



DATE: July 13, 2020

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

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

SUBJECT: Adopt Position on State Legislative Bill 288 (Action), Agenda Item No. 6

RECOMMENDATION

Recommend that the Funding, Programs & Legislation (FPL) Executive Committee reviews and recommends the TAM Board adopts a support position on Senate Bill 288 (Wiener).

BACKGROUND

In January 2020, TAM adopted a Legislative Platform (Attachment A) in guiding policy decisions and communicating TAM's goals to the Legislature and other agencies (including, but not limited to, Metropolitan Transportation Commission (MTC), Regional Transportation Planning Agencies (RTPA), California State Association of Counties (CSAC), League of California Cities, and Self Help Counties Coalition (SHCC)) that have impacts on Marin and TAM during the year.

August 31, 2020 is the last day for the Legislature to pass bills and September 30, 2020 is the last day for the Governor to sign or veto bills. The 2020 Legislative Session is the second 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. Bills in the second year of a two-year session would need to be re-introduced in a future year if they failed to pass.

Letters of support or opposition may also be developed at the appropriate time and TAM's Legislative Consultant, Mr. Khouri, may be requested to testify at Legislative hearings, if warranted, to convey TAM's positions on specific legislation.

DISCUSSION

As previously reported, the 2020 Legislative Session has been extremely slow because of the state's focus on the COVID-19 pandemic. Many bills that were introduced at the beginning of the Legislative Session were rescinded, particularly bills that proposed to raise taxes or revenue have been retracted by authors in response to the state's financial crisis as a result of COVID-19.

In a typical Legislation Session, the TAM Board would have reviewed and adopted positions on approximately 20 to 30 bills by July. This year, only two bills were reviewed by the TAM Board in May. Attachment A is TAM's Bill Matrix with nine bills. The nine bills include SB 895 and SB 1291 that the TAM Board adopted support positions in May. Attachment A also include six bills that TAM had tracked when they were introduced.

Of the six bills, AB 1350 originally proposed to offer free transit passes to youth has been amended to deal with high school diplomas, so AB 1350 is no longer relevant to TAM.

The remaining five bills were rescinded by the authors, including:

- SB 278 on the FASTER Initiative
- SB 757 on State Highway Relinquishment
- SB 1283 on Bus on Shoulder Pilot Program
- SB 1330 on Electric Vehicle Sales Tax Exemption
- SB 1408 on State Route 37

Attachment A includes one new bill, SB 288 (Wiener), that staff is recommending the TAM Board to adopt a position of support.

SB 288 allows for exemptions under the California Environmental Quality Act (CEQA) for projects that institute or expand bus rapid transit and regional rail services on public rail or highway rights of way, including passenger or commuter service on high-occupancy vehicle lanes or existing roadway shoulders. The bill would additionally exempt projects for rail, light rail, and bus maintenance, repair, storage, administrative, and operations facilities; and projects for the repair or rehabilitation of publicly-owned local, major or minor collector, or minor arterial or major arterial bridges. Zero-emission fueling stations and chargers and projects for pedestrian and bicycle facilities would also be exempted. Lastly, the bill extends an exemption, from January 1, 2021 to January 1, 2030, for restriping streets and roads, and improving intersection timing for bicycles and pedestrians.

SB 288 has more stringent requirements for larger projects. Specifically, for projects with a construction cost greater than \$10 million, the bill would limit eligibility for the CEQA exemption to projects for which the contractor commits to using a “skilled and trained” workforce, unless the lead agency has entered into a project labor agreement.

For projects with a construction cost greater than \$100 million, SB 288 would limit eligibility for the CEQA exemption to projects that are already incorporated into a regional transportation plan, general plan or other plan that has complied with CEQA at the programmatic level within 10 years of approval of the project. In addition, the lead agency or project sponsor would be required to have completed an independent peer review of the project, including cost and benefit estimates, equity analysis, planning, engineering, design, financing plan, and project management/project risk controls. The bill authorizes the Office of Planning and Research to develop guidelines for this peer review or to delegate that authority to a metropolitan planning organization.

Senator Wiener intended SB 288 as a catalyst for economic recovery from the economic impacts caused by COVID-19 by putting people back to work on construction projects. SB 288 will expedite the approval and construction of transportation projects.

Mr. Khouri will be participating at the July 13th FPL Executive Committee meeting to discuss the bills, particularly SB 288. In addition, Mr. Khouri will discuss AB 90 on farebox recovery relief for transit agencies. AB 90 is not on the TAM Bill Matrix because AB 90 has already been signed by the Governor as a budget trailer bill. Details on AB 90 are discussed in Mr. Khouri’s State Legislative Update (Attachment B). Mr. Khouri will also provide an overview of the FY 20/21 State Budget and transportation funding.

FISCAL IMPACTS

There are no immediate fiscal impacts to TAM by taking a position on SB 288.

NEXT STEPS

Continue to review proposed bills relevant to TAM and convey TAM's positions to our partner agencies and pertinent Legislators when warranted.

ATTACHMENT

Attachment A – TAM Bill Matrix

Attachment B – Khouri Consulting's State Legislative Update

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Attachment A

TAM Bill Matrix – July 2020

Measure	Status	Bill Summary	Recommended Position
AB 1350 Gonzalez Free Youth Transit Passes: Eligibility for Transit Funding High School Diplomas	6/17/2020 Senate Rules Committee	<p>This bill would require transit agencies to offer free youth transit passes to persons 18 years of age and under in order to be eligible for state funding under the Mills-Deddeh Transit Development Act, the State Transit Assistance Program, or the Low Carbon Transit Operations Program. The bill would also require a free youth transit pass to count as a full price fare for purposes of calculating the ratio of fare revenues to operating costs.</p> <p>This bill has was amended on June 17 to address issues pertaining to high school diplomas and is no longer relevant to TAM.</p>	OPPOSE MTC: N/A CSAC: N/A League: N/A
SB 278 Beall (D) Metropolitan Transportation Commission	6/18/2020 Assembly Transportation Committee Rescinded due to shortened 2020 calendar	<p>The Metropolitan Transportation Commission Act creates the Metropolitan Transportation Commission as a local area planning agency to provide comprehensive regional transportation planning for the region comprised of the 9 San Francisco Bay area counties. The act requires the commission to continue to actively, on behalf of the entire region, seek to assist in the development of adequate funding sources to develop, construct, and support transportation projects that it determines are essential.</p> <p>This bill was the spot bill for FASTER but will not be pursued further this year for that purpose.</p>	WATCH MTC: None CSAC: Watch League: Watch
SB 288 (Wiener) CEQA Exemptions for Transit	6/15/2020 Assembly Rules Committee	<p>This bill was amended on June 3 to allow for exemptions under the California Environmental Quality Act for projects that institute or expand bus rapid transit and regional rail services on public rail or highway rights of way, whether or not it is presently used for public transit, including passenger or commuter service on high-occupancy vehicle lanes or existing roadway shoulders. The bill would additionally exempt projects for rail, light rail, and bus maintenance, repair, storage, administrative, and operations facilities; and projects for the repair or rehabilitation of publicly-owned local, major or minor collector, or minor arterial or major arterial bridges. Zero-emission fueling stations and chargers and projects for pedestrian and bicycle facilities would also be exempted. Lastly, the bill extends an exemption, from January 1, 2021 to January 1, 2030, for restriping streets and roads, and improving intersection timing for bicycles and pedestrians.</p>	SUPPORT MTC: None CSAC: None League: None

TAM Bill Matrix – July 2020

Measure	Status	Bill Summary	Recommended Position
SB 757 Allen (D) State Highways: relinquishments	1/30/2020 Assembly Rules Committee Rescinded due to shortened 2020 calendar	<p>The bill would require Caltrans, not later than April 1, 2021, and biennially thereafter, to make a specified report to the California Transportation Commission (CTC) on which state highway routes or segments primarily serve regional travel and do not facilitate interregional movement of people and goods. The bill would also authorize Caltrans to identify in the report which of those routes and segments are the best candidates for relinquishment.</p> <p>Rather than needing piece meal bills for each jurisdiction, the bill would also authorize the CTC to relinquish a portion of a state highway to a county or city, if Caltrans and the county or city concerned have entered into an agreement providing for the relinquishment of a portion of a state highway, within the territorial limits of the county or city, that is not an interstate highway and does not facilitate the interregional movement of people and goods, as determined in the report. The bill would also require that the relinquishment of those routes and segments is subject to certain conditions, including that the department complete a specified cost-benefit analysis and that the commission hold a public hearing on the proposed relinquishment.</p>	SUPPORT MTC: None CSAC: None League: Watch
SB 895 (Archuleta) Zero-emmission Vehicles and Infrastructure	6/24/2020 Assembly Rules Committee	<p>This bill modifies the types of fuel and transportation technologies for which the California Energy Commission (CEC) must provide research and development support to focus on zero-emissions fuels, infrastructure, and technologies, over fossil fuels.</p>	SUPPORT (TAM Board Adopted) MTC: None CSAC: Watch League: Watch
SB 1283 (Beall) Bus on Shoulder Statewide Pilot Program	3/26/2020 Senate Rules Committee Rescinded due to shortened 2020 calendar	<p>This bill would authorize Caltrans to establish a pilot program authorizing transit operators to have transit buses on the shoulders of state highways, under a project selected under the program. The pilot would include 8 projects statewide and require the applicable agency to pay for any incurred costs. Two years after commencing a project, the bill would require an operator or operators, in conjunction with the applicable regional transportation agency, to submit a report to the Legislature that includes certain information about the project.</p>	SUPPORT MTC: None CSAC: None League: Watch

TAM Bill Matrix – July 2020

Measure	Status	Bill Summary	Recommended Position
SB 1291 (Committee on Transportation) Federal Statewide Transportation Improvement Program: Filing Waiver for 2020	6/18/2020 Assembly Transportation Committee	Under existing law, each metropolitan planning organization and transportation planning agency is required, by not later than October 1 of each even-numbered year, to submit its Federal Transportation Improvement Program (FSTIP) to Caltrans for incorporation into the Federal Statewide Transportation Improvement Program, which existing law requires Caltrans to submit to the United States Secretary of Transportation (USDOT) by not later than December 1 of each even-numbered year. This bill would provide that a metropolitan planning organization or transportation planning agency is not required to submit a FSTIP to Caltrans, and Caltrans is not required to submit the Federal Statewide Transportation Improvement Program to USDOT for 2020.	SUPPORT (TAM Board Adopted) MTC: None CSAC: None League: Watch
SB 1330 (Umberg) Sales Tax Exemption for Electric Vehicles	3/26/2020 Senate Rules Committee Rescinded due to shortened 2020 calendar	This bill, on or after January 1, 2021, would provide an exemption from those taxes with respect to the sale in this state of, and the storage, use, or other consumption of, an electric or a hybrid electric vehicle for which the final listing price is not greater than \$25,000. The bill would also remove the requirement that the state reimburse local governments for the revenue loss of the tax collection. TAM support would be contingent upon reinstating this reimbursement.	SUPPORT if amended MTC: None CSAC: Oppose unless amended League: Watch
SB 1408 Dodd (D) State Route 37 Toll Bridge Act	5/12/2020 Senate Governance & Finance Committee Rescinded due to shortened 2020 calendar	This bill would require an unspecified authority, on behalf of the state, to operate and maintain tolling infrastructure, including by installing toll facilities, and charge and collect tolls for the use of the Sonoma Creek Bridge, and to be responsible for the design and construction of improvements on the bridge and a segment of State Route 37 between its intersections with Route 121 in the County of Sonoma and Walnut Avenue in the County of Solano in accordance with programming and scheduling requirements adopted by the authority. The bill would authorize the authority to issue bonds payable from the revenues derived from those tolls. The bill would authorize those toll and bond revenues to be used for specified purposes, including near-term and long-term improvements to the segment of State Route 37 and the bridge to improve the roadway's mobility, safety, and long-term resiliency to sea level rise and flooding. The bill would require the authority to update and approve an expenditure plan for those toll and bond revenues on an annual basis beginning on July 1 following implementation of a toll. The bill would require the authority to develop and implement an equity program for the toll bridge to reduce the impact of the toll on low-income drivers. TAM support would be contingent upon ensuring that the expenditure plan addresses improvements along Highway 37 in Marin County.	SUPPORT IF AMENDED MTC: None CSAC: None League: Watch

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July 2, 2020

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

RE: **STATE LEGISLATIVE UPDATE – JULY 2020**

General Update

On June 15, the legislature approved SB 74 and a handful of trailer bills, meeting its constitutional deadline of submitting the FY 2020-21 State Budget to the Governor. The \$143 billion spending package is intended to be a placeholder—until revenues, including personal income tax and capital gains receipts, come in by July 15—to address a \$54.3 billion deficit. The plan includes rejecting funding for new and expanded programs (\$6 billion), the suspension of business tax credits (\$4.4 billion), drawing down on the Rainy Day Fund and other reserves (\$11 billion), and hoping for at least \$14 billion in assistance from the federal government to offset cuts to education, health and human services, and pension obligation payments. The legislature is on Summer Recess until July 13 and is expected to work on budget items through August 31.

What does this mean for transportation? Senate Bill 1 (SB1) competitive programs are primarily funded by the vehicle registration fee, which provides for a more predictable, stable funding source as opposed to the volatility of the gas tax. While Caltrans has cash reserves, and SB 1 provides a continuous source of funding, the anticipated \$1.8 billion decline in gas consumption will impact programs like the Statewide Transportation Improvement Program (STIP) and State Highway Operation and Protection Program (SHOPP). Governor Newsom has requested that the federal government consider a \$1 trillion plan to bail out state and local governments.

AB 90 Farebox Recovery Relief

On June 29, Governor Newsom signed AB 90 (Committee on Budget), a budget trailer bill that was amended on June 22 to ensure continued access of state funding programs by public transportation operators without requiring penalty assessments by metropolitan planning organizations, such as MTC, for not meeting farebox recovery ratios for FY 2019-20 and FY 2020-21. Impacted programs include revenues made available through the Local Transportation Fund and State Transit Assistance Program under the Transportation Development Act (TDA). The bill also maintains the disbursement of State of Good Repair Program and Low Carbon Transit Operations Program funding.

Item 6 - Attachment B

The bill is in response to the COVID-19 pandemic, the Governor’s subsequent shelter in place order and social distancing protocols, which have understandably cut into farebox recovery with up to a 95% reduction in transit ridership statewide. The economic slowdown has also cut into local sales tax and sales tax on diesel revenues, the primary sources of funding for public transportation operations and capital expenses through TDA and STA program, respectively. AB 90 provides temporary relief while efforts continue to assess and potentially modify provisions of TDA so that it can reflect today’s demands of providing efficient, reliable, and cost-effective service.