



SB 375 (Steinberg)

SB 375 aims to reduce greenhouse gas emissions by providing financial and environmental review incentives to reduce sprawl and promote development patterns that give people transportation options so they can drive less.

The five key elements of the bill are summarized below:

1. Regional Greenhouse Gas (GHG) Emissions Reduction Targets

SB 375 directs the California Air Resources Board (CARB), the agency responsible for implementing the Global Warming Solutions Act (AB 32), to set regional GHG reduction targets for cars and light trucks, which generate 31% of the state's GHG emissions. Each of the eighteen metropolitan planning organizations (MPO) in California¹ will receive specific emissions reduction targets for 2020 and for 2050. CARB will establish a Regional Targets Advisory Committee of diverse stakeholders to provide input into defining the targets. CARB will update the targets every eight years.

2. Sustainable Communities Strategy

Each region will create a plan to meet the target, called a "Sustainable Communities Strategy" (SCS). The SCS is a new state element of the Regional Transportation Plan that the MPOs already prepare under existing federal law. CARB must certify that the SCS will achieve the region's GHG emission reduction targets. Transportation projects inconsistent with the SCS would not qualify for transportation funding. A SCS must:

- Designate a development pattern for the region including housing areas for all of a region's population growth including employment generated growth and including all economic segments of the population;
- Identify a transportation network needed to meet the region's transportation needs;
- Achieve GHG emission reductions from the land use/transportation sector needed to meet the region's GHG reduction target set by the ARB to the extent feasible;
- Gather and consider the best available information on the region's farmland and habitat.

If CARB determines that a region's SCS will not achieve the GHG emission reduction targets, an MPO must prepare an Alternative Planning Strategy (APS), separate from the RTP, identifying alternative development patterns, transportation projects or transportation policies needed to achieve the targets.

3. Transportation Funding Incentives

Since the Regional Transportation Plan has to be internally consistent, the action items and financing decisions called for in the RTP must be consistent with the SCS. This means roughly \$15-20 billion per year of local, state and federal funding will flow to transportation projects contained in an SCS.

4. Environmental Review Incentives: SB 375 confers targeted environmental review benefits pursuant to the CA Environmental Quality Act (CEQA) to *residential* and *mixed use residential* development projects that conform to a strategy certified by CARB as capable of achieving the GHG reduction targets for the region. Projects consistent with a certified SCS or APS:

- Do not need to analyze the project's growth-inducing impacts because the project has already been determined at the regional level to be an appropriate location for growth;
- Do not need to analyze impacts on global warming because the projects have been found to be in locations consistent with achieving state climate policy;
- Do not need to analyze impacts on the regional transportation network, because this is the central job of the RTP which has already been approved;
- Are eligible to be designated a superior sustainable communities project and be subject to no further CEQA review if they meet very strict environmental and land use criteria;
- Will not need to address off-site alternatives or cumulative impacts, if they are transit priority projects and these impacts were evaluated in the EIR certified for the RTP including the SCS and APS, if necessary;
- Will not need to include additional traffic mitigation measures, provided the projects are transit priority projects and the local jurisdiction has previously adopted traffic mitigation ordinances or measures.

5. Housing Element Alignment: SB 375 aligns regional transportation planning (RTP) and regional housing (RHNA) planning. This will align the funding for transportation projects with the state's housing allocation policy for the first time.

- Currently state law requires local governments to update their housing element every five years, but there is no statutory requirement that they actually zone land for housing. SB 375 increases the period for the housing element update to 8 years and requires that local governments actually zone the land needed for housing. This provides administrative relief to local governments while also providing developers with certainty as to where they can build for a full five years before the next update.
- SB 375 synchronizes the timeline for updating housing elements to coincide with every other regional transportation plan approval.
- The alignment also prevents local governments from claiming large population growth numbers when they are seeking transportation funding, but low population growth numbers in the housing allocation process.
- Housing numbers must now be allocated to local governments according to the SCS.

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ⁱ Map of MPOs available at: http://www.dot.ca.gov/hq/tpp/index_files/mpo-rtpa_map.pdf