

Date of Hearing: March 27, 2023

ASSEMBLY COMMITTEE ON TRANSPORTATION

Laura Friedman, Chair

AB 1335 (Zbur) – As Introduced February 16, 2023

SUBJECT: Local government: transportation planning and land use: sustainable communities strategy

SUMMARY: Specifies the population forecasts regional transportation planning agencies (RTPA) must use when updating regional transportation plans (RTP). Specifically, **this bill:**

- 1) Requires each RTPA, beginning January 1, 2024, to follow all of the following procedures when updating the RTP:
 - a) Requires the Sustainable Communities Strategies (SCS) portion of the RTP to be based on population projections produced by the Department of Finance (DOF) and regional population forecasts used in determining applicable city and county regional housing needs, in consultation with each council of governments (COG);
 - b) Requires the population forecast developed by the COG to be the basis from which the transportation planning agency or metropolitan planning organization updates the SCS, if the total regional population forecast for the projection year, developed by the COG and used for the preparation of applicable city and county regional housing needs is within a range of 1.5% of the total regional population forecast for the projection year by DOF;
 - c) Requires the transportation planning agency (RTPA), or Metropolitan Planning Organization (MPO), and the COG to meet to discuss variances in methodology used for population projections and seek agreement on a population projection for the region to be used as a basis for updating its SCS, if the difference between the total population projected by the COG and the total population projected for the region by DOF is greater than 1.5%; and,
 - d) Requires the population projection for the region to be the one prepared by DOF as may be modified by the RTPA or MPO as a result of discussions with the COG, in the case of a discrepancy greater than 1.5%, where an agreement cannot be reached.
- 2) Requires the local planning agency to provide in its annual report to the Legislature, the Office of Planning and Research (OPR), and the Department of Housing and Community Development (HCD) the progress of the city or county towards the recommended alignment of land use regulations with applicable SCS or alternative planning strategies (APS).

EXISTING LAW:

- 1) Establishes in each city and county a planning agency with the powers necessary to carry out local planning. (Government Code (GOV) 65100)
- 2) Requires the legislative body of each city and county to assign the functions of the planning agency to a planning department, one or more planning commissions, administrative bodies or hearing officers, the legislative body itself, or any combination thereof. (GOV 65100)

- 3) Requires each planning agency to prepare and the legislative body of each county and city to adopt a comprehensive, long-term general plan for the physical development of the county or city, and of any land outside its boundaries which in the planning agency's judgment bears relation to its planning. (GOV 65300)
- 4) Requires each planning agency to periodically review, and revise, as necessary, the general plan and to implement the general plan through administration of specific plans and zoning and subdivision ordinances. (GOV 65103). Requires the general plan to consist of a statement of development polies and include a diagram or diagrams and text setting objectives, principles, standards, and plan proposals. Requires the plan to include the following elements:
 - a) A land use element;
 - b) A circulation element;
 - c) A housing element;
 - d) A conservation element;
 - e) An open space element;
 - f) A noise element;
 - g) A safety element; and,
 - h) An environmental justice element. (GOV 65302)
- 5) Requires, housing element revisions, HCD, in consultation with each COG, to determine the existing and projected need for housing for each region. (GOV 65584.01)
- 6) Requires HCD's determination to be based upon population projections produced by DOF and regional population forecasts used in preparing RTPs, in consultation with each COG.
- 7) Requires the population forecast developed by the COG to be the basis from which HCD determines the existing and projected need for housing in the region, if the total regional population forecast for the projection year, developed by the COG and used for the preparation of the RTP, is within a range of 1.5% of the total regional population forecast for the projection year by DOF. (GOV 65584.01 (a))
- 8) Requires HCD and the COG to meet to discuss variances in methodology used for population projections and seek agreement on a population projection for the region to be used as a basis for determining the existing and projected housing need for the region, if the difference between the total population projected by the COG and the total population projected for the region by DOF is greater than 1.5%.
- 9) Requires the population projection for the region to be the one prepared by DOF as may be modified by HCD as a result of discussions with the COG, in the case of a discrepancy greater than 1.5%, where an agreement cannot not reached.
- 10) Requires each RTPA to prepare and adopt an RTP directed at achieving a coordinated and balanced regional transportation system. (GOV 65080)
- 11) Requires the RTP to include an SCS prepared by each MPO, as specified, containing land use, housing, and transportation strategies that, if implemented, would allow the region to meet CARB's regional greenhouse gas (GHG) emission reduction targets.

12) Requires the SCS to do all of the following:

- a) Identify the general location of uses, residential densities, and building intensities within the region;
- b) Identify areas within the region sufficient to house all the population of the region, including all economic segments of the population, over the course of the planning period of the RTP taking into account net migration into the region, population growth, household formation and employment growth;
- c) Identify areas within the region sufficient to house an eight-year projection of the regional housing need for the region pursuant to Section 65584;
- d) Identify a transportation network to service the transportation needs of the region;
- e) Gather and consider the best practically available scientific information regarding resource areas and farmland in the region as defined in subdivisions (a) and (b) of Section 65080.01;
- f) Consider the state housing goals specified in Sections 65580 and 65581;
- g) Set forth a forecasted development pattern for the region, which, when integrated with the transportation network, and other transportation measures and policies, will reduce GHG emissions from automobiles and light trucks to achieve, if there is a feasible way to do so, GHG reduction targets approved by CARB; and,
- h) Allow the regional transportation plan to comply with Section 176 of the federal Clean Air Act (42 U.S.C. Sec. 7506).

FISCAL EFFECT: Unknown

COMMENTS: Since 1969, California has required that all local governments (cities and counties) adequately plan to meet the housing needs of everyone in the community. This process starts with the state determining how much housing at a variety of affordability levels is needed for each region in the state, and then regional governments develop a methodology to allocate that housing need to local governments. California's local governments then adopt housing plans (called housing elements) as part of their "general plan" (also required by the state) to show how the jurisdiction will meet local housing needs.

HCD is responsible for determining the regional housing need allocation (RHNA) for each region's Council of Governments (COG), with input from DOF. HCD and the COG consult and compare data related to demographic trends and housing conditions in the region. After this consultation, HCD issues the final RHNA number for the region, which is broken out by income categories. The final housing need determination must be issued at least two years before the next Housing Element due date. The determination accounts for both the existing and projected housing need in each region.

In California, regional transportation planning is primarily conducted by 18 Metropolitan MPOs in urban areas and 26 RTPAs in rural areas. MPOs must prepare a key planning document called the RTP. The RTP has a long-term horizon of at least 20 years and identifies existing and future transportation needs in the region. It includes rough cost estimates for transportation projects and is fiscally constrained (i.e., the total anticipated cost of the proposals is limited to the total reasonably anticipated revenues for the term of the plan), however, specific fund sources are usually not identified for the individual transportation proposals. The RTP must also conform with federal air quality requirements in nonattainment or maintenance areas. Federal law requires MPOs/ RTPAs submit an RTP at least every four years.

The Sustainable Communities and Climate Protection Act, SB 375 (Steinberg), Chapter 728, Statutes of 2008 adds a new element to regional planning and requires MPOs to develop SCS, or long-range plans, which align transportation, housing, and land use decisions toward achieving GHG emissions reduction targets set by CARB. As part of the SB 375 process, CARB establishes regional GHG emissions reduction targets for each jurisdiction. MPOs must produce a SCS that (i) identifies the general location of uses, residential densities, and building intensities within the region; (ii) identifies areas within the region sufficient to house all the population of the region, including all economic segments of the population, over the course of the planning period of the RTP taking into account net migration into the region, population growth, household formation and employment growth; (iii) identifies areas within the region sufficient to house an eight-year projection of the regional housing need for the region; (iv) identifies a transportation network to service the transportation needs of the region; (v) gathers and considers the best practically available scientific information regarding resource areas and farmland in the region; (vi) considers the state housing goals, as specified; (vii) sets forth a forecasted development pattern for the region, which, when integrated with the transportation network, and other transportation measures and policies, will reduce GHG emissions from automobiles and light trucks to achieve the GHG emission reduction targets approved by CARB.

Existing law requires the RTP/SCS be consistent with the RHNA, but these two are not always aligned. For some of the most populous areas of the state, the SCS projected increase in the number of households is less than the RNHA estimated need for housing units as shown below. According to the sponsors, if the RTP/SCS anticipates less population growth than RHNA, mixed-income housing developments may not meet the criteria that make them eligible for CEQA streamlining or state-funded grant programs that are tied to SCS alignment.

City	SCS Projected Increase in Households (2016-2045)	RHNA (housing units) (2021-2029)	RHNA Exceeds SCS Estimates
Los Angeles	426,000	456,643	Yes
Anaheim	21,600	17,453	Yes
Riverside	20,600	18,458	Yes
San Bernardino	9,100	8,123	Yes
Ventura	5,600	5,312	Yes

Sources: “Demographics and Growth Forecast,” pages 33 & 35 Connect SoCal 2020 RTP/SCS. Southern California Association of Governments 6th Cycle Final RHNA Allocation Plan.

This bill intends to resolve inconsistencies between RHNA and SCS projections. This bill requires the SCS to use population projections produced by DOF that are also used by the RHNA process and if there are differences between those forecasts and regional projections it outlines, a process to resolve the differences.

Land use planning aims to ensure the land and its resources are efficiently used for the area's specific purposes. With nearly 40% of California's GHG emissions generated by the transportation sector, the state's climate goals require urgently addressing how regions plan sustainable communities and promote improved transportation choices that reduce growth in number of vehicle miles traveled (VMT). CARB's 2022 Scoping Plan scenario for achieving 85% GHG emission reductions by 2045 calls for 25% reduction in VMT by 2030 and a 30% reduction in VMT by 2045. By contrast, CARB assumes continuing with current policies would lead to only a 4% reduction in VMT by 2045.

The most recent SCS progress report, required under SB 150 (Allen), Chapter 646, Statutes of 2017, also demonstrates the urgent need for land use planning improvements. "Unfortunately, since the first report, most trends demonstrate limited progress in meeting the [GHG emission reduction] targets through 2019. While some limited progress on VMT reduction has been observed within the largest MPO regions where most Californians live, it has not been enough. There is an urgent need to build on the good work that has produced some positive change in these regions in light of the overall trajectory. Many trends moved in the wrong direction, away from advancing climate goals and showing worsening inequality."

Also, this bill intends to address the difficulty in obtaining information about what local governments are doing to align local land use regulations with the SCS or APS by requiring local governments report progress they are making as part of the currently required General Plan Annual Progress Report. The sponsors contend that the progress report update would provide the state with information it can use to evaluate the effectiveness of the SCS process. If local governments are not aligning their land use regulations with the SCS, this could indicate that further policy reforms are necessary, but without more data, it is difficult to make this case. The author may wish to consider adding clarity and specificity to ensure that the information included in the progress report is beneficial to the state for these purposes.

According to the author, "Complementary housing and transportation planning are important to our ability to address the linked crises of housing affordability and climate change. The SCS program encourages sustainable land use planning that reduces the vehicle miles traveled and increases housing that is accessible to public transportation. [This bill] requires local governments to report annually on what actions, if any, they are taking to align their land use regulations with the SCS and makes clarifying changes to the SCS so that there is better consistency between the ways that the SCS and RHNA processes are prepared."

In support, the sponsor Abundant Housing LA writes, "SB 375 (Steinberg) Chapter 728, Statutes of 2008 creates a requirement for regional COGs, also known as MPOs, to include an SCS as part of their RTP. The purpose of the SCS is to show how land use and transportation policies can be coordinated to achieve reductions in GHG emissions from cars and light trucks in alignment with the California's Climate Change Scoping Plan. For example, by adjusting zoning regulations to allow more housing in job centers and near major transit stops, a local government can support the goals of the SCS and reduce GHG emissions by creating more opportunities for people to live in locations where they will tend to be less reliant on cars for transportation. Projects that align with the SCS, known as Transit Priority Projects, are eligible for incentives under existing law, including exemptions or streamlined review under the California Environmental Quality Act (CEQA) and grant funding opportunities from the Affordable Housing and Sustainable Communities (AHSC) program. However, alignment of local land use regulations with the SCS is voluntary, and it can be difficult to obtain information on what, if

anything, local governments are doing to allow more housing in climate-smart areas. Furthermore, the SCS is one of two processes that attempt to plan for housing at the regional level, the other being RHNA. While state law lays out a clear process for forecasting population growth in the RHNA process, population change estimates can diverge in the RTP/SCS. This creates a risk of the two plans being uncoordinated and transit priority projects losing access to the existing incentives, CEQA streamlining, and grant funding. This situation contributes to California's continued struggles with housing affordability and reducing greenhouse gas emissions quickly enough to avoid the worst effects of climate change."

In opposition the California Building Industry Alliance writes, "We are concerned that the bill's reliance on DOF population projections – which are effectively anti-economic growth and anti-housing when used in this planning context – will result in less housing need being forecasted. There are no land use regulations that require "alignment" in SCS. This vague and undefined terminology could be read to suggest that some policy strategies identified in some SCS (such as inclusionary zoning) are mandated to be following by local governments."

Previous legislation: AB 2237 (Friedman of the 2021-22 Legislative Session) would have required consistency between the policies and programs in the Regional Transportation Plan and the SCS. This bill died in the Senate Transportation Committee.

AB 1147 (Friedman of the 2021-22 Legislative Session) would have required local governments to report on the actions they have taken to implement the SCS and barriers to doing so. This bill was vetoed by the Governor.

SB 375 (Steinberg), Chapter 728, Statutes of 2008 establishes the SCS program.

SB 146 (Beall), Chapter 177, Statutes of 2020 characterizes workshops and informational hearings held as part of the SCS procedures as public engagement gatherings.

REGISTERED SUPPORT / OPPOSITION:

Support

Abundant Housing LA (sponsor)
Bay Area Council
Buildcasa
California Community Builders
California Yimby
Civicwell
Community Corporation of Santa Monica
Council of Infill Builders
East Bay Yimby
Fieldstead and Company
Greenbelt Alliance
Grow the Richmond
Housing Action Coalition
How to Adu

Midpen Housing
Mountain View Yimby
Napa-Solano for Everyone
National Association of Hispanic Real Estate Professionals
Northern Neighbors SF
Peninsula for Everyone
People for Housing - Orange County
Progress Noe Valley
San Francisco Yimby
San Luis Obispo Yimby
Sand Hill Property Company
Santa Cruz Yimby
Santa Rosa Yimby
Silicon Valley At Home
Silicon Valley Leadership Group
South Bay Yimby
Southside Forward
Spur
Streets for All
Streets for People Bay Area
Urban Environmentalists
Ventura County Yimby
Yimby Action

Opposition

California Building Industry Alliance

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