
THIRD READING

Bill No: AB 350
Author: Aguiar-Curry (D), et al.
Amended: 9/8/23 in Senate
Vote: 21

SENATE TRANSPORTATION COMMITTEE: 16-0, 6/27/23
AYES: Gonzalez, Niello, Allen, Archuleta, Becker, Blakespear, Cortese, Dahle, Dodd, Limón, McGuire, Newman, Nguyen, Seyarto, Umberg, Wahab

SENATE ENVIRONMENTAL QUALITY COMMITTEE: 7-0, 7/12/23
AYES: Allen, Dahle, Gonzalez, Hurtado, Menjivar, Nguyen, Skinner

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

ASSEMBLY FLOOR: 74-0, 5/18/23 (Consent) - See last page for vote

SUBJECT: Regional transportation plans: Sacramento Area Council of Governments

SOURCE: Sacramento Area Council of Governments

DIGEST: This bill provides a two-year extension for the Sacramento Area Council of Governments (SACOG) to adopt and submit its Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS), with certain conditions.

Senate Floor Amendments of 9/8/23 delete the provision to reset the timing of SACOG's adoption and submittal of its RTP/SCS to every four years after the first two-year extension and instead only allow for the two-year extension; limit the types of transportation projects, as specified, in the SACOG region that can be nominated for funding from the Solution for Congested Corridors Program (SCCP); add a finding; and remove a co-author.

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.
- 2) Requires each MPO to prepare and update a transportation plan, as specified, for its area at least every four years.

Existing state law:

- 1) Establishes the California 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.
- 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, except otherwise provided, a transportation planning agency to adopt and submit, every four years, an updated RTP to the California Transportation Commission (CTC) and the California Department of Transportation (Caltrans).
- 5) Requires, and establishes a process for, ARB to provide MPOs with GHG emissions reductions targets, and update those targets every eight years. Authorizes ARB to revise the targets every four years.
- 6) Requires, as a part of the RTP, a SCS, as specified, to be prepared by each MPO, to identify transportation, housing, and land use measures and policies that will reduce GHG emissions.
- 7) 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.

- 8) Declares that neither an 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.
- 9) Establishes various transportation grant programs including, the Solutions for Congested Corridors (SCCP), funded at \$250 million annually, for projects that implement specific transportation performance improvements and are part of a comprehensive corridor plan, by providing more transportation choices while preserving the character of local communities and creating opportunities for neighborhood enhancement; the Transit and Intercity Rail Capital (TIRCP) program, which is a competitive program to fund transformative transit capital improvements that will modernize California's intercity, commuter, and urban rail systems and bus and ferry transit systems; the Low Carbon Transit Operations Program (LCTOP), continuously appropriates 5% of greenhouse gas (GHG) reduction fund proceeds to the program for transit operating and capital assistance to reduce GHG emissions and improve mobility; and the Active Transportation Program (ATP), encourages increased use of active modes of transportation, such as walking and biking.

This bill:

- 1) Includes finding and declarations regarding the reasons SACOG requires additional time to update its RTP/SCS, and that SACOG will continue to work with the Legislature to revise and update its long term RTP/SCS schedule.
- 2) Requires SACOG to adopt and submit its update to the 2020 RTP/SCS adopted on November 18, 2019, to the CTC and Caltrans on or before December 31, 2025.
- 3) Requires SACOG to submit its SCS, after adoption, to the ARB.
- 4) Requires SACOG to include in its 2025 RTP/SCS update:
 - a) Development and pilot implementation of an equity-centered, community-cocreated infrastructure project development and funding prioritization process in disadvantaged communities, as identified through the SACOG's implementation of a grant awarded through the federal Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Discretionary Grant program.

- b) A description of how the update furthers equity and inclusion through engagement efforts.
 - c) Data and analysis of the update's performance outcomes in disadvantaged communities.
- 5) Requires, after the update in 2025, SACOG to adopt and submit the next update of its RTP/SCS within two years, no later than November 15, 2027; and then adopt and submit subsequent updates every four years.
 - 6) States that the update to SACOG's RTP that SACOG will prepare and submit to federal agencies for purposes of federal compliance shall not be considered an RTP/SCS under current California law and shall not constitute a project for purposes of the California Environmental Quality Act (CEQA).
 - 7) Prohibits the ARB from applying any update to the GHG emission reduction targets for the SACOG region before SACOG adopts the update to its RTP/SCS.
 - 8) Limits, until December 31, 2025, the types of projects in the SACOG region that can be nominated for funding from the SCCP to projects that would also satisfy the eligibility requirements for one or more of the following programs: TIRCP, LCTOP, or ATP. Declares that these requirements do not apply to a project for which federal discretionary funding has been committed.
 - 9) Requires SACOG, on or before July 1, 2026, and biennially thereafter, to report, on its internet website, on the regional implementation of its most recently adopted RTP/SCS using indicators developed and vetted with stakeholders. Requires the report to include:
 - a) A comparison between the land use and housing development assumptions included in the most recently adopted SCS and housing production activity in the region as measured by the issuance of building permits by local agencies.
 - b) A discussion of the comparison's results, including identification of the principal factors that determine the extent to which the land use and housing development assumptions included in the most recently adopted sustainable communities strategy have or have not been realized and whether those assumptions reflect the requirement to use the most recent planning assumptions considering local general plans and other factors, as specified, including by integrating feedback from housing developers, local governments, and other stakeholders.

- c) The status of approvals for, funding for, construction of, and projected dates of operation for transportation projects in the region in comparison to the investments and timing included in the most recently adopted SCS.
- 10) Declares that the required report is not intended, and shall not be construed, to affect the land use authority of local governments, as specified; and does not modify the authority of MPOs with respect to the adoption of a SCS or implementation of the regional housing needs allocation (RHNA) in local housing elements.
- 11) Makes other technical non-substantive changes.
- 12) Declares that no reimbursement is required by this act, as specified, because the only costs that may be incurred by a local agency or school district are the result of a program for which legislative authority was requested by that local agency or school district.

Comments

- 1) *Purpose of the bill.* According to the author, “SACOG, MTC, and SJCOG comprise the Northern California Megaregion, which includes 16 counties, 136 and a population of nearly 11 million. Each of these entities is required to develop an SCS but each entity has different deadlines. This bill will facilitate greater interregional collaboration and the development of shared transportation priorities throughout the Megaregion by better aligning SACOG’s next SCS update with those of MTC and SJCOG. It will also enhance public outreach in the regional planning process by allowing SACOG’s RAISE planning grant work to inform the SCS update.”
- 2) *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.

- 3) *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 aligned transportation planning, land use, and housing to reshape development in communities. SB 375 authorized 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 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.

- 4) *Latest ARB targets more aggressive*. In 2018, ARB adopted more aggressive SB 375 targets to support progress towards achieving the 2017 Scoping Plan goals. These targets aim to get SCSs to achieve, in aggregate, a 19% reduction in statewide per capita GHG emissions reductions relative to 2005 by 2035 from passenger vehicles. The figure below shows the updated targets for the "Northern California Megaregion" which includes SACOG, Metropolitan Transportation Commission (MTC), and the San Joaquin Council of Governments (SJCOG).

SB 375 Regional Plan Climate Targets, 2018

MPO	Targets through September 30, 2018		Targets Beginning October 1, 2018	
	2020	2035	2020	2035
MTC	-7%	-15%	-10%	-19%
SACOG	-7%	-16%	-7%	-19%
SJCOG	-5%	-10%	-12%	-16%

- 5) *AB 350 allows for better Northern California Megaregion coordination in the next plan update.* According to SACOG, this bill's sponsor, AB 350 will facilitate greater interregional collaboration by aligning SACOG's next RTP/SCS update with those of the other members of the Megaregion, MTC and SJCOG. The Megaregion has been collaborating to advance interregional projects impacting the quality of life, transportation, and commerce throughout Northern California. AB 350 allows SACOG to extend their existing RTP/SCS for roughly two years from an original due date of November 2023 to December 2025. Specifically, the dates for an update of the RTP/SCS are:

Current and Proposed Due Dates for RTP/SCS of the Megaregion MPOs

Region (MPO)	Current due date	Due date under this bill
SACOG	November 2023	December 31, 2025
MTC	November 2025	November 2025
SJCOG	August 2026	August 2026

- 6) *Federal grant leads to more outreach.* According to SACOG, the additional time provided by AB 350 would allow it to incorporate results from newly funded initiatives, including community-based engagement and planning, in the next RTP/SCS. Specifically, SACOG intends to work more with underrepresented communities within the communities it serves. In addition, SACOG received a planning grant in August 2022 through the federal RAISE program to establish a model for equity-centered, community co-created infrastructure project development that attempts to reinvent how regional transportation projects are prioritized for state and federal investment. AB 350

requires SACOG to include a report on the implementation of the RAISE grant in its RTP/SCS, including a description of how the new plan furthers equity and inclusion through engagement efforts.

- 7) *Keeping up with federal requirements.* This bill essentially freezes SACOG's November 2019 adopted RTP/SCS for the purposes of state SB 375 law for two years. Additionally, this bill does not allow ARB to apply any new update to GHG emissions targets to SACOG prior to the update. However, AB 350 maintains compliance with the federal requirement of submission of the RTP every four years by having SACOG update its 2019 RTP with minor modifications for its 2023 submission. To avoid unnecessary process and procedural complications, this bill specifies that this 2023 RTP update will be done exclusively to meet federal requirements and would not be an "RTP" for purposes of the state requirements.
- 8) *Trying to better understand how it's going.* Recent amendments to AB 350 require SACOG to publish a report on its website starting July 1, 2026, and every two years thereafter, on the implementation of the RTP/SCS. The report will include a comparison of land use and housing development assumptions in the RTP/SCS and housing production activity in the region; and identification of the principal factors that have led to the assumptions being realized or not. The report will also have a status update of the transportation projects in the RTP/SCS, including funding and projected dates of operation.
- 9) *Concerns over delaying housing plan timing.* In addition to the RTP/SCS, California requires that all local governments (cities and counties) to adequately plan to meet the housing needs of everyone in each community. This process starts with the state determining how much housing, at a variety of affordability levels, is needed for each region in the state, and then MPOs and Councils of Governments (COGs), develop a methodology to allocate that housing need to local governments. California's local governments then adopt housing plans, called housing elements, as part of their general plan to show how the jurisdiction will meet local housing needs. The California Department of Housing and Community Development (HCD) is responsible for determining the regional housing need allocation (RHNA) for each region's COG with input from the Department of Finance (DOF). It is critical that local jurisdictions adopt legally compliant housing elements on time in order to meet statewide housing goals and create the environment locally for the successful construction of desperately needed housing at all income levels. Unless communities plan for the production and preservation of affordable housing, new housing will not be built. Adequate zoning, removal of regulatory

barriers, protection of existing stock, and targeting of resources are essential to obtaining a sufficient permanent supply of housing affordable to all economic segments of the community.

The timelines for the adoption of the RTP/SCS are set on a specific schedule because the data in the RTP/SCS informs the RHNA and the creation and implementation of the housing element. Therefore, if subsequent SACOG RTP/SCSs are delayed by two years, future RHNA processes and housing element plans and related housing programs will also be delayed, creating confusion for the SACOG region, HCD, and all interested stakeholders with regards to its 7th cycle housing element. Given the significant impact this domino effect would have on housing planning in the region, recent amendments would only allow for a delay for the 2023 RTP/SCS. Should SACOG wish to delay any future RTPs, notably the 2027 RTP/SCS to continue to align with the other Megaregion MPOs, a future Legislature will need to grapple with the impacts on the RHNA process and seventh cycle housing element planning period.

- 10) *We've done this before with additional strings.* In 2019, AB 1730 (Gonzalez, Chapter 634, Statutes of 2019), the San Diego Association of Governments (SANDAG) received an extension of the due date of its RTP/SCS and reset future planning cycles to allow for “additional time to plan and be ambitious in reducing greenhouse gas emissions, in order to ensure the region is doing the most it can in the best way possible.” Prior to the requested extension, SANDAG had experienced some financial scandals and gone through a wholesale restructuring of the agency and Board of Directors.

As part of the SANDAG extension, the Legislature added some requirements for SANDAG to follow. Specifically, AB 1730 required SANDAG to develop a report of its SCS that tracks the implementation of its most recently adopted SCS. Additionally, AB 1730 restricted the types of projects SANDAG could nominate for funding from SCCP, a newly created program in SB 1 (Beall, Chapter 5, 2017), the Road Repair and Accountability Act.

Recent amendments to AB 350 would mirror this provision by also restricting projects in the SACOG region that can be nominated for funding from SCCP. Any nominated projects would also have to be eligible for funding from other grant programs, including TIRCP, which funds transit capital projects; LCTOP, which funds transit operations; and the ATP program, which funds active transportation projects such as biking and walking. SCCP, funded at \$250 million annually, was created to promote projects that implement specific

transportation performance improvements and are part of a comprehensive corridor plan. Additionally, SCCP requires “furtherance of state and federal ambient air standards and GHG emissions reduction standards,” as scoring criteria for project awards.

SB 1 also called for SCCP to require that nominated projects must be included in an approved RTP/SCS. As noted, AB 350 essentially freezes SACOG’s November 2019 adopted RTP/SCS for the purposes of state SB 375 law for two years. It is unclear why restrictions on the types of projects or funding that can be applied for is needed.

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

SUPPORT: (Verified 9/8/23)

Sacramento Area Council of Governments (source)

BIA Bay Area

California Building Industry Association

City of Elk Grove

City of Galt

City of Roseville

City of Sacramento

City of West Sacramento

City of Woodland

CivicWell

County of Placer

County of Sacramento

County of Yuba

Environmental Council of Sacramento

Greater Sacramento Economic Council

Metropolitan Transportation Commission

North State Building Industry Association

Placer County Transportation Planning Agency

Sacramento Asian Pacific Chamber of Commerce

Sacramento Clean Cities Coalition

Sacramento Metropolitan Air Quality Management District

Sacramento Metropolitan Chamber of Commerce

Sacramento Municipal Utility District

Sacramento Regional Transit District

Sacramento Transportation Authority

San Francisco Bay Area Planning and Urban Research Association

San Joaquin Council of Governments
San Joaquin Joint Powers Authority
San Joaquin Regional Rail Commission
Valley Vision, Inc.

OPPOSITION: (Verified 9/8/23)

None received

ARGUMENTS IN SUPPORT: Writing in support of this bill, Sacramento Regional Transit District (SacRT) notes, “As a leading voice for transit agencies in the Northern California Megaregion, we support efforts like AB 350, which ensure effective interregional planning that supports our increasingly interconnected economy.

“The Megaregion has already been collaborating to advance interregional projects that will benefit quality of life, transportation, and commerce throughout Northern California, including passenger rail expansions, and freight-related facilities, such as truck scales and electric truck charging infrastructure. By more closely aligning the timing of SACOG’s next sustainable communities’ strategy update with those of the MTC and the SJCOG, AB 350 will facilitate better interregional planning and encourage the development of shared priorities that support continued economic growth.”

ASSEMBLY FLOOR: 74-0, 5/18/23

AYES: Addis, Aguiar-Curry, Alanis, Alvarez, Arambula, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Juan Carrillo, Wendy Carrillo, Chen, Connolly, Megan Dahle, Davies, Dixon, Essayli, Flora, Mike Fong, Gabriel, Gallagher, Garcia, Gipson, Grayson, Haney, Hart, Holden, Hoover, Irwin, Jackson, Jones-Sawyer, Kalra, Lackey, Lee, Low, Lowenthal, Maienschein, Mathis, McCarty, McKinnor, Muratsuchi, Stephanie Nguyen, Ortega, Pacheco, Papan, Jim Patterson, Joe Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Sanchez, Santiago, Schiavo, Soria, Ta, Ting, Valencia, Wallis, Ward, Weber, Wicks, Wood, Zbur, Rendon

NO VOTE RECORDED: Cervantes, Vince Fong, Friedman, Villapudua, Waldron, Wilson

Prepared by: Melissa White / TRANS. / (916) 651-4121
9/11/23 12:52:44

**** END ****