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August 9, 2007

The Honorable Darrell Steinberg
State Capitol Building, Room 4035
Sacramento, California 95814

**RE: SB 375 (Steinberg): Transportation Planning: Preferred Growth Scenarios
Notice of Opposition**

Dear Senator Steinberg:

The League regrets to inform you that the League has adopted an **Oppose** position on your **SB 375**. (Steinberg).

After months of discussions with you, your sponsors and staff, we are disappointed that we could not reach an accord on key issues and language. We agree that climate change is a serious issue and that emissions reduction from the transportation sector will at some point be part of how the state complies with the mandate of AB 32. But there are too many unresolved issues, ambiguities and points of disagreement in the current version of **SB 375** (and in the proposed mock up we received on August 6) for us to take any other position. Moreover, we believe a rush to enact such sweeping legislation will most likely lead to serious omissions and errors that will cause a significant backlash and undermine AB 32 and its successful implementation. For this reason, we continue to respectfully request that you delay further legislative consideration of the bill this session, and convene broad stakeholder discussion in the interim. You have already received personal assurances from our executive officers of our commitment to participate fully in those discussions.

The following are the concerns that we have shared consistently throughout the many discussions and emails we have had with you, your staff, and the sponsors:

- ***Emissions Reduction or Growth Control?*** The League has been very clear about our interest in being progressive and proactive on emission reduction strategies. We have shared with your sponsors and staff an alternative approach to address emission reductions that will work for local governments. We differ with the provisions of **SB 375** that attempt to dictate specific growth policies, rather than providing local agencies with the necessary flexibility to address your stated goal of emissions reduction. We are not averse to participating in a growth control discussion, but we believe that significant progress on emissions reduction can be made without opening up that controversial issue.
- ***Broad Scope of Growth Controls Compel Further Consideration.*** We have raised numerous concerns with the required *preferred growth scenario* (recast as “*sustainable communities strategy*” in the last mock up). This provision is aimed at removing from development—by statute—specific categories of land called “significant resource areas.” Any development contrary to this state-imposed designation would be ineligible for transportation funds. Other categories of land can only be included in the preferred growth scenario if a transportation agency made onerous findings that are certain to be litigated. Furthermore, the decision on what is in or out of a preferred growth scenario ripple across other laws and policies affecting growth. As such, consideration of this bill requires more in-depth discussions than what has occurred. We have pointed out to your staff and sponsors that dictating where growth cannot go in this bill is unnecessary. Emissions reduction can be advanced by regional transportation agencies by giving preferences to transportation projects

that help achieve emission reduction targets. It is this exact premise that has helped make the voluntary blueprints that are currently in place so successful to date.

- **Coordination with Other Efforts Needed.** Since the enactment of AB 32, one of the difficulties that we have all encountered is getting clarity on the many different, but related, emissions reduction conversations that are underway. For instance, the Air Resources Board is proceeding according to its statutory schedule. The California Transportation Commission is holding stakeholder meetings on these issues to develop guidelines. Other organizations, such as Local Agency Formation Commissions have yet to be consulted. If SB 375 is going to be a workable law that can be effectively implemented, then the time needs to be taken to integrate the bill with other ongoing efforts and applicable laws.
- **CEQA Promises Yet to Materialize.** The League has been a long supporter of CEQA and its benefits of expanding community involvement and ensuring that critical environmental issues are raised with decision makers. That said, it is also clear that CEQA can also be used to stop worthwhile infill projects. The League has carefully reviewed the CEQA language in the bill and found it insufficient. This is why we proposed in our June 27 memo that this proposal simply be eliminated from the bill. Since then, we have reviewed another CEQA proposal that have been discussed with a local attorney who represents developers. This language also contains significant limitations on its usefulness. We would be happy to engage with you and your sponsor to develop meaningful CEQA streamlining for projects that advance emission reduction goals. That discussion will take time.
- **RHNA Process.** Affordable housing advocates have long wanted to ensure that affordable housing units are distributed in a “fair share” process, where each community builds some affordable housing. This goal, however, directly conflicts with “smart growth” objectives of concentrating growth to reduce emissions. Your sponsor has informed us that the affordable housing advocates “might agree” to allow market rate units to be distributed pursuant to a preferred growth scenario, while affordable units were distributed in the traditional “fair share” process. This proposed solution does not work for local government. If we are going to take the emissions reduction objective of the bill seriously, then continuing to place housing units in locations that does not further emission reduction goals makes no sense. This is a critically important issue that must be handled appropriately.

If SB 375 is to be fully embraced, then it would greatly benefit by a broader dialogue involving transportation agencies, LAFCO’s, cities, counties, those in the Administration already implementing AB 32, the housing and development industry and other interested parties. The League stands ready to fully engage in such a process. Until then, however, we must oppose SB 375 unless it is amended to address these issues or made a two year bill. Should you have any questions, please feel free to call me at (916) 658-8275.

Sincerely,



Daniel Carrigg
Legislative Director
League of California Cities

CC: Members and Consultant, Assembly Appropriations Committee
Tia Boatman-Patterson, Consultant, Office of the Speaker
William Weber, Consultant, Assembly Republican Caucus
Lynn Jacobs, Director, Department of Housing and Community Development
Cynthia Bryant, Director, Governor’s Office of Planning and Research
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