

Date of Hearing: March 28, 2022

ASSEMBLY COMMITTEE ON TRANSPORTATION

Laura Friedman, Chair

AB 2237 (Friedman) – As Amended March 22, 2022

**SUBJECT:** Transportation planning: regional transportation improvement plan: sustainable communities strategies: climate goals.

**SUMMARY:** Prohibits a regional transportation planning agency (RTPA) or county transportation commission from funding projects in a Regional Transportation Improvement Program (RTIP) not aligned with the state's climate goals or most recent Sustainable Community Strategy (SCS); requires the California Air Resources Board (CARB), in consultation with the Governor's Office of Planning and Research (OPR), to reallocate monies not consistent with the state's climate goals or most recent SCS; creates a task force to review the role and responsibilities of Metropolitan Planning Organizations (MPOs).

Specifically, **this bill:**

- 1) Requires the SGC, in consultation with CARB, the Department of Housing and Community Development, and the California State Transportation Agency (CalSTA), to convene a task force to do both of the following:
  - a. Review the roles and responsibilities of MPOs.
  - b. Define "sustainable community."
- 2) Defines state's climate goals as:
  - a. The California Transportation Plan.
  - b. Climate Action Plan for Transportation Infrastructure prepared by CalSTA.
  - c. The greenhouse gas emissions (GHG) reduction standards set forth in the California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code) and Senate Bill 375 (Chapter 728 of the Statutes of 2008).
- 3) Requires RTPAs or county transportation commissions to include in its regional transportation improvement program projects to be funded in whole or in part that are consistent with its most recently prepared sustainable communities strategy and the state's climate goals.
- 4) Requires ARB, in consultation with OPR, to review each RTIP and determine its consistency with an SCS and the state's climate goals, starting December 15, 2025, and every two years after.
- 5) Requires ARB, in consultation with OPR, to reallocate monies from an RTPA from funding a project or program determined to be inconsistent with its more recently prepared SCS and the state's climate goals.
- 6) Prohibits an RTPA from funding a project or program determined to be inconsistent with its most recently prepared SCS or the state's climate goals.

**EXISTING LAW:**

- 1) Requires each transportation planning agency to prepare and adopt a regional transportation plan (RTP) directed at achieving a coordinated and balanced regional transportation system, including, but not limited to, mass transportation, highway, railroad, maritime, bicycle, pedestrian, goods movement, and aviation facilities and services.
- 2) Requires a RTP be action-oriented and pragmatic, considering both the short-term and long-term future, present clear, concise policy guidance to local and state officials, and consider and incorporate, as appropriate, the transportation plans of cities, counties, districts, private organizations, and state and federal agencies.
- 3) Requires MPOs to prepare a SCS, which must: identify the general location of uses, residential densities, and building intensities within the region; 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 regional transportation plan taking into account net migration into the region, population growth, household formation and employment growth; identify areas within the region sufficient to house an eight-year projection of the regional housing need for the region; identify a transportation network to service the transportation needs of the region; gather and consider the best practically available scientific information regarding resource areas and farmland in the region; consider the state housing goals specified; set forth a forecasted development pattern for the region, which, when integrated with the transportation network, and other transportation measures and policies, will reduce the greenhouse gas emissions from automobiles and light trucks to achieve, if there is a feasible way to do so, the GHG emission reduction targets approved by CARB.
- 4) Requires a RTPA to submit a five-year RTIP to the CTC on or before December 15 of each odd-numbered year, updated every two years, and include regional transportation improvement projects and programs proposed to be funded, in whole or in part, in the state transportation improvement program.
  - a. Major projects in the RTIP must include current costs updated as of November 1 of the year of submittal and escalated to the appropriate year, and be listed by relative priority, taking into account need, delivery milestone dates, and the availability of funding.

**FISCAL EFFECT:** Unknown.

**COMMENTS:** MPOs are federally mandated regional transportation agencies responsible for programming transportation investments in California's urban areas. SB 375 (Steinberg) requires that each MPO develop, in conjunction with its periodically updated RTP, a SCS, which is a projected "development pattern ... [that, when] integrated with the transportation network, and other transportation measures and policies," and is designed to achieve specific per capita GHG reduction targets set by CARB for automobiles and light trucks over the duration of the RTP/SCS.

SB 375 further requires that RTP/SCSs be consistent with local government land use plans for accommodating housing at all income levels, required under the state's Regional Housing Needs Assessment (RHNA) process.

MPOs provide a planning interface for transportation programs and investments initiated by multiple sources. MPOs coordinate, in their periodically updated long-range (20+ year) regional transportation plans (RTP) and associated shorter-range transportation investment plans (TIP), multiple projects funded by federal, state, and local agencies. MPOs must make their long-range RTPs consistent with their short-range (four-year) TIPs, and with local eight-year RHNA plans.

The main incentive to ensure local compliance with RTP/SCS land use strategies, and achieve GHG reduction, is some streamlining of environmental review required under the California Environmental Quality Act (CEQA) for development projects deemed to be consistent with RTP/SCS goals. A survey conducted in 2016 by the Governor's Office of Planning and Research (OPR) found that less than 5% of responding localities had made use of the primary CEQA streamlining provision in SB 375, called a Sustainable Communities Environmental Assessment (OPR, 2016). This may be due to the risk of litigation for localities who do not follow the comprehensive CEQA process.

Despite the intent of SCSs to reduce GHG production, the changes in local planning and project delivery have been mainly incremental, for a myriad of reasons.

*SCS Evaluations:* Recent studies have begun to identify the disconnection between MPO authority, land use, and achieving the state's GHG emission reduction goals. In a report to the Legislature in 2018, CARB concluded that "California is not on track to meet GHG reductions expected under SB 375," with a particularly worrisome trend being an observed rise in VMT and associated GHGs from cars and light trucks starting after 2013.

The Strategic Growth Council's AB 285 report required by AB 285 (Friedman) Chapter 605, Statutes of 2019 includes a series of white papers prepared by UC ITS. "MPO Planning and Implementation of State Policy Goals," includes an analysis of the most-recent adopted RTP/SCSs, which indicates that most MPO plans allocate more funds toward roadways than transit, but most allocate more roadway funding toward maintenance and operations than new facilities.

One key conclusion causing SCS misalignment, stated at the local and state level, is that MPOs cannot mandate local land use policy changes, and they have only limited discretion for initiating transportation projects, most of which are controlled by other levels of government, with the MPO role being to coordinate and prioritize project spending within regions. This results in RTP/SCSs in alignment with the state's climate goals, with localities in charge of what projects go where, and how land is organized (i.e. greenfield vs. infill development).

Another similar study of transportation funding streams in California concluded that decision-making "happens at multiple, often uncoordinated levels, without requirement that those dollars are spent to align with AB 32 or SB 375 implementation." MPOs are working towards more stringent GHG reduction targets, yet they have no choice but to bank on more ambitious state and local action to be able to achieve these more ambitious mandated goals, even though they cannot ensure that desired policies will actually be implemented.

This bill seeks to address this disconnection by incorporating the following recommendations from the AB 285 report into the SCS process:

- *Align transportation funding to sustainability performance.* This bill requires ARB, in consultation with OPR, to determine an RTIP's consistency with an SCS and the state's climate goals.
- *Focus MPO plans on funding VMT-reducing projects.* This bill prohibits an RTPA from funding a project or program determined to be inconsistent with its most recently prepared SCS or the state's climate goals.
- *Revisit MPO governing structures.* This bill creates a task force to review the roles and responsibilities of MPOs.

*Work to be Done:* In order to achieve California's climate policy goals, a more ambitious multilevel policy package is needed, which includes roadway pricing, support for compact development, and greater investment in non-auto-modes. This bill strives to achieve greater alignment between individual projects within an RTIP, and an SCS, and the state's climate goals.

It is clear that in order to achieve planned goals, MPOs need state and local government support and cooperation, which so far have been inadequate. A lack of adequate provisions to ensure RTP/SCS implementation has hampered regional success in GHG reduction. MPOs do not control land use, and SB 375 (Steinberg) explicitly defers to local authority over land use decisions, meaning that local governments are not required to alter plans and policies to conform to regional plan goals.

SGC is hosting a series of stakeholder working group sessions this spring based on recommendations in the AB 285 report. This bill should incorporate feedback from those sessions, as well as a deeper dive into what true levers for better SCS/climate goal alignment are, including but not limited to:

- Local requirements for RTP.
- Local alignment with SCS and climate goals for tax measures.
- Role of Caltrans in reviewing and approving projects aligned with SCS.
- Greater transparency, reporting, and accountability for RTP/SCSs

*According to the author,* "AB 2237 takes a tangible approach based on the Strategic Growth Council's California Transportation Assessment Report, pursuant to AB 285 (Friedman) Chapter 605, Statutes of 2019, in order to assist Metropolitan Planning Organizations (MPOs) reach not only their greenhouse gas (GHG) emission reduction targets, set by the Air Resources Board (ARB), but also stay consistent with their adopted sustainable community strategies (SCS) and the state's climate goals. California can no longer wait to take bold action to reduce GHGs from the single largest sector of emissions, cars and light trucks. With emissions from the transportation sector continuing to rise despite increases in fuel efficiency and decreases in the carbon content of fuel, California will not achieve the necessary greenhouse gas emissions reductions without significant changes to how communities and transportation systems are planned, funded, and built. AB 2237 will make real changes to improve the sustainability of California's communities."

*In support*, the Coalition for Clean Air states, “Coalition for Clean Air supports AB 2237 because it would reinvigorate California’s efforts to shape sustainable communities that offer clean mobility to our residents. AB 2237, drawing on the Strategic Growth Council’s California Transportation Assessment Report, pursuant to AB 285 (Friedman, 2019), would help Metropolitan Planning Organizations (MPOs) to reach their greenhouse gas emission reduction targets, set by the Air Resources Board (ARB), and stay consistent with their adopted sustainable community strategies (SCS) and the state’s climate standards.”

*Prior Legislation:* AB 285 (Friedman) Chapter 605, Statutes of 2019, updates requirements of the California Transportation Plan (CTP) to reflect the state's recent environmental legislation and requires a review of the implementation of the CTP

SB 150 (Allen) Chapter 646, Statutes of 2017, establishes new requirements for setting regional greenhouse gas (GHG) emission reduction targets and requires the state Air Resources Board (ARB) to monitor regions’ progress in attaining these targets

SB 743 (Steinberg) Chapter 386, Statutes of 2013, establishes special administrative and judicial review procedures under the California Environmental Quality Act (CEQA) for the City of Sacramento’s (City’s) proposed entertainment and sports center project (i.e., Sacramento Kings arena) intended to decrease potential impediments to construction of the project. Also revises a previous CEQA streamlining bill (AB 900) to correct legal defects and extend its operation.

SB 375 (Steinberg) Chapter 728, Statutes of 2008, requires MPOs to include SCSs, as defined, in their regional transportation plans for the purpose of reducing greenhouse gas emissions, aligns planning for transportation and housing, and creates specified incentives for the implementation of the strategies.

SB 45, (Kopp) Chapter 622, Statutes of 1997, changes the 7-year state transportation improvement program to a 4-year program, changes the components of the regional and state transportation improvement programs, changes the name of the Transportation Planning and Development Account to the Public Transportation Account, and making changes in the way funds are allocated from that account.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

California Bicycle Coalition  
Climate Reality Project, San Fernando Valley  
Coalition for Clean Air  
Plug in America

### **Opposition**

None on file.

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