

# Senate Transportation and Housing Committee

Informational Hearing

## **SB 375: From Vision to Implementation**

Tuesday, May 13

1:30 p.m., John L. Burton Hearing Room (4203)

### BACKGROUND PAPER

#### **Introduction**

Six years have passed since passage of SB 375 (Steinberg), California’s Sustainable Communities and Climate Protection Act of 2008. Six years also separate us from 2020, a key milestone of AB 32 (Núñez and Pavley), the landmark climate change law that motivated SB 375. This hearing, at the half-way point toward the first major milestone of SB 375, is a well-timed occasion for a status check. Specifically, the purpose of this informational hearing is to assess progress toward implementing the provisions and intent of SB 375 and to hear recommendations from a diverse set of experts and stakeholders on how to ensure future, successful, expeditious implementation of SB 375.

## **Background**

### *SB 375 vision and goals*

To address climate change, SB 375 (Steinberg, Chapter 728, Statutes of 2008) envisions a compact and connected pattern of the built environment that differs from segregated, sprawling development patterns of the past. This vision is one of mobility efficiency, wherein the need, frequency, and length of trips by motor vehicle are reduced. Mobility efficiency translates to carbon efficiency, with attendant climate change, air quality, and human health benefits. Consistent with a compact growth pattern is mixed-use, transit-oriented development that enhances and diversifies local economies, including affordable housing and the preservation of open space, farmland, and natural resource areas.

The Legislature predicated SB 375 on recognition that improvements in the intrinsic efficiency of motor vehicles would be insufficient to achieve carbon emissions reduction targets specified by California's Global Warming Solutions Act (AB 32 [Núñez and Pavley], Chapter 488, Statutes of 2006). AB 32 sets an objective for the state to achieve, by 2020, a greenhouse gas (GHG) emissions inventory equal to the state's 1990 emissions level. SB 375 added an additional target year of 2035 for regional emissions reductions, to be set by the California Air Resources Board (ARB) in consultation with the state's Metropolitan Planning Organizations (MPO). Related to this statute is Executive Order S-3-05, which established a target of reducing GHG emissions to 20% of the state's 1990 level by 2050.

Recent ARB-sponsored research (Greenblatt 2013) indicates that the state is on track to meet its AB 32-specified emissions reduction target for 2020. This research projects a 2.6% reduction in emissions by 2020 in the automobile and light truck sector due solely to a reduction in vehicle miles traveled (not including fuel efficiency gains). The projected reduced vehicle miles traveled is estimated to be a consequence both of macro-trends (McCahill 2014) and of the compact and transit-oriented development pattern prescribed by SB 375.

### *Provisions*

SB 375 contains five general directives. First, is a set of provisions focused on reducing regional GHG emissions. To do so, SB 375 requires ARB to provide each region that has a MPO with GHG emission reduction targets for the automobile and light truck sector for 2020

and 2035, respectively. ARB, in consultation with the regions, developed these targets and will update them every eight years. The 2020 targets are consistent with the overall AB 32 target.

Second, SB 375 specifies that each region with a MPO develop a Sustainable Communities Strategy (SCS), which becomes part of each MPO's regional transportation plan (RTP). An SCS includes transportation, housing, and farmland and resource area elements and sets a development strategy that integrates these elements so that the region can achieve its ARB-approved GHG emission reduction targets. If a region is unable to meet the ARB target, an alternative planning strategy is required, which identifies the impediments to achieving SCS targets and demonstrates how alternative development patterns, infrastructure, or transportation measures would allow the region to achieve the ARB target.

Third, SB 375 requires each region to develop travel demand models to understand relationships between land use and transportation and how development may quantitatively impact transportation factors like vehicle ownership, vehicle miles traveled, transit use, and active transportation.

Fourth, SB 375 aligns existing housing law with the SCS, by 1) requiring regions to assign housing need numbers in a manner consistent with the SCS; 2) requiring cities and counties to revise their housing elements every eight years in conjunction with the region's regional transportation plan; and 3) requiring cities and counties to identify specific sites to rezone, and complete rezoning within a specified time period, generally three years.

Fifth and finally, SB 375 relaxes requirements of the California Environmental Quality Act (CEQA) for developments that are consistent with an SCS or alternative planning strategy. Existing CEQA provisions require that local government conduct an analysis of environmental impacts associated with projects, including private housing developments. SB 375 relaxes this and related requirements for "transit priority projects" that are consistent with a SCS or alternative planning strategy and the general principles of transit-oriented, mixed use development articulated in SB 375.

## *Timelines*

SB 375 specified a number of statewide deadlines pertaining to all the state's 18 MPO's for the purposes of setting greenhouse emission reduction targets and approving SCSs or alternative planning strategies. Implementation timelines have varied among the MPOs in part because they are on a pre-existing, staggered four year schedule to update their federally-mandated regional transportation plans. For three of the MPOs with limited in-house planning capacity and small populations which are unlikely to experience substantial future growth, ARB has decided to allow a business-as-usual approach and delay new targets until 2014.

Additionally, the eight San Joaquin Valley county MPOs have presented special challenges to ARB in having relatively low planning capacity but large expected population growth, and this has contributed to a more protracted SCS development and approval process.

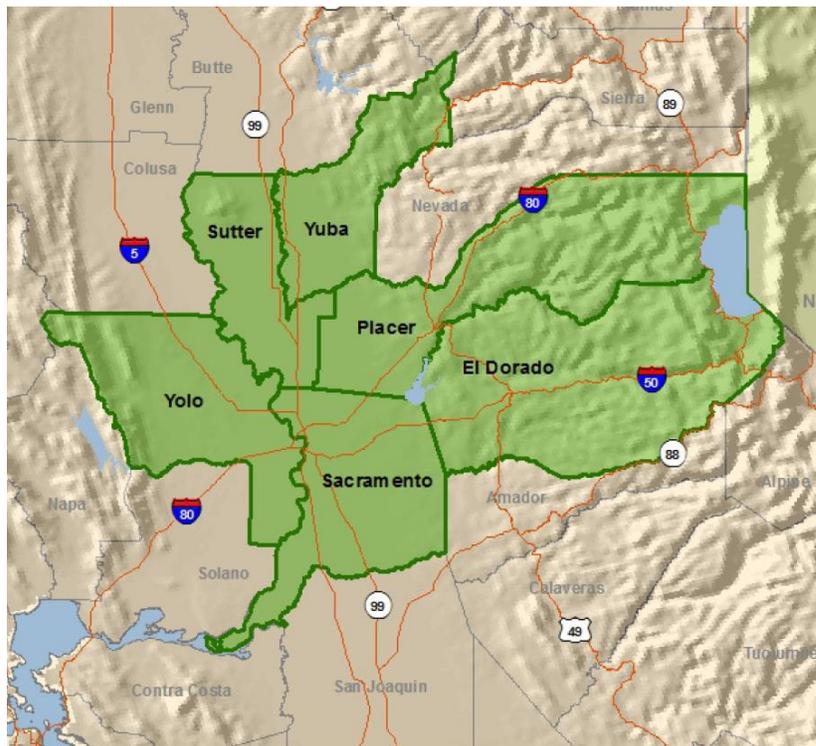
The remaining seven MPOs have received formal ARB acceptance that their SCSs would meet the region's GHG emissions reduction targets. These are the Santa Barbara County Association of Governments (SBCAG); the Association of Bay Area Governments (ABAG) and Metropolitan Transportation Commission (MTC); the Butte County Association of Governments (BCAG); the Tahoe Metropolitan Planning Organization (TMPO) and Tahoe Regional Planning Agency (TRPA); the Sacramento Area Council of Governments (SACOG); the Southern California Association of Governments (SCAG); and the San Diego Association of Governments (SANDAG).

Given the recent adoption of these seven SCSs and the fact that none of the remaining MPOs have not yet adopted an SCS, the regions are under a tight schedule to achieve the GHG reduction goals for 2020. The momentum associated with previous regional planning blueprints, the pre-existing consistency of those plans with the goals and provisions of SB 375, and voluntary modifications by regions to enhance consistency of their pre-existing plans with SB 375 will be important factors in whether or not the regions can achieve their targets for 2020. The broader intent of SB 375 is the longer-range future, and while the intent of this hearing includes consideration of the 2020 target year, longer-range trajectories are ultimately of more important consideration.

## Implementation case studies

Implementation involves the planning process, completed planning documents, and, finally, execution. Carbon emissions reductions can be achieved only at the execution stage. To date, among the 18 MPOs, seven have achieved an ARB-approved SCS and regional transportation plan. These include the Sacramento Area Council of Governments (SACOG), and the Southern California Association of Governments (SCAG). As these MPOs represent two of the MPOs that are relatively further along the implementation pathway; are two of only four MPOs that include multiple counties; and represent the diverse geographies of the northern and southern parts of the state, they make good candidate MPOs for comparison and contrast. Therefore this hearing will examine these two regions in greater depth, comparing and contrasting their implementation experience and lessons learned.

Although SACOG and SCAG are similar in being multi-county and at the same ARB approval stage, they differ dramatically in other aspects. SACOG comprises six counties, 22 cities, an area of more than 6,000 square miles, and about 2.3 million residents (Figure 1).



**Figure 1.** Sacramento Area Council of Governments. Map credit: ARB

While SCAG also comprises six counties, it contains nearly ten times more cities (191), encompasses more than 38,000 square miles, and includes more than 18 million residents (Figure 2). Both regions are projected to grow in population between 2010 and 2035, although SACOG projected percentage growth (1.3%) is the highest among the state's large regions, while SCAG's projected growth (0.8%) is lower than the state's average (0.9%) (California Department of Finance, 2013).



The economic bases of the two regions share similarities and differences. Professional and business services make up a large portion of jobs in both regions; differences include a high percentage of jobs in state government in SACOG versus a large tourism and entertainment industry in SCAG. The natural resource commodity base is largely agricultural in SACOG, and increasing petroleum reserves in portions of SCAG underlain by the Monterey Shale oil-bearing formation.

GHG emissions reductions targets set by ARB for both SCAG and SACOG in 2010 are

-9% by 2020 and -16% by 2035 (expressed as a percent change in per capita emissions relative to 2005).

Prior to SB 375, both SACOG and SCAG (and others MPOs not discussed here) developed comprehensive transportation, housing, and land use plans designed to address congestion, climate change, and quality of life. ARB refers to these as “blueprint” plans. In SACOG this plan is called the Sacramento Region Blueprint. SCAG’s plan is called Compass Blueprint. Both blueprint plans are broadly consistent with the principles and intent of SB 375. The two plans developed along very similar timelines, both being initiated in 2002, and both publishing initial versions in 2004 (SCAG’s Compass and SACOG’s Blueprint Preferred Scenario).

As with their blueprint plans, SCAG’s and SACOG’s sustainable community strategies are not surprisingly, broadly similar, including strategies to enhance affordable and compact housing developments near transit areas and job centers, and encouragement of active transportation and transit use over driving alone. The two regions, however, place different relative emphases on these elements, which reflect differences in their existing transportation infrastructure and housing stock, and create different sets of opportunities for GHG emissions reductions. For example, bicycle infrastructure is already relatively more developed in some SACOG communities such as Davis or Sacramento than in, for example, Los Angeles, so a greater opportunity exists in Los Angeles and SCAG to accrue GHG emissions reductions from promoting bicycling than in the SACOG region. Notable differences in the SCSs thus include SCAG’s relatively more aggressive strategy to reduce driving alone by replacing it with high occupancy vehicle lane usage and biking or walking, and a much greater emphasis on a mode shift to public transit use, percentage-wise, than in SACOG. In housing, SCAG places relatively greater emphasis on multi-family housing in its SCS, compared to SACOG, which encourages development of single family, small-lot and attached housing in its SCS. Fact sheets describing SCAG’s and SACOG’s SCSs, including 1) key GHG reduction strategies; 2) the process each MPO used to develop these strategies; 3) how the GHG benefits of each strategy was measured; and 4) other regional benefits of the SCS, are available online at [www.arb.ca.gov/cc/sb375/scag\\_fact\\_sheet\\_for%20posting.pdf](http://www.arb.ca.gov/cc/sb375/scag_fact_sheet_for%20posting.pdf) and

[www.arb.ca.gov/cc/sb375/sacog\\_fact\\_sheet\\_for%20posting.pdf](http://www.arb.ca.gov/cc/sb375/sacog_fact_sheet_for%20posting.pdf) for SCAG and SACOG, respectively.

A key issue for this hearing to consider in comparing SB 375 implementation in these two regions include how the large difference in the geographic size, number of cities, and total population between the two MPOs has influenced the nature of the collaborative relationships between the cities, counties, and the MPO in cooperatively developing and implementing their SCSs.

## **Conclusion**

National macro-trends including reductions in vehicle miles traveled over the last nine years began just prior to 2008 (McCahill 2014), but were unrecognized, and unrecognizable, at the time Senator Steinberg introduced SB 375 in 2007. This trend may have given SB 375 an implementation “tail wind” to start. While research (Greenblatt 2013) indicates both that the state is on track to reach its 2020 target and that SB 375 helps achieve that target, the same research also indicates that for the state to reach longer term targets in 2035 and beyond, GHG emission reduction targets in SB 375 may need to be made substantially more stringent in the next eight-year update required of ARB, and perhaps even again more aggressive in future eight-year cycles. Primarily this is due to a large projected population increase in the state, which more than off sets per capita reductions in GHG emissions. The next required update to ARB’s GHG emission reduction targets for regions occurs in 2018, eight years after ARB set the initial set of final targets in September, 2010. From today’s vantage point, with four years to go until ARB’s 2018 target update, and another two years more until the 2020 milestone shared by AB 32 and SB 375, this hearing presents an opportune time to evaluate progress in SB 375 implementation, and to consider whether the targets and mechanisms specified then are still the right ones to project onward to achieve the vision of sustainability and a stable climate.

## **Questions for Consideration:**

1. Did ARB set too stringent of emissions reduction targets for the regions? Were they about right? Or not stringent enough?
2. Research indicates that SB 375 will not be enough for sustained long-term reductions in GHG emissions in 2035 and beyond. Should the provisions of SB 375 be strengthened, or new policies enacted?
3. Research by hearing witness Dr. Sciara shows that some communities are not headed in a direction consistent with the vision and goals of SB 375. What factors lead to these divergent pathways?
4. SB 375 does not supersede local land use zoning decisions by cities and counties. Are incentives enough, or is this a fundamental flaw in SB 375 that should be corrected, and if so, how?
5. Is CEQA relief helping SB 375 implementation? If yes, how? If not, why not?
6. What additional tools may be helpful to ensure successful implementation of SB 375?
7. How has litigation affected implementation?

## **References**

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