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July 14, 2022

The Honorable Liane Randolph
Chair, California Air Resources Board
1001 | Street
Sacramento, CA 95814

Email: sustainablecommunities@arb.ca.gov

SUBJECT: Senate Bill 150 - Draft 2022 Progress Report

Dear Chair Randolph:

The Southern California Association of Governments (SCAG), representing six counties, six county transportation commissions, and 191 cities in an area covering more than 38,000 square miles, appreciates the time and effort expended by CARB to develop the Senate Bill 150 Draft 2022 Progress Report. This report improves upon the 2018 Progress Report by providing additional equity metrics, reflecting our shared understanding of the negative impacts of past policies and practices on Black, Indigenous, and People of Color (BIPOC) as well as low-income and other vulnerable communities. Like CARB, SCAG recognizes that implementation of the Sustainable Communities Strategy (SCS) is key to advancing equity. We understand that if we are to achieve our climate goals and advance equity, we need to work together to implement our SCS.

This report also provides important context on the successful implementation of a regional SCS relative to exogenous factors such as gas prices and employment. Figure 1 (p. 16) provides a telling illustration of the Great Recession and, more generally, the relationship of economic productivity to Vehicle Mile Traveled (VMT).

Additionally, it is important to evaluate the progress of SCS implementation in the context of these slow-moving variables. Turning the tide on long-standing land use patterns and transportation investments can take a long time, where implementation follows years of planning. For SCAG, this year marks the tenth anniversary of our first adopted Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS). Since 2012, the SCAG region has shifted more transportation funding towards maintenance and alternative modes and away from capacity-increasing projects. Specifically, the region has added more than 760 miles of bike lanes and removed major capacity expansion projects from the RTP/SCS, including the SR-710 extension. Since Senate Bill 375 passed in 2008, nearly 60 percent of new household growth has occurred in high-quality transit areas. We are hopeful that the finding presented on p. 6, "Per capita GHG emissions and per capita VMT continued to increase, though more slowly than in the 2018 Progress Report," is evidence of the success of the groundwork

laid with the first SCSs. However, we agree that more work must be done to ensure that SCS implementation continues at the pace needed to meet our climate goals.

This is why we appreciate the identification of potential actions that would help to accelerate the implementation of existing SCS strategies, such as: expanding tax increment financing options for infill-supportive infrastructure, permitting implementation of roadway pricing strategies, using transfer of development rights to support natural and working land conservation and infill growth, and establishing durable and flexible funding streams to support the implementation of transit and active transportation capital improvements and operations.

Related to the commitment to advance equity, we appreciate CARB highlighting the following opportunities for immediate action:

- State agencies developing mechanisms and funding programs to allow local, regional, and state
  agencies to compensate community partners and NGOs for time participating in planning and
  decision-making processes.
- State and regional agencies encouraging more community representation in decision-making processes.
- State and regional agencies evaluating which communities have received more limited amounts of funds and then partnering with community groups to develop strategies to address this.

SCAG respectfully requests that the report be strengthened in the following ways:

- At the outset, provide more narrative explaining how the proposed actions will advance the state's climate goals and the implications of not meeting those goals. The consequences of not taking action need to be explicit.
- Because strong state, regional, and local partnerships are needed for successful SCS implementation, we request that for each potential action, CARB propose responsible parties (e.g., not just state agencies generally) and a preferred timeframe for implementation, as well as identify funding sources for the work. If no funding is identified, highlight that as an issue to be explored by the Governor and Legislature through the state budgeting process.
- Emphasize (e.g., distinguish separately from others, etc.) actions requiring Legislative support and list proposed next steps for the Legislature to explore with regional and local partners.
- Provide recommendations on improving transportation safety following the section detailing concerning conditions (see page 50).
- Recognize the immense challenge for MPOs, self-help counties, and partner agencies to prioritize
  transportation projects that align with VMT reduction goals in cases where projects have already
  been promised to voters via transportation sales tax measures and approved by supermajority
  thresholds in the absence of sufficient state investment.
- The conclusion should detail previous legislative efforts to adjust SB 375, recommend whether any should still be considered, and why.

SCAG also identified several potential actions that pose the risk of added complexity and administrative burden to the land use and/or transportation planning and funding process without a clearly demonstrated benefit of GHG emissions reductions, nor commensurate investment from the state, specifically:

• "The Legislature could give State and regional agencies a greater role in supporting congruent local land use actions to foster their alignment with SCS implementation."

State housing law requires that the RHNA be consistent with the development pattern of the SCS, effectively linking local general plans, through required housing element updates, with the regional growth vision. Additional requirements are unnecessary and would only serve to further complicate and constrain the regional planning process. In Southern California, as the result of the 6<sup>th</sup> Cycle Regional Housing Needs Allocation plan, cities and counties with the best job and transit access, as determined by SCAG's RTP/SCS, are now required to plan for 836,857 units in addition to those units required to address projected growth. This is nearly as much housing as the whole region produced in the last twenty years. Achieving this sustainable and equitable land-use vision ultimately depends on the private sector to produce housing where the cities are planning for it, which demands a significant public investment in the infrastructure needed to accommodate growth. Instead of an additional requirement, jurisdictions in the SCAG region need more tools to help with housing element updates and tools beyond planning to fund affordable housing and supportive infrastructure.

"Regional and local agencies could prioritize transportation projects for funding based on how well they align with the State's VMT reduction goals and minimize the number of projects considered to be already committed and exempt from MPO efforts to prioritize projects for inclusion in the RTP based upon which projects best advance SCS implementation and regional goals."

SCAG prepares and analyzes its plan and transportation projects at a regional level, based on input from our six County Transportation Commissions. The 2020 RTP/SCS included 3,105 distinct projects that each further an important regional goal such as improving mobility, supporting the economy, or reducing GHG emissions. The regional planning process currently exists as a forum for balancing these multiple plan goals alongside constraints such as funding availability. We encourage the state to create new funding sources to incentivize VMT reduction projects instead of adding complexity to the current planning process.

"The Legislature could establish criteria related to emissions reductions and equity that transportation projects must meet in order to be funded by existing and new local transportation tax measures. To enhance transparency, the Legislature could also require agencies that administer these funds to estimate the GHG emission and VMT effects for each project and the financial impacts to low-income residents."

In SCAG's 2020 RTP/SCS, local sources made up 60 percent of the Core Revenues for the plan, nearly \$300 billion. In the absence of sufficient state funding, these sources were established not only to fund next-generation multimodal projects desired by the state, but also to fund vital mobility improvements on roads and highways as regions and residents pursue this monumental modal transition. Just as the financial impact of local transportation sales-tax measures cannot be overstated, the needs of the diverse coalitions that enable these critical funding sources cannot be overstated either. These measures require a supermajority for passage and, therefore, are often the result of compromise among stakeholder groups, including a mix of roadway improvement or maintenance investments alongside investments in transit and active transportation. Establishing new top-down priorities for local measures could undermine public trust if agencies were not allowed to deliver approved projects, threatening the political viability of this necessary funding source.

 "The Legislature could explore changes to the current Transportation Development Act requirements to support transit agency management decisions toward alignment with transit strategies in the SCSs."

Additional measures from the state to support transit agency management decisions to further advance transit strategies in the SCSs would be welcome. While the recommendation to do so through the TDA is well-intentioned, additional obligations to TDA would require additional funding from the Legislature. Otherwise, the most transit-dependent populations in regions and communities with low ridership would be at the highest risk of service cuts to meet those additional obligations. In general, each agency uses TDA in different ways, and flexibility is tantamount to ensuring that each transit agency can best serve the needs of its community.

We look forward to continuing to partner with CARB and other agencies as we work to implement our Sustainable Communities Strategy and build a more sustainable, prosperous, and equitable future for California. Should you have any questions, please contact me at <a href="mailto:ajise@scag.ca.gov">ajise@scag.ca.gov</a>, or my staff, Sarah Dominguez, at <a href="mailto:dominguezs@scag.ca.gov">dominguezs@scag.ca.gov</a>.

Sincerely,

Kome Ajise

**Executive Director**