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April 4, 2024

Mr. Samuel Assefa, Director Governor's Office of Planning and Research State of California 1400 Tenth Street Sacramento, California 95814

Dear Mr. Assefa:

On March 6, 2024, you informed the Joint Legislative Budget Committee (JLBC) that Governor Newsom had determined that the Fourth and Central Project is eligible for streamlined judicial review as authorized under Public Resources Code section 21178 et seq.

The Jobs and Economic Improvement Through Environmental Leadership Act of 2021 provides a streamlined California Environmental Quality Act review process for construction projects that qualify as environmental leadership development projects (ELDPs). Among other requirements, ELDPs must make substantial financial investments within our state, create high-wage and highly skilled construction jobs, and not result in any net additional greenhouse gas emissions.

As required, the Legislative Analyst's Office (LAO) reviewed the Governor's determination and concluded that the Fourth and Central Project application meets the intent of the ELDP Act. However, they highlighted two deficiencies in the review process that I believe should be addressed in the future.

First, the JLBC and the LAO requested the analysis the Office of Planning and Research (OPR) did to verify that the proposed project was consistent with the Southern California Association of Governments' 2020-2045 Regional Transportation Plan/Sustainable Communities Strategy and that the project will not result in any net additional emission of greenhouse gases. Despite the fact that the statute requires the Governor to submit "any supporting information to the JLBC," OPR declined to share the details of the analysis because they stated that it was performed to advise the Governor and is considered confidential. In the future, OPR should provide this analysis to the JLBC and the LAO or the statute should be amended to strengthen the requirement that this information be provided.

Second, there should be public guidelines that specify what data is used to measure a project's transportation efficiency improvement. The law requires projects to reduce the average number of vehicle trips by at least 15 percent than that of a comparable facility. Unfortunately, the statute does not specify what data should be used to measure transportation efficiency, nor does it define the type of projects to use for comparison. Future efforts to extend or amend judicial streamlining should include more specificity on what standards should guide OPR's analysis and the Governor's determination.

In closing, despite the deficiencies and the need to improve the statute, based on the information you have provided, the LAO concluded that the project application aligns with the intent of the criteria specified in law. Therefore, I concur with the Governor's determination that the project meets the requirements of Public Resources Code section 21178 et seq.

Sincerely,

Scott D. Wiener

Scott Wiener

Chair

cc: Members of the Joint Legislative Budget Committee