

Date of Hearing: May 19, 2021

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Lorena Gonzalez, Chair

AB 1147 (Friedman) – As Amended March 18, 2021

Policy Committee:	Transportation	Vote:	10 - 3
	Natural Resources		8 - 3

Urgency: No State Mandated Local Program: Yes Reimbursable: No

SUMMARY:

This bill significantly modifies the numerous aspects of the Sustainable Communities Strategies program to better ensure regional greenhouse gas (GHG) emissions reduction targets are met.

Most notably, this bill:

- 1) Requires the Air Resources Board (ARB), on or before July 1, 2023, to determine (a) whether each metropolitan planning organization (MPO) is on track to meet its regional greenhouse gas (GHG) emissions reduction target for 2035; (b) whether there is any discrepancy between regional GHG emissions reduction targets and any relevant targets contained within the most recent update to the ARB's GHG emissions reduction scoping plan; and (c) what actions are necessary for each MPO to meet its regional GHG emissions reduction target for 2035 and what actions are necessary, if any, to align that reduction target ARB's scoping plan.
- 2) Requires each MPO, on or before July 1, 2023, to submit a 2035 target action plan to the ARB for review and approval, that includes a variety of information, includes (a) identification of elements within its most recent sustainable communities strategy or alternative planning strategy that need modification or acceleration to achieve its 2035 regional GHG emissions reduction target; (b) a summary of feedback from outreach to disadvantaged communities related to its 2035 target action plan; (c) identification of measures to improve equity in actions to meet the region's GHG emissions reduction targets; and other related information intended to lead the MPO to meet its 2035 GHG emissions reduction targets.
- 3) Requires each city, county, or city and county to make a good faith effort to take actions that support its region's sustainable community strategy or alternative planning strategy and authorizes an MPO to request a consultation with a local governing body if the MPO concludes a local agency's land use decisions are interfering with the region's achievement of the regional GHG emissions reduction targets

In addition, the bill creates the Sustainable Communities Strategy Block Grant Program, to be administered by the Strategic Growth Council to, upon appropriation by the Legislature, provide block grants to each MPO with an approved 2035 target action plan to support efforts to meet each region's greenhouse gas emissions reduction targets.

The bill also requires the California Department of Transportation (Caltrans), as part of the Active Transportation Program through which current law requires Caltrans to implement walking, biking and nonmotorized transportation alternatives, to pilot innovative and transformative active transportation projects, including, but not limited to, “bicycle highways” and the facilitation of “15-minute cities.”

FISCAL EFFECT:

- 1) Cost in the mid hundreds of thousands of dollars annually (Cost of Implementation Account) for ARB to evaluate MPO progress on meeting regional GHG emissions reduction targets, develop and modify regulations and assist the Strategic Growth Council and other state agencies. The ARB estimates these activities to require two analytical positions and one attorney, at an annual cost for salary, overhead and benefits of \$620,000.
- 2) Costs in the mid hundreds of thousands of dollars (General Fund) to the Strategic Growth Council to develop, implement and administer the block grant program. The council anticipates needing three analytical positions and one manager to complete this work.
- 3) Costs in the range of \$75,000 to \$150,000 (special fund) to Caltrans to propose a pilot bicycle highway network in two major metropolitan areas that would be eligible for funding through the Active Transportation Program, and to prepare and submit a related report to the Legislature.
- 4) Costs in the mid tens of thousands of dollars (special fund) to the California Transportation Commission (CTC) to conduct workshops, revise Active Transportation Program guidelines and evaluate the bicycle highway network pilots.
- 5) Cost pressure in tens of millions to hundreds of millions of dollars to fund the Sustainable Communities Strategy Block Grant Program (General Fund and special funds).

COMMENTS:

- 1) **Purpose.** The author intends this multifaceted bill to enable and ensure the state and its regions achieve the GHG emissions reduction targets as required by SB 375 (Steinberg), Chapter 728, Statutes of 2008, the Sustainable Communities and Climate Protection Act. According to the author:

AB 1147 requires each MPO to create a 2035 Target Action Plan, develops a new block grant program to ensure MPOs achieve their 2035 goals, and requires local governments to make a good faith effort to take actions that support their MPO’s SCS [sustainable communities strategies].

Active transportation must play a vital role in California's goal to reduce GHG and VMT. Walking and bicycling also have many positive benefits associated with public health, strong local economies, and sustainable and equitable development. AB 1147 assists in the development of transformative active transportation projects that other cities and countries have embraced, but have not been done in California, such as bicycle highways and 15 minute cities. AB 1147

will improve the sustainability and quality of California's communities.

- 2) **Background.** In 2008, the Legislature passed SB 375, the Sustainable Communities and Climate Protection Act. In a nutshell, the act (a) requires the ARB to provide each region with GHG emissions reduction target for the automobile and light truck sector; (b) requires each MPO to include in the regional transportation plan a sustainable communities strategy designed to achieve the region's target for GHG emission reduction through planning for the land use, housing and transportation sectors; and (c) requires ARB to approve each MPO's sustainable communities strategy as, if implemented, likely to realize the regions GHG emissions reduction target. The state now has more than a decade of experience with the Sustainable Communities and Climate Protection Act. Despite the interlocking circle of targeting, planning and approval, the act has not lead to regional GHG emissions reductions.

Recently, ARB reported to the Legislature on progress towards meeting regional GHG emissions reduction targets, pursuant to SB 150 (Allen), Chapter 646, Statutes of 2017. ARB's 2018 report found regional GHG emission reductions are not being achieved and vehicle miles traveled, per person are rising or, at least, not declining. Identifying why this is the case; however, many regional representatives protest that many of the drivers of regional GHG emissions are not covered by an MPO's sustainable communities strategy. Similarly, the Legislative Analyst's Office speculated that cities and counties retain authority over land use and might be making choices inconsistent with the regional MPO's strategy.

This bill attempts to address these issues by tightening the interlocking circle. Specifically, the bill requires ARB to determine if there is any discrepancy between regional GHG emissions reduction targets and any relevant targets contained within ARB's most recent GHG emissions reduction scoping plan. This bill also requires ARB to determine what is necessary for each MPO to meet its regional GHG emissions reduction target for 2035 and what actions are necessary to align regional GHG emissions reduction targets for the MPO with ARB's scoping plan. In addition, the bill creates a program to provide funding (though the bill does not provide the funding itself) through block grants to MPOs, which are to consider whether a city or county has made a good faith effort to take actions that support its region's sustainable communities strategy, when allocating its block grant. Relatedly, the bill encourages implementation of innovative programs such as bicycle-only "highways" and enabling "15-minutes cities," that is, cities in which every resident has access to essential services, such as restaurants, grocery stores, medical care facilities, outdoor recreation, employment, childcare, and educational opportunities, within a 15-minute bicycle ride.

The ARB expresses general support for the effort to reform the Sustainable Communities Strategies Program and has recommended reforms to the program itself. However, ARB expresses the concern the bill's timelines and targets overlap and do not allow time for review and implementation. It is the committee's understanding the author is developing amendments that may address ARB's concerns.