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## SENATE COMMITTEE ON ENVIRONMENTAL QUALITY

Senator Allen, Chair

2021 - 2022 Regular

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**Bill No:** AB 1147  
**Author:** Friedman  
**Version:** 6/10/2021  
**Urgency:** No  
**Consultant:** Eric Walters  
**Hearing Date:** 7/1/2021  
**Fiscal:** Yes

**SUBJECT:** Regional transportation plan: Active Transportation Program

**DIGEST:** Makes a number of changes to required elements of metropolitan planning organizations' (MPOs') regional transportation plans (RTPs), including, but not limited to: requiring MPOs to make a good faith effort to implement their sustainable communities strategy (SCS) plan and expanding the scope of the SB 150 (Allen, 2017) report. Expands and delays the completion date of the Strategic Growth Council (SGC) report required under AB 285 (Friedman, 2019). Creates the SCS Block Grant Program to provide funding for planning and implementation to reduce vehicle miles traveled (VMT) and greenhouse gas (GHG) emissions based on 2035 target action plans, as specified. Tasks the Governor's Office of Planning and Research (OPR) with creating a guidance document for 15-minute cities, as specified. Requires the California Department of Transportation (Caltrans) to submit a proposal for a pilot study of bicycle highways.

### **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). (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, under SB 150 (Allen, 2017), 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)
- 8) Requires the California Department of Transportation (Caltrans) to produce (and update every five years) the California Transportation Plan (CTP), a long-range transportation planning document intended to integrate state and regional transportation planning while considering specified pertinent subject areas. (Government Code (GOV) § 65070 et seq.)
- 9) Establishes the Strategic Growth Council (SGC) to coordinate a variety of state programs and activities related to sustainable communities and the environment (Public Resources Code. (PRC) § 75121 et seq.)
- 10) Requires, under AB 285 (Friedman, Chapter 605, Statutes of 2019), Caltrans to update the CTP, as specified, and requires SGC to, by January 31, 2022, submit a report to the Legislature on interactions of the CTP and SCS/APS plans, and a review of the potential impacts and opportunities for coordination between

specified programs. (GOV § 65072.2)

- 11) Establishes the Office of Planning and Research (OPR) to serve the Governor and Cabinet as staff for long-range planning and research, constituting the comprehensive state planning agency, with a focus on factors influencing the quality of the state's environment. (GOV § 65040)
- 12) Requires, under SB 535 (De Leon, Chapter 830, Statutes of 2012), a minimum of 25% of GGRF moneys to be spent on projects benefiting disadvantaged communities (DACs), as defined to mean the top 25% scoring census tracts on CalEnviroScreen 3.0, as well as an additional 22 tracts with high pollution burdens but otherwise unreliable socioeconomic or health data. (HSC § 39711)

This bill:

- 1) With regards to the report required pursuant to AB 285 (Friedman, Chapter 605, Statutes of 2019):
  - a) Requires SGC to, in preparing the report:
    - i) Discuss and analyze the differences between CTP and SCSs/APSs, as specified;
    - ii) Describe state agencies', MPOs', and local governments' assessment of barriers to achieving GHG emission reduction targets and VMT reduction goals related to the CTP, SCSs, and APSs; and
    - iii) Make recommendations for actions at the state, regional, and local levels to achieve state and regional GHG emission reduction targets and VMT reduction goals related to the CTP, SCSs, and APSs.
  - b) Delays the deadline for the report by one year to January 1, 2023; and
  - c) Requires SGC to convene key state agencies, MPOs, and local governments to assist them in completing the report.
- 2) Adds electric bicycles, as defined, to the means of travel to be explicitly considered under an MPO's RTP.
- 3) Makes various changes to the SCS/APS program created by SB 375 (Steinberg, Chapter 728, Statutes of 2008), including:
  - a) Including DACs and low-income households in the public participation plan for SCS/APS preparation;

- b) Requiring, in addition to existing requirements for the report required pursuant to SB 150 (Allen, Chapter 646, Statutes of 2017):
    - i) ARB to report on the progress made on relevant recommendations for SCS implementation from the report prepared by SGC pursuant to AB 285 (Friedman, 2019);
    - ii) MPOs to submit data on how transportation funds have been spent in relation to the SCS, including the amount of transportation funding committed and spent for each transportation mode and the correlation between transportation spending and any increase or decrease in VMT; and
  - c) Requiring each city, county, or city and county to make a good faith effort to take actions that support its region's SCS (or APS) including, but not limited to, when amending or developing its general plan.
- 4) Requires the SCS (or APS) to, if prepared after approval of a 2035 Target Action Plan (TAP), to incorporate and be consistent with, to the extent feasible, the TAP.
  - 5) Permits an MPO that concludes a local agency's land use decisions and transportation projects are interfering with the region's achievement of GHG emission reduction goals to have a consultation with that local agency to discuss authorized actions that can be taken to assist in meeting those targets.
  - 6) Directs MPOs that must prepare a financial element to include projects that directly support low-income households and communities in that element.
  - 7) Creates the Sustainable Communities Strategy Block Grant Program (Block Grant Program), to be administered by SGC in collaboration with ARB to provide planning grants and block grants, upon appropriation by the Legislature, to each MPO with an approved 2035 TAP in order to support efforts to reduce VMT, advance equity, and meet regional GHG emission reduction targets. Further stipulates that:
    - a) SGC and ARB must develop guidelines for the Block Grant Program, including:
      - i) A review and approval process for 2035 TAPs;
      - ii) Prioritization for MPOs to assist in identifying and developing projects with significant and transformative emissions reduction benefits that are not yet ready to begin construction;

- iii) Prioritization for funding projects that will advance equity by investing directly into projects that have been identified by historically underserved and low-income communities, including rural communities and unincorporated areas;
  - iv) Ensuring the Block Grant Program will assist in 2035 TAP implementation;
  - v) Consideration of comments from local governments, MPOs, or other stakeholders;
  - vi) Outreach to DAC and historically underserved communities to encourage comment on draft guidelines; and
  - vii) Reporting requirements for each block grant recipient to evaluate project outcomes.
- b) The above guidelines, and an allocation schedule, must be posted on SGC's website;
  - c) An MPO must consider whether a city, county, or city and county has made a good faith effort to take actions that support its region's SCS (or APS) when allocating its block grant;
  - d) An MPO may request a planning grant in advance of submitting its 2035 TAP for the preparation of its 2035 TAP;
  - e) SGC should set aside up to 5% of the appropriation for both program administration and MPO planning grants; and
  - f) SGC should establish a proposed formula for how the block grant shall be distributed within 30 days of receiving the appropriation.
- 8) Establishes the required components of a 2035 TAP (which an MPO must have approved by SGC and ARB in order to be eligible for the Block Grant Program), including:
- a) Identification of parts of that MPO's latest SCS that need modification or acceleration to achieve 2035 regional GHG emission reduction targets;
  - b) A summary of feedback from DACs related to the 2035 TAP, and how that feedback is being addressed;
  - c) Identification of measures to improve equity in meeting GHG emission reduction goals, including air pollution reduction, public health, job-housing fit, and antidisplacement benefits;
  - d) Identification of local land use decisions and transportation projects that interfere with the region's GHG emission reduction targets by conflicting or obstructing implementation of the region's SCS (or APS);
  - e) Designation of high-priority investment areas that will result in infill, transit-oriented or walkable development, or will otherwise significantly contribute to achieving 2035 GHG emission reduction goals; and

- f) That the 2035 TAP is not a project under CEQA.
- 9) Defines “15-minute city” to mean an area where every resident has access, via at most a 15 minute bike or public transit ride, to specified services, and directs OPR to develop, in consultation with the Department of Housing and Community Development (HCD), a guidance document to provide best practices for establishing 15-minute cities.
- 10) Requires Caltrans to, by January 1, 2023, submit a proposal for a pilot program to develop bicycle highways, as specified, to the California Transportation Commission, and subsequently to report by July 1, 2026 to the relevant policy committees of the Legislature on the status of that pilot project and additional recommendations for further bicycle highway networks.

## Background

- 1) *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. RTPs are financially constrained policy guidance frameworks. The project lists included in TRPs must undergo environmental review and be consistent with air quality conformity requirements.

- 2) *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.

- 3) *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.
- 4) *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.

- 5) *Active Transportation Program.* California's Active Transportation Program (ATP) was created in 2013 through SB 99 and AB 101, which consolidated a number of existing federal and state transportation programs such as the

Transportation Alternatives Program and Bicycle Transportation Account. The goals of the ATP are to increase the proportion of trips done by biking or walking, increase the safety and mobility of non-motorized users, advance GHG emission reduction goals, enhance public health, ensure that disadvantaged communities share in the benefits, and to provide a broad spectrum of projects benefiting many types of active transportation users.

In 2017, SB 1 (Beall, Chapter 2031, Statutes of 2017) stipulated that \$100 million of annual revenues from the Road Maintenance and Rehabilitation Account would be made available to the ATP. In addition to the state and federal funds secured at the program's inception, a total of just over \$200 million are given annually to ATP projects. The funding is split with 50% going to statewide competitive grant programs, 40% going to MPOs in urban areas with populations greater than 200,000, 10% to small urban and rural regions with populations of 200,000 or less, and in total across all the above categories, 25% minimum to go to disadvantaged communities.

- 6) *CTP 2050*. Approved in February of 2021, the latest update of the California Transportation Plan—CTP 2050—is the state's statutorily fiscally unconstrained long-range transportation roadmap for policy change. CTP 2050 is designed to provide a unifying and foundational policy framework for making effective, transparent, and transformational transportation decisions in California and identify a timeline, roles, and responsibilities for each plan recommendation. The CTP does not contain specific projects, but rather policies and strategies to close the gap between what RTPs aim to achieve and how much more is required to meet 2050 goals.

## Comments

- 1) *Purpose of Bill*. According to the author, "AB 1147 takes a multifaceted approach to set California on the course to meet its GHG emission reduction targets expected under SB 375 by making changes at the state, local, and regional levels to provide tools, accountability, and incentives for MPOs to meet their 2035 regional GHG emission target. 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.

"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) *SGC report.* The author's 2019 bill to provide further direction in developing future CTP updates, AB 285, stated the Legislature's intent that "subsequent transportation plans improve transparency, interagency coordination, and the impact of California's transportation investments and planning to meet the objectives set forth in this section." The bill, in part, sought to accomplish this by tasking SGC with completing a report that would compare the options for California's transportation future as envisioned by the CTP, as well as MPOs' SCS/APSs. AB 1147 delays the deadline for that report by one year, and adds further direction in line with the initial intent.

The AB 285 report has some overlap with the report mandated by SB 150 (Allen, 2017), but includes some new information as well. The SB 150 report was largely a progress report on MPOs meeting their GHG reduction targets set by ARB. The report was also directed to include data-supported metrics for the strategies utilized to meet the targets and a discussion of best practices. The AB 285 report instead focused on an overview of the CTP and all SCS/APSs, particularly how they influence the configuration of the statewide integrated multimodal transportation system. It also called for a review of the potential impacts and opportunities for coordination of specified funding programs.

AB 1147 takes the AB 285 report, and adds some elements to it. Three of the additions refer to "VMT reduction goals related to the CTP." It is not entirely clear from looking at the CTP 2050 what these goals are. The "combined scenario" in the CTP 2050 (which featured integrated land use and transportation policy changes) resulted in VMT that was roughly 70% of the baseline estimations by 2050. While VMT reductions were modeled based on different policy interventions, there are no set "goals" for VMT reduction in the CTP, particularly not on the regional scale that would be relevant for comparing to SCS plans. *The author may wish to clarify what is meant by "VMT reduction goals related to the CTP."*

- 3) *Good faith effort.* As was stated in the SB 150 report, California is not on track to meet the GHG emission reduction goals envisioned under SB 375. While it is difficult (if not impossible) to squarely place the blame on any one element of SCS plans or single entity, it is undoubtedly important for all parties involved to be working positively towards statutorily required outcomes. As written, AB 1147 requires each city, county, or city and county to make a good faith effort to take actions that support its region's SCS or, as applicable, APS,

including, but not limited to, when amending or developing its general plan. *Given the number of stakeholders and demands that factor into local land use decisions and the importance of ensuring that SCS plans are truly being advanced at all levels of government, the author may wish to amend the bill to better clarify what exactly is meant by “good faith effort” in this context.*

- 4) *Data sharing provisions.* One of the changes AB 1147 proposes to make to the SCS process itself is to require MPOs to submit data to assist ARB in preparing the SB 150 report. Specifically, MPOs are directed to submit data to ARB that delineates how transportation funds have been spent in relation to the SCS, including the amount of transportation funding committed and spent for each transportation mode and the correlation between transportation spending and any increase or decrease in VMT. Given the fact that MPOs are not on track to meet SCS goals, understanding to what extent projects either further or obstruct progress towards GHG emissions reductions could provide important transparency.
- 5) *Budget alignment.* The SCS Block Grant Program established by AB 1147 is intended to work in concert with a budget item in the Budget Act of 2021. Specifically, the budget (AB 128, Ting) passed June 14<sup>th</sup>, 2021, directs \$750 million dollars for planning and implementation grants to help local governments plan for and meet the goals of their SCS. The direction provided to that money by AB 1147 could help ensure that the money goes towards transformative, emission-reducing projects. However, given the wide range of projects and large amount of funding appropriated, it is important that the Legislature understand clearly how the money will be spent.

At the time of publication of this analysis, further trailer bill language describing the details of the SCS planning and implementation grants has not been released. The committee understands the timing and fluidity of this situation, but should this bill pass out of committee, the author should be sure to keep the committee apprised of any further developments on exactly how this block grant money will be awarded, whether through provisions in AB 1147 or a subsequent trailer bill.

- 6) *Righting the ship.* This is the third bill the Senate Environmental Quality Committee has considered this year that would make changes to the SCS program under the RTP process. Senate bills 261 (Allen) and 475 (Cortese) both were passed out of this committee and subsequently held in the Senate Transportation Committee as two-year bills. All three bills take different approaches to improve the SCS program, but the changes proposed here are generally compatible. Owing perhaps to the complexity and size of the

program, the frustration stakeholders face in trying to meet GHG emission reduction targets, the clear issues presented in the SB 150 report, the importance of using land use planning to help meet the state's climate goals, or a combination of all the above, there is no shortage of ideas about how to make SCSs better.

AB 1147 makes several changes to the SCS program, most notably it (1) explicitly includes DACs and low-income households in the public participation plan for SCS/APS preparation, (2) requires each city, county, or city and county to make a good faith effort to take actions supporting its SCS (or APS), and (3) adds a reporting requirement for MPOs to tell ARB how transportation funds have been spent in relation to the SCS. Regardless of any other programmatic changes made to the SCS process as a result of SB 261/SB 475, these minor reforms make SB 375 implementation a more inclusive, transparent process.

In reforming SB 375 implementation, whether through the changes called for in AB 1147, or through the more expansive changes contemplated in the two active senate bills, it will be important to confront what stakeholders have referred to as the “SB 375 emissions gap.” More specifically, ARB's latest scoping plan update called upon SB 375 implementation to generate a 25% per capita GHG reduction, while the latest GHG emission reduction targets adopted by the state's 18 MPOs total to an 18% reduction. The remaining 7% have only been attributed loosely to “state-initiated VMT reduction strategies”.

As the committee and the Legislature contemplate amending the RTP/SCS process, it will be important to remember the scale of the real-world changes that need to be made. While the current SCS GHG emission reduction targets could still prove to be unachievably high, they fall short of what is needed all the same. Achieving the state's GHG emission reduction goals will likely require a broad portfolio of solutions, touching upon land use decisions, active transportation support, transit infrastructure, and many other services. The suite of policies within AB 1147 reflect that. Should the committee approve this measure, the bill will be a step in the right direction but will still leave significant work to be done in ensuring the state's implementation of SB 375 leads to truly less polluting, safer, more thriving communities.

### **Related/Prior Legislation**

SB 261 (Allen, 2021) Tasks the ARB with devising new GHG emission reduction targets for the automobile and light truck sector—as well as adding VMT reduction targets—to the requirements for SCS plans. SB 261 is currently in the

Senate Transportation Committee.

SB 475 (Cortese, 2021) Makes 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 greenhouse gas (GHG) emission reduction goals, as specified; requiring the California Energy Commission (CEC) to set regional building decarbonization targets; and eliminating the APS compliance option. SB 475 is currently in the Senate Transportation Committee.

AB 128 (Ting, 2021), the Budget Act of 2021, makes appropriations for the support of state government for the 2021-22 fiscal year, including \$750 million for planning and implementation grants to help local governments plan for and meet the goals of their SCS. AB 128 was passed June 14<sup>th</sup>, 2021

**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.

**SOURCE:** Author

**SUPPORT:**

American Lung Association in California  
Elders Climate Action, Norcal and Socal Chapters  
The Climate Reality Project Orange County Chapter

**OPPOSITION:**

None received

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