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**SENATE COMMITTEE ON ENVIRONMENTAL QUALITY**

**Senator Allen, Chair**

**2021 - 2022 Regular**

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**Bill No:** SB 1217  
**Author:** Allen and Cortese  
**Version:** 2/17/2022  
**Urgency:** No  
**Consultant:** Eric Walters

**Hearing Date:** 3/28/2022  
**Fiscal:** Yes

**SUBJECT:** State-Regional Collaborative for Climate, Equity, and Resilience

**DIGEST:** This bill creates the State-Regional Collaborative for Climate, Equity, and Resilience, with the purpose of making recommendations to the California Air Resources Board (ARB) on how to update the Sustainable Communities Strategy (SCS) guidelines in order to improve the SCS plan approval process, transparency in local and regional government decision making, and alignment with other state climate and equity goals.

Due to the COVID-19 Pandemic and the unprecedented nature of the 2022 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 committees as a typical timeline would allow.

**ANALYSIS:**

Existing federal law:

- 1) Requires any urbanized area with a population greater than 50,000 to establish a metropolitan planning organization (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, Pavley). (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) 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)
- 6) 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) Establishes the State-Regional Collaborative for Climate, Equity, and Resilience (the Collaborative) to provide guidance to ARB on new guidelines for the SCS program.
- 2) Stipulates the composition of the Collaborative, to include four representatives from state entities (ARB, the California State Transportation Agency (CalSTA), the California Department of Housing and Community Development (HCD), and the Strategic Growth Council (SGC)), and ten public members, appointed by the chair of ARB, who represent any of the following interests: Metropolitan planning organizations; The League of California Cities; The California State Association of Counties; Local transportation agencies; Environmental organizations; Social equity organizations; and Housing development organizations, including affordable housing organizations.
- 3) Requires ARB to, on or before December 31, 2025, update SCS guidelines to incorporate suggestions from the Collaborative.
- 4) States that it is the intent of the Legislature to direct updates to SCS guidelines with this legislation, specifically:

- a) Improving the development and implementation of SCS plans and their approval through the creation of a simple quantitative tool for MPOs to determine a plan's consistency with long-range targets;
- b) Improve accountability and transparency surrounding local and regional decisions regarding SCS plans; and
- c) Better aligning the SCS plan development process with other state planning processes and goals.

## 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 roughly 90% of the transportation sector's emissions were from on-road sources – 69% passenger vehicles and 22% heavy-duty vehicles.
- 2) *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 included updates such as following state climate change mitigation/adaptation guidance, considering environmental justice issues, and updating travel demand models.

- 3) *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.

- 4) *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.
- 5) *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 was 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 helped explain the shortcomings of SB 375 implementation to date. While preparing the first SB 150 report, ARB states that they consistently heard concerns over the continued pervasive and longstanding disconnect between the factors that shape regional growth and development in California – such as transportation investment, regulatory and housing market conditions at the local, regional, and state levels – and the state's environmental, equity, climate, health, economic, and housing goals.

Overall, ARB concluded that SB 375, "...focused its efforts on MPOs and initiating change in the way planning for growth and travel occurs, but structural changes and additional work by all levels of government are still needed to implement what regions have identified to be needed strategies. While no single agency or level of government alone bears the responsibility for this work; there is an important opportunity to partner across many agencies, with regional and local government staff and elected officials, and

with communities on taking collaborative action toward better results.”

- 6) *California Transportation Assessment Report (AB 285)*. In 2019, Assemblymember Friedman’s AB 285 (Chapter 605, Statutes of 2019) was signed into law. It called for an analysis of the California Transportation Plan and related documents—including RTP/SCSs—to see they are working towards or against better multimodal transportation options, GHG emission reductions, equity, and environmental justice. The AB 285 report, released last month, found that RTP/SCSs have been more ambitious than pre-SB 375 regional plans in encouraging more compact growth patterns, mode shifts toward sustainable transport, such as transit, biking, and walking, and reductions in VMT. However, the report did address the shortcomings of SB 375 implementation and made some recommendations. To quote:

“What accounts for the disappointing performance of RTP/SCSs in achieving desired outcomes? Various observers have long warned of structural flaws in SB 375 in terms of a mismatch of MPO responsibility with inadequate authority or resources to carry it out. To achieve plan goals, MPOs need state and local government support and cooperation, which so far have been inadequate.

“The need for local cooperation has been evident from the start. SB 375 relies on MPOs to coordinate transportation and land use at a regional scale, and plan analyses consistently show the synergistic benefits of this approach for reducing VMT and GHGs. But to achieve their SB 375 targets, the MPOs have relied on land use policy changes not yet adopted by many localities and which veer away from current local general plans and zoning ordinances. The MPOs do not control land use policymaking, which is the prerogative of local governments.

“...Rather than criticize MPOs for devising ambitious plans that fail to deliver on the ground, it would be more useful to ask whether state and local policymakers are ready to pursue the visions described in CTP 2050 and the RTP/SCSs and adopt the supporting policies needed for them—and SB 375—to succeed.”

## Comments

- 1) *Purpose of Bill*. According to the author, “According to the California Air Resources Board (CARB), the state will not achieve the necessary greenhouse gas (GHG) emission reductions to meet mandates for 2030 and beyond without significant changes to how communities and transportation systems are

planned, funded, and built. In 2008, the Legislature and Governor approved SB 375, requiring CARB to set regional GHG reduction targets for all 18 Metropolitan Planning Organizations (MPOs) in the state. Each MPO is required to create a Sustainable Communities Strategy within their transportation plan that articulates tactics for reducing emissions through changes in land use, housing, and transportation patterns. Yet emissions from the transportation sector continue to rise despite increases in fuel efficiency and decreases in the carbon content of fuel. While the MPOs have developed innovative strategies, their planning documents alone are not changing development at local levels. SB 1217 seeks to establish policies that can help remove the barriers for local planners and elected officials to implementing the projects identified in Sustainable Communities Strategies. The measure will address the clear disconnect between the local decisions shaping regional growth and development, and the state goals related to health, housing, climate, equity, the environment, and the economy.”

- 2) *Reforming SB 375 this session.* Last year, three bills were introduced that made changes to the SCS statute – SB 261 (Allen), SB 475 (Cortese), and AB 1147 (Friedman). Assemblymember Friedman’s bill made it to the Governor’s desk, where it was vetoed, while the other two bills were held in the Senate Transportation committee for further consideration. The authors of those two Senate bills introduced this bill, SB 1217, as a way to bring together the bills in a unified effort to improve the SCS program.

Specifically, SB 475 had proposed to create the same Collaborative that SB 1217 now does. The Collaborative, composed of stakeholders representing many viewpoints and areas of expertise, will report to ARB by January 1, 2024 with recommendations on updates to be made to the SCS guidelines. ARB in turn will be required to incorporate those suggestions and update the SCS guidelines by December 31, 2025.

This legislation is intended to direct the Collaborative in what specific topics to consider when preparing the suggestions for ARB. SB 1217 is focused on three pillars, described in the intent language in Section 1(e):

- a) *Streamlining plan preparation and approval.* The current process for an MPO to get their plan approved by ARB is many rounds of back-and-forth communication over modeling. There is hope that a simple quantitative tool, while potentially sacrificing some accuracy as compared to the sophisticated models, could allow MPOs to spend fewer of their limited resources on plan preparation, and the tool could even possibly incentivize

earlier implementation of GHG-reducing projects.

- b) *Transparency and accountability for local and regional decisions.* As evinced by the AB 285 report and last year's AB 1147 (Friedman), there is a disconnect between the regional level (where MPOs are required to produce RTP/SCSs which will achieve state targets) and the local level (where land use authority rests, but where SCS plans may have less sway in decision making).
- c) *Better aligning SCS with other planning processes.* The same organizations and governments that are involved in SCS preparation and approval are often also involved in housing planning and other such endeavors. While there can be value in approaching complementary problems using different frameworks, there is also the potential for mismatched timelines and requirements to end up creating more work than is necessary.

As it stands, SB 1217 is currently a work in progress. Should the committee vote to approve the bill today, they can expect to see further refinement of the above pillars based on extensive stakeholder engagement by the authors' offices.

#### **SENATE HOUSING COMMITTEE COMMENT:**

In order to fully vet the contents of this measure for the benefit of Senators and the public, this analysis includes information from SENATE HOUSING COMMITTEE:

When households are forced to move further away from city and town centers due to cost constraints, they must commute longer distances to jobs, schools, and other community services; resulting in increased stress, higher household transportation costs, and less time spent with loved ones. Residents in these communities are more likely to rely on personal vehicles for daily commutes and errands, thus increasing overall vehicle miles traveled (VMT) and greenhouse gas (GHG) emissions throughout the state, and continuing to contribute to climate change.<sup>1</sup> To make matters worse, homes built further away from existing neighborhoods and infrastructure are more likely to be in high-risk areas for fires, storms and severe weather, drought and nuisance flooding, and extreme heat.<sup>2</sup> SB 1217 would establish a State-Regional

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<sup>1</sup> California Air Resources Board, *Methods to Assess Co-Benefits of California Climate Investments: Vehicle Miles Traveled* (Sacramento: California Air Resources Board, August 30, 2017), [https://ww2.arb.ca.gov/sites/default/files/classic/cc/capandtrade/auctionproceeds/carb\\_vehicle\\_miles\\_traveled.pdf](https://ww2.arb.ca.gov/sites/default/files/classic/cc/capandtrade/auctionproceeds/carb_vehicle_miles_traveled.pdf)

<sup>2</sup> Anna Cash, Karen Chapple, Nicholas Depsky, Renee Roy Elias, Melisa Krnjaic, Shazia Manji, and Honora Montano, *Climate Change and Displacement in the U.S. – A Review of the Literature* (Berkeley: Urban Displacement Project, April 2020), [https://www.urbandisplacement.org/wp-content/uploads/2021/08/climate\\_and\\_displacement\\_-\\_lit\\_review\\_6.19.2020.pdf](https://www.urbandisplacement.org/wp-content/uploads/2021/08/climate_and_displacement_-_lit_review_6.19.2020.pdf)

Collaborative for Climate, Equity, and Resilience, including representatives from the Department of Housing and Community Development (HCD) and housing development organizations, to provide guidance to the State Air Resources Board for approving new guidelines for sustainable communities strategies (SCS). Infill development and building denser, more walkable communities can help the state work towards its climate goals, but it requires implementing housing, land use, transportation, and climate resilience policies that work in tandem, including entitlement and zoning changes that allow for more by-right development.

### **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 261 (Allen, 2021) would have tasked ARB with devising new 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 SCCS plans as prepared by the state's MPOs. SB 261 died in the Senate Transportation committee.

SB 475 (Cortese, 2021) would have made numerous changes to the provisions of SB 375, including but not limited to: requiring ARB to update SCS guidelines in coordination with specified agencies; tasking ARB with appointing a State-Regional Collaborative for Climate, Equity, and Resilience, with membership as specified; requiring ARB to update short- and long-term GHG emission reduction goals, as specified; requiring CEC to set regional building decarbonization targets; and eliminating the Alternative Planning Strategy (APS) compliance option. SB 475 died in the Senate Transportation committee

AB 1147 (Friedman, 2021) made numerous substantive changes to the required elements of MPOs' RTPs to ensure effective implementation of SCSs and APSs, as specified. This bill also requires the OPR to develop a guidance document to provide best practices for establishing "15-minute communities," as defined, and requires the California Department of Transportation (Caltrans) to develop a bicycle highway pilot program, as specified. AB 1147 was vetoed by Governor Newsom.



**SOURCE:** Author

**SUPPORT:**

350 Bay Area Action  
Midpeninsula Regional Open Space District

**OPPOSITION:**

None received

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