



## SB 375 (Steinberg) OVERVIEW 9/5/08

SB 375 is the product of two years of hard work and negotiations. It is sponsored by the California League of Conservation Voters (CLCV) and the Natural Resources Defense Council (NRDC) and authored by incoming Senate Pro Tem Darrell Steinberg (D-Sacramento). Sen. Steinberg led a series of negotiations among key stakeholder groups who are often at odds over land use policies (builders, local governments, affordable housing advocates, and environmentalists) to forge agreement on this bill that envisions a new direction for growth in California. The bill passed the Legislature with significant bipartisan support in August. It now awaits the Governor's signature, though without a budget agreement, the timing is not clear.

### SB 375 breaks new ground by:

- Making climate an explicit factor in land use planning;
- Aligning transportation funding, for the first time, to support smart growth;
- Linking land use decisions and transportation planning in a single comprehensive process - at the regional scale;
- Giving the Air Resources Board an explicit role in that process;
- Making housing distribution consistent with smart growth principles;
- Bringing local governments, builders and affordable housing interests together with the environmental community to support this level of change.

**While SB 375 has been amended to respond to a range of reasonable concerns, it retains its core** - an incentive based bill that provides significant financial, planning and environmental review incentives to encourage orderly development. It lays a solid foundation for a comprehensive approach to reducing greenhouse gas emissions from the land use and transportation sector. SB 375 harnesses **funding and regulatory incentives**, without mandates, to align transportation, housing and land use planning to produce:

- Shorter commutes, VMT reduction and congestion relief;
- Reduced greenhouse gas (GHG) emissions and air pollution;
- Less fossil fuel consumption;
- Greater conservation of farmlands and habitat;
- Opportunities for more housing choices for all economic segments of the population including anticipated population and employment growth;
- Greater certainty for home builders.

**GHG Reduction:** SB 375 directs CARB to set regional GHG reduction targets for cars and light trucks, which generate 31% of the state's GHG emissions. California has programs to clean up the cars that are sold here (AB 1493) and the fuel that we put in our cars (LCFS). Yet despite these programs, because the number of miles that Californians drive continues to increase at nearly twice the rate of population growth, *we will not be able to reduce CO<sub>2</sub> emissions to achieve AB 32 targets, without improving transportation and land use patterns.* Given the long lead time needed

to affect emissions from this sector, we need to get policies in place now to start this shift. SB 375 starts this process and provides a solid foundation to build on to achieve the needed emissions reductions from land use.

**Sustainable Communities Strategy (SCS):** From \$15 to \$20 billion in federal, state and local transportation funding flows through California each year – a powerful influence on how we grow. SB 375 builds on existing law, specifically the Regional Transportation Plan (RTP) that regional Metropolitan Planning Organizations (MPOs) prepare every four years. It adds a new element to the RTP - a Sustainable Communities Strategy (SCS). CARB must certify that the SCS will achieve the region’s GHG emission reduction targets. Projects outside the approved SCS would not qualify for federal transportation funding. An approved SCS would:

- Designate housing areas for all of a region’s population growth, including all economic segments of the population and anticipated job growth;
- Identify a transportation network needed to meet the region’s transportation needs;
- Achieve GHG emission reductions from the transportation sector needed to meet the region’s GHG reduction target set by the ARB;
- Gather and consider the best available information on the region’s farmland and habitat.

**Alternative Planning Scenario (APS):** If CARB determines that a region’s SCS will not achieve the GHG emission reduction targets, a MPO must prepare an Alternative Planning Strategy (APS), separate from the RTP, identifying further measures needed to achieve the targets.

**Environmental Review Incentives:** SB 375 confers targeted environmental review benefits to *residential* and *mixed use residential* development projects that conform to a CARB-certified regional SCS or APS. 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.

**Housing Element Alignment:** SB 375 improves the status quo by aligning regional planning (RTP) and regional housing (RHNA) deadlines. Instead of allocating housing units across all local governments in a region, housing units will now be allocated according to the SCS. This will align the transportation projects with the state’s housing goals for the first time.

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