

AMENDED IN SENATE APRIL 9, 2026

AMENDED IN SENATE MARCH 25, 2026

**SENATE BILL**

**No. 1087**

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**Introduced by Senator Cabaldon**

February 13, 2026

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An act to amend Sections 14522, 14522.1, ~~14526.4~~, 14526.5, 65080, and 65080.01 of, and to add Section 65080.03 to, the Government Code, and to amend Sections 2033.5, 2192, 2391, 2392, 2393, 2394, and 2397 of the Streets and Highways Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 1087, as amended, Cabaldon. Transportation planning: sustainable communities strategies: transportation funding programs.

(1) Existing law requires certain transportation planning agencies to prepare and adopt regional transportation plans directed at achieving a coordinated and balanced regional transportation system. Existing law requires a regional transportation plan to include a policy element, a sustainable communities strategy prepared by a metropolitan planning organization, an action element, and a financial element, as provided. Existing law requires those transportation planning agencies to adopt and submit every 4 years, except as provided, an updated regional transportation plan to the California Transportation Commission and the Department of Transportation.

Existing law requires a sustainable communities strategy to achieve regional targets set by the State Air Resources Board for the reduction of greenhouse gas emissions from the automobile and light truck sector in the region for 2020 and 2035, respectively, and requires the state board to update those targets every 8 years, consistent with each metropolitan planning organization's timeframe for updating its regional

transportation plan, as specified. Existing law establishes certain procedural requirements for setting and updating those targets and authorizes the state board to revise the targets every 4 years based on changes in specified factors.

This bill would instead require, commencing with the first or 2nd regional transportation plan prepared on or after January 1, 2027, as determined by the applicable metropolitan planning organization, the regional transportation plan to include an 8-year sustainable communities strategy prepared by the metropolitan planning organization. Upon the submission of a regional transportation plan that does not include a new sustainable communities strategy, the bill would require the metropolitan planning organization to submit a sustainable communities strategy implementation report.

This bill would instead require, no later than an unspecified number of years before the due date of a region's next sustainable communities strategy, the state board to provide the region with a greenhouse gas emission reduction ~~target~~ *targets* for all on-road transportation sectors for ~~2035, 2035 and 2045~~, and would require the ~~target~~ *targets* to reflect the combined effect of policies, regulations, and investments to improve fleet efficiency and reduce vehicle miles traveled and be based on what is achievable for the region, as specified. The bill would require the state board to appoint a Regional Targets Advisory Committee to recommend factors and methodologies for setting those targets and to recommend how other specified state goals should be balanced in setting those targets. The bill would eliminate the authority of the state board to revise the targets every 4 years and would establish additional public participation requirements for the state board to undertake before updating those targets.

Because the bill would expand duties of local agencies, it would impose a state-mandated local program.

(2) Existing law, to the extent the sustainable communities strategy is unable to achieve the greenhouse gas emission reduction targets, requires a metropolitan planning organization to prepare an alternative planning strategy to the sustainable communities strategy showing how the targets would be achieved through alternative development patterns, infrastructure, or additional transportation measures or policies. Existing law requires the state board to review each metropolitan planning organization's sustainable communities strategy and alternative planning strategy to determine whether the strategy, if implemented, would achieve the greenhouse gas emission reduction targets.

This bill ~~would transfer the responsibility to review sustainable communities strategies and alternative planning strategies from the state board to the commission and would revise the procedural requirements applicable to the commission's *state board's* review of those strategies.~~ The bill would deem a sustainable communities strategy or alternative planning strategy approved for implementation and funding alignment purposes if the ~~commission~~ *state board* does not take certain actions within specified and unspecified deadlines.

This bill would revise the requirements applicable to the preparation of an alternative planning strategy, including by requiring the metropolitan planning organization to include an analysis of an alternative development pattern for the region and, if necessary, additional infrastructure, transportation measures, or policies that could achieve the greenhouse gas emission reduction ~~target~~: *targets*. The bill would eliminate a requirement that an alternative development pattern be a separate document from the regional transportation plan.

(3) Existing law authorizes the commission, in cooperation with regional transportation planning agencies, to prescribe guidelines for the preparation of regional transportation plans.

This bill would require the commission to adopt guidelines for the preparation of regional transportation plans and sustainable communities strategies. In adopting the portion of the guidelines applicable to the preparation of sustainable communities strategies, the bill would require the commission to collaborate with the state board and to prescribe acceptable technical methodologies that may be employed to estimate emissions of greenhouse gases and the required contents of the sustainable communities strategy implementation reports described above.

(4) The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment.

This bill would exempt the preparation and adoption of regional transportation plans, sustainable communities strategies, and alternative planning strategies from ~~CEQA if the applicable metropolitan planning organization or regional transportation planning agency conducts enhanced public outreach, as provided.~~ *CEQA*. Because a lead agency would be required to determine whether a project qualifies for this exemption, the bill would impose a state-mandated local program.

(5) Existing law requires the ~~department, in consultation with the commission, to prepare a robust asset management plan to guide selection of projects for the state highway operation and protection program.~~ *department to prepare a state highway operation and protection program for the expenditure of transportation funds for major capital improvements that are necessary to preserve and protect the state highway system, excluding projects that add a new traffic lane to the system.*

This bill would require the ~~commission, in connection with the asset management plan,~~ *department* to coordinate with regional transportation planning agencies and metropolitan planning organizations, as applicable, to ensure that regionally significant projects, as defined, selected for the state highway operation and protection program align with the timing, phasing, and scope of projects included in applicable regional transportation plans.

(6) Existing law requires the commission, under a program commonly known as the Trade Corridor Enhancement Program, to allocate certain state and federal funds to infrastructure projects located on or along specified transportation corridors. Existing law establishes the Solutions for Congested Corridors Program and requires the commission to allocate state funds made available to the program to projects designed to achieve a balanced set of transportation, environmental, and community access improvements within highly congested travel corridors throughout the state. Under both programs, existing law requires projects within the boundaries of a metropolitan planning organization to be included in an adopted regional transportation plan that includes a sustainable communities strategy determined by the state board to achieve the region's greenhouse gas emissions reduction targets.

For purposes of those programs, ~~the~~ *this* bill would instead require, if the metropolitan planning organization has adopted an alternative planning strategy, the projects to reduce greenhouse gas emissions.

(7) Existing law requires funding to be available under the Solutions for Congested Corridors Program for projects that make specific

performance improvements and are part of a comprehensive corridor plan designed to reduce congestion in highly traveled corridors. Existing law authorizes the department and certain regional transportation planning agencies to nominate projects for funding through the program.

This bill would eliminate the requirement that a project be a part of a comprehensive corridor plan and would require funding to be available under the program for projects that, among other things, make specific performance improvements and support the implementation of a regional transportation plan. The bill would revise the requirements applicable to a project nomination under the program. The bill would require the commission to allocate program funds to projects after the relevant metropolitan planning organization or transportation planning agency has made a determination that a proposed project is consistent with the phasing, timing, and project scope included in the adopted regional transportation plan, as specified.

(8) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 14522 of the Government Code is
- 2 amended to read:
- 3 14522. (a) In cooperation with ~~the~~ regional transportation
- 4 planning agencies, the commission may prescribe study areas for
- 5 analysis and evaluation by those agencies and shall adopt
- 6 guidelines for the preparation of regional transportation plans and
- 7 sustainable communities strategies.
- 8 (b) In adopting the portion of the guidelines applicable to the
- 9 preparation of sustainable communities strategies, the commission
- 10 shall collaborate with the State Air Resources Board and shall
- 11 prescribe both of the following in the guidelines:

1 (1) Acceptable technical methodologies that metropolitan  
2 planning organizations and regional transportation planning  
3 agencies may employ to estimate the emissions of greenhouse  
4 gases in a manner that is consistent with the target methodology  
5 provided in subparagraph (A) of paragraph (2) of subdivision (b)  
6 of Section 65080.

7 (2) The required contents of the sustainable communities  
8 strategy implementation reports required by subparagraph (O) of  
9 paragraph (2) of subdivision ~~(d)~~ (b) of Section 65080.

10 SEC. 2. Section 14522.1 of the Government Code is amended  
11 to read:

12 14522.1. (a) (1) The commission, in consultation with the  
13 department and the State Air Resources Board, shall maintain  
14 guidelines for travel demand models used in the development of  
15 regional transportation plans and sustainable communities strategies  
16 by federally designated metropolitan planning organizations.

17 (2) Any revision of the guidelines shall include the formation  
18 of an advisory committee that shall include representatives of the  
19 metropolitan planning organizations, the department, organizations  
20 knowledgeable in the creation and use of travel demand models,  
21 local governments, and organizations concerned with the impacts  
22 of transportation investments on communities and the environment.  
23 Before amending the guidelines, the commission shall hold two  
24 workshops on the guidelines, one in northern California and one  
25 in southern California. The workshops shall be incorporated into  
26 regular commission meetings.

27 (b) The guidelines shall, at a minimum and to the extent  
28 practicable, taking into account such factors as the size and  
29 available resources of the metropolitan planning organization,  
30 account for all of the following:

31 (1) The relationship between land use density and household  
32 vehicle ownership and vehicle miles traveled in a way that is  
33 consistent with statistical research.

34 (2) The impact of enhanced transit service levels on household  
35 vehicle ownership and vehicle miles traveled.

36 (3) Changes in travel and land development likely to result from  
37 highway or passenger rail expansion.

38 (4) Mode splitting that allocates trips between automobile,  
39 transit, carpool, and bicycle and pedestrian trips. If a travel demand

1 model is unable to forecast bicycle and pedestrian trips, another  
2 means may be used to estimate those trips.

3 (5) Speed and frequency, days, and hours of operation of transit  
4 service.

5 SEC. 3. Section 14526.4 of the Government Code is amended  
6 to read:

7 14526.4. (a) The department, in consultation with the  
8 commission, shall prepare a robust asset management plan to guide  
9 selection of projects for the state highway operation and protection  
10 program required by Section 14526.5. The asset management plan  
11 shall be consistent with any applicable state and federal  
12 requirements.

13 (b) The department shall include complete streets assets in the  
14 asset management plan, including pedestrian, bicycle, and transit  
15 priority facilities on the state highway system that are not required  
16 under the federal Americans with Disabilities Act of 1990 (Public  
17 Law 101-336).

18 (c) In connection with the asset management plan, the  
19 commission shall do all of the following:

20 (1) Adopt targets and performance measures reflecting state  
21 transportation goals and objectives, including for complete streets  
22 assets that reflect the existence and conditions of bicycle,  
23 pedestrian, and transit priority facilities on the state highway  
24 system.

25 (2) Coordinate with regional transportation planning agencies  
26 and metropolitan planning organizations, as applicable, to ensure  
27 that regionally significant projects, as defined in Section 93.101  
28 of Title 40 of the Code of Federal Regulations, selected for the  
29 state highway operation and protection program align with the  
30 timing, phasing, and scope of projects included in applicable  
31 regional transportation plans.

32 (3) Review and approve the asset management plan.

33 (d) As used in this section, “asset management plan” means a  
34 document assessing the health and condition of the state highway  
35 system with which the department is able to determine the most  
36 effective way to apply the state’s limited resources.

37 SEC. 3. Section 14526.5 of the Government Code is amended  
38 to read:

39 14526.5. (a) Based on the asset management plan prepared  
40 and approved pursuant to Section 14526.4, the department shall

1 prepare a state highway operation and protection program for the  
2 expenditure of transportation funds for major capital improvements  
3 that are necessary to preserve and protect the state highway system.  
4 Projects included in the program shall be limited to improvements  
5 relative to the maintenance, safety, operation, and rehabilitation  
6 of state highways and bridges that do not add a new traffic lane to  
7 the system.

8 *(b) The department shall coordinate with regional transportation*  
9 *planning agencies and metropolitan planning organizations, as*  
10 *applicable, to ensure that regionally significant projects, as defined*  
11 *in Section 93.101 of Title 40 of the Code of Federal Regulations,*  
12 *selected for the state highway operation and protection program*  
13 *align with the timing, phasing, and scope of projects included in*  
14 *applicable regional transportation plans.*

15 ~~(b)~~

16 (c) The program shall include projects that are expected to be  
17 advertised ~~prior to~~ before July 1 of the year following submission  
18 of the program, but which have not yet been funded. The program  
19 shall include those projects for which construction is to begin  
20 within four fiscal years, starting July 1 of the year following the  
21 year the program is submitted.

22 ~~(c)~~

23 (d) (1) The department, at a minimum, shall specify, for each  
24 project in the state highway operation and protection program, the  
25 capital and support budget, as applicable, for each of the following  
26 project phases:

27 (A) Project approval and environmental documents, support  
28 only.

29 (B) Plans, specifications, and estimates, support only.

30 (C) Rights-of-way.

31 (D) Construction.

32 (2) The department shall specify, for each project in the state  
33 highway operation and protection program, a projected delivery  
34 date for each of the following components:

35 (A) Project approval and environmental document completion.

36 (B) Plans, specifications, and estimates completion.

37 (C) Right-of-way certification.

38 (D) Start of construction.

39 ~~(d)~~

1 (e) The department shall submit its proposed program to the  
2 commission not later than January 31 of each even-numbered year.  
3 ~~Prior to~~ Before submitting its proposed program, the department  
4 shall make a draft of its proposed program available to  
5 transportation planning agencies for review and comment and shall  
6 include the comments in its submittal to the commission. The  
7 department shall provide the commission with detailed information  
8 for all programmed projects on cost, scope, schedule, and  
9 performance metrics as determined by the commission.

10 ~~(e)~~

11 (f) The commission shall review the proposed program relative  
12 to its overall adequacy, consistency with the asset management  
13 plan prepared and approved pursuant to Section 14526.4 and  
14 funding priorities established in Section 167 of the Streets and  
15 Highways Code, the level of annual funding needed to implement  
16 the program, and the impact of those expenditures on the state  
17 transportation improvement program. The commission shall adopt  
18 the program and submit it to the Legislature and the Governor not  
19 later than April 1 of each even-numbered year. The commission  
20 may decline to adopt the program if the commission determines  
21 that the program is not sufficiently consistent with the asset  
22 management plan prepared and approved pursuant to Section  
23 14526.4.

24 ~~(f)~~

25 (g) As part of the commission's review of the program required  
26 pursuant to subdivision (a), the commission shall hold at least one  
27 hearing in northern California and one hearing in southern  
28 California regarding the proposed program.

29 ~~(g)~~

30 (h) On or after July 1, 2017, to provide sufficient and transparent  
31 oversight of the department's capital outlay support resources  
32 composed of both state staff and contractors, the commission shall  
33 be required to allocate the department's capital outlay support  
34 resources by project phase, including preconstruction. Through  
35 this action, the commission will provide public transparency for  
36 the department's budget estimates, increasing assurance that the  
37 annual budget forecast is reasonable. The commission shall develop  
38 guidelines, in consultation with the department, to implement this  
39 subdivision. Guidelines adopted by the commission to implement

1 this subdivision shall be exempt from the Administrative Procedure  
2 Act (Chapter 3.5 (commencing with Section 11340) of Part 1).

3 ~~(h)~~

4 (i) Beginning July 1, 2017, for a project that experiences  
5 increases in capital or support costs above the amounts in the  
6 commission's allocation pursuant to subdivision~~(g)~~, (h), the  
7 commission shall establish a threshold for requiring a supplemental  
8 project allocation. The commission's guidelines adopted pursuant  
9 to subdivision~~(g)~~ (h) shall also establish the threshold that the  
10 commission determines is necessary to ensure efficiency and may  
11 provide exceptions as necessary so that projects are not  
12 unnecessarily delayed.

13 ~~(i)~~

14 (j) The department, for each project requiring a supplemental  
15 project allocation pursuant to subdivision~~(h)~~, (i), shall submit a  
16 request to the commission for its approval.

17 ~~(j)~~

18 (k) Expenditures for these projects shall not be subject to  
19 Sections 188 and 188.8 of the Streets and Highways Code.

20 SEC. 4. Section 65080 of the Government Code is amended  
21 to read:

22 65080. (a) Each transportation planning agency designated  
23 under Section 29532 or 29532.1 shall prepare and adopt a regional  
24 transportation plan directed at achieving a coordinated and balanced  
25 regional transportation system, including, but not limited to, mass  
26 transportation, highway, railroad, maritime, bicycle, pedestrian,  
27 goods movement, and aviation facilities and services. The plan  
28 shall be action-oriented and pragmatic, considering both the  
29 short-term and long-term future, and shall present clear, concise  
30 policy guidance to local and state officials. The regional  
31 transportation plan shall consider factors specified in Section 134  
32 of Title 23 of the United States Code. Each transportation planning  
33 agency shall consider and incorporate, as appropriate, the  
34 transportation plans of cities, counties, districts, private  
35 organizations, and state and federal agencies.

36 (b) The regional transportation plan shall be an internally  
37 consistent document and shall include all of the following:

38 (1) A policy element that describes the transportation issues in  
39 the region, identifies and quantifies regional needs, and describes  
40 the desired short-range and long-range transportation goals, and

1 pragmatic objective and policy statements. The objective and policy  
2 statements shall be consistent with the funding estimates of the  
3 financial element. The policy element of transportation planning  
4 agencies with populations that exceed 200,000 persons may  
5 quantify a set of indicators, including, but not limited to, all of the  
6 following:

7 (A) Measures of mobility and traffic congestion, including, but  
8 not limited to, daily vehicle hours of delay per capita and vehicle  
9 miles traveled per capita.

10 (B) Measures of road and bridge maintenance and rehabilitation  
11 needs, including, but not limited to, roadway pavement and bridge  
12 conditions.

13 (C) Measures of means of travel, including, but not limited to,  
14 percentage share of all trips, work and nonwork, made by all of  
15 the following:

16 (i) Single-occupant vehicle.

17 (ii) Multiple occupant vehicle or carpool.

18 (iii) Public transit including commuter rail and intercity rail.

19 (iv) Walking.

20 (v) Bicycling.

21 (D) Measures of safety and security, including, but not limited  
22 to, total injuries and fatalities assigned to each of the modes set  
23 forth in subparagraph (C).

24 (E) Measures of equity and accessibility, including, but not  
25 limited to, percentage of the population served by frequent and  
26 reliable public transit, with a breakdown by income bracket, and  
27 percentage of all jobs accessible by frequent and reliable public  
28 transit service, with a breakdown by income bracket.

29 (F) The requirements of this section may be met using existing  
30 sources of information. No additional traffic counts, household  
31 surveys, or other sources of data shall be required.

32 (2) Commencing with the first or second regional transportation  
33 plan prepared on or after January 1, 2027, as determined by the  
34 applicable metropolitan planning organization, an eight-year  
35 sustainable communities strategy prepared by that metropolitan  
36 planning organization as follows:

37 (A) No later than \_\_\_\_ years before the due date of a region's  
38 next sustainable communities strategy, the state board shall provide  
39 the region with a greenhouse gas emission reduction ~~target~~ *targets*  
40 for all on-road transportation sectors for ~~2035~~ *2035 and 2045*.

- 1 (i) No later than \_\_\_\_\_, the state board shall appoint a Regional  
2 Targets Advisory Committee to recommend all of the following:
- 3 (I) Factors to be considered and methodologies to be used for  
4 setting greenhouse gas emission reduction targets for the affected  
5 regions.
- 6 (II) How state fair housing, affordability, resilience, economic  
7 vibrancy, and land conservation goals should be balanced in setting  
8 greenhouse gas emission reduction targets for the affected regions.
- 9 (ii) The advisory committee shall include practitioners and  
10 technical and policy experts.
- 11 (iii) The advisory committee shall transmit a report with its  
12 recommendations to the state board no later than \_\_\_\_\_. The state  
13 board shall consider the report before setting the targets.
- 14 (iv) Before setting the ~~target~~ *targets* for a region, the state board  
15 shall exchange technical information with the metropolitan  
16 planning organization and the affected air district. The metropolitan  
17 planning organization may recommend a target for the region.
- 18 (v) Consistent with clause (vi), in establishing these targets, the  
19 state board shall take into account greenhouse gas emission  
20 reductions that will be achieved by improved vehicle emission  
21 standards, changes in fuel composition, and other measures it has  
22 approved that will reduce the emissions of greenhouse gases in  
23 the affected regions, consistent with the state board's most current  
24 model used to assess emissions from on-road vehicles, and  
25 prospective measures the state board plans to adopt to reduce the  
26 emissions of greenhouse gases from other greenhouse gas emission  
27 sources as defined in subdivision (i) of Section 38505 of the Health  
28 and Safety Code and consistent with the regulations adopted  
29 pursuant to the California Global Warming Solutions Act of 2006  
30 (Division 25.5 (commencing with Section 38500) of the Health  
31 and Safety Code), including Section 38566 of the Health and Safety  
32 Code.
- 33 (vi) The targets established by the state board shall do both of  
34 the following:
- 35 (I) Reflect the combined effect of policies, regulations, and  
36 investments by cities, counties, special districts, county  
37 transportation agencies, air districts, metropolitan planning  
38 organizations, the state, and the federal government to improve  
39 fleet efficiency and reduce vehicle miles traveled.

1 (II) Be based on what is achievable for the region, taking into  
2 account existing conditions, exogenous factors, and financial  
3 constraints. For purposes of this subclause, “existing conditions”  
4 includes, but is not limited to, existing resources, the built  
5 environment, and access to modes of travel outside of  
6 single-occupant passenger vehicles.

7 (vii) The state board shall update the regional greenhouse gas  
8 emission reduction targets every eight years consistent with each  
9 metropolitan planning organization’s timeframe for updating its  
10 regional transportation plan under federal law until 2050. Before  
11 updating these targets, the state board shall do all of the following:

12 (I) Exchange technical information with the California  
13 Transportation Commission, the Department of Housing and  
14 Community Development, the Department of Transportation,  
15 metropolitan planning organizations, local governments, and  
16 affected air districts and engage in a consultative process with  
17 public and private stakeholders.

18 (II) Release a draft ~~target~~ *targets* for public comment.

19 (III) Publish its methodology and assumptions, including, but  
20 not limited to, fleet and budget assumptions, in a downloadable  
21 and accessible format on its internet website and make this  
22 information available to the public and affected metropolitan  
23 planning organizations no fewer than 60 days before the release  
24 of a ~~draft target~~ *draft targets*.

25 (IV) Host at least two public workshops within the applicable  
26 region to engage in a consultative process with public and private  
27 stakeholders.

28 (V) Hold a public hearing in the applicable region to solicit  
29 input on the region’s ~~draft target~~ *targets*.

30 (viii) The state board shall adopt the final ~~target~~ *targets* and any  
31 subsequent changes to the ~~target~~ *targets* at a public hearing.

32 (ix) The greenhouse gas emission reduction targets may be  
33 expressed in gross tons, tons per capita, tons per household, or in  
34 any other metric deemed appropriate by the state board that does  
35 not penalize regions for exogenous factors such as population,  
36 economic growth, or cross-border traffic.

37 (B) Each metropolitan planning organization shall prepare a  
38 sustainable communities strategy, subject to the requirements of  
39 Part 450 of Title 23 of, and Part 93 of Title 40 of, the Code of  
40 Federal Regulations, including the requirement to use the most

1 recent planning assumptions considering local general plans and  
2 other factors. The sustainable communities strategy shall do all of  
3 the following:

4 (i) Identify the general location of uses, residential densities,  
5 and building intensities within the region.

6 (ii) Identify areas within the region sufficient to house all the  
7 population of the region, including all economic segments of the  
8 population, over the course of the planning period of the regional  
9 transportation plan taking into account net migration into the  
10 region, population growth, changes in enrollment levels at  
11 institutions of public higher education, as described in subdivision  
12 (a) of Section 66010 of the Education Code, household formation,  
13 and employment growth.

14 (iii) Identify areas within the region sufficient to house an  
15 eight-year projection of the regional housing need for the region  
16 pursuant to Section 65584.

17 (iv) Identify a transportation network to service the  
18 transportation needs of the region.

19 (v) Gather and consider the best practically available scientific  
20 information regarding resource areas and farmland in the region.

21 (vi) Consider the state housing goals specified in Sections 65580  
22 and 65581.

23 (vii) Set forth a forecasted development pattern for the region,  
24 which, when integrated with the transportation network, and other  
25 transportation measures and policies, will reduce the emissions of  
26 greenhouse gases from all on-road transportation sectors to achieve,  
27 if there is a feasible way to do so, the greenhouse gas emission  
28 reduction ~~target~~ *targets* approved by the state board.

29 (viii) Allow the regional transportation plan to comply with  
30 Section 176 of the federal Clean Air Act (42 U.S.C. Sec. 7506).

31 (C) (i) Within the jurisdiction of the Metropolitan  
32 Transportation Commission, as defined by Section 66502, the  
33 Association of Bay Area Governments shall be responsible for  
34 clauses (i), (ii), (iii), (v), and (vi) of subparagraph (B); the  
35 Metropolitan Transportation Commission shall be responsible for  
36 clauses (iv) and (viii) of subparagraph (B); and the Association of  
37 Bay Area Governments and the Metropolitan Transportation  
38 Commission shall jointly be responsible for clause (vii) of  
39 subparagraph (B).

1 (ii) Within the jurisdiction of the Tahoe Regional Planning  
2 Agency, as defined in Sections 66800 and 66801, the Tahoe  
3 Metropolitan Planning Organization shall use the Regional Plan  
4 for the Lake Tahoe Region as the sustainable communities strategy,  
5 provided that it complies with clauses (vii) and (viii) of  
6 subparagraph (B).

7 (D) In the region served by the Southern California Association  
8 of Governments, a subregional council of governments and the  
9 county transportation commission may work together to propose  
10 the sustainable communities strategy and an alternative planning  
11 strategy, if one is prepared pursuant to subparagraph (I), for that  
12 subregional area. The metropolitan planning organization may  
13 adopt a framework for a subregional sustainable communities  
14 strategy or a subregional alternative planning strategy to address  
15 the intraregional land use, transportation, economic, air quality,  
16 and climate policy relationships. The metropolitan planning  
17 organization shall include the subregional sustainable communities  
18 strategy for that subregion in the regional sustainable communities  
19 strategy to the extent consistent with this section and federal law  
20 and approve the subregional alternative planning strategy, if one  
21 is prepared pursuant to subparagraph (I), for that subregional area  
22 to the extent consistent with this section. The metropolitan planning  
23 organization shall develop overall guidelines, create a public  
24 participation plan pursuant to subparagraph (F), ensure  
25 coordination, resolve conflicts, make sure that the overall plan  
26 complies with applicable legal requirements, and adopt the plan  
27 for the region.

28 (E) The metropolitan planning organization shall conduct at  
29 least two informational meetings in each county within the region  
30 for members of the board of supervisors and city councils on the  
31 sustainable communities strategy and alternative planning strategy,  
32 if any. The metropolitan planning organization may conduct only  
33 one informational meeting if it is attended by representatives of  
34 the county board of supervisors and city council members  
35 representing a majority of the cities representing a majority of the  
36 population in the incorporated areas of that county. Notice of the  
37 meeting or meetings shall be sent to the clerk of the board of  
38 supervisors and to each city clerk. The purpose of the meeting or  
39 meetings shall be to discuss the sustainable communities strategy  
40 and the alternative planning strategy, if any, including the key land

1 use and planning assumptions with the members of the board of  
2 supervisors and the city council members in that county and to  
3 solicit and consider their input and recommendations.

4 (F) Each metropolitan planning organization shall adopt a public  
5 participation plan, for development of the sustainable communities  
6 strategy and an alternative planning strategy, if any, that includes  
7 all of the following:

8 (i) Outreach efforts to encourage the active participation of a  
9 broad range of stakeholder groups in the planning process,  
10 consistent with the agency’s adopted Federal Public Participation  
11 Plan, including, but not limited to, affordable housing advocates,  
12 transportation advocates, neighborhood and community groups,  
13 environmental advocates, homebuilder representatives, broad-based  
14 business organizations, landowners, commercial property interests,  
15 and homeowner associations.

16 (ii) Consultation with congestion management agencies,  
17 transportation agencies, and transportation commissions.

18 (iii) Workshops throughout the region to provide the public with  
19 the information and tools necessary to provide a clear  
20 understanding of the issues and policy choices. At least one  
21 workshop shall be held in each county in the region. For counties  
22 with a population greater than 500,000, at least three workshops  
23 shall be held. Each workshop, to the extent practicable, shall  
24 include urban simulation computer modeling to create visual  
25 representations of the sustainable communities strategy and the  
26 alternative planning strategy.

27 (iv) Preparation and circulation of a draft sustainable  
28 communities strategy and an alternative planning strategy, if one  
29 is prepared, not less than 55 days before adoption of a final regional  
30 transportation plan.

31 (v) At least three public hearings on the draft sustainable  
32 communities strategy in the regional transportation plan and  
33 alternative planning strategy, if one is prepared. If the metropolitan  
34 transportation organization consists of a single county, at least two  
35 public hearings shall be held. To the maximum extent feasible, the  
36 hearings shall be in different parts of the region to maximize the  
37 opportunity for participation by members of the public throughout  
38 the region.

39 (vi) A process for enabling members of the public to provide a  
40 single request to receive notices, information, and updates.

1 (G) In preparing a sustainable communities strategy, the  
2 metropolitan planning organization shall consider spheres of  
3 influence that have been adopted by the local agency formation  
4 commissions within its region.

5 (H) Before adopting a sustainable communities strategy, the  
6 metropolitan planning organization shall quantify the reduction in  
7 the emissions of greenhouse gases projected to be achieved by the  
8 sustainable communities strategy and set forth the difference, if  
9 any, between the amount of that reduction and the target for the  
10 region established by the state board.

11 (I) (i) If the sustainable communities strategy, prepared in  
12 compliance with subparagraph (B) or (D), is unable to reduce the  
13 emissions of greenhouse gases to achieve the greenhouse gas  
14 emission reduction ~~target~~ *targets* established by the state board,  
15 the metropolitan planning organization shall prepare an alternative  
16 planning strategy. In preparing the alternative planning strategy,  
17 the metropolitan planning organization shall do all of the following:

18 (I) Identify the principal impediments to achieving the ~~target~~  
19 *targets* within the sustainable communities strategy.

20 (II) Include an analysis of an alternative development pattern  
21 for the region pursuant to subparagraphs (B) to (G), inclusive, and,  
22 if necessary, additional infrastructure, transportation measures, or  
23 policies that could achieve the greenhouse gas emission reduction  
24 ~~target~~ *targets*.

25 (III) Describe why the development pattern, measures, and  
26 policies in the analysis of alternative development pattern described  
27 in clause (II) are practicable and effective choices for achievement  
28 of the greenhouse gas emission reduction ~~target~~ *targets*.

29 (ii) An alternative development pattern set forth in the alternative  
30 planning strategy shall comply with Part 450 of Title 23 of, and  
31 Part 93 of Title 40 of, the Code of Federal Regulations, except to  
32 the extent that compliance will prevent achievement of the  
33 greenhouse gas emission reduction ~~target~~ *targets* approved by the  
34 state board.

35 (iii) For purposes of the California Environmental Quality Act  
36 (Division 13 (commencing with Section 21000) of the Public  
37 Resources Code), an alternative planning strategy shall not  
38 constitute a land use plan, policy, or regulation, and the  
39 inconsistency of a project with an alternative planning strategy

1 shall not be a consideration in determining whether a project may  
2 have an environmental effect.

3 (J) (i) Before starting the public participation process adopted  
4 pursuant to subparagraph (F), the metropolitan planning  
5 organization shall submit a description to the ~~California~~  
6 ~~Transportation Commission~~ *state board* of the technical  
7 methodology it intends to use to estimate the emissions of  
8 greenhouse gases from its sustainable communities strategy and,  
9 if appropriate, its alternative planning strategy. The technical  
10 methodology shall be consistent with the state board's most current  
11 model used to assess emissions from on-road vehicles. The  
12 ~~California Transportation Commission~~ *state board* may object to  
13 the technical methodology. The ~~California Transportation~~  
14 ~~Commission's~~ *state board's* review of the methodology shall be  
15 completed within 30 days of the submission of the technical  
16 methodology and shall be limited to whether the methodology  
17 aligns with the most recently adopted guidelines adopted by the  
18 commission pursuant to Section 14522.

19 (ii) After adoption, a metropolitan planning organization shall  
20 submit a sustainable communities strategy or an alternative  
21 planning strategy, if one has been adopted, to the ~~California~~  
22 ~~Transportation Commission~~ *state board* for review, including the  
23 quantification of the reductions of emissions of greenhouse gases  
24 the strategy would achieve and a description of the technical  
25 methodology used to obtain that result. Within \_\_\_\_ days of the  
26 submission of a strategy, the ~~California Transportation Commission~~  
27 *state board* shall review the sustainable communities strategy or  
28 alternative planning strategy for completeness and determine  
29 whether the metropolitan planning organization used required data  
30 sources, disclosed assumptions, and applied methodology in a  
31 manner consistent with the guidelines adopted pursuant to Section  
32 14522. Within 60 days of the submission of a strategy, the  
33 ~~California Transportation Commission~~ *state board* shall make one  
34 of the following determinations:

35 (I) The strategy would, if implemented, achieve the greenhouse  
36 gas emission reduction ~~target~~ *targets* established by the state board.

37 (II) The strategy would, if implemented, achieve the greenhouse  
38 gas emission reduction ~~target~~ *targets* established by the state board,  
39 but minor, nonsubstantive corrections must be made to the strategy.

1 (III) The strategy would not, if implemented, achieve the  
2 greenhouse gas emission reduction ~~target~~ *targets* established by  
3 the state board. If the ~~commission~~ *state board* makes this  
4 determination, it shall disclose, in writing, the specific, material  
5 deficiencies demonstrating why the strategy would not achieve  
6 ~~that target.~~ *those targets.*

7 (iii) If the ~~California Transportation Commission~~ *state board*  
8 does not comply with the requirements of clause (ii) within either  
9 of the deadlines forth in that clause, the strategy shall be deemed  
10 approved for implementation and funding alignment purposes.

11 (iv) If the ~~California Transportation Commission~~ *state board*  
12 determines that the strategy submitted would not, if implemented,  
13 achieve the greenhouse gas emission reduction ~~target,~~ *targets,* the  
14 metropolitan planning organization shall revise its strategy or adopt  
15 an alternative planning strategy, if not previously adopted, and  
16 submit the strategy for review pursuant to clause (ii). At minimum,  
17 the metropolitan planning organization shall obtain ~~California~~  
18 ~~Transportation Commission~~ *state board* acceptance that an  
19 alternative planning strategy would, if implemented, achieve the  
20 greenhouse gas emission reduction ~~target~~ *targets* established for  
21 that region by the state board.

22 (v) On or before September 1, 2018, and every four years  
23 thereafter to align with target setting, notwithstanding Section  
24 10231.5, the state board shall prepare a report that assesses progress  
25 made by each metropolitan planning organization in meeting the  
26 regional greenhouse gas emission reduction targets set by the state  
27 board. The report shall include changes to the emissions of  
28 greenhouse gases in each region and data-supported metrics for  
29 the strategies used to meet the targets. The report shall also include  
30 a discussion of best practices and the challenges faced by the  
31 metropolitan planning organizations in meeting the targets,  
32 including the effect of state policies and funding. The report shall  
33 be developed in consultation with the metropolitan planning  
34 organizations, the California Transportation Commission, the  
35 Department of Housing and Community Development, and affected  
36 stakeholders. The report shall be submitted to the Assembly  
37 Committee on ~~Transportation and Transportation,~~ the Assembly  
38 Committee on Natural Resources, ~~and to the Senate Committee~~  
39 on Transportation, the Senate Committee on Housing, and the  
40 Senate Committee on Environmental Quality.

1 (K) Neither a sustainable communities strategy nor an alternative  
2 planning strategy regulates the use of land, nor, except as provided  
3 by subparagraph (J), shall either one be subject to any state  
4 approval. A sustainable communities strategy does not supersede  
5 the exercise of the land use authority of cities and counties within  
6 the region. This section does not limit the state board's authority  
7 under any other law. This section does not authorize the abrogation  
8 of any vested right whether created by statute or by common law.  
9 This section does not require a city's or county's land use policies  
10 and regulations, including its general plan, to be consistent with  
11 the regional transportation plan or an alternative planning strategy.  
12 This section does not require a metropolitan planning organization  
13 to approve a sustainable communities strategy that would be  
14 inconsistent with Part 450 of Title 23 of, or Part 93 of Title 40 of,  
15 the Code of Federal Regulations and any administrative guidance  
16 under those regulations. This section does not relieve a public or  
17 private entity or any person from compliance with any other local,  
18 state, or federal law.

19 (L) This section does not require projects programmed for  
20 funding on or before December 31, 2011, to be subject to this  
21 paragraph if they (i) are contained in the 2007 or 2009 Federal  
22 Statewide Transportation Improvement Program, (ii) are funded  
23 pursuant to the Highway Safety, Traffic Reduction, Air Quality,  
24 and Port Security Bond Act of 2006 (Chapter 12.49 (commencing  
25 with Section 8879.20) of Division 1 of Title 2), or (iii) were  
26 specifically listed in a ballot measure before December 31, 2008,  
27 approving a sales tax increase for transportation projects. This  
28 section does not require a transportation sales tax authority to  
29 change the funding allocations approved by the voters for  
30 categories of transportation projects in a sales tax measure adopted  
31 before December 31, 2010. For purposes of this subparagraph, a  
32 transportation sales tax authority is a district, as defined in Section  
33 7252 of the Revenue and Taxation Code, that is authorized to  
34 impose a sales tax for transportation purposes.

35 (M) A metropolitan planning organization, or a regional  
36 transportation planning agency not within a metropolitan planning  
37 organization, that is required to adopt a regional transportation  
38 plan not less than every five years may elect to adopt the plan not  
39 less than every four years. This election shall be made by the board  
40 of directors of the metropolitan planning organization or regional

1 transportation planning agency no later than June 1, 2009, or  
2 thereafter 54 months before the statutory deadline for the adoption  
3 of housing elements for the local jurisdictions within the region,  
4 after a public hearing at which comments are accepted from  
5 members of the public and representatives of cities and counties  
6 within the region covered by the metropolitan planning  
7 organization or regional transportation planning agency. Notice  
8 of the public hearing shall be given to the general public and by  
9 mail to cities and counties within the region no later than 30 days  
10 before the date of the public hearing. Notice of election shall be  
11 promptly given to the Department of Housing and Community  
12 Development. The metropolitan planning organization or the  
13 regional transportation planning agency shall complete its next  
14 regional transportation plan within three years of the notice of  
15 election.

16 (N) Two or more of the metropolitan planning organizations  
17 for the Counties of Fresno, Kern, Kings, Madera, Merced, San  
18 Joaquin, Stanislaus, and Tulare may work together to develop and  
19 adopt multiregional goals and policies that may address  
20 interregional land use, transportation, economic, air quality, and  
21 climate relationships. The participating metropolitan planning  
22 organizations may also develop a multiregional sustainable  
23 communities strategy, to the extent consistent with federal law, or  
24 an alternative planning strategy for adoption by the metropolitan  
25 planning organizations. Each participating metropolitan planning  
26 organization shall consider any adopted multiregional goals and  
27 policies in the development of a sustainable communities strategy  
28 and, if applicable, an alternative planning strategy for its region.

29 (O) Upon the submission of a regional transportation plan that  
30 does not include a new sustainable communities strategy, the  
31 metropolitan planning organization shall submit a sustainable  
32 communities strategy implementation report consistent with the  
33 regional transportation plan guidelines adopted pursuant to Section  
34 14522.

35 (3) An action element that describes the programs and actions  
36 necessary to implement the plan and assigns implementation  
37 responsibilities. The action element may describe all transportation  
38 projects proposed for development during the 20-year or greater  
39 life of the plan. The action element shall consider congestion  
40 management programming activities carried out within the region.

1 (4) (A) A financial element that summarizes the cost of plan  
 2 implementation constrained by a realistic projection of available  
 3 revenues. The financial element shall also contain  
 4 recommendations for allocation of funds. A county transportation  
 5 commission created pursuant to the County Transportation  
 6 Commissions Act (Division 12 (commencing with Section 130000)  
 7 of the Public Utilities Code) shall be responsible for recommending  
 8 projects to be funded with regional improvement funds, if the  
 9 project is consistent with the regional transportation plan. The first  
 10 five years of the financial element shall be based on the five-year  
 11 estimate of funds developed pursuant to Section 14524. The  
 12 financial element may recommend the development of specified  
 13 new sources of revenue, consistent with the policy element and  
 14 action element.

15 (B) The financial element of transportation planning agencies  
 16 with populations that exceed 200,000 persons may include a project  
 17 cost breakdown for all projects proposed for development during  
 18 the 20-year life of the plan that includes total expenditures and  
 19 related percentages of total expenditures for all of the following:

- 20 (i) State highway expansion.
- 21 (ii) State highway rehabilitation, maintenance, and operations.
- 22 (iii) Local road and street expansion.
- 23 (iv) Local road and street rehabilitation, maintenance, and  
 24 operation.
- 25 (v) Mass transit, commuter rail, and intercity rail expansion.
- 26 (vi) Mass transit, commuter rail, and intercity rail rehabilitation,  
 27 maintenance, and operations.
- 28 (vii) Pedestrian and bicycle facilities.
- 29 (viii) Environmental enhancements and mitigation.
- 30 (ix) Research and planning.
- 31 (x) Other categories.

32 (C) The metropolitan planning organization or county  
 33 transportation agency, whichever entity is appropriate, shall  
 34 consider financial incentives for cities and counties that have  
 35 resource areas or farmland for the purposes of, for example,  
 36 transportation investments for the preservation and safety of the  
 37 city street or county road system and farm-to-market and  
 38 interconnectivity transportation needs. The metropolitan planning  
 39 organization or county transportation agency, whichever entity is  
 40 appropriate, shall also consider financial assistance for counties

1 to address countywide service responsibilities in counties that  
2 contribute toward the greenhouse gas emission reduction targets  
3 by implementing policies for growth to occur within their cities.

4 (c) Each transportation planning agency may also include other  
5 factors of local significance as an element of the regional  
6 transportation plan, including, but not limited to, issues of mobility  
7 for specific sectors of the community, including, but not limited  
8 to, senior citizens.

9 (d) Except as otherwise provided in this subdivision, each  
10 transportation planning agency shall adopt and submit, every four  
11 years, an updated regional transportation plan to the California  
12 Transportation Commission and the Department of Transportation.  
13 A transportation planning agency located in a federally designated  
14 air quality attainment area or that does not contain an urbanized  
15 area may at its option adopt and submit a regional transportation  
16 plan every five years. When applicable, the plan shall be consistent  
17 with federal planning and programming requirements and shall  
18 conform to the regional transportation plan guidelines adopted by  
19 the California Transportation Commission. Before adoption of the  
20 regional transportation plan, a public hearing shall be held after  
21 the giving of notice of the hearing by publication in the affected  
22 county or counties pursuant to Section 6061.

23 (e) Commencing January 1, 2020, and every two years  
24 thereafter, the San Diego Association of Governments shall begin  
25 developing an implementation report that tracks the implementation  
26 of its most recently adopted sustainable communities strategy. The  
27 report shall discuss the status of the implementation of the strategy  
28 at the regional and local levels, and any successes and barriers that  
29 have occurred since the last report. The San Diego Association of  
30 Governments shall submit the implementation report to the  
31 ~~California Transportation Commission~~ *state board* by including  
32 it in its sustainable communities strategy implementation review  
33 pursuant to clause (ii) of subparagraph (J) of paragraph (2) of  
34 subdivision (b).

35 (f) (1) On or before July 1, 2026, and biennially thereafter, the  
36 Sacramento Area Council of Governments shall report, in a  
37 publicly available format on its internet website, on the regional  
38 implementation of its most recently adopted sustainable  
39 communities strategy using indicators developed and vetted with  
40 stakeholders.

1 (2) The information reported on its internet website pursuant to  
2 paragraph (1) shall include all of the following:

3 (A) A comparison between the land use and housing  
4 development assumptions included in the most recently adopted  
5 sustainable communities strategy and housing production activity  
6 in the region as measured by the issuance of building permits by  
7 local agencies.

8 (B) A discussion of the comparison's results, including  
9 identification of the principal factors that determine the extent to  
10 which the land use and housing development assumptions included  
11 in the most recently adopted sustainable communities strategy  
12 have or have not been realized and whether those assumptions  
13 reflect the requirement to use the most recent planning assumptions  
14 considering local general plans and other factors, as described in  
15 subparagraph (B) of paragraph (2) of subdivision (b), including  
16 by integrating feedback from housing developers, local  
17 governments, and other stakeholders.

18 (C) The status of approvals for, funding for, construction of,  
19 and projected dates of operation for transportation projects in the  
20 region in comparison to the investments and timing included in  
21 the most recently adopted sustainable communities strategy.

22 (3) This subdivision is not intended, and shall not be construed,  
23 to affect the land use authority of local governments, as described  
24 in subparagraph (K) of paragraph (2) of subdivision (b). This  
25 subdivision does not modify the authority of the metropolitan  
26 planning organization with respect to the adoption of a sustainable  
27 communities strategy pursuant to subparagraph (B) of paragraph  
28 (2) of subdivision (b) or implementation of the regional housing  
29 needs allocation in local housing elements.

30 SEC. 5. Section 65080.01 of the Government Code is amended  
31 to read:

32 65080.01. The following definitions apply to terms used in  
33 Section 65080:

34 (a) "Air district" has the same meaning as the term "district,"  
35 as defined in Section 39025 of the Health and Safety Code.

36 (b) "Consistent" has the same meaning as that term is used in  
37 Section 134 of Title 23 of the United States Code.

38 (c) "Farmland" means farmland that is outside all existing city  
39 spheres of influence or city limits as of January 1, 2008, and is  
40 one of the following:

1 (1) Classified as prime or unique farmland or farmland of  
2 statewide importance.

3 (2) Farmland classified by a local agency in its general plan that  
4 meets or exceeds the standards for prime or unique farmland or  
5 farmland of statewide importance.

6 (d) “Feasible” means capable of being accomplished in a  
7 successful manner within a reasonable period of time, taking into  
8 account economic, environmental, legal, social, and technological  
9 factors.

10 (e) “Internally consistent” means that the contents of the  
11 elements of the regional transportation plan must be consistent  
12 with each other.

13 (f) “Resource areas” include all of the following:

14 (1) All publicly owned parks and open space.

15 (2) Open space or habitat areas protected by natural community  
16 conservation plans, habitat conservation plans, and other adopted  
17 natural resource protection plans.

18 (3) Habitat for species identified as candidate, fully protected,  
19 sensitive, or species of special status by local, state, or federal  
20 agencies or protected by the federal Endangered Species Act of  
21 1973 (16 U.S.C. Sec. 1531 et seq.), the California Endangered  
22 Species Act (Chapter 1.5 (commencing with Section 2050) of  
23 Division 3 of the Fish and Game Code), or the Native Plant  
24 Protection Act (Chapter 10 (commencing with Section 1900) of  
25 Division 2 of the Fish and Game Code).

26 (4) Lands subject to conservation or agricultural easements for  
27 conservation or agricultural purposes by local governments, special  
28 districts, or nonprofit 501(c)(3) organizations, areas of the state  
29 designated by the State Mining and Geology Board as areas of  
30 statewide or regional significance pursuant to Section 2790 of the  
31 Public Resources Code, and lands under Williamson Act contracts.

32 (5) Areas designated for open-space or agricultural uses in  
33 adopted open-space elements or agricultural elements of the local  
34 general plan or by local ordinance.

35 (6) Areas containing biological resources as described in  
36 Appendix G of the CEQA Guidelines that may be significantly  
37 affected by the sustainable communities strategy or the alternative  
38 planning strategy.

39 (7) An area subject to flooding where a development project  
40 would not, at the time of development in the judgment of the

1 agency, meet the requirements of the National Flood Insurance  
2 Program or where the area is subject to more protective provisions  
3 of state law or local ordinance.

4 (g) “State board” means the State Air Resources Board.

5 SEC. 6. Section 65080.03 is added to the Government Code,  
6 to read:

7 65080.03. (a) The California Environmental Quality Act  
8 (Division 13 (commencing with Section 21000) of the Public  
9 Resources Code) does not apply to the preparation and adoption  
10 of regional transportation plans, sustainable communities strategies,  
11 and alternative planning strategies pursuant to Section ~~65080~~ if  
12 ~~the applicable metropolitan planning organization or regional~~  
13 ~~transportation planning agency conducts enhanced public outreach.~~  
14 ~~65080.~~

15 (b) ~~For the purposes of this section, “enhanced public outreach”~~  
16 ~~may include activities from the following list:~~

17 (1) ~~In-person and virtual workshops allowing residents to~~  
18 ~~evaluate land use and transportation scenarios, as applicable, before~~  
19 ~~the selection of scenarios for analysis in the regional transportation~~  
20 ~~plan.~~

21 (2) ~~The development of online tools allowing residents to adjust~~  
22 ~~variables related to land use and transportation, as applicable, and~~  
23 ~~determine impacts on greenhouse gas emissions and infrastructure~~  
24 ~~costs.~~

25 (3) ~~Convening advisory panels including representatives from~~  
26 ~~residents, businesses, housing advocates, environmental advocacy~~  
27 ~~groups, and local elected officials to review draft scenarios and~~  
28 ~~provide written recommendations that are included in the regional~~  
29 ~~transportation plan.~~

30 (4) ~~Conducting targeted outreach in historically underserved~~  
31 ~~communities during the public outreach process for the regional~~  
32 ~~transportation plan. Targeted outreach may include partnering with~~  
33 ~~community-based organizations to support participation in the~~  
34 ~~development of the regional transportation plan.~~

35 (5) ~~Employing public survey tools that provide statistically~~  
36 ~~representative feedback on regional policies related to land use~~  
37 ~~and transportation investments, as applicable, and greenhouse gas~~  
38 ~~emission reduction goals.~~

39 (e)

1 (b) This section shall not be interpreted as exempting from the  
2 California Environmental Quality Act a project that would  
3 implement actions taken pursuant to a plan or strategy adopted  
4 pursuant to this chapter.

5 SEC. 7. Section 2033.5 of the Streets and Highways Code is  
6 amended to read:

7 2033.5. The department, from funds made available pursuant  
8 to subdivision (f) of Section 2032, shall allocate local planning  
9 grants to encourage local and regional planning that furthers state  
10 goals, including, but not limited to, the goals of a sustainable  
11 communities strategy adopted pursuant to paragraph (2) of  
12 subdivision (b) or Section 65080 of the Government Code and the  
13 goals and best practices cited in the regional transportation plan  
14 guidelines adopted by the commission pursuant to Sections 14522  
15 to 14522.3, inclusive, of the Government Code. The department  
16 shall develop a grant guide and shall consult with the State Air  
17 Resources Board, the Office of Land Use and Climate Innovation,  
18 and the Department of Housing and Community Development in  
19 the development of the grant guide, and shall provide status reports  
20 as it administers these funds. The grant guide shall be exempt from  
21 the Administrative Procedure Act (Chapter 3.5 (commencing with  
22 Section 11340) of Part 1 of Division 3 of Title 2 of the Government  
23 Code).

24 SEC. 8. Section 2192 of the Streets and Highways Code is  
25 amended to read:

26 2192. (a) The following revenues shall be allocated for  
27 infrastructure projects pursuant to this section:

28 (1) The revenues deposited in the Trade Corridor Enhancement  
29 Account pursuant to Section 2192.4, except for those revenues in  
30 the account that were appropriated by Senate Bill 132 of the  
31 2017–18 Regular Session (Chapter 7 of the Statutes of 2017).

32 (2) An amount of federal funds equal to the amount of revenue  
33 apportioned to the state under Section 167 of Title 23 of the United  
34 States Code from the national highway freight programs, pursuant  
35 to the federal Fixing America’s Surface Transportation Act (“FAST  
36 Act,” Public Law 114-94).

37 (b) (1) The funding described in subdivision (a) shall be  
38 available upon appropriation for allocation by the commission for  
39 infrastructure improvements in this state on federally designated  
40 Trade Corridors of National and Regional Significance, on the

1 Primary Freight Network, and along other corridors that have a  
2 high volume of freight movement, as determined by the  
3 commission and as identified in the state freight plan developed  
4 pursuant to Section 13978.8 of the Government Code.

5 (2) Projects eligible for funding shall be included in an adopted  
6 regional transportation plan. Projects within the boundaries of a  
7 metropolitan planning organization shall be included in an adopted  
8 regional transportation plan that includes a sustainable communities  
9 strategy determined by the ~~commission~~ *State Air Resources Board*  
10 to achieve the region's greenhouse gas emissions reduction ~~target,~~  
11 *targets*, or, if the metropolitan planning organization has adopted  
12 an alternative planning strategy pursuant to Section 65080 of the  
13 Government Code, the projects shall reduce greenhouse gas  
14 emissions.

15 (3) In developing guidelines for implementing this section, the  
16 commission shall (A) apply the guiding principles, to the maximum  
17 extent practicable, in the California Sustainable Freight Action  
18 Plan released in July 2016 pursuant to Executive Order No.  
19 B-32-15, and (B) consult the state freight plan and the applicable  
20 port master plan.

21 (c) Eligible projects for these funds include, but are not limited  
22 to, all of the following:

23 (1) Highway improvements to more efficiently accommodate  
24 the movement of freight, particularly for ingress and egress to and  
25 from the state's land ports of entry, rail terminals, and seaports,  
26 including navigable inland waterways used to transport freight  
27 between seaports, land ports of entry, and airports, and to relieve  
28 traffic congestion along major trade or goods movement corridors.

29 (2) Freight rail system improvements to enhance the ability to  
30 move goods from seaports, land ports of entry, and airports to  
31 warehousing and distribution centers throughout California,  
32 including projects that separate rail lines from highway or local  
33 road traffic, improve freight rail mobility, and other projects that  
34 improve the safety, efficiency, and capacity of the rail freight  
35 system.

36 (3) Projects to enhance the capacity and efficiency of ports,  
37 except that funds available under this section shall not be allocated  
38 to a project that includes the purchase of fully automated cargo  
39 handling equipment. For purposes of this paragraph, "fully  
40 automated" means equipment that is remotely operated or remotely

1 monitored, with or without the exercise of human intervention or  
2 control. This paragraph does not prohibit the use of funds available  
3 pursuant to this section for a project that includes the purchase of  
4 human-operated zero-emission equipment, human-operated  
5 near-zero-emission equipment, and infrastructure supporting that  
6 human-operated equipment. This section does not prohibit the  
7 purchase of devices that support that human-operated equipment,  
8 including equipment to evaluate the usage and environmental  
9 benefits of that human-operated equipment.

10 (4) Truck corridor improvements, including dedicated truck  
11 facilities or truck toll facilities, including the mitigation of the  
12 emissions from trucks or these facilities.

13 (5) Border access improvements that enhance goods movement  
14 between California and Mexico and that maximize the state's  
15 ability to access funds made available to the state by federal law.

16 (6) Surface transportation, local road, and connector road  
17 improvements to effectively facilitate the movement of goods,  
18 particularly for ingress and egress to and from the state's land ports  
19 of entry, airports, and seaports, to relieve traffic congestion along  
20 major trade or goods movement corridors.

21 (7) Projects that employ advanced and innovative technology  
22 to improve the flow of freight, such as intelligent transportation  
23 systems, public infrastructure, excluding vehicles, that enables  
24 zero-emission or near-zero emission goods movement, real time  
25 information systems, weigh-in-motion devices, electronic screening  
26 and credentialing systems, traffic signal optimization, work zone  
27 management and information systems, ramp metering, and  
28 electronic cargo and border security technologies.

29 (8) Environmental and community mitigation or efforts to reduce  
30 environmental impacts of freight movement, such as projects that  
31 reduce noise, overnight truck idling, or truck queues, and advanced  
32 traveler information systems such as freight advanced traveler  
33 information systems that optimize operations to reduce empty-load  
34 trips.

35 (d) Projects funded with revenues identified in paragraph (1)  
36 of subdivision (a) shall be consistent with Article XIX of the  
37 California Constitution.

38 (e) (1) In adopting the program of projects to be funded with  
39 funds described in subdivision (a), the commission shall evaluate  
40 the total potential economic and noneconomic benefits of the

1 program of projects to California’s economy, environment, and  
2 public health. The evaluation shall specifically assess localized  
3 impacts in disadvantaged communities. The commission shall  
4 consult with the agencies identified in Executive Order No.  
5 B-32-15 and metropolitan planning organizations in order to use  
6 the appropriate models, techniques, and methods to develop the  
7 parameters for evaluating the program of projects. The commission  
8 shall allocate the funding from subdivision (a) for trade  
9 infrastructure improvements as follows:

10 (A) Sixty percent of the funds shall be available for projects  
11 nominated by regional transportation agencies and other public  
12 agencies, including counties, cities, and port authorities, in  
13 consultation with the department. The commission shall provide  
14 reasonable geographic targets for funding allocations without  
15 constraining what an agency may propose or what the commission  
16 may approve.

17 (B) Forty percent of the funds shall be available for projects  
18 nominated by the department, in consultation with regional  
19 transportation agencies.

20 (2) In adopting a program of projects pursuant to paragraph (1),  
21 the commission shall prioritize projects jointly nominated and  
22 jointly funded by the state and local agencies. In considering  
23 geographic balance for the overall program, the commission may  
24 adjust the corridor-based targets in subparagraph (A) of paragraph  
25 (1) to account for projects programmed pursuant to subparagraph  
26 (B) of paragraph (1).

27 (f) (1) (A) The commission shall adopt guidelines, including  
28 a transparent process to evaluate projects and to allocate the  
29 funding described in subdivision (a) for trade infrastructure  
30 improvements in a manner that does all of the following:

31 (i) Addresses the state’s most urgent needs.

32 (ii) Balances the demands of various land ports of entry,  
33 seaports, and airports.

34 (iii) Places emphasis on projects that improve trade corridor  
35 mobility and safety while reducing emissions of diesel particulates,  
36 greenhouse gases, and other pollutants and reducing other negative  
37 community impacts, especially in disadvantaged communities.

38 (iv) Makes a significant contribution to the state’s economy.

39 (v) Recognizes the key role of the state in project identification.

1 (vi) Supports integrating statewide goods movement priorities  
2 in a corridor approach.

3 (vii) Includes disadvantaged communities measures, as  
4 established by the California Environmental Protection Agency  
5 pursuant to Section 39711 of the Health and Safety Code, and  
6 other tools the commission determines, for evaluating benefits or  
7 costs for disadvantaged communities and low-income communities.

8 (B) Project nominations shall include either a quantitative or  
9 qualitative assessment of the benefits the project is expected to  
10 achieve relative to the evaluation criteria.

11 (2) The guidelines adopted pursuant to paragraph (1) may  
12 include streamlining of project delivery by authorizing regional  
13 transportation agencies and other public agencies to seek  
14 commission approval of a letter of no prejudice that allows the  
15 agency to expend its own funds for a project programmed in a  
16 future year of the adopted program of projects, in advance of  
17 allocation of funds to the project by the commission, and to be  
18 reimbursed at a later time for eligible expenditures. A letter of no  
19 prejudice shall only be available to local or regional transportation  
20 agencies for moneys that have been identified for future allocation  
21 to the applicant agency. Moneys designated for the program shall  
22 only be reimbursed when there is funding available in an amount  
23 sufficient to make the reimbursement.

24 (g) In addition, the commission shall also consider the following  
25 factors when allocating these funds:

26 (1) “Velocity,” which means the speed by which large cargo  
27 would travel from the land port of entry or seaport through the  
28 distribution system.

29 (2) “Throughput,” which means the volume of cargo that would  
30 move from the land port of entry or seaport through the distribution  
31 system.

32 (3) “Reliability,” which means a reasonably consistent and  
33 predictable amount of time for cargo to travel from one point to  
34 another on any given day or at any given time in California.

35 (4) “Congestion reduction,” which means the reduction in  
36 recurrent daily hours of delay to be achieved.

37 (h) For purposes of this section, the following definitions apply:

38 (1) “Disadvantaged communities” means those communities  
39 identified by the California Environmental Protection Agency  
40 pursuant to Section 39711 of the Health and Safety Code.

1 (2) “Low-income communities” means census tracts with  
 2 median household incomes at or below 80 percent of the statewide  
 3 median income or with median household incomes at or below the  
 4 threshold designated as low income by the Department of Housing  
 5 and Community Development’s list of state income limits adopted  
 6 pursuant to Section 50093 of the Health and Safety Code.

7 SEC. 9. Section 2391 of the Streets and Highways Code is  
 8 amended to read:

9 2391. (a) Pursuant to subdivision (b) of Section 11053 of the  
 10 Revenue and Taxation Code, two hundred fifty million dollars  
 11 (\$250,000,000) in the State Highway Account shall be available  
 12 for appropriation to the Department of Transportation in each  
 13 annual Budget Act for the Solutions for Congested Corridors  
 14 Program. Funds made available for the program shall be allocated  
 15 by the California Transportation Commission to projects designed  
 16 to achieve a balanced set of transportation, environmental, and  
 17 community access improvements within highly congested travel  
 18 corridors throughout the state.

19 (b) (1) Funding shall be available for projects that do all of the  
 20 following:

- 21 (A) Make specific performance improvements.
- 22 (B) Support the implementation of a regional transportation  
 23 plan.
- 24 (C) Reduce congestion in highly traveled corridors.
- 25 (D) Provide more transportation choices for residents,  
 26 commuters, and visitors to the area of the corridor while preserving  
 27 the character of the local community and creating opportunities  
 28 for neighborhood enhancement projects.

29 (2) In order to mitigate increases in vehicle miles traveled,  
 30 greenhouse gases, and air pollution, highway lane  
 31 capacity-increasing projects funded by this program shall be limited  
 32 to high-occupancy vehicle lanes, managed lanes as defined in  
 33 Section 14106 of the Government Code, and other nongeneral  
 34 purpose lane improvements primarily designed to improve safety  
 35 for all modes of travel, such as auxiliary lanes, truck climbing  
 36 lanes, or dedicated bicycle lanes.

37 (3) Project elements may include improvements to state  
 38 highways, local streets and roads, public transit facilities, bicycle  
 39 and pedestrian facilities, and restoration or preservation work that  
 40 protects critical local habitat or open space.

1 SEC. 10. Section 2392 of the Streets and Highways Code is  
2 amended to read:

3 2392. (a) A regional transportation planning agency or county  
4 transportation commission or authority responsible for preparing  
5 a regional transportation improvement plan under Section 14527  
6 of the Government Code or the department may nominate projects  
7 for funding through the program that are consistent with the policy  
8 objectives of the program as set forth in this chapter.

9 (b) The commission shall allocate no more than one-half of the  
10 funds available each year to projects nominated exclusively by the  
11 department.

12 (c) A project nomination shall do all of the following:

13 (1) Include documentation regarding the quantitative and  
14 qualitative measures validating the project's consistency with the  
15 policy objectives of the program as set forth in this chapter.

16 (2) Demonstrate that the improvements to be undertaken are  
17 the result of collaboration between the department and local or  
18 regional partners that reflect a comprehensive approach to  
19 addressing congestion and quality-of-life issues within the affected  
20 corridor through investment in transportation and related  
21 environmental solutions. Collaboration between the partners may  
22 be demonstrated by a project being jointly nominated by both the  
23 regional agency and the department.

24 (3) Be consistent with the phasing, timing, and project scope  
25 included in the adopted regional transportation plan.

26 SEC. 11. Section 2393 of the Streets and Highways Code is  
27 amended to read:

28 2393. Projects within the boundaries of a metropolitan planning  
29 organization shall be included in an adopted regional transportation  
30 plan that includes a sustainable communities strategy determined  
31 by the State Air Resources Board to achieve the region's  
32 greenhouse gas emissions reduction targets, or, if the metropolitan  
33 planning organization has adopted an alternative planning strategy  
34 pursuant to Section 65080 of the Government Code, the projects  
35 shall reduce greenhouse gas emissions.

36 SEC. 12. Section 2394 of the Streets and Highways Code is  
37 amended to read:

38 2394. The commission shall allocate program funds to projects  
39 after the relevant metropolitan planning organization, or, for  
40 projects outside of the boundaries of a metropolitan planning

1 organization, the regional transportation planning agency, has  
2 made a determination that a proposed project is consistent with  
3 the phasing, timing, and project scope included in the adopted  
4 regional transportation plan. The commission shall score the  
5 proposed projects on the following criteria, with priority given to  
6 near-term projects in the adopted regional transportation plan that  
7 will open before the *applicable* target date specified in  
8 subparagraph (A) of paragraph (2) of subdivision (b) of Section  
9 65080 of the Government Code:

- 10 (a) Safety.
- 11 (b) Congestion.
- 12 (c) Accessibility.
- 13 (d) Economic development and job creation and retention.
- 14 (e) Furtherance of state and federal ambient air standards and  
15 greenhouse gas emissions reduction standards pursuant to the  
16 California Global Warming Solutions Act of 2006 (Division 25.5  
17 (commencing with Section 38550) of the Health and Safety Code)  
18 and Senate Bill 375 (Chapter 728 of the Statutes of 2008).
- 19 (f) Efficient land use.
- 20 (g) Matching funds.
- 21 (h) *Project deliverability*.

22 SEC. 13. Section 2397 of the Streets and Highways Code is  
23 amended to read:

24 2397. On or before March 1, 2019, and annually thereafter, the  
25 commission shall provide project update reports on the  
26 development and implementation of the program described in this  
27 chapter in its annual report to the Legislature prepared pursuant  
28 to Section 14535 of the Government Code. A copy of the report  
29 shall be provided to the Joint Legislative Budget Committee and  
30 the transportation policy committees of both houses of the  
31 Legislature. The report, at minimum, shall include information on  
32 each project that received funding under the program, including,  
33 but not limited to, all of the following:

- 34 (a) A summary describing the overall progress of the project  
35 since the initial award.
- 36 (b) Expenditures to date for all project phase costs.
- 37 (c) A summary of milestones achieved during the prior year  
38 and milestones expected to be reached in the coming year.

1 (d) An assessment of how the project is meeting the quantitative  
2 and qualitative measurements identified in the project nomination,  
3 as outlined in Section 2392.

4 SEC. 14. No reimbursement is required by this act pursuant to  
5 Section 6 of Article XIII B of the California Constitution because  
6 a local agency or school district has the authority to levy service  
7 charges, fees, or assessments sufficient to pay for the program or  
8 level of service mandated by this act, within the meaning of Section  
9 17556 of the Government Code.

10 However, if the Commission on State Mandates determines that  
11 this act contains other costs mandated by the state, reimbursement  
12 to local agencies and school districts for those costs shall be made  
13 pursuant to Part 7 (commencing with Section 17500) of Division  
14 4 of Title 2 of the Government Code.

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