GHG emissions in each region and data-supported metrics for the strategies utilized to meet the targets. The report would also include best practices and challenges faced by the MPOs in meeting the targets, including the effect of state policies and funding.

According to the author, "transportation is the single largest contributor to GHG. Yet, according to ARB, if every Californian drove 1.6 miles less each day, by 2030 we would reduce enough GHG emissions to meet our state's climate goals. Land use and transportation planning play an instrumental role in reducing how much we drive and lessening the impacts we all face from climate change. While SB 375 has successfully advanced how regions plan for the future, there is still much more that must be done to ensure that the SCSs help us meet statewide climate and equity goals and ultimately help alleviate the impacts of climate change." Further he states that there are two main areas that must be strengthened in SB 375, including updating the statute to align with current law as approved in SB 32, and addressing the need for monitoring to assess the MPOs' progress toward achieving their regional GHG reduction targets. MPOs submit projections every four years to ARB, but there is no mechanism to provide feedback on the progress of their efforts.

Currently, ARB is in the process of the second round of target setting for the MPOs. In fact, on June 13, 2017, ARB released a staff report, "Proposed Update to the SB 375 Greenhouse Gas Emission Reduction Targets," which includes a full analysis of the target setting methodology and the proposed new targets for both 2020 and 2035. There is a 45-day comment period underway, and ARB will be holding workshops around the state in the coming weeks. The final targets will be adopted by ARB this fall and will go into effect January 1, 2018. The staff report

recommends higher targets than are included in current SCSs to help the state reach its climate goals for both 2020 and 2030 by reducing GHG emissions from the transportation sector. This bill updates the SB 375 statute to include the consideration of SB 32 GHG reduction goals, which ARB is already considering as part of the target update process.

However, ARB recognizes that the regions cannot alone meet this burden and that state actions will be needed as well. Specifically, through the scoping plan update process, ARB is focusing on substantially greater increases in sales of zero-emission vehicles (ZEV)s, greater increases in fuel efficiency standards for gasoline vehicles, and a reduction in statewide vehicles miles travelled (VMT).

Additionally, the staff report details some scenario planning that the MPOs voluntarily conducted to determine what kinds of strategies and factors could help support higher SB 375 targets. Although this was a look-ahead and not a look-back, according to the staff report, it did serve to identify some challenges the state's four largest MPOs have with maintaining the GHG reductions they had previously estimated would come from their currently adopted plans. These challenges are primarily due to changes in forecasts for clean vehicles. Specifically, as the Metropolitan Transportation Commission (MTC), the MPO for the bay area, noted low fuel prices and increased fuel efficiency is resulting in reduced auto operating costs, which in turn is causing California residents to drive more.

The report required by this bill will greatly expand on this self-assessment and offer ARB, regions, stakeholders, and the Legislature needed data to fully understand what strategies are being utilized by regions, how they are doing in meeting their targets, how they may be impacted by changes in state policies, and what other challenges they may face. In writing on an earlier version of this bill, the California State Association of Councils of Governments (CALCOG) asserts that, "more information about the progress made on data driven strategies included in a RTP-SCS would benefit the Air Resources Board, MPOs, local agencies, interested stakeholders, and the public generally. Given the intentional flexibility that SB 375 creates for regions to pursue innovative GHG reduction strategies, there are challenges in crafting a one-size, state-wide monitoring process. ARB should focus on reporting on the result of all strategies included in a RTP-SCS without emphasizing that one approach is favored over another. The effectiveness of each strategy should stand on its own." CALCOG further states that "the analysis should not stop with regional strategies, but further information about state strategies, funding, and economic conditions should also be included because many of the factors and trends that will influence the success of individual strategies are broader economic, fiscal, climate, and demographic factors that are out of the control of local and regional governments."

ClimatePlan, one of the sponsors of this bill, adds, "we believe SB 150 would better align our regional GHG reduction targets to achieve our visionary climate goals and monitor progress to help our regions' stay on track to achieve our regional GHG reduction targets. Long range planning informs billions of dollars of investment across the state and shapes conversations at the municipal level that are directly tied to implementation of state goals. This bill would send a strong signal from the state that regional transportation and land use planning should actively work towards them."

This bill continues the efforts of this committee to establish accountability and transparency of state programs and policies. The periodic assessment required by this bill will provide much

needed data-driven information to the Legislature for its consideration as part of future policy development.

*Double referral:* This bill will be referred to the Assembly Natural Resources Committee should it pass out of this committee.

*Related legislation:* AB 686 (Santiago) makes numerous changes to fair housing requirements and requires MPOs to consider as part of an SCS an analysis of barriers that restrict access to opportunity, including a commitment to specific meaningful actions to affirmatively further fair housing. AB 686 is awaiting hearing in the Senate Committee on Transportation and Housing

*Previous legislation:* SB 32 (Pavley), Chapter 249, Statutes of 2016, sets a target of reducing statewide GHG emissions by 40% below 1990 levels by 2030.

AB 782 (Jeffries) of 2009 would have made various changes to SB 375, including prohibiting judicial review of specified ARB and local government decisions related to GHG emissions and land use. AB 782 was held in the Assembly Natural Resources Committee.

SB 560 (Ashburn) of 2009 would have authorized GHG credits for counties and cities that site and permit commercial wind, solar, and biomass projects be used as credit in the formulation of an SCS or APS. SB 560 was held in the Senate Committee on Environmental Quality.

SB 375 (Steinberg), Chapter 728, Statutes of 2008, aligns transportation planning, land use and housing to reshape development in communities to help achieve the state's climate goals by requiring ARB to set regional targets for GHG emissions reductions from passenger vehicle use.

AB 32 (Núñez), Chapter 488, Statutes of 2006, requires ARB to adopt a statewide GHG emissions limit equivalent to the statewide GHG emissions levels in 1990 to be achieved by 2020 and adopt GHG emissions reduction measures by regulation.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

ClimatePlan (Sponsor)  
Natural Resources Defense Council (Sponsor)  
TransForm (Sponsor)  
American Heart Association/American Stroke Association  
American Lung Association in California  
350 Bay Area  
Bike San Gabriel Valley  
California Bicycle Coalition  
California League of Conservation Voters  
California Native Plant Society  
California Walks  
Catholic Charities of the Diocese of Stockton  
Center for Biological Diversity  
Center for Climate Change and Public Health  
Climate Action Campaign

Climate Resolve  
Coalition for Clean Air  
COAST  
Environmental Defense Fund  
Friends Committee on Legislation of California  
Greenbelt Alliance  
Marin County Bicycle Coalition  
National Parks Conservation Association  
Natural Resources Defense Council  
Nature Conservancy  
Public Advocates  
Regional Asthma Management and Preservation  
Safe Routes to School National Partnership  
Santa Barbara Bicycle Coalition  
Sequoia Riverlands Trust  
Sierra Club California  
Southwest Wetlands Interpretive Association  
Sunflower Alliance  
Trust for Public Land  
Voices for Progress Education Fund

### **Opposition**

(The following letters pertain to the April 27, 2017, version of the bill.)

Associated General Contractors  
California Association of Councils of Governments  
California Associated General Contractors – San Diego Chapter  
California Association of Realtors  
California Building Industry Association  
California Business Properties Association  
California Business Roundtable  
California Chamber of Commerce  
Central Coast Coalition  
Metropolitan Transportation Commission (oppose unless amended)  
Orange County Transportation Authority  
Riverside County Transportation Authority  
Sacramento Area Council of Governments (oppose unless mended)  
Southern California Association of Governments (oppose unless amended)

**Analysis Prepared by:** Melissa White / TRANS. / (916) 319-2093