

Date of Hearing: June 29, 2026

ASSEMBLY COMMITTEE ON TRANSPORTATION

Lori D. Wilson, Chair

SB 1087 (Cabaldon) – As Amended June 25, 2026

**SENATE VOTE:** 31-3

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

**SUMMARY:** Changes existing Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) guidelines and requirements including processes for setting greenhouse gas emissions (GHG) reduction targets, timelines, and evaluation of GHG reduction strategy. Extends GHG reduction targets to 2045 and makes changes to certain transportation funding programs to support implementation of the strategies. Specifically, **this bill:**

*RTP/SCS*

- 1) Requires the California Transportation Commission (CTC) to collaborate with the California Air Resources Board (CARB) in developing RTP/SCS guidelines to prescribe:
  - a) Acceptable technical methodologies that Metropolitan Planning Organizations (MPOs) and regional transportation planning agencies (RTPA)s may employ to estimate the emissions of GHGs; and,
  - b) The required contents of SCSs implementation reports as required by the bill.
- 2) Requires, commencing with the first or second RTP prepared after January 1, 2027, MPOs to submit an SCS (or APS) every eight years, rather than every four.
- 3) Requires MPOs to 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.
- 4) Requires MPOs to submit an SCS implementation report, consistent with CTC guidelines, alongside any RTP that does not include a new SCS.

*Regional Targets*

- 5) Requires CARB to 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.

- 6) Requires CARB to appoint a Regional Targets Advisory Committee (RTAC), which is directed to recommend:
  - a) Factors to be considered and methodologies to be used for setting GHG emission reduction targets; and,
  - b) How certain considerations, as specified, should be balanced in setting GHG emission reduction targets.
- 7) Requires RTAC to include practitioners and technical and policy experts.
- 8) Requires CARB to consider the report from RTAC before setting GHG emission reduction targets.
- 9) Requires the targets sent by CARB to do the following:
  - a) Reflect the combined effect of policies, regulations, and investment by local public agencies, as specified, state and federal governments to improve fleet efficiency and reduce vehicle miles travelled (VMT); and,
  - b) Be based on what is achievable for the region, taking into account existing conditions, as defined, and financial constraints.
- 10) Before updating the targets, requires CARB to:
  - a) Exchange technical information with specified state, regional, and local entities and engage in a consultative process;
  - b) Release a draft target for public comment;
  - c) Publish its methodology and assumptions no fewer than 60 days before the release of a draft target;
  - d) Host at least two public workshops;
  - e) Hold a public hearing within the applicable region; and,
  - f) Adopt the final targets and any changes in a public hearing.
- 11) Authorizes CARB to 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.

*Review of RTP/SCS*

- 12) Prior to initiation of a public participation process, requires CARB to receive and review from MPOs a description of the technical methodology the MPO intends to use to estimate GHG emissions of the SCS (or APS).
- 13) Authorizes CARB to object to the methodology. Requires CARB's review of the methodology to be completed within 30 days and is limited to whether the methodology aligns with the most recently adopted CTC guidelines.
- 14) Requires CARB, after submission of an SCS (or APS), and a review of the quantification of reductions of emissions of GHGs strategy, to 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.

- 15) Requires CARB to determine, within 60 days of submission of the strategy, if the strategy, if implemented:
  - a) Would achieve the targets.
  - b) Would achieve the targets, but with minor non-substantive corrections.
  - c) Would not achieve the targets. Requires CARB to disclose in writing the specific, material deficiencies demonstrating why the strategy would not achieve the targets.
- 16) Declares that if CARB does complete this work in the allotted time, the strategy will be deemed approved for implementation and funding alignment purposes.

#### *California Environmental Quality Act (CEQA)*

- 17) Exempts from CEQA the preparation and adoption of RTPs, SCSs, and APSs.
- 18) Declares that the bill does not exempt a project from CEQA that would implement RTP/SCS or APS.

#### *Transportation Programs*

- 19) Requires Caltrans to coordinate with RTPAs and MPOs to ensure that regionally significant projects, as defined, selected for SHOPP, align with the timing, phasing, and scope of projects in the RTP/SCS.
- 20) Adds the goals of the RTP/SCS to Caltrans' consideration for the Local Planning Grant program.
- 21) Allows projects included in an APS, instead of only projects in an approved RTP/SCS, to be eligible for funding from the TCEP and SCCP programs.
- 22) Adds "support the implementation of an RTP," to the required elements for a project to receive SCCP funding.
- 23) Eliminates the SCCP requirement that project nominations include a comprehensive corridor plan.
- 24) Requires SCCP project nominations to be consistent with the phasing, timing, and project scope of the adopted RTP.
- 25) Makes technical and clarifying changes, including removes outdated provisions regarding specific RTP/SCS submissions.

**EXISTING LAW:***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)
- 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)
- 3) Defines “regionally significant projects” to mean a transportation project that is on a facility which serves regional transportation needs and would normally be included in the modeling of a metropolitan area's transportation network. (40 U.S.C. §93.101)

*Existing state law:*

- 2) Establishes 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)
- 3) Establishes CTC and vests it with various responsibilities, including programming and allocating funds for the construction of highway, passenger rail, transit, and active transportation improvements through various transportation programs. (Streets and Highway Code (SHC) § 70)
- 4) Requires CARB to determine the 1990 statewide GHG emissions level, and achieve that same level by 2020 (AB 32, Nunez), and achieve a 40% reduction from that level by 2030 (SB 32, Pavley). (HSC §38500)
- 5) Requires transportation planning agencies to prepare and adopt RTPs that, with specifications, achieve a coordinated and balanced regional transportation system. (Government Code (GOV) §65080)
- 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. (GOV §65080)
- 7) Requires CTC to develop and publish guidelines for the development of RTP. (GOV §65080)
- 8) Establishes a process for, and requires, CARB to provide MPOs with GHG emissions reductions targets that must be included in their SCS. (GOV §65080)
- 9) Allows, if SCS is unable to reduce GHG emissions to achieve the GHG emission reduction targets established by CARB, 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)

- 10) 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. (GOV §65080)
- 11) Requires CARB to report to the Legislature every four years on MPOs' progress towards meeting their GHG emission reduction targets in their RTP/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)
- 12) Requires the California Department of Transportation (Caltrans), based on the Transportation Asset Management plan, to prepare a State Highway Operation and Protection program (SHOPP) for the expenditure of transportation funds for major capital improvements that are necessary to preserve and protect the state highway system. Limits projects to improvements relative to the maintenance, safety, operation, and rehabilitation of state highways and bridges that do not add a new traffic lane to the system. (GOV §14526.5)
- 13) Enacts the Road Repair and Accountability Act of 2017, SB 1 (Beall, Chapter 5, Statutes of 2017), which provides roughly \$5.2 billion annually to fund the state's highways, local streets and roads, public transportation, and active transportation programs. SB 1 created new transportation competitive programs, to be allocated by CTC, including:
  - a) Trade Corridor Enhancement Program (TCEP), funded at \$300 million annually, for infrastructure improvements on federally designated Trade Corridors of National and Regional Significance, on the Primary Freight Network, and along other corridors that have a high volume of freight movement.
  - b) 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.
  - c) Local Planning Grants, funded at \$25 million annually, to encourage local and regional planning that furthers state goals, including, but not limited to, the goals and best practices cited in the regional transportation guidelines.

**FISCAL EFFECT:** 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.”

**COMMENTS:** *Greenhouse gas emissions goals.* The Legislature has set several goals to reduce GHG emissions and address climate change. The Global Warming Solutions Act of 2006, AB 32 (Nuñez), Chapter 488, Statutes of 2006 and subsequent companion legislation SB 32 (Pavley), Chapter 249, Statutes of 2016, requires California to reduce statewide GHG emissions to 40% below the 1990 level by 2030. AB 1279 (Muratsuchi), Chapter 337, Statutes of 2022 establishes the policy of the state to achieve carbon neutrality as soon as possible, but no later than 2045. CARB is responsible for developing a Scoping Plan to detail how the state will achieve its GHG emissions reduction targets mandated by law.

*Mobile source emissions.* Mobile sources of air pollution are vehicles or equipment that can be moved from place to place and emit pollutants as they operate. These sources include on-road vehicles like cars, trucks, and buses, as well as non-road vehicles such as aircraft, construction equipment, and marine vessels. Mobile sources and the fossil fuels that power them are the largest contributors to the formation of ozone, GHG emissions, fine particulate matter (PM<sub>2.5</sub>), and toxic diesel particulate matter (DPM). Statewide, more than 21 million out of over 39 million Californians live in areas that exceed the federal ozone standards; within these areas, there are many low-income and disadvantaged communities that are exposed to not only ozone, but also particulate and toxic, pollutant levels significantly higher than the federal standards which have immediate and detrimental health effects. In California, mobile sources are responsible for approximately 80% of smog-forming nitrogen oxide (NO<sub>x</sub>) emissions. They also represent about 50% of GHG emissions when including emissions from fuel production, and more than 95% of toxic DPM emissions.

*ZEVs are not enough.* California has a goal that 100% of new passenger car and light-duty truck sales be zero-emission by 2035, per Governor Newsom’s Executive Order N-79-20. Peer reviewed studies continue to highlight that fleet electrification is not sufficient to hit carbon mitigation targets consistent with preventing 2°C (35.6° F) warming which is the upper limit for warming targeted by the international Paris Agreement to prevent the most dangerous and irreversible impacts of climate change. These studies state that a wide range of policies is needed to minimize the impacts of climate change, including measures to reduce vehicle ownership and dependence. It is also noted that a transition away from private vehicle dependence in the United States would be very difficult.

*Regional Transportation Plans (RTP).* State and federal law require all of California’s MPOs and RTPAs to conduct long range planning to clearly define a vision and goals for transportation in the regions and to ensure effective decision making furthers the vision and goals. California currently has 18 federally designated MPOs and 26 state-created RTPAs. The long-range plan, known as 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. 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. CTC develops guidelines that govern the content and requirements for the RTP so that it conforms with both federal and state law. The RTP Guidelines incorporate climate requirements as well, 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.

*Sustainable Communities Strategies (SCSs)*. As a part of the strategy to meet the state's climate goals and focus on the transportation sector, SB 375 (Steinberg, Chapter 728, Statutes of 2008) was enacted. SB 375 aligns transportation planning, land use and housing to reshape development in communities. SB 375 authorizes CARB to set GHG emissions reduction targets for each of the state's 18 MPO regions.

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. However, MPOs ability to set a development pattern is limited because MPOs do not have authority to directly regulate land use.

If an MPO, through the development of an SCS, determines they will not be able to reach the target, the MPO may develop an APS that identifies the principal impediments to meeting the targets. To date, no MPO has had to prepare an APS.

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. CEQA requires MPOs to 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.

*GHG reduction analysis*. This bill tasks the California Transportation Commission (CTC) with developing technical GHG emission reduction methodologies, and with reviewing submitted SCS plans for their ability to achieve GHG emission reduction goals.

The CTC was created in 1978 and replaced and assumed the responsibilities of four independent bodies: The California Highway Commission, the State Transportation Board, the State Aeronautics Board, and the California Toll Bridge Authority. According to the CTC website,

“The Commission is responsible for programming and allocating funds for the construction of highway, passenger rail, transit and active transportation improvements throughout California. The Commission also advises and assists the Secretary of the California State Transportation Agency and the Legislature in formulating and evaluating state policies and plans for California’s transportation programs. The Commission is an active participant in the initiation and development of State and Federal legislation that seeks to secure financial stability for the State’s transportation needs.” The CTC does not currently review GHG methodologies as part of its normal responsibilities.

In contrast, CARB is California’s primary air pollution and GHG regulator and the preeminent state entity for developing and assessing GHG emission methodologies. CARB has numerous staff currently who have significant training and experience in GHG quantification and projections. CARB currently evaluates SCS’s for their ability to reduce GHGs.

Tasking CTC with developing and reviewing the efficacy of SCSs for their ability to reduce GHGs instead of CARB may stem from frustration with CARB’s process for reviewing SCSs. These frustrations may be much better addressed by reforming CARB’s processes, rather than transferring those responsibilities to the CTC. The CTC was not established to perform technical analyses of GHG emission data, lacks the expertise, and the development of the expertise there would be duplicative of the work CARB does. There may still be value in considering ways some of CARB’s responsibilities could be delegated or otherwise shaped by other agencies, and those conversations are expected to continue as this bill moves through the legislative process.

*CARB target setting.* In the first update to the SB 375 targets originally set in 2010, CARB 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 CARB 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.

CARB is required to update the targets every eight years, which means Round 3 must be completed by the end of 2026. CARB kicked off their process to update the targets in 2024, by requesting recommended targets from the MPOs. Since then, CARB has exchanged numerous back and forth correspondence with the MPOs and conducted a public workshop. Specifically, the MPOs are requesting that CARB retain the current targets, stating, “with 2035 rapidly approaching, achieving the current targets will be a heavy lift. The next cycle of SCSs will have a time horizon of approximately five years to reach a 2035 target, despite the fact that long-range regional plans are focused several decades into the future as required by federal and state law.”

*SCS progress.* Since the passage of SB 375, numerous reports have been issued reporting on the progress of the regions and highlighting the challenges to success. Specifically, SB 150 (Allen, Chapter 646, Statutes of 2017), requires CARB to report to the Legislature on the progress of SB 375 implementation every four years. The 2018 and 2022 reports found that GHG emission reductions under SB 375 were not being achieved and that VMT is not declining despite every MPO preparing an SCS as required. It is noted that SCS plans are not being implemented as envisioned and/or are not yielding the expected results. Factors such as adequate funding are a major reason. According to CARB, “implementation of SCS plans is necessary to achieve the State’s climate goals.”

Overall, CARB found that, “Unfortunately, since the first report, most trends demonstrate limited or no progress in meeting the targets through 2019. While some progress on VMT reduction has been observed within the largest MPO regions where most Californians live, it has not been enough. There is an urgent need to build on the good work that has produced some positive change in these regions to reverse the overall trajectory. Many trends moved in the wrong direction, away from advancing climate goals and showing worsening inequality.”

In addition to the SB 150 progress updates, in 2019, AB 285 (Friedman, Chapter 605, Statutes of 2019) was signed into law. It called for a California Transportation Assessment Report, an analysis of the California Transportation Plan and related documents—including RTP/SCSs—to see they are working towards or against better multimodal transportation options, GHG emission reductions, equity, and environmental justice. The AB 285 report, released in 2022, found that RTP/SCSs have been more ambitious than pre-SB 375 regional plans in encouraging more compact growth patterns, mode shifts toward sustainable transport, such as transit, biking, and walking, and reductions in VMT.

However, the report found shortcomings in SB 375 implementation and made some recommendations, including “what accounts for the disappointing performance of RTP/SCSs in achieving desired outcomes? Various observers have long warned of structural flaws in SB 375 in terms of a mismatch of MPO responsibility with inadequate authority or resources to carry it out. To achieve plan goals, MPOs need state and local government support and cooperation, which so far have been inadequate.

*More targets, less plans.* Current law only authorizes CARB to set GHG emission reduction targets for MPOs to achieve by 2035. This bill would extend this authority to 2045 to align with state climate goals. This bill requires CARB to appoint an RTAC, including practitioners as well as technical and policy experts, to recommend factors to be considered and methodologies to be used for setting GHG emission reduction targets, as well as recommend how specified factors should be balanced.

This bill also greatly expands the base of what is measured in the targets. Current law requires CARB to set targets for automobiles and light trucks. This bill requires CARB to set targets for all on-road transportation sectors. This small change carries immense implications for the scope of the RTP/SCS. The types of housing, transit, and other land-use decisions envisioned by SB 375 are significantly different policies from what governs emissions from, for example, the medium- and heavy-duty trucking sectors. According to the MPOs, inclusion of the freight sector will allow for a more wholistic approach to the plan. Although this will provide a more-complete picture of GHG emissions from the entire transportation sector, it moves away from a more-targeted focus on the types of transportation and housing-based land-use decisions SCSs have traditionally centered around.

This bill also lays out an extensive administrative process for updating the targets, including exchanging technical information with other state departments, such as CTC, releasing a draft for public comments, publishing its methodology and assumptions, holding at least two public workshops, holding a public hearing in the affected region, and adopting the final targets at a public hearing of the board.

As the targets are extended, this bill would align the RTP/SCS timing with other required regional plans, such as the Regional Housing Needs Assessment (RHNA). According to the MPOs, development of an RTP/SCS, which is currently required every 4 years, costs millions of dollars and is almost never ending. As one plan is completed, work must already begin on the update. For example, according to the Sacramento Area Council of Governments (SACOG) their most recent RTP/SCS took three years to complete and cost \$12 million. The bill moves the current four-year SCS cycle to an eight-year cycle. Due to federal law, the MPOs would still be required to develop on RTP for submission to CTC for the in between 4- year cycle, however this plan is much less cumbersome.

To implement this change, this bills gives MPOs some discretion as to when they choose to switch to the eight-year cycle, which can be either of the next two regularly scheduled SCS updates. This will enable MPOs to best synchronize the RTP/SCS with other plans.

*Timing for CARB's RTP/SCS review.* In addition to shifting to an eight-year cycle for SCS, this bill attempts to streamline the RTP/SCS process and shift focus to implementation. The bill retains CARB as the entity to develop, review, and assess the technical GHG emission reduction methodologies. However, the state's MPOs almost universally report frustrations with the existing processes.

This bill introduces a shot clock to CARB's timeline for review of technical methodology (30 days); judging completeness, among other things (number of days to be determined; accepting or rejecting the plan's suitability for achieving GHG emission reduction goals (60 days); and—if the plan is rejected—plan revision, resubmission (or submission of an APS), and (re)review (60 days). The penalty for CARB failing to comply with these timelines is that the plan is immediately deemed approved for implementation and funding alignment purposes.

*CEQA for plans.* This bill exempts the preparation and adoption of RTPs, SCSs, and APSs from CEQA. The rationale is that by exempting plan preparation and adoption from CEQA, those resources can be better put towards implementation and development. According to the sponsors, the Programmatic Environmental Impact Report (PEIR) for an RTP/SCS can cost in the range of \$4-5 million and represent a significant investment of limited time and funds.

It is unclear what is lost by exempting RTP/SCS/APS plan preparation and adoption from CEQA. On one hand, affected communities lose the opportunity to challenge the holistic, region-level assumptions and projections that underpin the RTP/SCS. Housing developers are also interested in tiering off of the SCS EIR in Southern California. In this context, tiering refers to utilizing the environmental analysis from a broader, programmatic EIR (such as one for a general plan, policy, or program) as the basis for later, narrower EIRs or negative declarations for related but smaller projects. Yet, transportation projects would still be required to go through a full CEQA process. As this bill states, "This section shall not be interpreted as exempting from [CEQA] a project that would implement actions taken pursuant to a plan or strategy adopted pursuant to this chapter."

*Highway funding.* First, the bill adds language to the requirements for the development of SHOPP. SHOPP is a four-year program of projects planned and developed by Caltrans that collectively improves the condition, operation, and sustainability of state highway system and associated transportation infrastructure. SHOPP is a "fix-it-first" program and projects funded by SHOPP are limited to capital improvements that do not add new through highway lanes. SHOPP

is also responsible for funding projects that address emergency repair needs. The SHOPP portfolio of projects is updated every two years, carrying forward the last two years of projects programmed in the preceding SHOPP and programming in two new years of projects based on the State Highway System Management Plan (SHSMP) and resulting district plans.

Although SHOPP is based on district plans, Caltrans' priorities of what projects to program and when may not match the plans of the regions. To better align projects decisions, this bill requires Caltrans to coordinate with MPOs and RTPAs to ensure that regionally significant projects selected for SHOPP align with the timing, phasing, and scope of projects included in the RTP/SCSs. "Regionally significant" is defined in federal law as "a transportation project that is on a facility which serves regional transportation needs and would normally be included in the modeling of a metropolitan area's transportation network."

Currently, CTC requires, through RTP guidelines, that all regionally significant projects be included in the applicable Federal Transportation Improvement Program (FTIP), which is a federally mandated, four-year program of all projects that will receive federal funding or are subject to a federally required action. Each project in FTIP must be consistent with the approved RTP/SCS. This would include any regionally significant projects funded by SHOPP. Even though these projects must be consistent with existing plans, requiring Caltrans to coordinate with affected regions and focus on matching the timing, phasing, and scope could serve to better align state programs with the region's plan.

*Streamline transportation programs to help implement the SCS.* This bill includes similar language in the Solution for Congested Corridors program (SCCP). SCCP is a competitive grant program created by the Road Repair and Accountability Act of 2017, SB 1 (Beall, Chapter 5, Statutes of 2017), which provides roughly \$5.2 billion annually to fund the state's highways, local streets and roads, public transportation, and active transportation programs.

Specifically, SCCP, funded at \$250 million annually, is for "projects that make specific performance improvements and are part of a comprehensive corridor plan designed to reduce congestion in highly traveled corridors by providing more transportation choices for residents, commuters, and visitors to the area of the corridor while preserving the character of the local community and creating opportunities for neighborhood enhancement projects."

SCCP is focused on projects that help mitigate increases in VMT, GHG emissions, and air pollution. Eligible projects include improvements to highways, local street and roads, public transit, facilities, bicycle and pedestrian facilities, and restoration or preservation work that protect critical habitat and open space. The program limits any highway capacity increasing projects to managed lanes, including High-Occupancy Vehicle (HOV) lanes, and other improvements for highway safety, such as auxiliary lanes, truck climbing lanes, and dedicated bicycle lanes. Caltrans can also apply to SCCP, however project awards to Caltrans are limited to 50%. SCCP encourages Caltrans to work with regions to submit combined applications.

Current law requires that all projects nominated for SCCP must be included in a comprehensive multimodal corridor plan, developed specifically for this program. The purpose of corridor plan is to encourage transportation agencies to consider their congested corridors holistically and to develop innovative solutions that provide the public with choices and enhance mobility. This bill makes numerous changes to SCCP, including requiring project selections to support the implementation of an RTP/SCS, and like SHOPP, be consistent with the phasing, timing, and

project scope included in RTP. It also gives priority for funding to near-term projects in the adopted RTP, specifically ones that will open before the next CARB regional target.

In addition, this bill eliminates the requirement for a corridor plan. According to the sponsors, corridor plans are unnecessary and create challenges for developing and implementing RTP/SCS because regions already do corridor-level planning, priority setting, and coordination across jurisdictions as part of developing RTP/SCS. Additionally, the corridor plans are not required to be financially constrained or consistent with the adopted RTP/SCS, which creates a risk that they could be used to advance projects or expectations that conflict with a region's long-range plan. This can create confusion, misaligned expectations, and pressure on regions to accommodate projects that have not been vetted through the RTP/SCS process or shown to be feasible within realistic funding assumptions.

It is unclear how the elimination of the corridor plans will affect project development and selection for SCCP. At a minimum, as Caltrans is also required to submit projects included in a corridor plan, it requires the department to look holistically at the project area, not only the state highway project. Requiring projects to support the implementation of the RTP/SCS may help achieve similar goals.

*Don't punish regions for an APS.* In addition to SCCP, this bill changes TCEP. TCEP, funded at \$400 million annually, funds infrastructure improvements on the state's designated trade corridors, the primary freight network, and along other corridors that have a high volume of freight movement. Of the new programs created by SB 1, SCCP and TCEP, require all project nominations within the boundaries of an MPO to be included in an adopted RTP/SCS approved by CARB. This means that if an MPO does not have a CARB-approved RTP/SCS, and instead has to prepare an APS, the region would not be eligible to apply for funding from either program.

Since the passage of SB 1, MPOs have been concerned about this requirement, stating that if a region must prepare an APS, the loss of access to hundreds of millions of dollars of critical funding would help ensure that the region could not achieve the GHG emission reduction targets. However, the requirement was included in these SB 1 programs to prevent regions from moving forward with certain projects, specifically highway projects, that may increase GHG emissions while they are working to achieve the targets. As mentioned, to date, no MPO has had to prepare an APS.

This bill allows projects to be nominated from an MPO area with an APS. Additionally, it requires that each project must reduce GHG emissions. This is a laudable requirement, but raises an implementation question. Who would determine and verify the project being nominated reduces GHG emissions? Implementing this requirement would fall to CTC. Currently, as part of their guidelines, CTC requires TCEP project applicants to include a narrative of how the project would impact GHG emissions. However, TCEP can fund early stages of a project including plans, specifications, and estimates; right-of-way; and construction. It is unclear when an EIR or a separate GHG emissions reduction analysis would be needed to confirm this requirement.

SCCP already requires project nominations to specifically address how the proposed project will reduce GHG emissions and criteria pollutants and advance the State's air quality and climate goals. Additionally, to qualify for SCCP funding projects must have completed their environmental reviews before funds can be allocated and focuses funding on the construction phase of projects.

*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."

*Arguments in support.* The four largest MPOs, Southern California Association of Governments (SCAG), Metropolitan Transportation Commission (MTC), San Diego Association of Governments (SANDAG), and Sacramento Area Council of Governments (SACOG), sponsors of this bill, write, "SB 1087 modernizes California's law for integrating regional climate, land use, and transportation planning – SB 375 (Steinberg, 2008) – to accelerate progress on important state climate, housing, and transportation goals. SB 375 required California's metropolitan planning organizations (MPOs) to create Sustainable Communities Strategies (SCSs) that integrate land use and transportation to cut greenhouse gas emissions (GHGs) from cars and light trucks to reach region-specific targets established by the California Air Resources Board (CARB). SB 1087 streamlines SCS development so MPOs can focus more of their resources on implementation rather than plan development. It also extends SB 375's impact by adding an additional target year of 2045 - thus ensuring regional planning continues to align with the state's Climate Change Scoping Plan.

"SB 375 predates today's housing affordability crisis, emphasis on housing production, increased climate urgency, post-pandemic travel patterns, vehicle electrification policies, and expanded equity goals. In the almost 20 years since it passed, California's climate, housing, and transportation policy has evolved significantly. The vehicle fleet has become much cleaner due to regulations and incentives, and policymakers have passed hundreds of bills focused on streamlining housing production, especially in transit-rich locations, and improving housing affordability, among many other changes. These changes have had a major impact on land use in the state's metro areas and the GHG emissions associated with passenger vehicles, but the state hasn't updated its regional planning law in response."

*Arguments in opposition.* The Coalition for Clean Air, in an oppose unless amended position, write, "The Coalition for Clean Air writes to oppose SB 1087, as this bill would significantly water down the intent of SB 375. SB 1087 would make it so that local agencies face little to no consequences for failing to meet their regional climate targets, and would instead continue to receive funding for and streamline projects that would push regions further out of alignment with

climate goals mandated in California law. While we appreciate the recent amendments removing the provision that would have given the California Transportation Commission (CTC) the authority to review and approve Sustainable Community Strategy (SCS) plans, we still have significant concerns with some of the remaining provisions, and thus remain opposed unless the bill is further amended. We urge you not to approve the bill as it is currently written, and we have provided recommendations on how to improve the language below as we hope to continue working with the author to ensure that SB 1087 actually moves our state forward on reducing climate emissions.”

*Committee comments.* The four largest MPOs, Southern California Association of Governments (SCAG), Metropolitan Transportation Commission (MTC), San Diego Association of Governments (SANDAG), and Sacramento Area Council of Governments (SACOG)—the sponsors of this bill—have been convening a large group of affected stakeholders for over nine months to discuss concerns regarding the implementation of SB 375 and potential reforms. The key stakeholders include climate, environmental justice, housing, transit, labor, and active transportation advocates. It is important to note that this iteration of negotiating updates to SB 375 is not the first, which is highlighted by the list of bills considered by the Legislature in the past listed near the end of this analysis.

This bill attempts to facilitate MPOs reaching their GHG targets and enables SCSs to rely more on electrification. However, as stated in the background of this analysis, even with full electrification of the entire California vehicle fleet, additional policy levers are needed to reach net-zero GHG emissions. Allowing SCSs to rely more heavily on electrification will divert from the goal of SB 375: to integrate land use, housing, and transportation planning to reduce GHG emissions from the transportation sector. While this bill may help streamline the SCS process, it is unlikely to help MPOs make significant progress towards their GHG targets. Alternatively, a better option may be to utilize the time, tools, and money that go into developing SCSs to implement projects that make real GHG emissions reductions.

In addition, there are other considerations beyond GHG emissions that the state may want to accomplish with regional planning such as promoting the co-benefits of smart and integrated planning and development by having more walkable cities and less congestion. A fully electrified fleet will encounter the same congestion issues as a fossil fuel powered fleet.

This bill was amended on June 25 and the amended version before the committee does the following:

- 1) Returns authority to CARB to adopt guidelines for the preparation of SCSs and prescribes measures to insure transparency in the guideline development process, and requires the newly adopted or revised SCS guidelines to be adopted pursuant to the Administrative Procedures Act.
- 2) Removes the requirement for CTC in consultation with CARB to maintain guidelines for travel demand models used in the development of SCSs.
- 3) Removes all reference to “all on-road transportation” and returns language to current law of “automobile and light truck sector”.

- 4) Removes language related to SHOPP
- 5) Adds the requirement that the California Transportation Plan (CTP), as prepared by Caltrans, identify the statewide integrated multimodal transportation system needed to achieve “the GHG emission reduction targets and air quality standards and shall include a performance management plan for each district of the department that informs delivery of transportation capital projects to help achieve” these results.
- 6) Removes the requirement for the Strategic Growth Council to report to the relevant policy and fiscal committees on the CTP, SCSs, APSs, and a review of impacts and opportunities for specified funding programs.
- 7) Fills in the blanks on timing for CARB to set new GHG targets, appoint an RTAC, and for the RTAC to submit recommendations to CARB.
- 8) Alters the requirement for the number of public workshops CARB must host on GHG target setting.
- 9) Requires CARB to determine, within 30 days, if an SCS or APS is complete and the MPO use the required data sources, disclosed assumptions, and applied the methodology in a manner consistent with the guidelines.
  - a) Provides that if CARB makes a determination the submitted SCS or APS does not meet the above requirements, they must make written findings disclosing any deficiencies and transmit them to the MPO.
  - b) States that the CARB has 60 days from the original submission, excluding any days when the MPO is preparing a response to CARB, to make a final determination on the submission.
  - c) Provides that one of CARB’s determinations may be that “It cannot be determined whether the strategy would, if implemented, achieve GHG emission reduction target established by CARB because the MPO failed to address CARB’s findings of deficiencies that were transmitted within 30 days of the submission of the strategy. If CARB makes this determination, it shall disclose, in writing, the specific, material deficiencies that the MPO failed to address”.
- 10) Fleshes out the requirements for the required SCS implementation report and requires it to be submitted four years after the adoption of an SCS.
- 11) Removes the CEQA exemption for SCSs.
- 12) Specifies that monies used by Caltrans for planning activities within an MPO region not payable from the State Highway Account in the State Transportation Fund shall be limited to activities that are consistent with an applicable SCS.

*Double referral:* This bill is double referred to the Assembly Natural Resources Committee and will be heard in that committee on matters under its jurisdiction.

*Recent and related legislation.* AB 2059 (Wilson, 2026) Would exempt transportation projects from VMT mitigation under CEQA if at least 80 percent of the project lies within one or more "nonmetropolitan counties", as defined, with specified exceptions for highway projects that add general purpose lanes. AB 2059 is pending in the Senate Environmental Quality Committee.

AB 6 (Friedman, 2024) Would have strengthened the authority of CARB over the RTP/SCS submitted by transportation planning agencies. AB 6 died in the Senate Transportation Committee.

SB 670 (Allen, 2023) Would have required CARB, in consultation with the Governor's Office of Planning and Research (OPR) and Caltrans, to develop a methodology for assessing and spatially representing VMT and develop maps to display average VMT per capita in the state at the local, regional, and statewide level. SB 670 was held on suspense in the Senate Appropriations Committee.

SB 1217 (Allen, Cortese, 2022) Would have created the State-Regional Collaborative for Climate, Equity, and Resilience, with the purpose of making recommendations to ARB on how to update the RTP/SCS guidelines in order to improve the SCS plan approval process, transparency in local and regional government decision making, and alignment with other state climate and equity goals. SB 1217 died in the Assembly Transportation Committee.

SB 261 (Allen, 2021) Would have tasked CARB 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 SCCS plans as prepared by the state's MPOs. SB 261 died in the Senate Transportation Committee.

SB 475 (Cortese, 2021) Would have made numerous changes to the provisions of SB 375, including but not limited to: requiring CARB to update SCS guidelines in coordination with specified agencies; tasking CARB with appointing a State-Regional Collaborative for Climate, Equity, and Resilience, with membership as specified; requiring CARB to update short- and long-term GHG emission reduction goals, as specified; requiring CEC to set regional building decarbonization targets; and eliminating the APS compliance option. SB 475 died in the Senate Transportation Committee.

AB 1147 (Friedman, 2021) Would have made numerous substantive changes to the required elements of MPOs' RTPs to ensure effective implementation of SCSs and APSs, as specified. This bill also required the OPR to develop a guidance document to provide best practices for establishing "15-minute communities," as defined, and required Caltrans to develop a bicycle highway pilot program, as specified. AB 1147 was vetoed by Governor Newsom.

SB 1363 (Allen, 2020) Would have required CARB 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 CARB 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 of 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 of 2017) Required CARB to prepare a report to assess the progress of the state's 18 MPOs in meeting their regional GHG targets.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

Benicia City Councilmember Lionel Largaespada  
Benicia City Councilmember Terry Scott  
California Transit Association  
Charles Palmares, Councilmember, Vallejo  
City of Benicia  
City of El Cerrito  
City of Fairfield  
City of Martinez  
City of Oakley  
City of Rio Vista  
City of Roseville  
City of Sacramento  
City of Vacaville  
County of El Dorado  
East Bay Yimby  
Eastern Contra Costa Transit Authority  
Fairfield City Councilmember Manveer Sandhu  
Grow the Richmond  
Metropolitan Transportation Commission-association of Bay Area Governments  
Mountain View Yimby  
Napa-Solano for Everyone  
Northern Neighbors SF  
Northern Solano Democratic Club  
Oscar Villegas, Yolo County Supervisor  
Peninsula for Everyone  
Sacramento Area Council of Governments  
Sacramento County Supervisor Rich Desmond  
San Diego Association of Governments  
San Francisco Yimby  
San Jose Yimby  
San Mateo Forward  
Santa Cruz Yimby  
Santa Rosa Yimby  
Solano County Supervisor Cassandra James

Solano County Supervisor Wanda Williams  
Solano Transportation Authority  
South Bay Yimby  
Southern California Association of Governments  
Vacaville City Councilmember Michael Silva  
Vallejo Mayor Andrea Sorce  
Ventura County Yimby  
Yes! in Redwood City  
Yimby Action  
Yimby Los Angeles  
Yimby Monterey Peninsula  
Yimby SLO  
Yuba Co. Supervisor, Gary Bradford, 4th District

**Support If Amended**

Association of California Cities - Orange County

**Oppose Unless Amended**

Coalition for Clean Air

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