



**September 2008**

**New Greenhouse Gas Reduction Law Requires Significant Changes to Local Planning Process and Imposes New Affordable Housing Mandates**

The California State Legislature recently passed and the Governor has signed Senate Bill 375. This is a far-reaching bill that requires regional planning agencies to develop strategies for meeting greenhouse emission targets as a part of regional transportation plans, provides regulatory incentives for development projects near existing transit facilities, and strengthens mandates on local agencies to provide for affordable housing. The law will take effect on January 1, 2009.

SB 375 focuses on regional planning, but municipalities should heed its new affordable housing mandates. If local agencies fail to identify adequate sites in their housing elements to accommodate their share of regional housing needs, the law imposes sanctions, mandatory rezoning, and compulsory approval of multifamily housing developments. Local agencies must also now hold an annual public hearing to discuss their progress in accomplishing their housing element objectives. Additionally, housing element updates and the allocation of regional housing needs will now be timed to follow regional transportation plan updates every eight years.

Beyond the affordable housing mandates, the main goal of SB 375 is to discourage sprawl and reduce greenhouse gas emissions by linking regional transportation, land use, and housing development policies. The law requires the California Air Resources Board (CARB), in consultation with local governments and other stakeholders, to set greenhouse gas emission targets for regions across the state. Regional councils of governments, in consultation with local governments, must then draft transportation and land use strategies to meet these targets as a component of their regional transportation plans. If CARB finds these "sustainable communities strategies" to be insufficient to meet emissions targets, the regional councils must develop alternate strategies. Failure to complete the planning required by SB 375, and to update these plans every four years, could result in the loss of state and federal transportation funding for certain projects.

SB 375 gives incentives to developments that minimize greenhouse gas emissions. To this end, it amends the California Environmental Quality Act (CEQA) to streamline "transit priority" projects that do not contribute to sprawl or traffic. For instance, residential and mixed-use residential projects consistent with a state-approved regional transportation plan will not have to analyze certain environmental

impacts under CEQA. Similarly, high-density residential projects near transit corridors may qualify for a CEQA exemption or a streamlined approval process.

SB 375's effects will be felt locally. Municipalities will have to meet the new mandates for affordable housing. They will have a stake in how councils of governments will encourage or discourage development within their communities through transportation funding. They will also have to evaluate their general plans, including their land use, housing, and transportation elements for compliance with regional goals and to take into account how future housing and transportation projects contribute to global warming. And their planners will have new tools and exemptions to CEQA available to streamline the environmental review of urban "transit priority" projects.

FOR ADVICE FROM RW&G CONCERNING SENATE BILL 375, LAND USE OR GLOBAL WARMING ISSUES, PLEASE CONTACT GEOFFREY L. WARD AT [GWARD@RWGLAW.COM](mailto:GWARD@RWGLAW.COM), ALEXANDER ABBE AT [AABBE@RWGLAW.COM](mailto:AABBE@RWGLAW.COM), KEVIN G. ENNIS AT [KENNIS@RWGLAW.COM](mailto:KENNIS@RWGLAW.COM), LAURENCE S. WIENER AT [LWIENER@RWGLAW.COM](mailto:LWIENER@RWGLAW.COM), OR ANY OF THE LAWYERS IN THE FIRM'S **PUBLIC LAW** DEPARTMENT OR **CLIMATE CHANGE** PRACTICE GROUP.

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