



DATE: June 10, 2019

TO: Transportation Authority of Marin Funding, Programs & Legislation Executive Committee

FROM: Dianne Steinhauser, Executive Director
David Chan, Programming and Legislation Manager

SUBJECT: State Legislation Update (Discussion), Agenda Item No. 6

RECOMMENDATION

This is a discussion item. No action is needed.

BACKGROUND

In January 2019, TAM adopted a Legislative Platform that serves in guiding policy decisions and communicating TAM's goals to the Legislature and other agencies. TAM considers legislation that has impacts on Marin and TAM during the year.

The 2019 Legislative Session is the first year of a two-year session. Bills introduced in the first year of a two-year session may be moved to the second year if these bills do not generate sufficient interest. The 2019 State Legislation Session will close on September 13, 2019. October 13, 2019 is the last day for the Governor to sign or veto bills.

Since the adoption TAM's Legislative Platform, a matrix of bills has been reviewed by the TAM Board. The TAM Board has adopted support or oppose positions on some of these bills and all bills are being monitored by staff and our Legislative Consultant, Gus Khouri, since they have been reviewed.

DISCUSSION

Mr. Khouri will be in attendance at the June Funding, Programs & Legislation Executive Committee to provide an overview of the Governor's proposed revisions to the FY 19/20 State Budget and progress of the state legislative bills that have been monitored by TAM.

In particular, Mr. Khouri will discuss the various housing bills that may have direct and indirect impacts on transportation service and funding. Some of these bills are monitored and included in Attachment A.

Mr. Khouri will also discuss the following issues:

Greenhouse Gas Target

Per Assembly Bill (AB) 179 of 2017, the CTC and CARB are required to convene a meeting twice a year to coordinate transportation policies, with a focus on reducing vehicle miles traveled and greenhouse gas

emissions. A tension exists with transportation planning agencies who are tasked with meeting future emission reduction targets, despite not having purview over housing production or job creation location, while implementing voter approved expenditure plans. At the state level, there is also concern about the ability to implement SB 1 programs, which voters have overwhelmingly supported to be constitutionally protected (Proposition 22 of 2010, Proposition 69 of 2018, defeat of Proposition 6 in 2018) and continued for purposes of maintaining highway and local streets and roads infrastructure, easing congestion, and providing multimodal solutions.

Transportation Development Act

The Transportation Development Act dedicates a statewide 1/4-cent sales tax for each county for local transportation purposes. That 1/4-cent sales tax, known as the Local Transportation Fund (LTF), generates over \$1.5 billion annually, primarily for public transit.

Stanislaus County operators have had difficulty in meeting the farebox recovery ratio (FRR) requirements (20% for urban operators) that are necessary in order to qualify to use funds for operational purposes. In 2018, the Stanislaus Council of Governments (StanCOG) sponsored the enactment of SB 903 (Cannella), providing operators within the county with temporary relief from FRR requirements.

The State Legislature asked the California Transit Association to host a working group to look at potential changes through 2019 with the goal of having a draft statewide legislative solution available for 2020 for operators statewide.

FISCAL IMPACTS

There are no direct fiscal impacts to TAM with taking positions on those recommended bills.

NEXT STEPS

Contingent on TAM Board approval, staff will communicate these positions to relevant parties.

ATTACHMENT

Attachment A: TAM Bill Matrix

TAM Bill Matrix – May 2019			
Measure	Status	Bill Summary	Position
AB 40 Ting Zero-Emission Vehicles	4/8/19 Assembly Transportation Committee Two-Year Bill	This bill would require the California Air Resources Board (CARB) to develop a comprehensive strategy to ensure that the sales of new motor vehicles and new light-duty trucks in the state have transitioned fully to zero-emission vehicles by 2040. While TAM supports efforts to reduce greenhouse gas emissions, transportation funding is dependent on motor fuel. The state would need to find an alternative method of funding transportation infrastructure if this bill were to be enacted.	OPPOSE unless amended MTC: None CSAC: None League: Watch
AB 148 Quirk Silva Regional Transportation Plans: housing needs	1/24/19 Assembly Transportation Committee Two-Year Bill	This bill would require each Sustainable Communities Strategy (SCS) within a regional transportation plan to identify an 8-year projection of emergency shelters needed in the region. This provision is very specific to housing needs rather than transportation plans, and regional transportation plans are prepared by transportation agencies. It would be more appropriate to place an emergency housing projection in the city and county-prepared regional housing needs assessment and local housing elements.	OPPOSE MTC: None CSAC: None League: Watch
AB 252 Daly Environmental review: federal program	5/23/19 Senate Rules	This bill would remove the sunset date (January 1, 2020) for Caltrans being able to use the National Environmental Policy Act (NEPA) delegation to streamline environmental review for projects with federal funding, allowing for environmental review of projects to be expedited. The bill is sponsored by the Self-Help Counties Coalition (SHCC). TAMC supported the previous version, AB 28 (Frazier) in 2017, which was also sponsored by SHCC, and had extended the sunset date from January 1, 2017 to January 1, 2020.	SUPPORT MTC: None CSAC: Support League: Support
AB 285 Friedman California Transportation Plan	5/23/19 Senate Rules	Under existing law, Caltrans is required to prepare the California Transportation Plan, which looks at the movement of goods and people and how the state will achieve greenhouse gas emission goals. This bill would require Caltrans to address in the California Transportation Plan how statewide greenhouse gas emission goals will be reduced by 2030 and <i>attain the air quality goals described in California's state implementation plans required by the federal Clean Air Act. Amended on 3/6</i>	Watch MTC: None CSAC: Watch League: Watch

TAM Bill Matrix – May 2019			
Measure	Status	Bill Summary	Position
AB 784 Mullin Zero Emission Truck and Bus Voucher Program	4/22/19 Assembly Revenue and Taxation Two-Year Bill	This bill will exempt zero-emission transit buses (ZEBs) from the state portion of the sales tax until January 1, 2024. The California Air Resources Board adopted the Innovative Clean Transit Rule in December 2018. Under the rule, Marin Transit is required to purchase ZEBs for at least a quarter of its bus procurements starting in 2026. The same requirement begins in 2023 for larger transit agencies. Under the ICT, California public transit agencies are expected to purchase only ZEBs beginning in 2029. The ARB has set these aggressive targets to advance zero-emission technologies and achieve clean air goals. On average, a battery-electric bus costs \$775,000 and a hydrogen fuel cell bus costs \$1,235,000. With the exemption, AB 784 will save transit agencies \$35,000 and \$55,575 in state sales taxes per bus. Last Amended on 4/9	Support MTC: CSAC: Watch League: Watch
AB 847 Grayson Transportation Financing: housing	4/24/19 Assembly Housing and Community Development Committee Two-Year Bill	This bill was gutted and amended to require the Department of Housing and Community Development in the Business, Consumer Services, and Housing Agency, upon appropriation by the Legislature, to establish a competitive grant program to award grants to cities and counties to offset up to 100% of any transportation-related impact fees exacted upon a qualifying housing development project, as defined, by the local jurisdiction. This bill would direct miscellaneous revenue (approximately \$80 million annually) from the State Highway Account to cities and counties certified by the Department of Housing and Community Development (HCD) to have met their very low income housing goals or low income housing goals. The bill would require the CTC to amend its guidelines for the Active Transportation Program and Local Partnership Program and provide a 10% bonus to those jurisdictions determined by HCD to have met its moderate income housing goals. This bill sets a precedent of shifting transportation funding away from cities and counties based on other goals, in this case, housing. In their rejection of Proposition 6, voters affirmed the funding formulas established by SB 1, which base transportation funding on population, rather than investment in housing projects. Amended on 3/27	OPPOSE-N/A MTC: None CSAC: Watch League: Watch

TAM Bill Matrix – May 2019			
Measure	Status	Bill Summary	Position
AB 983 Boerner-Horvath Transportation Electrification: charging station locations	4/1/19 Assembly Utilities and Energy Committee Two-Year Bill	This bill would require an electric company to work with local agencies or regional planning agencies in its service territory to determine where to install new electric vehicle charging stations along local transit corridors. The bill would prioritize the installation of charging stations in disadvantaged communities. The requirement to prioritize installation of charging stations in disadvantaged communities may not best serve the transit corridor charging needs; the definition of disadvantaged communities may not correspond to low income neighborhoods or where the need for charging stations exists. The cost allocation methodology may not be in the best interest of the ratepayers. More information is needed.	Watch MTC: None CSAC: None League: Watch
AB 1142 Friedman Transportation Pilots Projects: regional transportation plans	5/1/19 Senate Transportation Committee	This bill was gutted and amended as a placeholder bill to generically encourage that policies be implemented by the use of public transit. It is uncertain what the bill would be used for at this point. This bill would require the Strategic Growth Council, in consultation with CARB, to manage and award financial assistance to specified local entities for the purpose of funding pilot projects that reduce vehicle miles traveled, to support the planning and development of sustainable communities. The bill would require a local entity that receives funding for a pilot project to provide data regarding the reduction of vehicle miles traveled by the project to CARB. The source of funding for this program is unclear. Amended on 4/1	Watch MTC: None CSAC: Watch League: Watch
AB 1487 Chiu San Francisco Bay area: housing development: financing	5/24/19 Senate Rules	This bill establishes the Housing Alliance for the Bay Area (HABA). The entity's purpose is to increase affordable housing in the San Francisco Bay Area by providing for enhanced funding and technical assistance at a regional level for new affordable housing production, affordable housing preservation, and tenant protection. The stated intent of HABA is to complement existing efforts by cities, counties, districts, and other local, regional, and state entities. HABA would create a new district with jurisdiction extending throughout the Bay Area, including the counties of Alameda, Contra Costa, Marin, Napa, San Mateo, Santa Clara, Solano, and Sonoma and the City and County of San Francisco. Last amended 5/16/19	Watch MTC: None CSAC: Watch League: Watch

TAM Bill Matrix – May 2019			
Measure	Status	Bill Summary	Position
SB 5 Beall Local-State Sustainable Investment Incentive Program	5/29/19 Senate Floor	This bill would establish the Local-State Sustainable Investment Incentive Program, to authorize a city, county, city and county, joint powers agency, enhanced infrastructure financing district, affordable housing authority, community revitalization and investment authority or transit village development district to apply for funding for eligible projects include, among other things, construction of workforce and affordable housing, certain transit-oriented development, and “projects promoting strong neighborhoods.” The bill would allocate Educational Revenue Augmentation Fund (ERAF) property tax revenues to local entities for those projects and require state General Fund backfills to school entities for the associated loss of property tax revenues, as specified. Last Amended on 5/24	Watch MTC: None CSAC: Watch League: Support
SB 43 Allen Carbon Taxes	5/29/19 Assembly Rules	This bill would require the CARB, in consultation with the California Department of Tax and Fee Administration, to report to the Legislature on the feasibility and practicality of a system to replace the tax imposed pursuant to the Sales and Use Tax Law with an assessment on retail products sold or used in the state based on the carbon intensity of the product, to encourage the use of less carbon-intensive products. Last amended 5/21	Watch MTC: None CSAC: Watch League: Watch
SB 50 Wiener Planning and zoning: housing development: equitable communities incentive	5/1/19 Senate Appropriations Committee Two-Year Bill	This bill would require a city, county, or city and county, to grant an “equitable communities incentive” for a job-rich housing project or a transit-rich housing project. The bill would require that a residential development eligible for an equitable communities incentive receive waivers on density and automobile parking requirements if the residential development is located within a 1/2-mile or 1/4-mile radius of a major transit stop. Last Amended on 5/1	Watch MTC: None CSAC: Oppose unless amended League: Oppose unless amended
SB 59 Allen Autonomous Vehicles	5/22/19 Assembly Rules	This bill requires the Governor’s Office of Planning and Research (OPR), in coordination with the State Air Resources Board (ARB) to convene an autonomous vehicle (AV) interagency working group to guide policy development for autonomous passenger vehicles pursuant to specific principles, and report to the Legislature no later than January 1, 2021. Last Amended on 5/17	Watch MTC: None CSAC: Watch League: Watch

TAM Bill Matrix – May 2019			
Measure	Status	Bill Summary	Position
SB 127 Weiner Active Transportation Funding from highway state highway maintenance	5/16/19 Senate Floor	<p>This bill would establish a “Division of Active Transportation” within Caltrans and require that an undersecretary of the Transportation Agency be assigned to give attention to active transportation program matters. The CTC would be required to give high priority to increasing safety for pedestrians and bicyclists. This bill would create an asset management plan to prescribe a process for community input and complete streets implementation to prioritize safety and accessibility for pedestrians, bicyclists, and transit users on all State Highway Operation and Protection Program (SHOPP) projects. The bill would require Caltrans to use 3% of SHOPP funds for bicycle and pedestrian facilities. The bill provides an opportunity to address multimodal solutions. While the SHOPP is oversubscribed in its ability to address maintenance needs on the state highway system, local jurisdictions such as TAM are held to the same standards, but state highway projects do not always include active transportation features. Amended on 4/30</p>	Watch MTC: None CSAC: Watch League: Watch
SB 152 Beall Active Transportation program	5/16/19 Senate Appropriations Committee Held in Committee	<p>Under existing law, the Active Transportation Program (ATP) is a competitive program that requires the CTC to award 50% of available funds to projects competitively awarded by the commission on a statewide basis, 10% of available funds to projects in small urban and rural regions, and the remaining 40% of available funds to projects selected by metropolitan planning organizations (MPO) in urban areas with populations greater than 200,000, with the available funds distributed to each MPO based on its relative share of the population.</p> <p>This would modify the ATP to have 60% of all funding to go directly to MPOs, 15% to small urban and rural areas, and retain 25% to be allocated by the CTC on a competitive basis. Last Amended on 4/25</p>	Watch MTC: Sponsor CSAC: Watch League: Watch
SB 277 Beall Local Partnership Program	5/16/19 Assembly Rules	<p>Spot bill for discussion on changing the current 50/50 formula between the competitive component and formulaic shares of the Local Partnership Program. TAM currently receives roughly \$483,000 annually from the formulaic side. There is a desire by some self-help counties to alter the formula to 95/5 favoring a formulaic share but maintaining the competitive component could be advantageous by allowing CTC to access funding to help fully fund projects such as the Marin-Sonoma Narrows. Amended 3/18</p>	Watch MTC: Watch CSAC: Watch League: Watch

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Measure	Status	Bill Summary	Position
SB 330 Skinner Housing Crisis Act of 2019	5/29/19 Senate Floor	This bill establishes the Housing Crisis Act of 2019, which places restrictions on certain types of development standards, amends the Housing Accountability Act (HAA), makes changes to local approval processes and the Permit Streamlining Act, and requires a local agency, upon request of the residential property owner, to delay enforcement of a code violation for seven years, or earlier at the discretion of the enforcement agency, if the correction is not necessary to protect health and safety. Last amended on 5/21/19	Watch MTC: None CSAC: Watch League: Watch
SB 526 Allen Regional transportation plans: Greenhouse gas emission targets	5/16/19 Senate Appropriations Committee Held in Committee	This bill would require the CARB to adopt a regulation that requires a Metropolitan Planning Organization (MPO) to provide any data that CARB requests to determine if the MPO is on track to meet its 2035 greenhouse gas emission reduction target. If the state board determines that the MPO is not on track to meet its 2035 greenhouse gas emission reduction target, the bill would require the CTC to assign a lower priority to a project that increases vehicle miles traveled and greenhouse gas emissions. This bill could jeopardize funding for safety projects by giving highest priority to projects that reduce greenhouse gas emissions. Last Amended on 4/30	Oppose-Watch MTC: None CSAC: Watch League: Watch