

Benefits and Risks of an Extended Timeline for the Blueprint

Over the last year, SACOG, under the direction of the board of directors, has taken several actions in support of the development of an update to the region's long-range land use and transportation plan including adopting a triple bottom line framework, updating a regional forecast for population, employment, and housing growth, updating the agency's forecasting models and data, and conducting a call for transportation project nominations from local and state partners. In addition, we are in the beginning stages of conducting public, elected official, and stakeholder outreach for the plan with a series of presentations to boards and councils throughout the region, discussions on our engagement strategy with the board's Race, Equity, and Inclusion working group, and partnered with Valley Vision on public opinion polling that is underway this Fall.

During this time, SACOG has also been working to develop three Pathways designed to examine the costs, benefits, and tradeoffs of various land use and transportation strategies that will shape how our region grows over the next three decades. As SACOG looks to the next phases of developing the regional plan, it has become clear that additional time in the schedule is crucial in ensuring that the technical work of the plan does not diminish the important work of engaging member agencies, regional partners, community-based organizations, and elected officials on what this plan means for the future of the region.

Under federal and state law, SACOG is required to update our Metropolitan Transportation Plan/Sustainable Communities Strategy every four years. Under this timeline, the next update of our plan would need to be adopted at the end of 2023. In 2019, SACOG advanced the adoption of our last plan update by several months to avoid a potential conflict with a change in federal fuel economy standards that occurred late in the planning process and could have impacted SACOG's ability to adopt the plan on the anticipated schedule for Spring 2020. SACOG was already looking to push the current plan update back onto the normal update schedule with a Spring 2024 adoption, well within the grace period allowed by the federal government. Under federal law, SACOG would have a 12-month grace period during which the current plan adopted by the board in November 2019, would allow the region to maintain adherence to federal air quality requirements and continue to be eligible for federal funds. Under state law, there is not a similar grace period for the Sustainable Communities Strategy and the region will need to have a valid plan in place to allow the region to compete in SB1 transportation funding programs.

Below is a list of the potential benefits and risks, along with strategies to minimize risk, related to an extension of the Blueprint update timeline that would extend the adoption date of the next regional plan from Spring of 2024 to Fall of 2025.

Potential Benefits of an Extended Timeline

An extension for the plan to the Fall of 2025 could have many benefits, including:

- Conducting additional engagement across all stakeholders and allow for deeper board discussion of the three Pathways for future growth and investment before the SACOG board needs to decide on a final preferred pathway for the next three decades to 2050. Once the region does decide on a vision for the future, an extended timeline would allow for a second major engagement effort focused on the tools, regulatory reforms, funding, and other strategies that will be critical to implementing that vision.
- Integrating major engagement efforts that SACOG and our partners are just beginning such as the Engage, Empower, Implement program and the recent \$5 million federal RAISE grant. These efforts will involve community engagement in a bottoms-up planning process—focused on mobility, infrastructure and the built environment—on the scale of the engagement from the original Blueprint effort the region underwent nearly two-decades ago.
- Spending additional time identifying regional and local priority investments that are aligned with the Triple Bottom Line objectives of the plan to inform regional, state, and federal grant programs and applications.
- Bringing our plan schedule into closer alignment with our megaregion partners in the Bay Area and San Joaquin Valley, which was one of the priorities endorsed by the Megaregion Working Group in 2020. Aligning the plan update schedules of the three Megaregion MPO partners would allow for much closer coordination on forecasting assumptions, interregional strategies, and investments to improve the movement of people and goods throughout the megaregion

Potential Risks of an Extended Timeline

As mentioned above, SACOG is required to update the regional plan every four years to maintain compliance with the Federal Clean Air Act and remain eligible for federal and state transportation funds. Thus far, SACOG staff has identified two primary risks and strategies to mitigate them. However, based on board direction, will begin working with regional, federal, and state partners to examine in more detail a strategy for extending the timeline, including any additional risks, and will return to the board with more information as soon as possible.

FEDERAL CLEAN AIR ACT AND FUNDING ELIGIBILITY

To ensure our region stays in compliance with the Clean Air Act and eligible for federal funding, SACOG must conduct an air quality conformity analysis with every plan update and amendment to demonstrate the air quality in the region is improving to meet the latest health standards established by the U.S. Environmental Protection Agency. This is a critical function of the Blueprint and the near-term Metropolitan Transportation Improvement Program, in order to allow many road and transit projects in the region to advance, regardless of the funding sources paying for them. As noted above, SACOG does have up to a year-long grace period for the existing plan but would need adopt an interim Regional Transportation Plan (RTP) during a two-year extension to maintain compliance with federal requirements. This Interim RTP strategy served as a successful model for the San Diego Association of Governments (SANDAG) who just completed an update to their regional plan after receiving a two-year extension from the state. The federal government does have a process for allowing regions to adopt an interim update; SACOG would need to work closely with our federal regulatory agencies to develop a path for an interim update that will remain financially constrained, meet federal performance-based planning requirements, and demonstrate compliance with the Clean Air Act.

STATE FUNDING ELIGIBILITY

On the state side, the region must have a plan that meets a state-assigned greenhouse gas reduction target to remain eligible for critical SB1 transportation funding programs that have brought hundreds of millions of dollars to the region over the last five years. SACOG will need to seek state legislation that will allow the region's current Sustainable Communities Strategy, which meets the region's greenhouse gas reduction obligations, to remain valid for an additional two years. As is the case above, we can look to the recent extension received by SANDAG for a model on the legislative relief SACOG will need to make this strategy successful. In 2017, SANDAG ran a bill through the state legislature that granted a two-year extension for both their Sustainable Communities Strategy and accompanying Environmental Impact Report. This extension allowed SANDAG to continue work on their plan update, with a greater focus on engaging the public, elected officials, and other stakeholders, while their 2015 plan remained valid and kept the region eligible for state funding.

Supplemental Information Responding to Transportation Committee Discussion:

FEDERAL FUEL EFFICIENCY STANDARDS FOR PASSENGER VEHICLES AND LIGHT-DUTY TRUCKS

At the Transportation Committee, members asked whether a change in federal fuel efficiency standards, similar to a change that occurred in 2019, could create additional risk on an extended schedule for the Blueprint. As background, in November 2019, SACOG adopted the 2020 MTP/SCS three months earlier than originally planned to avoid conflict with a change in federal fuel efficiency standards that would have hindered state and federal review of our plan. This rule change, referred to as the Safer Affordable Fuel Efficient (SAFE) Vehicles rule, changed federal fuel efficiency standards for passenger vehicles and light duty trucks for model years 2021 to 2026.

While it is possible that any number of federal or state requirements may change during an extended timeline for the Blueprint update, at this time staff believe it's less likely that any new federal administration would revisit fuel efficiency standards requirements more than halfway through their implementation phase which ends in 2026. It is possible that the federal government will begin discussions around fuel efficiency standards focused on the new set of standards that go beyond 2026. An important note about the challenge the region faced in 2019 is that it was less about the change in fuel economy and its impact on our plan performance. Rather, the issue was related to the timing of when the new rule would have gone into effect which may have resulted in the model we use for air quality conformity being outdated while we were seeking federal action on our air quality analysis. As mentioned above, there is a chance that some change in state or federal rules or requirements could change some of the technical assumptions that go into the regional plan, so it will be important for SACOG staff to continue to track federal legislation and rulemaking and report back to the board regularly on risks to the plan and program of near-term projects.

REGIONAL HOUSING NEEDS ALLOCATION PROCESS

The Transportation Committee also asked about any potential impacts of an extended Blueprint Update Schedule on the Regional Housing Needs Allocation (RHNA) Process that is required to be consistent with the regional plan.

Under an extended Blueprint schedule that shifts the plan update to Fall 2025, the next housing element due date would no longer be tiered off the MTP adoption date and would instead be scheduled for eight

years after the most recent housing element due date, which would be May 2029. Once the housing element due date is set, all RHNA related planning done by SACOG and the California Department of Housing and Community Development works backward from that date. More specifically, the RHNA Plan (which finalizes the methodology and allocations to jurisdictions) would be adopted in May of 2028 and the development of the methodology would be done before that. As such, it's unlikely the land use assumptions for the 2029 MTP/SCS, which under the delayed schedule would not be adopted any sooner than the fall of 2029, would be used in the development of the next RHNA methodology. If the SACOG board elects to pursue the same RHNA methodology approach next cycle, then there would be internal consistency between the jurisdiction-level proportion of growth in the 2025 MTP/SCS and the total RHNA allocations in the next RHNA methodology. It's worth noting that the RHNA methodology and approach to SCS/RHNA consistency is subject to change, as is the statute governing the entire process and timeline. The statute currently requires the SCS and RHNA to be consistent, but allows regions to interpret how this coordination should occur. So there is also the option, as has been pursued in other regions across the state, to use the RHNA process to inform the land use assumptions of the 2029 SCS update and ensure consistency that way. This would require some rethinking of how we approach the cycle, but would ensure consistency between RHNA and the SCS moving forward. This is just an option though—ultimately any changes to the approach will depend on board direction, city/county and stakeholder input, and changes to the underlying statute.