
SENATE COMMITTEE ON ENVIRONMENTAL QUALITY

Senator Allen, Chair

2021 - 2022 Regular

Bill No: SB 261

Author: Allen

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Urgency: No

Fiscal: Yes

Consultant: Eric Walters

SUBJECT: Regional transportation plans: sustainable communities strategies

DIGEST: Tasks the California Air Resources Board (ARB) with devising new greenhouse gas (GHG) emission reduction targets for the automobile and light truck sector—as well as adding vehicle miles traveled (VMT) reduction targets—to the requirements for sustainable communities strategy (SCS) plans as prepared by the state’s metropolitan planning organizations (MPOs).

ANALYSIS:

Existing federal law:

- 1) Requires any urbanized area with a population greater than 50,000 to establish a MPO that, among other things, is responsible to ensure that regional transportation planning is cohesive across local jurisdictions. (23 U.S.C. §134–135)

Existing state law:

- 1) Establishes the Air Resources Board (ARB) as the air pollution control agency in California and requires ARB, among other things, to control emissions from a wide array of mobile sources and coordinate, encourage, and review the efforts of all levels of government as they affect air quality. (Health and Safety Code (HSC) §39500 et seq.)
- 2) Requires ARB to determine the 1990 statewide GHG emissions level, and achieve that same level by 2020 (AB 32), and achieve a 40% reduction from that level by 2030 (SB 32). (HSC §38500 et seq.)
- 3) Requires transportation planning agencies to prepare and adopt regional plans that, with specifications, achieve a coordinated and balanced regional transportation system. (Government Code (GOV) §65080 et seq.)

- 4) Requires, as a part of the regional transportation plan, a Sustainable Communities Strategy (SCS) with specifications, to be prepared by each MPO. (GOV §65080)
- 5) Allows, if the SCS is unable to reduce GHG emissions to achieve the GHG emission reduction targets established by ARB, the MPO to instead prepare an Alternative Planning Strategy (APS) to the SCS showing how those GHG emission reduction targets would be achieved through alternative development patterns, infrastructure, or additional measures or policies. (GOV § 65080)
- 6) Establishes a process for, and requires, ARB to provide regional transportation planning agencies with GHG emissions reductions targets that must be included in their SCS. (GOV §65080)
- 7) Requires, by September 1, 2018 and every four years thereafter, ARB to report to the Legislature on MPOs' progress towards meeting their GHG emission reduction targets in their SCS, including changes to emissions, metrics that support the strategies being used, a discussion of best practices, and an identification of challenges. (Allen, Chapter 646, Statutes of 2017)

This bill:

- 1) Directs ARB to, no later than December 30, 2024, develop and provide to MPOs the following (with draft targets released by September 30, 2024):
 - a) Additional GHG emission reduction targets for the automobile and light truck sector for 2045 and 2050.
 - b) VMT reduction targets (which may be expressed in miles per capita, percent reduction, or another appropriate metric) for 2035, 2045, and 2050 in order to achieve the above GHG emission reduction targets.
- 2) As part of the forecasted development patterns required in an SCS, updates the expectation that that pattern achieve both the updated GHG emission reduction goals and the new VMT reduction goals, where feasible.
- 3) Requires (90 days prior to adoption) an MPO to submit the following to ARB:
 - a) The draft SCS or, if prepared, APS.
 - b) The proposed monitoring mechanisms.
 - c) The forecasted development pattern.

- d) Proposed transportation measures, policies, and measurable local/regional commitments.
- 4) Allows ARB to, based on the above submission and within 45 days of receipt, provide written comment to the MPO identifying issues affecting the plan's ability to produce accurate GHG and VMT estimates.
- 5) Requires ARB to reject the MPO's determination that their SCS would achieve GHG emission reduction targets if it has evidence that the emission estimation methodology is insufficient, the data provided is insufficient for ARB to review it, the calculations do not demonstrate the region meeting its GHG emission reduction goals, or the strategies in the SCS do not demonstrate sufficient reductions, and, should the ARB make that rejection, requires the MPO to either revise the SCS or produce an APS.
- 6) Requires each city and/or county to biennially report to its MPO on its implementation of strategies that were in the SCS (or APS), including but not limited to (1) the numbers of transit-oriented housing, and (2) housing units constructed within areas identified as having low VMT – either below the regional average or at least 15% below the regional average.

Background

- 1) *Transportation emissions.* Emissions from the transportation sector, the state's largest source of GHGs, are still on the rise despite statewide GHG emission reduction efforts and increasingly ambitious targets. According to ARB's GHG emission inventory, transportation sector emissions have grown to 41% of California's total emissions as of 2017. A 2018 Legislative Analyst's Office report found that 90% of the transportation sector's emissions were from on-road sources – 69% passenger vehicles and 22% heavy-duty vehicles.
- 2) *Vehicle Miles Traveled.* Greenhouse gas emissions from transportation are the product of two factors: the total distance the state's vehicle fleet travels and the GHG emissions associated with that travel. California considers the first factor using the unit of VMT. In October of 2019, a report from Next 10 looked at transportation emission trends in 2016-2017 and found that despite the state's intention to rein in VMT and GHG emissions, both had increased.

The silver lining was that while VMT increased by 0.5%, total transportation emissions rose less - only 0.1%. This means that while Californians are driving more than ever before, on average the vehicles they are using are producing fewer GHG emissions. While this is a step in the right direction, drastic and

substantial reductions are still needed.

- 3) *Regional Transportation Plans*. Long-term planning decisions about transit infrastructure by local governments are guided by 20-year Regional Transportation Plans (RTPs). Federal and state requirements for the development of RTPs have been in law since the 1970's, with additional requirements added over the years.

Over the decades that RTPs have been used, there have been changes in the considerations included in transportation planning. As an example, the latest California RTP Guideline revision in 2017 include updates such as following state climate change mitigation/adaptation guidance, considering environmental justice issues, and updating travel demand models.

- 4) *Sustainable Communities and Climate Protection Act of 2008 (SB 375)*. In 2008, the Legislature passed SB 375, a first-of-its-kind law to recognize the critical role of integrated transportation, land use, and housing decisions to meet state climate goals. The law requires each of California's 18 regional MPOs to include a new element in their RTPs – a SCS.

The key guiding metric in a SCS is a GHG emission reduction target, which is decided by ARB upon consideration of a district's specific challenges and capabilities. This target is supposed to guide long-term planning and local decision making on new transit, housing, and roadway projects. Ultimately, while these targets are intended to guide planning discussions, they are not enforceable. The question of how MPOs fund projects that advance their SCS remains open, and MPOs do not have the authority to directly regulate land use.

- 5) *Updated regional plan targets*. In an update to the SB 375 targets originally set in 2010, ARB staff proposed new targets for 2020 and 2035, which were approved in 2018. These more stringent targets again varied by MPO, but still represented a compromise between what the MPOs believed possible, and what ARB deemed necessary to achieve SB 32 targets. Specifically, the original 2010 targets would cumulatively contribute a 13% reduction in GHG emissions, and the updated targets would get to 19%. According to the 2017 Scoping Plan update, this reduction needs to be 25% - well above even the increased targets.
- 6) *SCS progress report to the Legislature*. As required by SB 150 (Allen, 2017), ARB prepared a report describing the MPOs' progress towards achieving the GHG emission reductions contained in their SCS documents. That report found

that California is not on track to meet the GHG reductions expected under SB 375 for 2020, with emissions from statewide passenger vehicle travel per capita actually increasing. It is unlikely that any MPO achieved their 2020 GHG emission reduction goals. Without substantial changes, it will be unlikely they will achieve the currently set 2035 goals either.

Troubling findings, such as more single-occupant vehicle trips, longer commutes, and unchanging ratios of spending on roads versus other transit, led ARB to conclude, “Structural changes and additional work by all levels of government are still necessary to achieve state climate goals and other expected benefits”. This aligns with the 2017 Scoping Plan update, which states additional VMT reduction beyond that included in the SB 375 targets are necessary to achieve SB 32 goals.

Although reducing transportation emissions means decreasing both the number of vehicles on the road and cleaning up the vehicles that are there, emission reduction progress has primarily come from the latter. While transit improvements, active transportation policy, and transit-oriented development can help reduce VMT, SB 375 is unique in its explicit recognition of the interconnectedness of transportation, housing, and land use decisions for GHG emission reductions.

Comments

- 1) *Purpose of Bill.* According to the author, “In California, transportation is the single largest contributor to greenhouse gas (GHG) emissions. According to the California Air Resources Board (ARB), if every Californian drove vehicles 1.6 miles less per day, by 2030 GHG emissions would decrease enough to meet the state’s climate goals. Land use and transportation planning are instrumental in reducing how much people drive and in lessening the impacts from climate change. SB 261 builds on California’s key land use planning law, SB 375 of 2008, by implementing two fundamental recommendations of the ARB’s 2018 Progress Report.

“First, ARB found that unless Metropolitan Planning Organizations (MPOs) that list strategies for reducing emissions also specifically plan to reduce vehicle miles traveled (VMTs), the reduction strategies fail. SB 261 will require that MPOs identify approaches for reducing VMTs. Second, ARB found that a lack of communication between cities, counties, and MPOs hinders efforts. SB 261 requires local jurisdictions to report existing and planned infrastructure to MPOs, and creates a more robust review process for MPOs to work with ARB as they develop sustainable communities strategies.

By incorporating VMTs in land use planning, while increasing communication and accountability for planning agencies, SB 261 will align local land use with our state transportation and climate goals.”

- 2) *Will improved targets still go unmet?* Senate Bill 261 seeks to better align local planning targets, as guided by SCSs, with the state’s overall climate goals; there is an obvious, pressing need for this to happen. The approach taken here is to extend the specific targets that must be included in the SCS to explicitly tackle reducing VMT as part of that. However, the shortcomings of SCSs, as described in the SB 150 report, are not problems of insufficient goals but rather of implementation.

Including VMT in SCSs will give MPOs a more explicit path towards GHG reductions. California cannot solely rely on cleaning up the fleet to meet transportation GHG emission reduction goals, and all paths to achieving the state’s climate goals rely on reducing VMT.

Therefore, while SB 261 will importantly better align local planning targets with state goals, the author may wish to consider if additional implementation or enforcement provisions could help further advance the policy goals herein. By ensuring MPOs have not only the appropriate direction, but also further incentives and/or the necessary authority over land use decisions, they may be able to better comply with existing or future emissions reduction targets.

- 3) Due to the COVID-19 Pandemic and the unprecedented nature of the 2021 Legislative Session, all Senate Policy Committees are working under a compressed timeline. This timeline does not allow this bill to be referred and heard by more than two committee as a typical timeline would allow. In order to fully vet the contents of this measure for the benefit of Senators and the public, this analysis includes information from the Senate Housing Committee.

“Sustainable communities strategies (SCS) demonstrate how each region will meet its GHG emission reduction targets through land use, housing, and transportation strategies. Each SCS is informed by regional housing needs allocations and local housing elements, which help each region plan how to meet its housing need. Research has shown that encouraging more dense housing near transit serves as a means of increasing ridership of public transportation to reduce GHGs. Research has also demonstrated a positive relationship between income and VMT. A study by the Center for Neighborhood Technology, for example, found that in metro regions, home to two-thirds of California’s population, identically composed and located low-income households were predicted to drive 10% less than the median, very

low-income households 25% less, and extremely low-income households 33% less. In contrast, middle income households were predicted to drive 5% more and above moderate-income households 14% more. By requiring ARB to establish VMT reduction targets for each region, this bill could help encourage local governments to proactively rezone areas around transit stations for higher residential density, in order to help achieve both GHG reduction and housing production goals.”

DOUBLE REFERRAL:

If this measure is approved by the Senate Environmental Quality Committee, the do pass motion must include the action to re-refer the bill to the Senate Transportation Committee.

Related/Prior Legislation

SB 1363 (Allen, 2020) would have enacted substantially similar changes to SCS preparation as this bill does. SB 1363 did not receive a hearing in the Senate Environmental Quality committee due to time constraints caused by the Covid 19 pandemic.

SB 146 (Beall, Chapter 177, Statutes of 2020), until January 1, 2023, relaxed the procedural requirements around SCS and APS development to allow for them to be conducted by electronic means and exempted from the Brown Act. SB 261 would amend SCS and APS development identically both before and after that January 1, 2023 sunset date.

SB 526 (Allen, 2019) would have established an interagency working group for the purpose of developing and implementing a State Mobility Action Plan for Healthy Communities (as recommended by the SB 150 report) to ensure that regional growth and development was designed and implemented in a manner that would help achieve the state’s environmental, equity, climate, health, and housing goals, as specified. SB 526 died in the Senate Appropriations committee.

SOURCE: Author

SUPPORT:

350 Bay Area
ActiveSVG
American Lung Association of California

Center for Climate Change and Health
Central California Asthma Collaborative
Climateplan
Coalition for Clean Air
Environmental Health Coalition
Leadership Counsel for Justice & Accountability
Safe Routes to School National Partnership

OPPOSITION:

Associated General Contractors (AGC) The California Chapters,
Building Owners and Managers Association of California (BOMA-CA)
California Association of REALTORS
California Building Industry Association (CBIA)
California Business Properties Association
California Chamber of Commerce
International Council of Shopping Centers
Kern Council of Governments
NAIOP of California, James Camp, Chair

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