

- 2) Requires ARB to determine the 1990 statewide greenhouse gas (GHG) emissions level, and achieve that same level by 2020 (AB 32), and achieve a 40% reduction from that level by 2030 (SB 32).
- 3) Requires MPOs to prepare and adopt regional plans that, with specifications, achieve a coordinated and balanced regional transportation system.
- 4) Requires, and establishes a process, for ARB to provide MPOs with GHG emissions reductions targets, and update those targets every eight years.
- 5) Requires, as a part of the Regional Transportation Plan (RTP) a Sustainable Communities Strategy (SCS), as specified, to be prepared by each MPO, to identify transportation, housing, and land use measures and policies that will reduce GHG emissions.
- 6) 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.
- 7) Declares that neither a SCS nor APS regulates the use of land, and that nothing in a SCS shall be interpreted as superseding the exercise of the land use authority of cities and counties within the region.
- 8) 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.
- 9) 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.
- 10) Establishes the Strategic Growth Council (SGC) to coordinate a variety of state programs and activities related to sustainable communities and the environment.

- 11) Requires, Caltrans to update the CTP, as specified, and requires SGC, by January 31, 2022, to 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.
- 12) 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.
- 13) Requires a minimum of 25% of Greenhouse Gas Reduction Fund (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.

This bill:

SGC Report

- 1) Expands existing SGC report regarding the CTP and RTP/SCS to:
 - a) Discuss and analyze the differences between the CTP and SCSs/APSs, as specified;
 - b) Describe state agencies', MPOs', regional transportation planning agencies' (RTPA)s, and local governments' assessment of barriers to achieving GHG emission reduction targets and the reduction of VMT related to the CTP, SCSs, and APSs; and
 - c) Make recommendations for actions at the state, regional, and local levels to achieve state and regional GHG emission reduction targets and the reduction of VMT related to the CTP, SCSs, and APSs, including the necessary resources and tools still needed.
- 2) Delays the deadline for the SGC report by one year to January 1, 2023
- 3) Requires SGC to convene key state agencies, MPOs, RTPAs, and local governments to assist them in completing the report.

ARB Report

- 4) Expands existing ARB status report on RTP/SCSs by requiring:
 - a) Report on progress made on relevant recommendations for SCS implementation from the report prepared by SGC.
 - b) Report on the difference, if any, between GHG emission reduction targets and the total needed reduction identified in the most recent Scoping Plan, and identification of public entities that could make contributions to achieving those reductions, and an assessment of the progress toward achieving those reductions.
 - c) The California Transportation Commission (CTC) and MPOs to submit data on how the state's and each MPOs transportation funds have been spent since the most recent report, 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.
 - d) Requiring ARB, in consultation with CTC and MPOs, to identify relevant data that is available upon request and publish a list of that data prior to requesting it. ARB will make the data available on its website.

RTP/SCS

- 5) Requires MPOs to expand outreach efforts to include DACs and low-income households in the public participation plan for SCS.
- 6) Deletes the declaration that nothing in the RTP/SCS statute shall require a city's or county's land use policies and regulations, including its general plan, to be consistent with the RTP/SCS or an APS.
- 7) Requires the SCS to, if prepared after approval of a 2035 Target Action Plan (TAP), as required to be eligible for funding from the newly created SCS Block Grant program, to incorporate and be consistent with, to the extent feasible, the TAP.
- 8) Requires MPOs to include projects that directly support low-income households and communities in financial element of the RTP.

- 9) Permits an MPO that reasonably 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. Requires the consultation to occur no later than 30 days after the MPO's request. Requires MPOs to make the information available, including a summary of the consultation, on its website.
- 10) Directs each city, county, or city and county within a region to, within one year of ARB accepting a region's SCS, report to its MPO the actions they have taken that implement its region's SCS, or APS, and further the achievement of the region's GHG emission reduction targets. This report includes:
 - a) A description of the applicable actions including land use decisions, zoning ordinances, and transportation projects that the local agency has taken that implement and are consistent with its region's SCS or APS.
 - b) Identification of barriers to further implementation of its region's SCS or APS and to achieving the region's GHG emissions reduction targets.
- 11) Requires MPOs to establish guidelines for the report and the report be available on the local agencies' website.
- 12) Declares that this report does not affect the land use authority of a city, county, or city and county or require amendments to a general plan.

SCS Block Grant Program

- 13) Creates the Sustainable Communities Strategy Block Grant Program (Block Grant Program), to be administered by SGC, in collaboration with ARB and the Department of Housing and Community Development (HCD), 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.
- 14) Requires SGC, ARB, and HCD to develop guidelines for the Block Grant Program, including:
 - a) Developing a review and approval process for 2035 TAPs;

- b) 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;
 - c) 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;
 - d) Identifying measures that improve equity in block grant expenditures for projects that include one or more of the following: air pollution reduction benefits, public health benefits, job-housing fit benefits, and anti-displacement benefits.
 - e) Ensuring the Block Grant Program will assist in 2035 TAP implementation.
 - f) Consideration of comments from local governments, MPOs, or other stakeholders.
 - g) Outreach to DAC and historically underserved communities to encourage comment on draft guidelines.
 - h) Ensuring that only a city, county, or city and county that has made land use and transportation investment decisions consistent with its region's SCS or APS is eligible for funding from Block Grant Program.
 - i) Reporting requirements for each block grant recipient to evaluate project outcomes.
 - j) Posting the guidelines, and an allocation schedule, on SGC's website.
- 15) Authorizes an MPO to request a planning grant in advance of submitting its 2035 TAP for the preparation of its 2035 TAP;
- 16) Requires SGC to set aside up to 5% of the appropriation each for both program administration and MPO planning grants.
- 17) Requires SGC to establish a proposed formula for how the block grant shall be distributed within 30 days of receiving the appropriation.

- 18) Requires an MPO to have a 2035 TAP, approved by SGC, ARB, and HCD, in order to be eligible for the Block Grant Program.
- 19) Requires the 2035 TAP to include:
- a) Identification of elements 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 anti-displacement benefits.
 - d) Identification of significant 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, including zoning or other ordinances.
 - 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.
 - f) Corrective actions and a timeline to get the MPO on track to meet its GHG emission reduction target for 2035, including a list of transformative projects that need additional federal or state funding.
 - g) A proposed expenditure plan for block grant funds based on the formula developed by SGC.
- 20) Declares that the 2035 TAP is not a project under CEQA.

15 Minute Community

- 21) Defines "15-minute community" 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 HCD, CTC, and SGC a guidance document, before January 1, 2023, to provide best practices for establishing 15-minute communities.

Bicycle Highways

- 22) Requires Caltrans, by January 1, 2023, to submit a proposal to the CTC for a pilot program to develop bicycle highways, including the selection of sites establishing a branded networks that are numbered and signed within two major metro areas in different regions of the state.
- 23) Requires the pilot to restrict the use of the network to bicyclists, and ensure it contains intermittent entrances and exits, serves trips of five miles or more, and supports higher speed travel of up to 25 miles per hour.
- 24) Requires Caltrans to select sites based on regional support, connectivity to other bike routes, and potential to maximize active transportation benefits.
- 25) Requires Caltrans to submit the proposal, including selected sites, to the CTC for review and comment, including making recommendations for potential funding sources.
- 26) Requires Caltrans 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 (RTP)s*. All of California's MPOs and RTPAs are required by federal and state law to conduct long range planning to set forth a clearly identified defined vision and goals for transportation in the region and to ensure effective decision making to further the vision and goals. California currently has 18 federally-designated MPOs and 26 state-created RTPAs. The long range plan, known as the RTP, is an important policy document that is based on the unique needs and characteristics of a region and communicates the regional vision to the state and federal government. The RTP considers a minimum 20-year horizon and should be integrated with local jurisdiction's land use plans. MPOs and RTPAs are required to update the RTP every four or five years, depending on a region's clean air attainment.

The RTP should represent a coordinated and balanced regional transportation system including, but not limited to, mass transportation, highway, railroad, maritime, bicycle, pedestrian, goods movement and aviation. The CTC develops guidelines that govern the content and requirements for the RTP so that it conforms with both federal and state law. The most recent RTP Guidelines 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.

- 2) *Sustainable Communities Strategies (SCS)s*. As a part of the strategy to meet the state's climate goals and focus on the transportation sector, the Legislature passed and Governor Schwarzenegger signed into law, SB 375 (Steinberg, Chapter 728, Statutes of 2008). SB 375 aligns transportation planning, land use and housing to reshape development in communities. SB 375 authorizes ARB to set GHG emissions reduction targets for each of the state's 18 MPO regions. The MPOs work with ARB, exchanging technical data, to set the targets, including recommending a target for their region.

MPOs are required to adopt an SCS as part of their RTP to demonstrate how their region will meet the target. The SCS sets forth a vision for growth in the region taking into account its transportation, housing, environmental, and economic needs. The SCS should set a development pattern for the region, which when integrated with the transportation network, will reduce GHG emissions from automobiles and light trucks to achieve the targets. If an MPO, through the development of an SCS, determines they will not be able to reach the target, the MPO may develop an alternative planning strategy (APS) that identifies the principal impediments to meeting the targets. MPOs do not have authority to directly regulate land use.

Extensive public outreach for the development and approval of an RTP/SCS is required, with workshops, public hearings and meetings with affected city and county officials. MPOs must also complete an environmental impact report (EIR) for the RTP/SCS, as required by the California Environmental Quality Act (CEQA).

The intent of SB 375 was to empower regions to develop innovative strategies as part of their SCS to meet their target. While there are requirements for information the SCS must contain including identifying areas for future development and housing, information on resources and farmland, and integrating development with the transportation network, it does not currently prescribe any one strategy for achieving the targets.

- 3) *ARB target setting Round 2*. 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 overall reduction needs to be 25%, well above even the increased targets.

- 4) *SCS Progress Report*. SB 150 (Allen, Chapter 646, Statutes of 2017), requires ARB to report to the Legislature on the progress of SB 375 implementation every four years. The 2018 report found that GHG emission reductions under SB 375 are not being achieved and that VMT per capita is not declining despite every MPO preparing an SCS as required. This may suggest that SCS plans are not being implemented as envisioned and/or are not yielding the expected results. Such factors as state or local funding can be a major reason. The findings in the report are based on statewide total GHG emissions and VMT data, rather than by region, due to data gaps, so it is difficult to see how each region is performing.

Specifically, the report found that portion of people driving alone to work rose or stayed the same, and overall transportation spending planned by mode remained nearly the same. ARB also noted that lack of affordable housing is contributing to lengthening commutes. Overall, ARB found that, “structural changes and additional work by all levels of government are still necessary to achieve state climate goals and other expected benefits.”

- 5) *SB 375 emissions gap*. Placing the lack of progress in VMT reductions solely on SCS implementation is a point of contention for regions that say that many VMT reduction strategies fall outside the authority of MPOs. According to the California Association of Councils of Governments, “CARB’s Scoping Plan calls for a 25% decrease in GHG emissions (per capita) from reduced use of cars and light trucks. [Regional] strategies to meet the 2010 regional targets address 13% of these reductions. [Regional] strategies to meet the 2018 targets account for another 5%. That leaves 7% in state-initiated VMT reduction strategies unaddressed.”
- 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.

7) *Active Transportation in California.* Active Transportation is on the rise in California. According to the above mentioned CTP 2050, “in the months following the outbreak of COVID-19, more Americans embraced active travel. California cities that typically have low bicycle ridership, such as Riverside and Oxnard, experienced a 90% to 125% increase in bicycle miles traveled. Stockton, Bakersfield, Fresno, Sacramento, and San Diego also experienced increases of more than 50%. Trends suggest that travelers shifted from transit to active travel when risks increased. In San Francisco, many residents who needed to make essential trips opted to walk or bike. Recreational biking and walking have also skyrocketed. The Rails-to-Trails Conservancy observed a 110% increase in trail use compared to the same period in 2019.”

Looking back, pre-COVID, at official travel data included in the CTP 2050, “in 2015, Californians took more than 13 million trips by biking or walking, making up nearly eight percent of total travel. Commuting by active modes has been slowly increasing since 2006, with about four percent of commuters now biking or walking to work. The rapid expansion of bike sharing programs starting in 2010 has contributed to the increase by providing residents with flexible, low-cost access to biking. E-bikes, which require less effort than a traditional bicycle and provide more range, are also contributing to growth. U.S. e-bike sales grew by 90 percent in the first quarter of 2019 compared to the previous year.”

Looking to the future, the CTP 2050 estimates that bicycle and pedestrian travel could increase by 45% by 2050. The Plan goes on to note that this increase only represents a half percent mode shift away from auto use, and that, “if we are to achieve our climate goals and improve public health and quality of life in California communities, we must do more to make active transportation a viable and competitive mode of transportation.”

To that end, the state is making significant investments in bicycling and pedestrian infrastructure through the Active Transportation Program (ATP) administered by the CTC. Furthermore, state and local jurisdictions are putting local dollars into building “complete streets” with bikeways and pedestrian facilities.

With the passage of SB 1 (Beall, Chapter 5, Statutes of 2017), funding for the ATP program nearly doubled, to \$200 million annually, as did funding for local streets and roads and state highways, with complete street elements eligible for all funds. The 2021-22 state budget recently passed by the Legislature included \$500 million in additional funding for the ATP program, recognizing that

program is greatly oversubscribed. In fact, ATP has a nearly \$2 billion backlog of projects, with just 11% of applications funded in the latest cycle.

Additionally, in June 2020, Caltrans adopted an Action Plan to increase biking and walking, stating, “expanding these transportation opportunities reduces dependence on driving, promotes safety and emphasizes social equity by reconnecting communities that have been divided by freeways and high-speed roads.” Specifically, as part of the recently adopted 2020 State Highway Operation and Protection Program (SHOPP), the department committed significant funding to integrating bicycle and pedestrian improvements into the State Highway System. More than 40% of the nearly 900 SHOPP projects include complete street investments, with an additional \$100 million in funds explicitly allocated to expand bicycle and pedestrian access.

COMMENTS:

- 1) *Purpose.* 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) *More reporting could lead to more solutions.* The author’s 2019 bill, AB 285 (Friedman, Chapter 605, Statutes of 2019), focused on better linking the state’s climate goals with the long-range vision of the state’s transportation plan. Specifically, AB 285 stated 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’ SCSs.

The AB 285 report focused on an overview of the CTP and all SCSs, 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 delays the deadline for the SGC report by one year and adds some elements to it. Specifically, the report would also include: 1) a discussion and analysis of the differences between the CTP and the regions' SCSs, including how fiscal constraints and fiscal eligibility could affect implementation; 2) a description of identified barriers to achievement of the state and regional GHG emissions reduction targets and reduction of VMT; and 3) recommendations for actions at the state, regional, and local level that could be taken to achieve state and regional GHG emission reduction goals and reduction of VMT, including necessary resources and tools. The bill also requires SGC to convene key state agencies, MPOs, RTPAs, and local governments to assist in completing the report.

The AB 285 report has some overlap with ARB's SB 150 report. As mentioned, the SB 150 report is 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.

AB 1147 also adds additional elements to this report and links the two reports together. Specifically, ARB will report on progress made on recommendations from the AB 285 report. Additionally, to help deal with the SB 375 emission gap discussed earlier, the report will include the difference between GHG emission reduction targets and the total needed reduction identified in the Scoping Plan. ARB would also identify public entities that could make contributions toward achieving those reductions; and develop an assessment of progress made, and how that progress is assisting MPOs in achieving their targets.

Finally, focusing attention on the allocation of state and local transportation spending, the bill would require CTC and each MPO to submit data to ARB that details how transportation funds have been spent, including the amount of funding committed and spent on each transportation mode and the correlation between spending and any increase or decrease in VMT. However, this will likely not present the full picture of what is going on with transportation spending. CTC data would not include all federal and state transportation funding, including funds that are allocated directly to transit operators or local

governments. Additionally, it is unclear whether MPO data would be able to capture actual spending, after the fact, versus funding programmed for future projects.

- 3) *How do we reduce VMT?* As stated in the SB 150 report, the GHG emissions under SB 375 and VMT per capita for passenger travel are headed in the wrong direction. The CTP 2050 also adds that without intervention, VMT on California's roadways could increase by up to 35% by 2050. The "combined scenario" in the CTP 2050, which featured integrated land use and transportation policy changes, resulted in a 31% reduction in VMT from the baseline estimations by 2050. While VMT reductions were modeled based on different policy interventions, there are currently no set goals or targets for VMT reduction in the CTP or in MPOs RTP/SCS. The debate over the reduction of VMT and possible required future targets continues. As part of the discussion, it is important to better understand what some of the strategies are to reduce VMT and what impact these strategies may have.

Specifically, the CTP 2050 details a number of strategies and how much anticipated VMT reduction they would achieve. The strategies with the largest reductions by far are road pricing and land use changes. Others include implementation of the state's rail plan, telework, and more transit. Roadway pricing includes congestion pricing, tolling, parking pricing, or cordon pricing and is considered one of the most effective strategies for reducing statewide VMT and GHG emissions. However, roadway pricing brings up equity concerns. Increasing the cost of driving would place an additional burden on lower income individuals with increased transportation costs. Additionally, as noted by ARB, the rising cost of housing forces people into longer commutes.

California has implemented some forms of road pricing by authorizing certain toll roads or managed lanes on specific highway segments. However, the state has yet to implement a full scale road pricing model that has been deployed in other major cities, such as London. The CTP 2050 stresses that any road pricing scheme must be developed with equity in mind. In fact, the question is raised, "can California have an equitable roadway pricing system?" The answer, according to Caltrans, is yes. To that end, the CTP contains numerous guiding principles for roadway pricing, including prioritizing fair and equitable payment by implementing means-based fee structures, exemptions, or tax deduction for low and middle income people, and ensuring that revenues generated from the pricing program be invested in alternatives to driving.

Numerous California regions are currently conducting studies, including extensive public outreach, of possible options for various types of roadway

pricing. Both Los Angeles and San Francisco are the midst of studying options for pilot programs that could include cordon pricing for specific areas, such as charging a fee for coming to the downtown area or varying charges for times of day driving. As noted by San Francisco County Transportation Authority regarding its pricing study, “the best practice is to combine the congestion fee with discounts, subsidies, and incentives to make the system fair and encourage the use of sustainable transportation modes like transit, walking, and biking.” However, until a widespread road pricing plan is implemented, it is unclear whether it will be able to achieve the intended VMT reduction goals and also protect low and middle income people.

- 4) *Local Governments are part of the solution.* Although MPOs are tasked with developing an RTP/SCS that will achieve the GHG emission reduction targets assigned by ARB, MPOs do not have the authority to fully implement the plan. Local governments in each region play a huge role in making the RTP/SCS a success, with land use and transportation decisions that support the plan. AB 1147 requires each local government within a region to report to their MPO, a year after adoption of the RTP/SCS, to describe the actions taken to implement the RTP/SCS, including land use decisions, zoning ordinances, and transportation projects. Additionally, the report must identify barriers, including federal, state or local laws, to further the RTP/SCS.

This report is in addition to other tools in the bill for MPOs to work with local governments on implementation of the RTP/SCS. The bill authorizes MPOs to request consultation with a local government its land use decisions and transportation projects that would interfere with the region’s achievement of its target. As part of the consultation, the local government may provide its rationale for the decisions. The MPO will report back to its governing body and the consultation will be made publicly available on the MPOs website.

- 5) *Funding is still a challenge.* Funding has long been a challenge for regions in fully implementing the RTP/SCS. Although the state has committed additional resources to housing and transportation in recent years, more is always needed. To that end, AB 1147 creates a SCS Block Grant Program, to be administered by SGC, in collaboration with HCD and ARB. The program will provide planning grants and block grants to each MPO to support efforts to reduce VMT, advance equity, and meet each region’s GHG emissions reduction target.

To be eligible, each MPO would have to submit a 2035 Target Action Plan to SGC for approval. The plan must: 1) identify any changes needed to the region’s RTP/SCS to achieve its 2035 targets, 2) contain a summary of outreach to DACs, 3) identify ways to improve equity, 4) identify significant local land

use decisions and transportation projects that interfere with the targets, 5) designate high-priority investment areas that will result in infill, transit-oriented, or walkable development, 6) identify corrective actions to keep the MPO on track to meet its target, and 7) include a proposed expenditure plan for the funding.

SGC must develop guidelines for the program, as specified in the bill, and set aside 5% of funding for planning grants.

The SCS Block Grant Program is intended to work in concert with a budget item in the Budget Act of 2021. Specifically, the recently passed state budget includes \$600 million for an existing program administered by HCD, and is expected to provide planning and implement grants to regions and local governments to plan for and meet the goals of their SCS.

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. It is unclear how the HCD program will reflect the parameters laid out in AB 1147.

- 6) *15-minute community*. The concept of a 15-minute community envisions neighborhoods in which almost all residents' needs can be met within 15 minutes of their homes on foot, by bike, or on public transit. Communities could accomplish such a vision with greater deployment of mixed-use development. Portland, Oregon's 2013 plan calls for "complete neighborhoods," but even in a city that already has the highest rate of biking in the nation, it will take years to achieve these goals. In the Bay Area, Google is planning for mixed-use development near transit stations which could help to foster the development of 15-minute communities there. AB 1147 would require OPR to develop guidance to provide best practices for establishing 15-minute communities including existing opportunities for grant funding.
- 7) *Bicycle highways*. In its 2017 *Toward an Active California: State Bicycle and Pedestrian Plan*, Caltrans proposed exploring opportunities to develop a network of separated "bicycle highways" to serve regional and interregional travel. Specifically, the strategy recommended pursuing development of branded (e.g., numbered, signed, and legible) networks of bicycle highways within California's major metropolitan areas, potentially through a pilot study. This bill, similar to the Caltrans proposal, requires the pilot to restrict the use of the network to bicyclists, and ensure the network has intermittent entrances and exits, serves longer distance trips, five miles or more, and supports higher-speed travel up to 25 miles per hour.

Recently, Caltrans Bay Area (District 4) initiated a study to understand where bike highways could be installed alongside state highway corridors. The first survey was open between January and March 2021. A design of what bike highways should look like in the Bay Area is expected in Fall of 2021, and a final report of how bike highways can be implemented will follow in Winter of 2021-2022.

Although there is no state funding directly tied to the pilot, the types of projects imagined are eligible for funding from the ATP program.

- 8) *SB 375 changes still in debate.* AB 1147 is one of three bills examining the RTP/SCS process to help regions achieve their GHG emissions reduction goals. SB 261 (Allen) and SB 475 (Cortese) are now two-year bills in this committee and propose more long term, structural changes to the RTP/SCS than this bill. Numerous important issues have been raised in these discussions including how regional plans align with state goals, the need for adequate funding to implement the RTP/SCS, the role of local governments in making the RTP/SCS a success, project selection by the state and regions, the role VMT reduction should play as main GHG emission reduction strategy, and whether certain VMT reduction strategies are equitable, to name a few.

As this committee considers all of these bills, it is important to remember the state's overall climate goals, the challenges facing regions and local governments in doing their part, and the collaboration needed to be successful.

- 9) *Arguments in support.* Writing in support, a coalition of environmental and active transportation advocates state, "California has led the nation in applying advanced technologies to vehicle engines and prompting innovation in transportation fuels, but has struggled to align land use with the need to reduce VMT and the corresponding emissions that cause air pollution and climate change. Passage of SB 375 (Steinberg, 2008) raised hopes for a paradigm shift, but SB 375 is not yielding its intended climate, health, equity, and conservation results.

"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 Metropolitan Planning Organizations (MPOs) to meet their 2035 AB 1147 regional GHG emission targets."

Further, “Active transportation must play a vital role in California's effort 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 would assist in the development of transformative active transportation projects that other cities and countries have embraced, such as bicycle highways and 15-minute cities.”

- 10) *Arguments in opposition.* Writing with an “oppose unless amended” position, Transportation California and a coalition of transportation industry and workforce organizations, state, “while VMT reductions might make sense in some contexts, and we are not opposed to the concept of reducing VMT wholesale, there has been no meaningful analysis nor is there available data about how reducing VMT impacts living-wage jobs, economic activity, and the ability to build much needed affordable housing across the state, just to name a few. Our overarching concern is that an increase in VMT typically occurs in tandem with robust economic activity. What, if any, impact will a purposeful reduction in VMT have on economic growth and the creation of living-wage jobs?”

Further, “we respectfully request the VMT language be removed from the bill and that AB 1147 instead require the state to conduct an analysis, in conjunction with MPOs, of the types of programs, policies, and project level solutions used to realize GHG emissions reductions and the associated GHG benefits from each strategy within the SCS that have been achieved to date. AB 1147 should also direct the state to study VMT reduction policy impacts on the creation of living-wage jobs, economic activity, and housing development. Prior to the state codifying VMT policy, it is critical we understand which solutions provide for the most cost-effective GHG reductions, what role VMT should play in meeting our climate change goals, and what impacts VMT policies will have on other critical state goals.”

- 11) *Double Referral.* This bill was double referred to the Senate Environmental Quality Committee, which approved the measure by a vote of 5-2 on July 1, 2021.

RELATED LEGISLATION:

SB 261 (Allen, 2021) — Tasks 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 GHG emissions 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.

SB 1363 (Allen, 2020)— Would have required ARB to provide each affected region with GHG emission reduction targets for the passenger vehicle sector for 2045 and 2050, and with VMT traveled reduction targets for 2035, 2045, and 2050, and to release, no later than September 30, 2022, a draft of those targets, as specified. SB 1363 was held in the Senate Environmental Quality Committee during a Legislative session that saw bill limitations due to COVID-19.

SB 526 (Allen, 2019)— Would have required ARB to adopt a regulation that requires MPOs to provide any data that ARB determines is necessary to fulfill the requirements of the SB 150 Progress Report, and to determine if the MPO is on track to meet its 2035 GHG emissions reduction target. SB 526 would have also established an interagency working group, to be administered by the SGC and comprised of specified membership, to develop and implement a State Mobility Action Plan for Health Communities. SB 526 was held in the Senate Appropriations Committee.

AB 285 (Friedman, Chapter 605, Statutes, 2019)— Updated requirements of CTP to reflect the state's recent environmental legislation and requires SGC to review implementation of CTP.

SB 150 (Allen, Chapter 646, Statutes, 2017)— Required ARB to prepare a report to assess the progress of the state's 18 MPOs in meeting their regional GHG targets.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

POSITIONS: (Communicated to the committee before noon on Wednesday, July 7, 2021.)

SUPPORT:

350 Bay Area Action
350 Silicon Valley
Active San Gabriel Valley
American Lung Association in California
California Interfaith Power & Light
California League of Conservation Voters
California Walks
California Yimby
Center for Climate Change & Health
Central California Asthma Collaborative
Climate Plan
Coalition for Clean Air
Elders Climate Action, Norcal and SoCal Chapters
Environmental Working Group
Natural Resources Defense Council
NextGen California
NRDC
Physicians for Social Responsibility - San Francisco Bay Area Chapter
Safe Routes Partnership
Streets for All
The Climate Reality Project Orange County Chapter

OPPOSITION:

The following organizations have an “Oppose Unless Amended” position

American Council of Engineering Companies, California
Associated General Contractors of California
California Alliance for Jobs
California State Council of Laborers
International Union of Operating Engineers
Northern California Carpenters Regional Council
Rebuild SoCal Partnership
Southern California Contractors Association
Transportation California
United Contractors