Metropolitan Transportation Commission and Association of Bay Area Governments
Joint MTC ABAG Legislation Committee

February 13, 2026 **Agenda Item 3b**

Senate Bill (SB) 375 Modernization Legislation

Subject:

Status update on development of legislation to update SB 375, the 2008 state law that established the requirement for regions to develop sustainable communities strategies.

Background on SB 375 Modernization Effort

SB 375 (Steinberg, 2008) requires California's metropolitan planning organizations (MPOs) to adopt a Sustainable Communities Strategy (SCS) as part of their Regional Transportation Plan to reduce greenhouse gas emissions from passenger vehicles through integrated transportation, land use, and housing planning. In the Bay Area, MTC and ABAG jointly develop the SCS, commonly known as *Plan Bay Area*. After four cycles and over 15 years of experience, MTC-ABAG and partner MPOs have identified the need to modernize SB 375 to better focus limited resources on implementation, improve alignment between state investments and SCSs, and incorporate other state priorities related to affordability and equity.

MTC-ABAG is working in partnership with California's three other largest MPOs (the Southern California Association of Governments, the Sacramento Area Council of Governments and the San Diego Association of Governments) — also called the "Big 4" — to jointly sponsor SB 375 modernization legislation this year. Over the last year, CALCOG has supported the Big 4 with stakeholder meeting coordination and continues to provide technical assistance; they are anticipated to consider formally supporting the legislation after it is in print.

Update on Stakeholder Engagement

In December 2025, staff provided the Joint MTC ABAG Legislation Committee with an update on the SB 375 modernization effort, including an initial set of objectives and a summary of early stakeholder outreach. Since then, staff have continued outreach to external stakeholders through one-on-one meetings, small group discussions and larger convenings. These engagements have included organizations representing local government, climate, housing, transportation, equity, labor and regional planning interests. A full list of external stakeholders consulted to date is provided in Attachment A.

Staff have also maintained ongoing coordination with legislative offices to discuss policy concepts, assess feasibility, and refine legislative approaches, alongside continued coordination with the Big 4 MPO partners.

Status Update, "Regional Early Action Planning Grant Program (REAP) 3," and Next Steps

In good news, Senator Christopher Cabaldon, who represents both the Bay Area and the greater Sacramento region, has agreed to serve as the author of our SB 375 modernization bill. The bill introduction deadline for the 2026 legislative session is February 20, 2026.

Also of note, the Governor's budget creates an opening for a complementary "SCS bill plus budget" strategy. Specifically, the Newsom Administration proposed to separate the Affordable Housing and Sustainable Communities (AHSC) program into two distinct programs: one to fund affordable housing and a second program to fund sustainable communities and conservation investments that support "regional priorities." The SB 375 modernization bill could authorize a new, ongoing SCS implementation program (i.e., "REAP 3.0") while the budget could provide funding by continuously appropriating the re-envisioned sustainable communities portion of AHSC to regions for that program.

Staff will provide a verbal update at the Committee meeting on any new developments.

Recommendation:

Information

Attachments:

- Attachment A: Stakeholders Consulted to Date on SB 375 Modernization Legislation

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