



DATE: October 24, 2019

TO: Transportation Authority of Marin Board of Commissioners

FROM: Anne Richman, Executive Director
David Chan, Programming and Legislation Manager

SUBJECT: State Legislation Update (Discussion), Agenda Item No. 7

RECOMMENDATION

This is a discussion item. No action is needed.

This item was discussed at the October 14th Funding, Programs & Legislation (FPL) Executive Committee. No action was taken but the Governor's Executive Order was requested and has been included as Attachment C.

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. As part of the adopted Legislative Platform, TAM considers legislation that has impacts on Marin and the agency 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 was closed on September 13, 2019 and October 13, 2019 was 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

Gus Khouri, TAM's legislative consultant with Khouri Consulting, will be in attendance at the October TAM Board meeting to provide an overview of the bills (Attachment A) that have been monitored by TAM, in particular those are highlighted in either green (signed into law) or red (vetoed by Governor) in the Attachment A.

Mr. Khouri will also discuss the following issues:

- SB 277 (vetoed) – Legislative proposal to change the SB1 Local Partnership Program (LPP) from the existing 50% formulaic/50% state competitive program to 85% formulaic/15% state

competitive program. TAM currently receives about \$480,000 annually from the LPP formula program. If signed by the Governor, TAM's share of the formula funds could increase to approximately \$830,000 annually. Mr. Khouri further addresses SB 277 in his monthly report found in Attachment B.

- Governor's Executive Order N-19-19 - Governor Gavin Newsom issued an Executive Order addressing climate change and strengthening the state's climate resiliency. Mr. Khouri will discuss the Order's impacts on the transportation sector and a renewed emphasis on transit and active transportation investment in reducing greenhouse gas emissions.
- SB 1 Competitive Programs – With the Marin Sonoma Narrows Project targeting SB 1 Solutions for Congested Corridor funding, Mr. Khouri will discuss the status of SB 1 Competitive Programs as guidelines for the next cycles of funding are being developed.
- Pertinent bills on housing, including AB 1487 (Chiu) and SB 330 (Skinner)

FISCAL CONSIDERATION

Not applicable.

NEXT STEPS

Staff will communicate the Governor's actions on these bills to relevant parties.

ATTACHMENT

Attachment A: TAM Bill Matrix

Attachment B: Khouri Monthly Report

Attachment C: Governor's Executive Order N-19-19

TAM Bill Matrix – October 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	7/31/19 Signed by the Governor. Chapter 160, Statutes of 2019.	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: Support CSAC: Support League: Support
AB 285 Friedman California Transportation Plan	10/9/19 Signed by the Governor. Chapter 605, Statutes of 2019.	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 8/30</i>	Watch MTC: None CSAC: Watch League: Watch

TAM Bill Matrix – October 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. Amended on 3/27	OPPOSE-N/A MTC: None CSAC: Watch League: Watch
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

TAM Bill Matrix – October 2019

Measure	Status	Bill Summary	Position
AB 1487 Chiu San Francisco Bay area: housing development: financing	10/9/19 Signed by the Governor. Chapter 598, Statutes of 2019.	This bill establishes the San Francisco Bay Regional Housing Finance Act and enables the Bay Area voters to raise money for affordable housing. The governance structure would be a new regional entity with membership comprised of members of the Association of Bay Area Governments (ABAG) Executive Board and the Metropolitan Transportation Commission (MTC) to shared governance by both the ABAG Executive Board and MTC, with ABAG serving as the lead agency. Last amended 8/28	Watch MTC: None CSAC: Watch League: Watch
SB 5 Beall Local-State Sustainable Investment Program	10/13/19 Vetoed by the Governor	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 9/5	Watch MTC: Support CSAC: Support League: Support
SB 43 Allen Carbon Taxes	7/1/19 Assembly Revenue & Taxation Committee Failed Passage	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 6/17	Watch MTC: None CSAC: Watch League: Watch

TAM Bill Matrix – October 2019

Measure	Status	Bill Summary	Position
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: Support if amended CSAC: Oppose unless amended League: Oppose unless amended
SB 59 Allen Autonomous Vehicles	8/30/19 Assembly Appropriations Committee Held in Committee	<i>This bill would require the California Transportation Commission to establish an advisory committee, the California Council on the Future of Transportation, to provide the Governor and the Legislature with recommendations for changes in state policy to ensure that California continues to be the world leader in autonomous, driverless, and connected vehicle technology. The bill would require the council to consist of at least 22 members, selected by the chair or designated, as specified, who represent, among others, transportation workers, various state and local agencies, and a disability rights organization. The bill would require the council to gather public comment on issues and concerns related to autonomous vehicles and to submit, among other things, recommendations for statewide policy changes and updates to the Legislature no later than January 1, 2022, and to submit a report of its recommendations biannually thereafter, or more frequently at the commission’s discretion. The bill would also require the council to create subcommittees focused on or more specific topics and to form one subcommittee led by the Office of Planning and Research focused on furthering the state’s environmental, public health, and energy objectives, as specified. The bill would require the subcommittee to submit policy recommendations to the council and the Legislature by January 1, 2022, and to make those recommendations publicly available. Last Amended on 7/3</i>	Watch MTC: None CSAC: Watch League: Watch

TAM Bill Matrix – October 2019

Measure	Status	Bill Summary	Position
SB 127 Weiner Active Transportation Funding from highway state highway maintenance	10/12/19 Vetoed by the Governor	This bill would require Caltrans to incorporate bicycle and pedestrian safety projects into the State Highway Operation and Protection Program (SHOPP) projects. While the SHOPP is oversubscribed in its ability to address maintenance needs on the state highway system, the author's intent is to incorporate the planning of crosswalks and bike lanes on state highways that function as local streets. Amended on 9/3	Watch MTC: None CSAC: Watch League: Watch
SB 152 Beall Active Transportation program	5/16/19 Senate Appropriations Committee Held in Committee	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. 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	Watch MTC: Sponsor CSAC: Watch League: Watch
SB 277 Beall Local Partnership Program	10/12/19 Vetoed by the Governor	This bill changes the allocation method of the \$200 million/year Local Partnership Program from a 50/50 formulaic to competitive split to an 85%/15% split, respectively. TAM would receive a higher proportional share of formulaic funding and be eligible to compete in the 15% competitive pot, which will be made available to jurisdictions with a population of 750,000 or less and a sales tax measure or developer impact fee. TAM currently receives roughly \$495,000 annually from the formulaic side. The amount would increase to \$780,000 if enacted. Maintaining the competitive component however could be advantageous by allowing CTC to access funding to help fully fund priority projects identified in statute such as the Marin-Sonoma Narrows. Last Amended 9/6	Support MTC: Watch CSAC: Watch League: Watch

TAM Bill Matrix – October 2019

Measure	Status	Bill Summary	Position
SB 330 Skinner Housing Crisis Act of 2019	10/10/19 Signed by the Governor. Chapter 654, Statutes of 2019	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. The bill aims to create fewer barriers to construct affordable housing by prohibiting a local jurisdiction from downzoning or placing a moratorium to avoid creating more affordable housing or mixed-use projects. It would also limit the number of approvals needed for such projects, with some exceptions. Last amended on 8/12	Watch MTC: None CSAC: Neutral League: Oppose
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. Last Amended on 4/30	Watch MTC: None CSAC: Watch League: Watch



October 3, 2019

TO: Board Members, Transportation Authority of Marin
FROM: Gus Khouri, Principal
Khouri Consulting

RE: STATE LEGISLATIVE UPDATE – SEPTEMBER

The legislature adjourned on September 13. Governor Newsom has until October 13 to sign or veto legislation. Any items in the second house that have not been sent to the Governor are two-year bills that can be taken up in January. The following is a summary of remaining items of interest to TAM.

Bills of Interest

1. **SB 277 (Beall)** would convert the allocation method for the Local Partnership Program (LPP). The LPP provides \$200 million annually for jurisdictions that have secured a voter-approved tax or fee dedicated for transportation purposes. Currently, per the guidelines established by the California Transportation Commission (CTC), proceeds are split 50/50 between a formulaic share and a competitive program administered by the CTC. SB 277 would statutorily prescribe that 85% of all proceeds (\$170 million annually) be distributed on a formulaic basis, and 15% be made available for distribution on a competitive basis by the CTC to local jurisdictions with a population of 750,000 residents or fewer that have a sales tax or developer fee. TAM currently receives roughly \$495,000 annually from the formulaic share as a result of the passage of Measure A. If SB 277 is enacted, TAM would realize at least a 70% increase in the formulaic share, which would generate roughly \$780,000 annually. TAM would also qualify to bid in the 15% competitive pot. Maintaining the competitive component however could be advantageous by allowing CTC to access funding to help fully fund priority projects identified in statute such as the Marin-Sonoma Narrows. The bill also allows for program recipients to bank their formulaic shares for a period of up to 5 years before funds are required to be drawn. The bill is pending action on Governor Newsom's desk.

New California State Transportation Agency Secretary

On September 10, the Senate confirmed David S. Kim as the Secretary of the California State Transportation Agency (CalSTA). Mr. Kim has an extensive transportation background. He was most recently the vice president of governmental affairs at Hyundai Motor Company since 2017.

New Caltrans Director

Last week, Governor Gavin Newsom announced the appointment of Toks Omishakin to the role of Caltrans Director. Mr. Omishakin's background is in sustainability and active transportation. Previously, he served as Deputy Commissioner for Environment and Planning at the Tennessee Department of Transportation and Director of Healthy Living Initiatives in the Nashville Mayor's Office.

SB 1 Competitive Grant Programs

On September 19, we attended the CTC workshops in San Diego regarding the guidelines for Cycle 2 for some SB 1 competitive programs – Solutions for Congested Corridors Program (SCCP) and Trade Corridor Enhancement Program (TCEP). The CTC is awaiting the outcome of SB 277 before addressing guidelines for the Local Partnership Program (LPP). CTC aims to adopt final guidelines by this December, with applications due towards the end of March 2020.

Governor's Executive Order on Climate Change

On Friday, September 20, Governor Gavin Newsom issued an Executive Order aimed at combatting climate change and strengthening the state's climate resiliency. With a focus on reducing emissions from the transportation sector, the Executive Order could lead to a greater focus on public transit and active transportation projects. The Executive Order directs the CalSTA to invest its annual portfolio of \$5 billion (inclusive of such programs as the State Highway Operations and Protection Program, State Transportation Improvement Program, Solutions for Congested Corridors Program, Local Partnership Program, and Transit and Intercity Rail Capital Program) to build, operate and maintain projects that help reverse the trend of increased fuel consumption and instead result in a reduction of vehicle miles traveled and greenhouse gas emissions associated with the transportation sector.

CalSTA, in consultation with the Department of Finance, is directed to align transportation spending, programming and mitigation to achieve the greenhouse gas emission reduction targets in the state's Climate Change Scoping Plan, where feasible. We are discussing with the administration to ensure that this directive will not compromise the ability to leverage Measure A and AA dollars to deliver projects on the state highway system that enhance safety and congestion management.

EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA

EXECUTIVE ORDER N-19-19

WHEREAS California is proof that a bold climate agenda is good for the economy, for workers, for health and for our future, as evidenced by our state having achieved record economic growth while reaching some of the strongest climate goals in the world; and

WHEREAS in the face of inaction on climate change from the federal government, California is a global leader in climate change mitigation efforts through bold climate goals and actions, as well as leadership in the US Climate Alliance and Under2 Coalition, using the state's power as the fifth largest economy in the world to drive positive action; and

WHEREAS California has ambitious and essential climate goals to transition to a healthier, more sustainable and more inclusive economy, including: reducing greenhouse gas emissions 40 percent below 1990 levels by 2030; providing 100 percent of the state's electricity from clean energy sources by 2045; reducing methane emissions and hydrofluorocarbon gases by 40 percent; and adding five million zero-emission vehicles to California's roads by 2030; and

WHEREAS California has made substantial, measurable progress on many of the goals enumerated above, but in recent years, direct tailpipe emission from cars, ships, diesel trains, airplanes, and other transportation sources have remained a stubborn driver of greenhouse gas emissions, totaling 40.1 percent of all greenhouse gas emissions statewide; and

WHEREAS the California Air Resources Board has a fifty-year history of leading the globe in addressing harmful pollution through innovative air pollution control standards, including the nation's first NOx emissions standards for motor vehicles; and

WHEREAS California's renewable energy targets have spurred innovation and private investment in new technologies with California leading the nation in clean technology patents and bringing in more than 50 percent of all clean energy investment in the nation; and

WHEREAS the state has made significant progress in lowering greenhouse gas emissions and mitigating climate risk in California's own state government operations and public schools; and

WHEREAS achieving California's climate goals will require concerted commitment and partnership by government, the private sector, and California residents.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, by virtue of the power and authority vested in me by the Constitution and the statutes of the State of California, do hereby issue the following Order to become effective immediately to require that every aspect of state government redouble its efforts to reduce greenhouse gas emissions and mitigate the impacts of climate change while building a sustainable, inclusive economy.

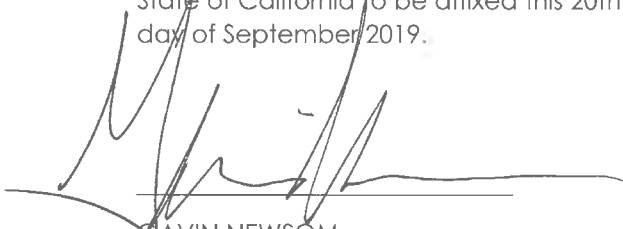
1. To leverage the state's \$700 billion investment portfolio to advance California's climate leadership, protect taxpayers, and support the creation of high-road jobs, the Department of Finance shall create a Climate Investment Framework.
 - a. The Framework shall include a proactive investment strategy for the state's pension funds that reflects the increased risks to the economy and physical environment due to climate change.
 - b. The Framework shall provide the timeline and criteria to shift investments to companies and industry sectors that have greater growth potential based on their focus of reducing carbon emissions and adapting to the impacts of climate change, including but not limited to investments in carbon-neutral, carbon-negative, climate resilient, and clean energy technologies.
 - c. The Framework shall align with the fiduciary responsibilities of the California Public Employees' Retirement System, California State Teachers' Retirement System and the University of California Retirement Program.
 - d. The Department of Finance shall consult with the Governor's Office of Planning and Research, and the California Department of Human Resources on the Framework.
2. The State Transportation Agency shall leverage the more than \$5 billion in annual state transportation spending for construction, operations, and maintenance to help reverse the trend of increased fuel consumption and reduce greenhouse gas emissions associated with the transportation sector. To accomplish this, the State Transportation Agency, in consultation with the Department of Finance, shall:
 - a. Align the state's climate goals with transportation spending on planning, programming and mitigation to achieve the objectives of the state's Climate Change Scoping Plan, where feasible,
 - b. Reduce vehicle miles traveled by strategically directing discretionary transportation investments in support of housing production near available jobs and in accordance with the state's smart growth principles, as defined in Government Code section 65041.1, and taking public health into account,

- c. Reduce congestion through innovative strategies designed to encourage people to shift from cars to other modes of transportation,
 - d. Fund transportation options that contribute to the overall health of Californians and reduce greenhouse gas emissions, such as transit, walking, biking and other active modes, and
 - e. Mitigate increases in transportation costs for lower income Californians.
3. The Department of General Services shall leverage its management and ownership of the state's 19 million square feet in managed buildings, 51,000 vehicles and other physical assets and goods to minimize state government's carbon footprint. To accomplish this, the Department of General Services shall:
- a. Maximize reduction of greenhouse gas emissions, including harmful diesel emissions, from the state fleet,
 - b. Develop and implement sustainable purchasing policies across state agencies that prioritize the purchase of environmentally preferable goods such as more sustainable food and recycled materials, consistent with state climate policies,
 - c. Reduce greenhouse gas emissions and mitigate climate risk from the state's owned and future-leased buildings,
 - d. Manage energy demand to maximize benefits to the grid, and
 - e. Promote zero-emission vehicle purchasing in state and local government fleets.
4. To accelerate progress towards California's goal of five million zero emissions vehicles sales by 2030, the California Air Resources Board shall:
- a. Develop new criteria for clean vehicle incentive programs to encourage manufacturers to produce clean, affordable cars,
 - b. Propose new strategies to increase demand in the primary and secondary markets for zero emissions vehicles, and
 - c. Consider strengthening existing or adopting new regulations to achieve the necessary greenhouse gas reductions from within the transportation sector.

IT IS FURTHER ORDERED that as soon as hereafter possible, this Order shall be filed with the Office of the Secretary of State and that widespread publicity and notice shall be given to this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its departments, agencies, or other entities, its officers or employees, or any other person.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 20th day of September 2019.



GAVIN NEWSOM
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State