

SENATE THIRD READING
SB 1087 (Cabaldon)
As Amended August 21, 2026
Majority vote

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.

Major Provisions

California Transportation Plan

- 1) *Requires Caltrans to incorporate performance measures into planning that informs the delivery of transportation capital projects to help achieve the goals of the California Transportation Plan, including GHG emission reduction targets and air quality standards, and to support implementation of applicable SCSs.*
- 2) *Requires, commencing with the third update to the California Transportation Plan, Caltrans to include:*
 - a) *A forecast of the impacts of advanced and emerging technologies over a 20-year horizon on infrastructure, access, and transportation systems. For purposes of this paragraph, "advanced and emerging technologies" includes, but is not limited to, shared, autonomous, connected, and electric transportation options.*
 - b) *Actions taken within each Caltrans district to implement the adopted California Transportation Plan and advance its goals and policies;*
 - c) *Relevant performance measures within each district and how those measures informed corridor, modal, district, and transportation capital project planning and delivery for projects anticipated to be completed by 2035 and 2045; and,*
 - d) *Priority actions and areas of focus within each district for the next planning period and what will be accomplished by 2035 and 2045, including quantifiable actions intended to address significant gaps in progress toward the goals and objectives of the California Transportation Plan.*

RTP/SCS

- 3) *Requires an eight-year SCS beginning with either an MPO's first or second RTP adopted on or after January 1, 2028. Requires:*
 - a) *Each MPO, on or before July 1, 2027, to notify CARB whether it will begin with its first or second eligible RTP and when that RTP is scheduled to be adopted;*

- b) *An MPO to begin with its first eligible RTP only if CARB adopts the applicable GHG emission reduction target and required SCS guidelines at least 12 months before the RTP's scheduled adoption. If CARB does not do so, the MPO shall begin with its second eligible RTP; and,*
- c) *Until an MPO begins preparing an eight-year SCS, existing regional targets to remain in effect and the MPO to continue preparing an SCS every four years.*

Regional Targets

- 4) *Requires CARB, on or before December 31, 2028, to provide each region with GHG emission reduction targets for the automobile and light truck sectors for 2035 and 2045.*
- 5) *Requires CARB, on or before December 1, 2028, to convene at least two technical workshops and present the findings at a joint meeting held pursuant to Government Code Section 14516. Requires CARB to:*
 - a) *Invite MPOs, affected air districts, Caltrans, CTC, HCD, local governments, and other practitioners and technical experts to participate;*
 - b) *Solicit technical feedback on factors and methodologies for setting regional GHG emission reduction targets;*
 - c) *Solicit feedback on how state fair housing, affordability, resilience, transportation, economic vibrancy, and land conservation laws and goals should be balanced in setting regional targets; and,*
 - d) *Allow a workshop conducted as part of the SCS guidelines process to satisfy this requirement if it includes a distinct opportunity for technical feedback on target-setting factors and methodologies.*
- 6) *Requires CARB, before setting a region's targets, to exchange technical information with the MPO and affected air district and allows the MPO to recommend a target for the region. Following completion of the technical workshops and before adopting the targets, requires CARB to present at a joint meeting held pursuant to Government Code Section 14516 the proposed factors and methodologies and a summary of the technical feedback received, and to solicit additional public feedback.*
- 7) *Requires CARB, in establishing regional targets, to take into account GHG emission reductions that will be achieved by improved vehicle emission standards, changes in fuel composition, and other approved measures that will reduce GHG emissions in the affected regions, as well as prospective measures CARB plans to adopt to reduce emissions from other GHG emission sources.*
- 8) *Requires the targets established by CARB, to the extent feasible and based on reasonably available information, to do all of the following:*
 - a) *Consider the combined effects of existing and reasonably foreseeable policies, regulations, and investments by cities, counties, special districts, county transportation agencies, air districts, MPOs, the state, and federal government that are expected to*

reduce GHG emissions from vehicles, including through improved fleet efficiency, changes in transportation technologies, *and more efficient land use and transportation patterns;*

- b) *Consider factors materially affecting the region's ability to achieve the targets, including fiscal constraints, the built environment, access to modes of travel outside of single-occupant passenger vehicles, housing and development conditions, geographic characteristics, existing resources, exogenous factors, and reasonably foreseeable state and federal actions; and,*
 - c) *Identify the material considerations described above that informed CARB's determination before establishing the targets.*
- 9) Requires CARB to update regional GHG emission reduction targets every eight years consistent with each MPO's RTP update schedule under federal law until 2050. Before updating the targets, requires CARB to:
- a) Exchange technical information with CTC, HCD, Caltrans, MPOs, local governments, and affected air districts and engage in a consultative process with public and private stakeholders;
 - b) Release draft targets for public comment;
 - c) Publish its methodology and assumptions, *including fleet and emissions budget assumptions in a downloadable and accessible format*, no fewer than 60 days before release of the draft targets;
 - d) *Hold three public workshops;*
 - e) Hold a public hearing to solicit input on the draft targets; and,
 - f) Adopt the final targets and subsequent changes to the targets at a public hearing.
- 10) Authorizes CARB to express GHG emission reduction targets in gross tons, tons per capita, tons per household, or another metric deemed appropriate by CARB that *considers* exogenous factors such as population, economic growth, or cross-border traffic.

SCS Preparation

- 11) *Requires an SCS to take into account the housing needs of both the existing and projected population and, to the extent applicable and consistent with reasonable planning assumptions, the demographic and household-growth assumptions used by HCD in the most recent regional housing need determination.*
- 12) *Requires the forecasted development pattern in an SCS, when integrated with the transportation network and other transportation measures and policies, to achieve and maintain the applicable GHG emission reduction targets through the RTP's horizon year, if feasible, as demonstrated using the modeling years and analyses otherwise required for the plan.*

13) *Authorizes certain required SCS public-engagement activities to include virtual or other participatory formats that promote meaningful engagement, including virtual meetings with local elected officials, virtual or participatory workshops, and an online participation option for public hearings.*

Review of SCS/APS

14) Requires an MPO, *no later than 12 months before adoption*, to submit to CARB a description of the technical methodology it intends to use to estimate GHG emissions from its SCS or APS. Requires:

- a) *The methodology to align with the most recently adopted CARB guidelines, including consistency with the model version used in target setting specified in those guidelines;*
- b) *CARB to complete its review within 60 days after submission;*
- c) *CARB's review to be limited to determining whether the methodology aligns with the applicable guidelines; and,*
- d) *The MPO to be encouraged to work with CARB if CARB objects to the methodology until CARB concludes that the technical methodology operates accurately.*

15) Requires CARB, *within 60 days after receiving an adopted SCS or APS*, to review the strategy for completeness and determine whether the MPO's *determination* used required data sources, disclosed assumptions, and applied methodology in a manner consistent with CARB guidelines.

16) Requires CARB, *if it does not identify deficiencies within the applicable 60-day review period*, to determine whether the strategy, if implemented:

- a) *Would achieve the applicable GHG emission reduction targets;*
- b) *Would achieve the targets, but requires minor, nonsubstantive corrections;*
- c) *Would not achieve the targets, in which case CARB shall disclose in writing the specific, material deficiencies demonstrating why the strategy would not achieve the targets; or,*
- d) *Cannot be determined to achieve the targets because the MPO failed to address CARB's findings of deficiencies provided within the applicable 60-day period, in which case CARB shall disclose in writing the specific, material deficiencies the MPO failed to address.*

17) *Requires, if CARB determines that a strategy is incomplete or otherwise deficient:*

- a) *CARB to provide the MPO written findings identifying the deficiencies within the initial 60-day period;*
- b) *The MPO to respond to CARB's findings within 60 days after receiving the written findings; and,*

c) *CARB, within 60 days after receiving the MPO's response, to make one of the determinations described above.*

18) Requires an SCS or APS to be deemed approved for implementation and funding alignment purposes if CARB *fails to make a determination within the applicable 60-day period, as tolled.*

a) *States that the 60-day review and deemed-approval provisions do not apply if the MPO did not submit a technical methodology before adoption or CARB objected in writing to the methodology and the MPO did not submit a revised methodology.*

b) *Requires, in those circumstances, CARB to make its determination within 90 days after the MPO submits a complete strategy.*

SCS Progress Report

19) Requires, four years after adoption of an SCS, an MPO to prepare an SCS implementation progress report, post the report on its internet website, *submit the report to CARB, and concurrently provide a copy to the Strategic Growth Council. Requires CARB to review and present the report, in coordination with the MPO, at a joint meeting held pursuant to Government Code Section 14516.*

20) Requires the progress report to be prepared using information and data available to the MPO and allows the report to be prepared in conjunction with, and rely on information developed for, the RTP update prepared during the same period. States that an MPO is not required to conduct new travel-demand modeling, land-use or scenario modeling, geospatial analysis, or primary data collection.

21) Requires the progress report to include the following *and states that the MPO shall not be required to include information beyond these specified terms:*

a) A summary of progress made during the reporting period toward the applicable GHG emission reduction targets, including indicators showing the direction of regional trends related to achievement of the targets;

b) A description of progress made during the reporting period on implementing each major GHG emission-reducing policy, program, or project identified in the SCS, *including, based on reasonably available data, the extent to which observed development patterns are consistent with the development patterns forecasted in the SCS;*

c) Identification of capacity-increasing projects on the state highway system delivered earlier than assumed in the SCS, including whether the projects are located in disadvantaged communities, equity priority communities, or another comparable designation;

d) A list of transportation projects added to, removed from, or amended in the RTP since the last adopted SCS, including the applicable disadvantaged-community or equity-priority designation; and,

- e) An assessment of legal, policy, or funding barriers to additional progress on each major GHG emission-reducing strategy, policy, program, or project identified in the SCS. *To the extent reasonably identifiable, requires the assessment to describe the principal actions or circumstances contributing to any shortfall in progress involving the MPO, local governments, the state, transit operators, project sponsors, the availability or timing of state or federal funding, federal actions or requirements, economic or housing market conditions, or other factors outside the MPO's authority or control, such as potential tension between other state and federal policy objectives, the availability and timing of state and federal funding, economic and housing market conditions, and the actions of transit operators, project sponsors, and local governments.*
- 22) *Requires an MPO with a population of fewer than 1,500,000 people to comply with the progress-report requirements to the extent feasible using reasonably available information. Authorizes the MPO's governing board, if the MPO is unable to fully address a required indicator or element because of a material staffing, fiscal, technical, or data limitation, to adopt a certification that identifies the specific requirement affected, describes the limitation, and explains the reasonable efforts undertaken to address it. States that:*
- a) *The certification applies only to the identified requirement and does not relieve the MPO from reporting on other required indicators or elements; and,*
 - b) *An omission or limited treatment covered by the certification does not constitute noncompliance if the MPO provides the best information reasonably available and explains any additional resources or information needed to fully satisfy the requirement.*
- 23) States that the progress-report requirements do not require an MPO to acquire new staff, consultants, data, or analytical tools.

SCS Guidelines

- 24) Requires CARB to adopt or update guidelines for preparation of SCSs *before, or concurrently with,* updating regional targets. Requires the guidelines to *address GHG emissions quantification and technical assumptions reasonably necessary to evaluate whether an SCS, if implemented, would achieve the applicable targets and to clearly identify the information, assumptions, methodologies, and evaluation standards CARB will apply when reviewing an SCS, including:*
- a) An overview of the SCS submission and evaluation process;
 - b) A checklist of information CARB needs to determine whether the SCS, if implemented, would achieve the target; and,
 - c) One or more examples of acceptable data sources, assumptions, and technical methodologies an MPO or RTPA may employ to estimate GHG emissions consistently with the target methodology. States that the identification of examples does not require use of a particular data source, assumption, or methodology and allows technically supported alternatives.
- 25) Requires the guidelines to provide technical assistance and promote transparency and consistency in the evaluation process. States that the guidelines shall not limit the authority

of an MPO or RTPA to demonstrate that its SCS would achieve the applicable target using technically supported data, assumptions, methodologies, models, or other analytical approaches not identified in the guidelines.

26) *Requires CARB, before adopting the guidelines, to:*

- a) Consult with representatives of MPOs, CTC, the Strategic Growth Council, and organizations representing builders, environmental organizations, affordable housing advocates, equity organizations, labor, local transportation agencies, and local governments;*
- b) Make the proposed guidelines publicly available;*
- c) Provide at least 30 days for public comment; and,*
- d) Consider all comments received.*

27) *Requires CARB, before adopting, updating, or revising the guidelines, to hold two workshops on the guidelines, one in Northern California and one in Southern California, and to adopt the final guidelines at a public hearing.*

28) *States that the adopted guidelines are not intended, and shall not be construed, to affect the land-use authority of local governments.*

Eight-Year SCS Cycle/RTP Updates

29) *Requires an MPO subject to the eight-year SCS cycle to comprehensively update its SCS every eight years. Requires, during an intervening four-year RTP update, the MPO to:*

- a) Incorporate or reaffirm its most recently adopted SCS;*
- b) Analyze the GHG emission reductions associated with the four-year RTP update;*
- c) Determine whether the SCS is projected to materially fall short of an applicable target;*
- d) Treat a determination of a material shortfall as a substantial material change, amend the SCS to address the identified shortfall, and submit the amended strategy to CARB for review; and,*
- e) Publicly document the analysis, determination, and basis for concluding whether a projected shortfall is material.*

Transportation Programs

30) *Requires Caltrans, for activities within the region of an MPO funded from the Public Transportation Account for specified planning, mass transportation, and regional transportation planning purposes, to limit funding to activities that:*

- a) Are consistent with the applicable SCS accepted by CARB; or,*

- b) If CARB has accepted an APS, support a specific GHG emission reduction strategy or address an impediment identified in the APS, to help achieve the applicable GHG emission reduction targets.*

31) Requires the local planning grant guide, for areas within an MPO, to encourage planning that furthers the goals of an SCS or APS.

Trade Corridor Enhancement Program

32) *Requires Trade Corridor Enhancement Program (TCEP) projects to be included in an adopted RTP and, for a project within an MPO that has adopted an APS, requires all of the following:*

- a) The APS has been accepted by CARB;*
- b) The predominant purpose of the project is to implement a specific GHG emission reduction strategy or address an impediment to achieving the applicable GHG emission reduction target identified in the APS;*
- c) The project applicant uses the same modeling assumptions, if available, as the APS for all aspects of the application and clearly documents assumptions that were not available from the APS and any localized or other assumptions used instead; and,*
- d) The MPO has timely submitted any required SCS implementation progress report.*

33) *Allows a project within an MPO whose SCS has not been accepted by CARB to remain eligible for funding for up to 12 months if the MPO is actively revising the SCS or preparing an APS. Prohibits CTC from allocating funds until the SCS or APS has been accepted by CARB and requires the project to satisfy the applicable GHG-purpose, modeling, and progress-report requirements.*

Solutions for Congested Corridors Program

34) Requires an SCCP-funded project to "support the implementation of a regional transportation plan," in addition to the other required program elements.

35) *Requires an SCCP project to either:*

- a) Be part of a comprehensive corridor plan designed to support the program objectives; or,*
- b) Otherwise demonstrate sufficient corridor-level planning and collaboration between state, regional, and local agencies, as determined by CTC.*
- c) States that this requirement does not apply to an active transportation project that also meets the project eligibility guidelines for the Active Transportation Program.*

36) Requires SCCP project nominations to demonstrate that the project is included in the adopted RTP.

37) *Requires SCCP projects to be included in an adopted RTP and, for a project within an MPO that has adopted an APS, requires all of the following:*

- a) *The APS has been accepted by CARB;*
 - b) *The predominant purpose of the project is to implement a specific GHG emission reduction strategy or address an impediment to achieving the applicable GHG emission reduction target identified in the APS;*
 - c) *The project applicant uses the same modeling assumptions, if available, as the APS for all aspects of the project application, including demonstrating GHG emission reductions, clearly documents assumptions that were not available from the APS, and specifically delineates any localized or other assumptions used instead; and,*
 - d) *The MPO has timely submitted any required implementation progress report pursuant to subparagraph (O) of paragraph (2) of subdivision (b) of Government Code Section 65080.*
 - e) *Allows a project within an MPO whose SCS has not been accepted by CARB to remain eligible for up to 12 months if the MPO is actively revising the SCS or preparing an APS. Prohibits CTC from allocating funds until the SCS or APS has been accepted by CARB and requires the project to satisfy the applicable GHG-purpose, modeling, and progress-report requirements.*
- 38) *Requires CTC to allocate SCCP funds to projects that meet the requirements of Streets and Highways Code Section 2393.*
- 39) *Requires, beginning with the 2032 SCCP program of projects, CTC to give priority to allocating funding to near-term projects in an adopted RTP that includes an SCS determined by CARB to achieve the region's GHG emission reduction targets or an APS accepted by CARB.*

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_{2.5}), 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_x) 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.

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.

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.

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.

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 California Building Industry Association states that they maintain an oppose unless amended position on this bill.

FISCAL COMMENTS

According to the Assembly Appropriations Committee:

- 1) [C]ARB estimates costs of approximately \$4.9 million in fiscal year (FY) 2026-27, \$8 million in FY 2027-28, and \$9 million in FY 2028-29 and ongoing (Cost of Implementation Account) for new staff, contracts, operating expenses, equipment, travel, and translation. ARB anticipates numerous tasks related to, among other things, (a) developing the required guidelines, including forming an advisory committee, hosting public workshops, and developing examples of acceptable data sources, assumptions, and technical methodologies to estimate GHG emissions; (b) appointing and convening the RTAC; (c) updating and providing each MPO with GHG reduction targets for 2035 and 2045, which will involve hosting dozens of regional workshops and hearings within each applicable region; (d) reviewing technical methodologies submitted by MPOs to ensure consistency with ARB's most current model used to assess emissions from on-road vehicles; (e) reviewing SCSs and APSs within specified timeframes; and (f) reporting to the Legislature.

Striking [C]ARB's interim (four-year) target revision authority and extending the SCS cycle from four to eight years means [C]ARB will need to review SCSs less frequently, which might reduce [C]ARB's workload and costs. However, [C]ARB asserts these savings will be significantly offset by the new procedural requirements in the bill, including hosting 40 regional workshops and hearings on its targets, adopting guidelines via a formal rulemaking, and reconvening the RTAC.

- 2) The Department of Transportation (Caltrans) estimates ongoing annual costs of about \$2.6 million for 13 new staff distributed across Caltrans' headquarters and 12 districts to develop district-specific performance management plans every four years and update them annually to identify and prioritize projects that help meet the California Transportation Plan requirement of a multimodal transportation system that supports the state's GHG emission reduction targets and air quality standards (State Highway Account or Public Transportation Account).
- 3) [The Strategic Growth Council] SGC preliminarily estimates ongoing annual General Fund costs of around \$600,000 once MPOs begin to publish their progress reports. SGC asserts it will need three staff – one analyst and two air pollution specialists – to organize meetings and prepare meeting materials, review reports, brief councilmembers, perform public outreach and engagement, and coordinate with MPOs. SGC expects each public meeting to cost between \$5,000 and \$7,000 for meeting location, supplies, facilitation, and travel. SGC notes its actual costs may vary significantly and will depend on, among other things, when MPOs begin publishing progress reports, how many of the 18 MPOs publish reports in the same year, with each report requiring SGC to conduct a public meeting, the level of detail in each progress report, and the location of each meeting.
- 4) Potential one-time costs of an unknown amount for the California Transportation Commission (CTC) to incorporate changes to its TCEP and SCCP programs (Trade Corridor Enhancement Account, SHA, federal funds). CTC is in the middle of its 2026 cycle for both programs and released draft guidelines for the programs in June of this year and expects to adopt final guidelines in August. Should this bill go into effect, CTC notes it would need to revise and adopt updated guidelines, which involves, among other things, a series of public workshops with agency partners and stakeholders and which would necessitate either a redirection of staff from other programs and priorities or a delay in getting program funding out the door – potentially resulting in cost increases and delays for regional projects.

5) While no MPO has prepared an APS to date, by allowing projects that meet certain criteria in an MPO area with an adopted APS to qualify for TCEP and SCCP funding, this bill creates potential ongoing cost pressures on both programs to provide funding for projects that would otherwise be ineligible for such funding.

For context, TCEP – which funds projects designed to move freight more efficiently on corridors with high volumes of freight – will provide about \$1.2 billion in funding over FYs 2026-27 and 2027-28. And SCCP – which funds projects to reduce congestion in heavily traveled corridors – will provide about \$525 million in funding over FYs 2027-28 and 2028-29."

VOTES

SENATE FLOOR: 31-3-6

YES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNERney, Menjivar, Padilla, Pérez, Reyes, Richardson, Rubio, Smallwood-Cuevas, Stern, Umberg, Wahab, Weber Pierson, Wiener

NO: Choi, Niello, Strickland

ABS, ABST OR NV: Dahle, Grove, Jones, Ochoa Bogh, Seyarto, Valladares

ASM TRANSPORTATION: 11-2-3

YES: Wilson, Aguiar-Curry, Ahrens, Carrillo, Hart, Jackson, Papan, Ransom, Rogers, Sharp-Collins, Ward

NO: Hoover, Macedo

ABS, ABST OR NV: Davies, Harabedian, Lackey

ASM APPROPRIATIONS: 11-4-0

YES: Wicks, Arambula, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache

NO: Hoover, Dixon, Ta, Tangipa

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