

THIRD READING

Bill No: SB 1087
Author: Cabaldon (D)
Amended: 4/9/26
Vote: 21

SENATE ENVIRONMENTAL QUALITY COMMITTEE: 5-0, 4/8/26

AYES: Blakespear, Allen, Gonzalez, Hurtado, Menjivar

NO VOTE RECORDED: Valladares, Dahle

SENATE TRANSPORTATION COMMITTEE: 9-1, 4/21/26

AYES: Cortese, Archuleta, Arreguín, Blakespear, Dahle, Gonzalez, Grayson,
Richardson, Wiener

NOES: Strickland

NO VOTE RECORDED: Menjivar, Seyarto, Valladares

SENATE APPROPRIATIONS COMMITTEE: 5-0, 5/14/26

AYES: Cervantes, Cabaldon, Grayson, Richardson, Wahab

NO VOTE RECORDED: Seyarto, Dahle

SUBJECT: Transportation planning: sustainable communities strategies:
transportation funding programs

SOURCE: Metropolitan Transportation Commission & Association of Bay
Area Governments
Sacramento Area Council of Governments
San Diego Association of Governments
Southern California Association of Governments

DIGEST: This bill (1) makes numerous changes to existing Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) guidelines and requirements, including how greenhouse gas emissions (GHG) reduction targets are set, the timeline for updating the plans, and how GHG reduction strategies are evaluated; (2) extends GHG reduction targets to 2045 and make changes to certain transportation funding programs to support implementation of the strategies.

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 United States Code (U.S.C.) §134–135)
- 2) Requires MPOs to prepare long-range (i.e. at least 20-year) regional transportation plans (RTPs) to establish regional goals, identify present and future needs, deficiencies, and constraints, analyze potential solutions, estimate available funding, and propose investments. (23 U.S.C. §134)

Existing state law:

- 1) Establishes the Air Resources Board (CARB) as the air pollution control agency in California and requires CARB, 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 transportation planning agencies to prepare and adopt regional transportation plans (RTPs) that, with specifications, achieve a coordinated and balanced regional transportation system. (Government Code (GOV) §65080 et seq.)
- 3) Requires, as a part of the regional transportation plan, a Sustainable Communities Strategy (SCS) with specifications, to be prepared by each MPO. (GOV §65080)
- 4) Establishes a process for, and requires, CARB to provide regional transportation planning agencies with GHG emissions reductions targets that must be included in their SCS. (GOV §65080)

This bill:

- 1) Directs CARB to:
 - a) Provide, no later than ____ years before the due date of a region's next SCS, a GHG emission reduction target for all on-road transportation sectors for 2035 and 2045. Further stipulates:

- i) CARB shall exchange technical information with MPOs and affected air districts;
 - ii) CARB must take into account the GHG emission reductions that will be achieved by improved vehicle emission standards, changes in fuel composition, and other measures CARB has and will approve that will reduce emissions;
 - iii) The GHG emission reduction targets must reflect the combined effect of policies, regulations, and investments by a number of entities across numerous levels of government, and be based on what is achievable for the region, taking into account existing conditions, as defined;
 - iv) CARB must, before updating GHG emission reduction targets, exchange technical information with specified state, regional, and local entities and engage in a consultative process; release a draft target for public comment; publish its methodology and assumptions no fewer than 60 days before the release of a draft target; host at least two public workshops; and hold a public hearing within the applicable region;
 - v) CARB may express GHG emission reduction targets in any metric, provided said metric does not penalize regions for exogenous factors including population, economic growth, and cross-border traffic;
- b) Appoint a Regional Targets Advisory Committee (RTAC), which is directed to recommend:
- i) Factors to be considered and methodologies to be used for setting GHG emission reduction targets; and
 - ii) How certain considerations should be balanced in setting GHG emission reduction targets.
- c) Consider the report from the RTAC before setting GHG emission reduction targets; and
- d) Prior to initiation of a public participation process, receive and review from MPOs a description of the technical methodology the MPO intends to use to estimate the GHG emissions of the SCS (or APS). Further stipulates:
- i) CARB may object to the methodology;

- ii) CARB's review must be completed within 30 days; and
 - iii) CARB's review is limited to only whether the methodology aligns with the latest CTC guidelines.
- e) After adoption of an SCS (or APS), review the quantification of reductions of emissions of GHGs the strategy to achieve. Further stipulates:
- i) CARB must review the strategy within ____ days for completeness (including whether the MPO used required data sources, disclosed assumptions, and applied methodology in a manner consistent with CTC guidelines);
 - ii) CARB must determine within 60 days of submission of the strategy would, with nonsubstantive corrections, or would not achieve the GHG emission reduction targets;
 - iii) That if the CARB does complete this work in the allotted time, the strategy will be deemed approved for implementation and funding alignment purposes; and
- f) That in the event of strategy rejection, CARB must provide written explanation of the deficiencies of the strategy, and the MPO must either revise the strategy or adopt an APS.
- g) Develop the SB 150 report in consultation with the CTC and HCD, in addition to existing requirements.
- 2) Directs the CTC to:
- a) Maintain guidelines for travel demand models used by MPOs for SCSs.
 - b) Coordinate with RTPs to ensure that regionally significant projects, as defined, selected for funding by the state highway operation and protection program (SHOPP) align with the timing, phasing, and scope of projects included in RTPs.
- 3) Directs MPOs to:
- a) Submit an SCS (or APS) every eight years, rather than every four;
 - b) Prepare, if an SCS is unable to achieve the set GHG emission reduction goals, an APS, which shall include an analysis of additional infrastructure, transportation measures, or policies, if necessary;

- c) Submit a SCS implementation report, consistent with CTC guidelines, alongside any RTP that does not include a new SCS.
- 4) Exempts from CEQA the preparation and adoption of RTPs, SCSs, and APSs.

Background

- 1) *Sustainable Communities and Climate Protection Act of 2008 (SB 375)*. In 2008, the Legislature passed SB 375 (Steinberg, Chapter 728, Statutes of 2008), 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 CARB based on 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.

- 2) *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.
- 3) *SCS progress report to the Legislature*. As required by SB 150 (Allen, Chapter 353, Statutes of 2017), CARB prepared a report describing the MPOs' progress towards achieving the GHG emission reductions contained in their SCS documents. That report found that California was not on track to meet the GHG reductions expected under SB 375, 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.

Overall, CARB concluded that SB 375, "...focused its efforts on MPOs and initiating change in the way planning for growth and travel occurs, but structural changes and additional work by all levels of government are still needed to implement what regions have identified to be needed strategies. While no single agency or level of government alone bears the responsibility for this work; there is an important opportunity to partner across many agencies, with regional and local government staff and elected officials, and with communities on taking collaborative action toward better results."

Comments

- 1) *Purpose of Bill.* According to the author, "California passed SB 375 in 2008 with a bold and necessary vision: that the way we plan our communities, where we build homes, how we connect people to jobs and services, and how we invest in transportation, is inseparable from our ability to meet our climate goals. That vision was right then, and it is more urgent now. But nearly two decades of implementation have made one thing clear: the law as currently structured is not delivering the results Californians deserve. Our regions are still sprawling. Commutes are still growing. Families, especially those with the fewest options, are spending more and more of their incomes just to get to work and back. SB 1087 is a course correction. It aligns state dollars with regional climate plans, so that the billions California spends on transportation each year are working toward our goals, not against them. It streamlines a planning process that has become a compliance exercise rather than a tool for action, freeing our regional agencies to do what we need them to do: deliver projects, build housing in the right places, and invest in the transit and infrastructure that will determine whether California meets its climate commitments."
- 2) *Targets with considerations.* One aspect of CARB's authority that SB 1087 does not attempt to move to CTC is the GHG emission reduction target-setting process. However, the bill does propose several changes to the process, through directly amending the relevant statute, directing the RTAC to provide certain guidance on target-setting to CARB, and placing certain requirements upon the metrics themselves used in the targets. These three avenues seem to have similar intent, but they could benefit from added clarity and consolidation.

Ultimately, setting a GHG emission reduction target for a region is certain to be a contentious, iterative, and consequential process. Many of the specific factors and topics included in SB 1087 are important pieces of what makes a

target ambitious yet achievable, and they should remain in the legislation. By providing CARB direction in scope and discretion in implementation, SB 1087 can be more effective in achieving its stated goals without tying CARB's hands. Discussions of whether metrics "penalize a region" or targets "reflect the combined effect" of policies may be best had in the proposed consultative and participatory process with regions, rather than fixed in statute.

- 3) *Growing smarter*. When an MPO releases an SCS, it is intended to guide where and how a region decides to grow its housing and transportation systems in a GHG emissions-conscious way for years to come. That guidance looks significantly different for each of California's 18 MPOs, and as a result, the statutory direction to MPOs as to what must be included is relatively scant. Per Government Code section 65080, an SCS must identify the location of uses, residential densities, building intensities; areas sufficient to house the projected population; areas sufficient to house an eight-year projection of additional necessary housing; and a transportation network to service the transportation needs of the region. It must also gather and consider the best available science on resource areas and farmland, consider housing goals, set forth a forecasted development pattern to reduce GHGs, and allow the region to comply with the federal Clean Air Act.

An SCS is not the only document that guides where and how new growth and development occurs in the state, and there may be lessons to be learned from other such efforts. Several state-level governmental entities already use maps to help guide growth (such as Site Check from the Governor's Office of Land-Use and Climate Innovation). Even some MPOs today (such as SACOG, SANDAG, and Fresno COG) use maps to help screen where future housing growth should be more or less constrained, in consideration of other factors. This best practice may be an effective approach for other MPOs to consider to help the SCS be an even more functional document and helping prioritize growth that avoids conflict with sensitive or otherwise high-risk lands. Land-use screen maps should be considered for potential inclusion in the consolidated SCS process. This could help simplify the process for future housing and transportation system growth to avoid undesired locales.

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

According to the Senate Appropriations Committee:

- The California Air Resources Board (CARB) estimates ongoing costs of about \$9.3 million in the first year and \$8.7 million annually thereafter (Cost of

Implementation Account [COIA]) to develop guidelines as prescribed by this bill, convene the Regional Targets Advisory Committee (RTAC), update regional GHG reduction targets, conduct stakeholder engagement and public processes, review technical methodologies, review strategies and plans within required timelines, and produce a report to the Legislature, among other things.

- The California Department of Transportation (CalTrans) anticipates ongoing costs in the high millions of dollars annually (State Highway Account [SHA], Road Maintenance & Rehabilitation Account [RMRA], or federal funds) for increased collaboration with regional and state partners to align the State Highway Operation and Protection Program (SHOPP) with regional transportation plans. CalTrans notes that this would go beyond current practices of regional transportation plans incorporating regionally significant SHOPP projects, which could cause changes to the scope and schedule of many SHOPP projects. In addition, CalTrans estimates ongoing costs of approximately \$170,000 annually (SHA, RMRA) for one position to review implementation plans for SCS as required by this bill.

SUPPORT: (Verified 5/14/26)

Metropolitan Transportation Commission & Association of Bay Area Governments (co-source)

Sacramento Area Council of Governments (co-source)

San Diego Association of Governments (co-source)

Southern California Association of Governments

Association of Bay Area Governments

Cal Asian Pacific Islander Chamber of Commerce

California Asian Pacific Chamber of Commerce

City of Elk Grove

City of Los Alamitos

City of Sacramento

Councilmember Alice Dowdin Calvillo

County of Yolo

El Dorado County Transportation Commission

Placer County Transportation Planning Agency

Sacramento Area Council of Governments

Sacramento Metropolitan Air Quality Management District

Sacramento Metropolitan Chamber of Commerce

Sacramento; County of

San Diego Association of Governments

San Jose; City of

South Bay Cities Council of Governments
Southern California Association of Governments
Supervisor Brian Veerkamp, County of El Dorado
Valley Vision

OPPOSITION: (Verified 5/14/26)

California Building Industry Association
Coalition for Clean Air
Equitable Land Use Alliance (ELUA)
Families and Homes San Jose

Prepared by: Heather Walters / E.Q. / (916) 651-4108
5/14/26 16:44:40

**** **END** ****