



DATE: May 27, 2021

TO: Transportation Authority of Marin Board of Commissioners

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

SUBJECT: Adopt Positions on 2021 State Legislative Bills (Action), Agenda Item No. 8

RECOMMENDATION

Staff recommends that the TAM Board adopts positions on seven new legislative bills, shown in Attachment B; additionally, staff has included a letter, shown in Attachment A, that was delivered to the California State Transportation Agency (CalSTA) Secretary David Kim.

On May 10, 2021, the Funding, Programs & Legislation (FP&L) Executive Committee reviewed a proposed letter to CalSTA Secretary David Kim, provided recommended changes, and authorized staff to incorporate changes in a final letter to be delivered by the deadline of May 18, 2021. Attachment A is the signed letter delivered to CalSTA Secretary David Kim. The FP&L Executive Committee also reviewed and recommended adopting positions on seven new legislative bills as shown in Attachment B.

BACKGROUND

The 2021 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 deadline to introduce legislative bills for the 2021 State Legislative Session was February 19, 2021. September 10, 2021 is the last day for the Legislature to pass bills and October 10, 2021 is the last day for the Governor to sign or veto bills. Bills passed in 2021 will take effect on January 1, 2022.

In January 2021, TAM adopted a Legislative Platform in guiding policy decisions and communicating TAM's goals to the Legislature and other agencies such as the Metropolitan Transportation Commission (MTC) and the Self-Help Counties Coalition (SHCC). Staff and Khouri Consulting, TAM's Legislative Consultant, use the platform to determine pertinent legislative bills to bring forth to the TAM Board for review during the 2021 Legislative Session.

In additions to state legislative bills, staff has periodically presented pertinent proposed regional and state policies and propositions for discussions. When appropriate, staff has also proposed comment letters to convey TAM's positions on these policies and propositions. Staff believes that the Governor's proposed Climate Action Plan for Transportation Infrastructure (CAPTI) warrants TAM to express comments and concerns to CalSTA.

DISCUSSION

Climate Action Plan for Transportation Infrastructure (CAPTI)

In March 2021, staff presented a discussion item on CAPTI introduced by the Governor's Office of Planning and Research (OPR) and CalSTA in October 2020, CAPTI intends to align State infrastructure investments with State climate, health, and social equity goals. CAPTI hopes to leverage state transportation spending to help meet state climate goals by:

- aligning planning and programming with objectives of California Climate Change Scoping Plan;
- reducing vehicle miles traveled (VMT) by directing investments in a way that support infill development, especially housing near jobs;
- reducing congestion through innovative strategies that encourage people to shift from cars to other modes of travel;
- funding infrastructure that encourages transit use, walking, and biking; and
- mitigating for any increases in transportation costs incurred on lower income residents.

More specifically, CAPTI proposes a suite of changes that are focused on rail and transit networks, bicycle and pedestrian infrastructure, zero-emission vehicle (ZEV) infrastructure, passenger vehicle travel reduction, compact infill development, among others. While many of these concepts have been advocated by many over the years, CAPTI is a comprehensive approach that will invest billions of discretionary State transportation dollars annually to address climate change.

Milestones for CAPTI include:

- Public Workshop: March 18, 2021
- Full Draft Plan Release & Start of Public Comment Period: March 20, 2021
- CTC Meeting Presentation on Draft Plan: March 24, 2021
- CTC-CARB-HCD Joint Meeting Presentation on Draft Plan: April 8, 2021
- Public Comment Period Closes: **May 18, 2021** (extended from April 16, 2021)
- Final CAPTI Release: June 2021
- Submittal of Plan to Governor and Legislature by July 15, 2021

In March 2021, staff commented that the general principles of CAPTI are supportable, but concerns remain with County Transportation Agencies (CTAs) on how the State will implement CAPTI and its impacts on future State funding. Particularly, some CTAs are concerned that state funding that has been anticipated and planned for many years in coordination with local funding on state-local collaborative projects may be deemed to be inconsistent with the CAPTI framework and could be in jeopardy.

Concerns have also arisen regarding the Senate Bill 1 (SB1) Program approved by voters that provided funds to annual local street and road maintenance projects to every county and to the State Highway Operation and Protection Program (SHOPP) that Caltrans uses on critical maintenance projects statewide. CTAs have voiced concerns at various workshops that funding for these programs could be diverted for other purposes deemed consistent to CAPTI.

Furthermore, many CTAs have expressed that California is a diverse state with dense urban cities to rural agricultural communities that cannot be shoehorned into a one size fits all model. CTAs have voiced these and other concerns to the Governor's office, urging a more flexible model to account for the State's diversity.

When CAPTI was discussed with the TAM Board in March, staff intended on joining the SHCC in penning a comment letter on CAPTI. However, SHCC could not develop a consensus among its members on CAPTI so a letter from SHCC did not materialize. When a SHCC letter was not available, staff drafted its own letter for the FP&L Executive Committee’s consideration on May 10, 2021. SHCC eventually penned a letter, dated May 17, 2021, after the FP&L Executive Committee authorized staff to deliver the comment letter as shown in Attachment A.

State Legislative Bills

In March 2021, the TAM Board reviewed and adopted positions on the initial set of 19 state bills and one federal bill, shown in Attachment B. These bills are being monitored by staff and Gus Khouri, TAM’s Legislative Consultant.

Attachment B also contains seven (7) new state bills with recommended positions for the TAM Board’s consideration. Of the seven new bills listed in Attachment B, staff is recommending the positions as listed in the below table:

Position	# of Bills	Previously Reviewed Bills	New Bills
Support	9	AB 43, AB 117, AB 361, SB 551, HR 1019	AB 14, AB 745, SB 4
Watch	17	AB 11, AB 34, AB 41, AB 51, AB 67, AB 72, AB 786, AB 1049, AB 1069, AB 1499, SB 261, SB 339, SB 542, SB 643	AB 339, AB 629, AB 955, SB 674
Oppose unless amended	1	SB 771	
Total	27	20	7

Of the previously reviewed bills, staff is recommending changing positions for AB 117 and SB 542.

- AB 117 would establish an incentive program for purchasing electric bicycles. Staff originally recommended a watch position for AB 117, but the bill has been amended to prioritize incentives for low-income households. The recommended position has been changed from watch to support.
- SB 542 would repeal the vehicle license fee (VLF) of \$100 for zero emission motor vehicles with a model year of 2020 or later. Staff originally recommended an oppose position for SB 542 because it would have impacted the state funding made available through SB 1 Programs, which TAM applies for and has benefitted from. SB 542 has since been amended to only provide a discount for the VLF for medium or heavy duty zero-emission trucks. Since the VLF does not impact transportation funding, staff is proposing to change the recommended position from oppose to watch.

The TAM Board in March also supported a federal bill that proposes federal tax credit for purchasing electric bicycles, also known as the E-Bike Act. The federal bill did not have a designated bill number at the time. HR 1019 has since been assigned to the E-Bike Act.

Of the new bills on the matrix, staff is recommending a support position for three bills.

- AB 14 and SB 4 have emerged as the main broadband bills and staff is recommending a support position for both bills.
- AB 745 provides vouchers for zero-emission vehicles to low-income households. A support position for AB 745 would be consistent with TAM’s Legislative Platform.

AB 339 is the main Brown Act bill that governs teleconferenced and internet-based meetings. CSAC and the League of Cities oppose AB 339 because it still requires in-person meetings for testimony and translation services. Staff originally recommended a “support if amended” position on the point opposed by CSAC and the League of Cities but the FP&L Executive Committee changed the recommended position to “watch” during its deliberation on May 10, 2021.

Letters of support or opposition may 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.

Additional bills may be added to the chart in the coming months as they become relevant to TAM or Marin. Staff will also add bills that are requested by TAM Commissioners for discussion or action.

Mr. Khouri will be in attendance at the May 27th TAM Board meeting to discuss CAPTI, the May Revise to the FY 21/22 State Budget, and the proposed legislative bills. Mr. Khouri has provided a report (Attachment C) that summarizes the May Revise to the FY 21/22 State Budget.

FISCAL IMPACTS

There are no immediate fiscal impacts on TAM from the issued comment letter on the draft CAPTI framework or by taking positions on these bills.

NEXT STEPS

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

ATTACHMENTS

Attachment A: Letter Delivered to Secretary David Kim, CalSTA, on CAPTI

Attachment B: TAM Bill Matrix – May 2021

Attachment C: Khouri Consulting Report on State Legislative Update – May Revise to the Governor’s FY2021/22 Budget



May 18, 2021

900 Fifth Avenue
Suite 100
San Rafael
California 94901

Phone: 415/226-0815
Fax: 415/226-0816

www.tam.ca.gov

Belvedere
James Campbell

Corte Madera
Charles Lee

Fairfax
Chance Cutrano

Larkspur
Dan Hillmer

Mill Valley
Urban Carmel

Novato
Eric Lucan

Ross
P. Beach Kuhl

San Anselmo
Brian Colbert

San Rafael
Kate Colin

Sausalito
Susan Cleveland-Knowles

Tiburon
Alice Fredericks

County of Marin
Damon Connolly
Katie Rice
Stephanie Moulton-Peters
Dennis Rodoni
Judy Arnold

Mr. David S. Kim
Secretary
California State Transportation Agency
915 Capitol Mall, Suite 350B
Sacramento, CA 95814

RE: Transportation Authority of Marin (TAM) Considerations on the Draft Climate Action Plan for Transportation Infrastructure (CAPTI)

Dear Secretary Kim:

Thank you for the opportunity to comment on the Draft CAPTI framework. We understand and appreciate Governor Newsom’s goal to reduce greenhouse gas emissions (GHG) and vehicle miles traveled (VMT) and encourage additional investments in public transportation and active transportation projects. CAPTI serves as an important strategy to work collectively on those efforts. While TAM is in strong support of addressing climate change and appreciates your leadership on this issue, success will require creative, flexible, and pragmatic solutions to account for the unique opportunities and challenges that face each region.

Background

In 2018, almost 77% of Marin voters approved Measure AA, a ½ cent, 30-year local sales tax measure that makes multimodal improvements throughout the county, including some that are on and near the state highway system, which is a state-owned asset. These measures require comprehensive public engagement, contain diverse investments in multi-modal options, and ultimately require a 2/3 vote for passage.

It is worth noting that TAM’s voter-approved ½-cent transportation sales tax measure dedicates 55% of its funding annually to transit operations and another approximately 15% to active and alternative transportation modes. In addition, TAM is one of the few county transportation agencies with a dedicated source of funding for an alternative fuels program, and we have provided funding to support the installation of over 300 electric chargers in the County.

The sales tax measure and other locally approved measures such as Regional Measure 3 also include improvements that are aimed at improving safety, efficiency, and access on or near the state highway system. For example, Highway 101 is the County’s “main street” and serves as the main arterial for the North Bay and beyond. TAM’s local measure includes a number of projects to enhance access and throughput on Highway 101 to help move people on and across the highway in a safe manner. Another example is State Route 37, where currently no transit services exist; in order to add efficient bus service that provides a travel time savings to users, it would be necessary to add an HOV lane to the corridor – adding capacity but doing so in order to develop a robust transit network. In both cases, a local agency like TAM, with locally committed funding, relies on partnership with the State to deliver improvements on the state highway system.

This two-pronged approach is woven into the expenditure plan – continuing to improve the current system, while simultaneously working toward reducing GHG emissions.

Our suggestions are as follows:

1. Support the Will of the Voters to Complete Projects and Maximize Investments

Our agency has made a commitment to the voters and our public to deliver the investments that our expenditure plan promised. A key part of keeping our promises is to secure state matching funds (as well as implementation support) since each county does not generate enough in local sales tax revenues to make up for the disproportionate cost of delivering projects. This funding gap makes continued access to state funding for a multi-modal range of projects imperative.

Our request is to maintain the state and local partnership and maximize the return on previous investments by allowing for local sales tax measures to continue leveraging state dollars to deliver regionally significant highway capacity projects, particularly if a project includes a safety or multi-modal component, such as making active or public transit more accessible, efficient, and reliable.

2. Allow Flexibility in State Funding Programs to Address Safety, Goods Movement and Mobility Needs

State funding programs should provide flexibility to regions so that they can address all modes efficiently to maximize safety, mobility, goods movement, and throughput in order to expedite the response to climate change, especially on the state highway system. We request that CAPTI recognizes small urban/rural areas that still need to plan, fund, and deliver projects on the state highway system that addresses safety and congestion along lifeline routes such as Highways 37 and 101.

Rather than prioritizing non-capacity inducing projects on the state highway system, we suggest that state funding programs, particularly the SB 1 competitive programs – Local Partnership Program, Solutions for Congested Corridors, and Trade Corridor Enhancement Program – provide greater flexibility to address all modes, such as more funding for regional transit networks, grade separations, passenger rail, or active transportation projects.

3. Support Additional Strategies that Reduce Greenhouse Gas Emissions

We are supportive of the Governor's direction through N-79-20, and the proposed \$2.3 billion in the FY 2021-22 State Budget, to invest more into zero-emission infrastructure. Our suggestions are to expand electric vehicle use; expand grants, rebates or incentives for individuals and agencies to convert to electric vehicles including buses; expand funding and remove regulatory hurdles for installation of charging facilities and provide necessary utility infrastructure to support this shift; and enhance broadband capacity. In particular we ask that low-income residents in the Bay Area be considered a priority for rebates for zero-emission vehicle (ZEV) purchases and charging infrastructure as a critical opportunity to help the region realize its air quality and mobility goals.

The pandemic's crash course in teleworking has proven it to be effective at reducing travel while maintaining the productivity needs of employers and employees in many industries. Therefore, we further request that CalSTA includes in its strategies expanded investment in broadband, particularly in underserved areas, to support enhanced telecommuting, and state support for local implementation of transportation demand management strategies, vanpools and park-and-ride lots, and VMT-mitigation credits, which may expedite addressing climate change.

Letter to D. S. Kim, CalSTA Secretary
May 18, 2021

In conclusion, TAM is an eager partner in taking action to combat climate change and deliver more multi-modal options, and, at the same time, we ask that state investments be responsive to local, voter-approved plans that reflect the unique needs and characteristics of each region. We look forward to partnering with you and the appropriate state agencies to develop pragmatic solutions and to deliver local and state priorities.

Sincerely,



Anne Richman
Executive Director

cc: The Honorable Marc Levine, Assembly Member, 10th District
The Honorable Mike McGuire, Senator, 2nd District
Hilary Norton, Chair, California Transportation Commission
Mitch Weiss, Executive Director, California Transportation Commission
Toks Omishakin, Director, Caltrans
Darwin Moosavi, Deputy Secretary, California State Transportation Agency

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TAM Bill Matrix – May 2021

Measure	Status	Bill Summary	Recommended Position
AB 11 (Ward) Climate Change: Regional Climate Change Authorities	1/25/21 Assembly Natural Resources	This bill would require the Strategic Growth Council to establish up to 12 regional climate change authorities to coordinate climate adaptation and mitigation activities in their regions, and coordinate with other regional climate adaptation authorities, state agencies, and other relevant stakeholders.	Watch MTC: None CSAC: None League: None
<u>AB 14 (Aguiar-Curry)</u> <u>Communications: broadband services: California Advanced Services Fund</u>	<u>4/15/20</u> <u>Assembly Local Government</u>	<u>This bill would authorize the board of supervisors of a county to acquire, construct, improve, maintain, or operate broadband internet access service, and any other communications service necessary to obtain federal or state support for the acquisition, construction, improvement, maintenance, or operation of broadband internet access service.</u>	<u>Support</u> <u>MTC: None</u> <u>CSAC: Support</u> <u>League: Support</u>
AB 34 (Murasutchi) Communications: Broadband for All Act of 2022	4/22/20 <u>Assembly Appropriations</u>	This is a spot bill for <u>would enact</u> the Broadband for All Act of 2022, to <u>to</u> place a ballot measure on the November 8, 2022 statewide general election, to authorize the issuance of <u>\$10 billion in</u> state general obligation bonds to fund increased <u>infrastructure and</u> access to broadband services to rural, urban, suburban, and tribal unserved and underserved communities.	Watch MTC: None CSAC: None <u>Support</u> League: None <u>Support</u>
AB 41 (Wood) Communications: Broadband Infrastructure	4/22/20 <u>Assembly Transportation</u>	This bill would improve California’s “Dig Once” policy and expedite the deployment of broadband infrastructure in communities that are currently unserved and underserved <u>require Caltrans, the Public Utilities Commission and California Broadband Council to identify priority areas for broadband deployment within the state.</u>	Watch MTC: None CSAC: None League: None

TAM Bill Matrix – May 2021

Measure	Status	Bill Summary	Recommended Position
AB 43 (Friedman) Traffic Safety: Vision Zero	4/20/2021 Assembly Appropriations	This bill would require Caltrans to convene a committee of external design experts to advise on revisions to the Highway Design Manual to balance integrated mass transportation, highway, aviation, maritime, railroad, and other transportation facilities and services in support of statewide and regional goals. The bill would require the California Traffic Safety Program to include a traffic safety monitoring program that identifies and addresses locations with pedestrian- and bicyclist-related crashes. The bill would allow for the recalibration of speed limits of order to eliminate fatalities for motorists, bicyclists, and pedestrians.	Support MTC: None CSAC: None League: None
AB 51 (Quirk) Climate Change: Regional Climate Adaptation Planning Groups and Plans	1/11/2021 Assembly Natural Resources	Existing law establishes the Integrated Climate Adaptation and Resiliency Program, administered by the Office of Planning and Research, to coordinate regional and local efforts with state climate adaptation strategies to adapt to the impacts of climate change. This bill would require the Strategic Growth Council to establish guidelines for the formation of regional climate adaptation planning groups. The bill would require the council to develop criteria for regional climate adaptation plans.	Watch MTC: None CSAC: None League: None
AB 67 (Petrie-Norris) Climate Change: Sea-Level Rise Working Group	4/14/2021 Assembly Appropriations	This bill would require a state agency to consider the current and future impacts of sea level rise when planning, designing, building, operating, maintaining, and investing in infrastructure located in the coastal zone or otherwise vulnerable to flooding from sea level rise or storm surges, or when otherwise approving the allocation of state funds for those purposes. The bill would require the Ocean Protection Council to establish a multiagency working group to provide recommended policies, resolutions, projects, and other actions to address sea level rise, the breadth of its impact, and the severity of its anticipated harm. The bill would require the council to develop a standardized methodology and template for conducting economic analyses of risks and adaptation strategies associated with sea level rise.	Watch MTC: None CSAC: None League: None
AB 72 (Petrie-Norris) Natural Resources Agency: Coastal Adaptation Projects: Sea Level Rise: Regulatory Review and Permitting: Report	4/14/2021 Assembly Appropriations	This bill would enact the Coastal Adaptation Permitting Act of 2021. The bill would require the Natural Resources Agency to explore and authorize the implementation of options within the agency's jurisdiction to establish a more coordinated and efficient regulatory review and permitting process for coastal adaptation projects. The bill would require the agency to submit a report to the Legislature with recommendations for improving and expediting the regulatory review and permitting process for coastal adaptation projects.	Watch MTC: None CSAC: None League: None

TAM Bill Matrix – May 2021

Measure	Status	Bill Summary	Recommended Position
AB 117 (Beorner Horvath) Electric Bicycles	4/6/2021 Assembly <u>Appropriations</u>	The bill would require the State Air Resources Board to establish and implement and administer the Electric Bicycle Rebate <u>Incentive</u> Pilot Project to provide rebates <u>incentives</u> for purchases of electric bicycles. The bill would require the state board to submit to the Legislature a midcycle evaluation of the pilot project and an end-of-program evaluation of the pilot project. The bill would appropriate from the Greenhouse Gas Reduction Fund \$10,000,000 to the state board for purposes of the pilot project. <u>The bill has been amended to prioritize incentives for low-income households, which do not exceed 120 percent of the area’s median income.</u>	Watch <u>Support</u> MTC: None CSAC: None League: None
<u>AB 339 (Lee)</u> <u>State and local government: open meetings</u>	<u>4/28/2021</u> <u>Assembly Local Government</u> <u>Set for hearing on 4/28</u>	<u>This bill would require all meetings, including gatherings using teleconference technology, to include an opportunity for all persons to attend via a call-in option or an internet-based service option. In-person testimony would be required, except in the case of a declared emergency. The bill would require that—instructions for joining remotely for public comment shall be made available to all non-English-speaking persons upon request and should be published in the two most spoken languages other than English within the boundaries of the territory over which the local agency exercises jurisdiction. The bill also requires that the meeting agenda be made available upon request to all non-English-speaking persons regardless of national origin or language ability.</u>	<u>Support if amended</u> <u>Watch</u> MTC: None CSAC: Oppose League: Oppose
AB 361 (Rivas, Robert) Open Meetings: Local Agencies: Teleconferences	2/12/2021 Assembly Local Government	This bill provides exemptions from the Ralph M. Brown Act’s meeting requirements to allow local jurisdictions to meet virtually during emergencies, provided the legislative body makes certain determinations by majority vote, publishes proper notice, and provides opportunity for public comment.	Support MTC: None CSAC: None None <u>Support</u> League: None
<u>AB 629 (Chiu)</u> <u>San Francisco Bay Area: Public Transportation</u>	<u>4/26/2021</u> <u>Assembly Appropriations</u>	<u>Requires the Metropolitan Transportation Commission (MTC) to consult with transit agencies in the nine-county San Francisco Bay Area to provide more seamless service across its jurisdiction.</u>	<u>Watch</u> MTC: Support CSAC: None League: None

TAM Bill Matrix – May 2021

Measure	Status	Bill Summary	Recommended Position
<u>AB 745 (Gipson)</u> <u>Air pollution: Clean Cars 4 All Program</u>	<u>4/22/2021</u>	<u>This bill would require the California State Air Resources Board, as a part of the Clean Cars 4 All Program, to provide vouchers for zero-emission vehicles to persons of low or moderate income living in disadvantaged communities to replace vehicles that have failed a smog check inspection.</u>	Support MTC: None CSAC: None League: None
AB 786 (Cervantes) CTC Executive Director	2/16/21 Introduced	This bill would require the Governor, rather than the California Transportation Commission (CTC), to appoint the Commission’s Executive Director.	Watch MTC: None CSAC: None League: None
<u>AB 955 (Quirk)</u> <u>Highways: encroachment permits: broadband facilities</u>	<u>3/23/2021</u> <u>Assembly Communications & Conveyance</u> <u>Set for hearing on 4/28</u>	<u>This bill would establish additional procedures for Caltrans’ review of an application for an encroachment permit for a broadband facility. Caltrans would have 30-days to process a permit.</u>	Watch MTC: None CSAC: None League: None
AB 1049 (Davies) Public Transportation Account: Loan Repayment	3/4/21 <u>Assembly Transportation</u>	The Budget Act of 2013 and the Budget Act of 2014 require the Controller, upon the order of the Director of Finance, to transfer specified amounts totaling up to \$55,515,000 as loans from the Public Transportation Account to the High-Speed Passenger Train Bond Fund. This bill would require \$54,000,000 from these loans to be repaid to the Public Transportation Account and would provide that these repaid funds are available, upon appropriation by the Legislature, to help offset the loss of revenues incurred by transit operators during the COVID-19 pandemic.	Watch MTC: None CSAC: None League: None
AB 1069 (Lackey) Zero-Emission Vehicles for Underrepresented Communities	3/4/21 <u>Assembly Transportation</u>	This bill would set a goal of having 60% of all zero-emission vehicles to be purchased by underrepresented communities, which is defined as an individual who self-identifies as Black, African American, Hispanic, Latino, Asian, Pacific Islander, Native American, Native Hawaiian, or Alaska Native, or who self-identifies as gay, lesbian, bisexual, or transgender.	Watch MTC: None CSAC: None League: None

TAM Bill Matrix – May 2021

Measure	Status	Bill Summary	Recommended Position
AB 1499 (Daly) Design-Build Contracts	4/23/21 Assembly Appropriations	This bill would remove the sunset date of January 1, 2024, for the ability to utilize the design-build project delivery system for up to 10 projects on the state highway system.	Watch MTC: None CSAC: None League: None
SB 4 (Gonzalez) Communications: California Advanced Services Fund	Amended 3/25/21 Senate Appropriations Set for hearing on 5/3	This bill would require the Governor’s Office of Business and Economic Development (“GO-Biz”) to coordinate with state and local agencies and national organizations to explore ways to facilitate streamlining of local land use approvals and construction permit processes for projects related to broadband infrastructure deployment and connectivity.	Support MTC: None CSAC: Support League: Support
SB 261 (Allen) Regional Transportation Plans: Sustainable Communities Strategies	4/19/21 Senate Transportation	This bill would require that the sustainable communities’ strategy be developed to achieve greenhouse gas emission reduction targets for the automobile and light truck sector for 2045 and 2050 and vehicle miles traveled reduction targets for 2035, 2045, and 2050 established by the Air Resources Board.	Watch MTC: None CSAC: None Oppose League: None
SB 339 (Wiener) Road Usage Charge Pilot Program	4/21/21 Senate Appropriations	This bill extends by four years the Road Usage Charge (RUC) Technical Advisory Committee (TAC). The purpose of the TAC is to guide the development and evaluation of a pilot program to assess the potential for mileage-based revenue collection as an alternative to the gas tax system, gather public comment on issues and concerns related to the pilot program, and make recommendations to the Secretary of Transportation on the design of a pilot program.	Watch MTC: None CSAC: None League: None
SB 542 (Limón) Zero-emission Vehicles: Fees	2/18/21 Introduced	This bill would repeal the road improvement fee of \$100 to be paid to the Department of Motor Vehicles for registration or renewal of registration of every zero-emission motor vehicle with a model year of 2020 or later. This bill has been amended to apply to discounting the vehicle license fee for medium or heavy duty zero-emission trucks. Since the VLF does not impact transportation funding, the bill no longer has an impact on TAM.	Oppose Watch MTC: None CSAC: None League: None

TAM Bill Matrix – May 2021

Measure	Status	Bill Summary	Recommended Position
SB 551 (Stern) California Electric Vehicle Authority	2/18/21 Introduced	This bill would establish the California Electric Vehicle Authority within the Governor’s office. The bill would require the authority to coordinate activities among state agencies to advance electric vehicle and zero-emission charging infrastructure deployment as well as ensure related equity, workforce development, and economic development.	Support MTC: None CSAC: None League: None
SB 643 (Archuleta) Fuel Cell Electric Fueling Infrastructure	2/19/21 Introduced	This bill would require the California Air Resources Board, in consultation with the Energy Commission and the Public Utilities Commission, to prepare a statewide assessment of the fuel cell electric vehicle fueling infrastructure and fuel production needed to support the adoption of zero-emission trucks, buses, and off-road vehicles at levels necessary for the state to meet specified goals and requirements relating to vehicular air pollution.	Watch MTC: None CSAC: None League: None
<u>SB 674 (Durazo)</u> <u>Public Contracts: workforce development: transportation-related contracts</u>	<u>4/19/21</u> <u>Senate Transportation</u> <u>Set for hearing on 4/27</u>	<u>This bill would require the Labor and Workforce Development Agency to develop the California Jobs Plan Program to meet specified objectives, including creation of a form that states the minimum numbers of proposed jobs that are projected to be retained and created if the applicant wins the public contract, and proposed wages, benefits, and investment in training. Other objectives of the program include the hiring of displaced workers and individuals facing barriers to employment; developing the state’s long-term green transportation and related infrastructure and manufacturing sector; and supporting the adoption of protections for worker health and safety. TAM is evaluating the if the additional requirements that would be placed on workforce participation would have an impact on a public agency’s ability to procure state funding.</u>	<u>Watch</u> <u>MTC: None</u> <u>CSAC: None</u> <u>League: None</u>
SB 771 (Becker) Sales Tax on Zero-Emission Vehicle Exemption	3/3/21 <u>Senate Governance & Finance</u>	This bill would provide a sales tax exemption on the purchase of an electric or a hybrid electric vehicle valued at \$25,000 or less. The bill specifies that there would be no local reimbursement to cities and counties for the lost revenue attributable to the exemption. The requested amendment would be to restore the local reimbursement provision for lost local sales tax revenues.	Oppose Unless amended MTC: None CSAC: <u>NoneOppose unless amended</u> League: None

TAM Bill Matrix – May 2021

Measure	Status	Bill Summary	Recommended Position
<p>H.R.1019 (Panetta, Blumenauer, Thompson)</p> <p>Federal Tax Credit for E-Bikes</p>	<p>Awaiting introduction</p>	<p>This federal bill creates a tax credit that covers 30% of the cost of an electric bike (e-bike), up to \$1,500 (or \$3,000 for joint returns), applicable to e-bikes costing under \$8,000, and is fully-refundable, allowing lower-income workers to claim the credit. Credit can be applied to e-bikes that have pedals, a saddle, a motor of less than 750 watts and that meet one of the three-class definitions: class 1 (20 mph max with itno throttle), class 2 (20 mph max with throttle), or class 3 (28 mph max with no throttle). The credit canis only be used on for new e-bikes.</p>	<p>Watch</p> <p>MTC: None CSAC: None League: None</p>

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May 14, 2021

TO: Board Members, Transportation Authority of Marin

FROM: Gus Khouri, President
Khouri Consulting LLC

RE: STATE LEGISLATIVE UPDATE – MAY REVISE TO THE GOVERNOR’S FY 2021-22 BUDGET

On May 14, Governor Newsom released his May Revision to the FY 2021-22 budget. The May Revision stands in stark contrast to the budget of one year ago. Compared to a projected budget deficit of \$54.3 billion a year ago, the state now has a projected \$75.7 billion surplus. Combined with over \$25 billion in federal relief, this supports a \$100 billion “California Comeback Plan” towards the Governor’s vision of accelerating the state’s economic recovery from the COVID-19 pandemic. Education, particularly K-14 education is a major beneficiary, as \$93.7B is proposed (\$14,400 per pupil) in addition to the \$15.3 billion in federal funding that has been received.

The May Revise includes \$24.4 billion in reserves, which is the highest in state history. The forecast does not project large structural deficits; however, risks to the economic forecast remain—new coronavirus variants, vaccine hesitancy, higher inflation if disrupted supply chains cannot support increased consumer demand, and a stock market decline that would impact state revenues. These risks, together with the one-time nature of the federal funds and new revenue, constrain the state’s ability to significantly expand ongoing commitments.

The California Comeback Plan proposes to make the following investments:

- \$20 billion to transform public education by expanding after school programs, tutoring, universal meal programs, the arts, sports, and mental health programs.
- \$12 billion in tax rebates. People making under \$75,000 will receive \$600 -2/3 of all Californians; families with kids will receive an additional \$500; and an additional \$1,500 for ITIN filers, which are those that do not have a social security number.
- \$12 billion to provide housing for the state’s 65,000 homeless population (\$7 billion for 46,000 units, \$1.75 billion for affordable housing; \$447 million for homeless student housing, \$193 million for encampment strategies, \$150 million for Project Room Key).
- \$7 billion to close the digital divide by providing broadbands for all.
- \$5.1 billion (?) for drinking and wastewater infrastructure.
- \$5.1 billion for mental health services.
- \$3.5 billion to end homelessness in five years, provide rent support, and grants to local governments (\$40 million).

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- \$5.2 billion to assist low-income renters pay 100% of their back-rent and utilities
- \$2 billion to assist renters with past due utility bills
- \$1.5 billion towards litter abatement to clean highways and corridors.
- \$1.5 billion for small business grants (\$4 billion overall) to assist with COVID recovery.
- \$300 million for traffic fine forgiveness for fines incurred between January 1, 2015 through June 30, 2021 for low-income residents.

What does this mean for transportation?

Senate Bill 1 (SB1) competitive programs are primarily funded by the vehicle registration fee, which provides for more predictable, stable funding source as opposed to the volatility of the gas tax. The Governor however is proposing to provide an additional \$11 billion in funding, including \$4.4 billion from the General Fund to reduce greenhouse gas emissions, create jobs, and enhance mobility as follows:

- **Los Angeles Olympics**—\$1 billion General Fund to deliver critical projects in time for the 2028 Olympic Games.
- **Priority Transit and Rail Projects**—\$1 billion General Fund for transit and rail projects statewide that improve rail and transit connectivity between state and regional/ local services.
- **Active Transportation**—\$500 million General Fund to advance projects that increase the proportion of trips accomplished by walking and biking, increase the safety and mobility of non-motorized users, advance efforts of regional agencies to achieve greenhouse gas reduction goals, enhance public health, and benefit many types of users, especially in disadvantaged communities.
- **High Priority Grade Separations and Grade Crossing Improvements**—\$500 million General Fund to support critical safety improvements throughout the state.
- **High-Speed Rail**—\$4.2 billion Proposition 1A to complete high-speed rail construction in the Central Valley, advance work to launch service between Merced and Bakersfield, advance planning and project design for the entire project, and leverage potential federal funds.
- **State Highway Rehabilitation and Local Roads and Bridges**—\$2 billion (\$1.1 billion special funds through 2028, and \$968 million federal funds) to support the advancement of priority State Highway Operation and Protection Program (SHOPP) projects, Interregional Transportation Improvement Program (ITIP) projects, and local road and bridge investments. This amount includes \$912 million from the Coronavirus Response and Relief Supplemental Appropriations Act that was enacted by Congress in March.
- **Zero-Emission Rail and Transit Equipment Purchases and Infrastructure**—\$407 million (\$100 million General Fund, \$280 million Public Transportation Account, and \$27 million federal funds) to demonstrate and purchase or lease state-of-the-art, clean bus and rail equipment and infrastructure that eliminate fossil fuel emissions and increase intercity rail and intercity bus frequencies.
- **Zero-Emission Buses and Trucks**—\$1.4 billion (\$1.3 billion General Fund, \$87 million Air Pollution Control Fund) to demonstrate and purchase or lease green buses and trucks. These funds are budgeted outside of the transportation budget and are included and described in the Climate Resilience Chapter.
- **Zero-Emission Vehicle Infrastructure**— \$826 million for a total of \$1.8 billion for FY 21-22, and \$3.2 billion over three-years for ZEV infrastructure.
- **Litter Abatement**- One-time funding of \$1.5 billion General Fund will be used for a three-year effort to clean up garbage statewide, beautify the state's transportation network, educate the public about the harms of litter, and create long-lasting litter deterrents.

Next Steps

Budget subcommittees are currently in the process of evaluating components of the May Revision. The Assembly and Senate will then convene in a Conference Committee to reconcile differences prior to sending to the floor of each house for a vote. Per the Constitution, the legislature must send a balanced budget to the Governor by June 15. The Governor must act before July 1 (12 working days after receipt), which is the beginning of the new fiscal year.

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