

M e m o r a n d u m

To: CHAIR AND COMMISSIONERS

CTC Meeting: January 30-31, 2019

Reference No.: 4.1 - *REVISED*
Action

Published Date: January 30, 2019

Prepared By: Paul Golaszewski
Deputy Director

From: SUSAN BRANSEN
Executive Director

Subject: **STATE AND FEDERAL LEGISLATIVE MATTERS**

ISSUE:

Should the California Transportation Commission (Commission):

1. Accept the staff report on the proposed state legislation identified and monitored by staff as presented in Attachment A?
2. Adopt a position of support and submit a letter (Attachment C) to Assembly Member Grayson on Assembly Bill (AB) 185? This bill would require the Department of Housing and Community Development to participate in the joint meetings held between the Commission and the California Air Resources Board.
3. Adopt a position of support and submit a letter (Attachment E) to Assembly Member Daly on AB 252? This bill would continue Caltrans' ability to streamline environmental review processes conducted pursuant to the National Environmental Policy Act (NEPA) Assignment Program by removing the January 1, 2020 sunset date on Caltrans' limited waiver of sovereign immunity.

RECOMMENDATION:

Staff recommends that the Commission:

1. Accept the staff report and provide direction on state legislation of interest in Attachment A.
2. Adopt a position of support and approve the transmission of the letter to Assembly Member Grayson supporting AB 185, included as Attachment C.
3. Adopt a position of support and approve transmission of the letter to Assembly Member Daly supporting AB 252, included as Attachment E.

STATE LEGISLATION:

The Legislature reconvened on January 7, 2019 to begin its work in the new two-year session.

As of January 24, Members have introduced 13 new bills that staff have identified to monitor based on the Commission's legislative tracking policy. Attachment A is a list of the bills monitored at this time.

Of the bills monitored at this time, staff recommends the Commission adopt a position of support for AB 185 (Grayson). This bill would require the Department of Housing and Community Development to participate in the joint meetings held between the Commission and the California Air Resources Board pursuant to Chapter 737 of 2017 (AB 179, Cervantes). A copy of the bill is included as Attachment B. AB 185 would implement the first part of a recommendation the Commission made to the Legislature in its 2018 Annual Report. Staff has drafted a letter to Assembly Member Grayson that expresses the Commission's support for AB 185, included as Attachment C. The letter also respectfully requests that Assembly Member Grayson consider amending the bill to include the second part of the Commission's recommendation, which is to require the California Energy Commission to also participate in the joint meetings.

Staff also recommends the Commission adopt a position of support for AB 252 (Daly). This bill would continue Caltrans' ability to streamline environmental review processes conducted pursuant to the NEPA Assignment Program by removing the January 1, 2020 sunset date on Caltrans' limited waiver of sovereign immunity. A copy of the bill is included as Attachment D. AB 252 would implement a recommendation the Commission made to the Legislature in its 2018 Annual Report. Staff has drafted a letter to Assembly Member Daly that expresses the Commission's support for AB 252, included as Attachment E.

Staff anticipates more transportation-related bills will be introduced in the coming weeks. The last day for Members to introduce bills is February 22. After bills are introduced and read on the floor, they are referred to the policy committees in each house for consideration. Attachment F contains a list of the membership of the Assembly Transportation Committee and the Senate Committee on Transportation.

STATE BUDGET:

On January 10, the Governor submitted his proposed 2019-20 budget to the Legislature. The budget includes \$4.8 billion in SB 1 funding. The proposed budget also says the state will encourage jurisdictions to contribute their share of the state's housing supply by linking housing production to certain transportation funds. The details of this proposal are to be worked out in the coming months through stakeholder discussions. Attachment G contains the Department of Finance's summary of the Governor's proposals for transportation and for linking housing production with transportation funds.

After the Governor introduces his proposed budget, legislative budget subcommittees in each house consider the proposals in their respective areas. Attachment H contains a list of the membership of the two budget subcommittees that consider transportation.

FEDERAL LEGISLATIVE MATTERS:

On January 3rd, the new 116th Congress convened. Attachment I contains a list of the membership of the Senate Committee on Commerce, Science, and Transportation, the Senate Committee on Environment and Public Works, and the House Transportation & Infrastructure Committee.

Attachments:

- Attachment A: Legislative bills Commission staff is monitoring this session
- Attachment B: AB 185, as introduced
- Attachment C: Letter of support for AB 185
- Attachment D: AB 252, as introduced
- Attachment E: Letter of support for AB 252
- Attachment F: Members of legislative transportation policy committees
- Attachment G: Summary of Governor's proposed budget for transportation
- Attachment H: Members of legislative transportation budget subcommittees
- Attachment I: Members of U.S. Senate Committee on Commerce, Science, and Transportation; U.S. Senate Committee on Environment and Public Works; and U.S. House Transportation & Infrastructure Committee.

**Legislative bills Commission staff is monitoring
Thursday, January 24, 2019**

[AB 146](#) (Quirk-Silva D) State highways: property leases: County of Orange.

Current Text: Introduced: 12/14/2018

| Desk | Policy | Fiscal | Floor | Desk | Policy | Fiscal | Floor | Conf. Conc. | Enrolled | Vetoed | Chaptered |
|-----------|--------|--------|-------|-----------|--------|--------|-------|-------------|----------|--------|-----------|
| 1st House | | | | 2nd House | | | | | | | |

Summary: Would authorize the Department of Transportation to lease airspace under a freeway, or real property acquired for highway purposes, in the County of Orange, that is not excess property, to a city located in the County of Orange, the County of Orange, a political subdivision of the state whose jurisdiction is located in the County of Orange, or another state agency for purposes of an emergency shelter or feeding program, subject to certain conditions. The bill would specifically authorize the Orange County Housing Finance Trust to enter into these leases.

[AB 176](#) (Cervantes D) California Alternative Energy and Advanced Transportation Financing Authority.

Current Text: Introduced: 1/9/2019

| Desk | Policy | Fiscal | Floor | Desk | Policy | Fiscal | Floor | Conf. Conc. | Enrolled | Vetoed | Chaptered |
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| 1st House | | | | 2nd House | | | | | | | |

Summary: The California Alternative Energy and Advanced Transportation Financing Authority Act authorizes, until January 1, 2021, the California Alternative Energy and Advanced Transportation Financing Authority to provide financial assistance in the form of a sales and use tax exclusion for projects, including those that promote California-based manufacturing, California-based jobs, advanced manufacturing, reduction of greenhouse gases, or reduction in air and water pollution or energy consumption. The act prohibits the sales and use tax exclusions from exceeding \$100,000,000 for each calendar year. This bill would extend the authorization to provide financial assistance in the form of a sales and use tax exclusion for qualifying projects until January 1, 2031.

[AB 185](#) (Grayson D) California Transportation Commission: transportation policies: joint meetings.

Current Text: Introduced: 1/10/2019

| Desk | Policy | Fiscal | Floor | Desk | Policy | Fiscal | Floor | Conf. Conc. | Enrolled | Vetoed | Chaptered |
|-----------|--------|--------|-------|-----------|--------|--------|-------|-------------|----------|--------|-----------|
| 1st House | | | | 2nd House | | | | | | | |

Summary: Existing law requires the California Transportation Commission and the State Air Resources Board to hold at least 2 joint meetings per calendar year to coordinate their implementation of transportation policies. This bill would require the Department of Housing and Community Development to participate in those joint meetings.

[AB 226](#) (Mathis R) Transportation funds: transit operators: fare revenues.

Current Text: Introduced: 1/17/2019

| Desk | Policy | Fiscal | Floor | Desk | Policy | Fiscal | Floor | Conf. Conc. | Enrolled | Vetoed | Chaptered |
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| 1st House | | | | 2nd House | | | | | | | |

Summary: Current law provides various sources of funding to public transit operators. Under the Mills-Alquist-Deddeh Act, also known as the Transportation Development Act, revenues from a 1/4% sales tax in each county are available, among other things, for allocation by the transportation planning agency to transit operators, subject to certain financial requirements for an operator to meet in order to be eligible to receive moneys. This bill would require a fare paid pursuant to a reduced fare transit program to be counted as a full adult fare for purposes of calculating any required ratios of fare revenues to operating costs specified in the act, except for purposes of providing information in a specified annual report to the Controller or providing information to the entity conducting a fiscal or performance audit pursuant to specified provisions.

[AB 245](#) (Muratsuchi D) California Aerospace and Aviation Commission: establishment.

Current Text: Introduced: 1/22/2019

| Desk | Policy | Fiscal | Floor | Desk | Policy | Fiscal | Floor | Conf. Conc. | Enrolled | Vetoed | Chaptered |
|-----------|--------|--------|-------|-----------|--------|--------|-------|-------------|----------|--------|-----------|
| 1st House | | | | 2nd House | | | | | | | |

Summary: Would establish, within the Governor's Office of Business and Economic Development, the California Aerospace and Aviation Commission consisting of 17 members, as specified, to serve as a central point of contact for businesses engaged in the aerospace and aviation industries and to support the health and competitiveness of these industries in California. The bill would require the commission to make recommendations on legislative and administrative action that may be necessary or helpful to maintain or improve the state's aerospace and aviation industries and would require the commission to report and provide recommendations to the Governor and the Legislature, as specified.

AB 246

(Mathis R) State highways: property leases.

Current Text: Introduced: 1/22/2019

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|-----------|--------|--------|-------|-----------|--------|--------|-------|-------------|----------|--------|-----------|
| Desk | Policy | Fiscal | Floor | Desk | Policy | Fiscal | Floor | Conf. Conc. | Enrolled | Vetoed | Chaptered |
| 1st House | | | | 2nd House | | | | | | | |

Summary: Would authorize the Department of Transportation to offer a lease on a right of first refusal basis of any airspace under a freeway, or real property acquired for highway purposes, located in a disadvantaged community, that is not excess property to the city or county in which the disadvantaged community is located for purposes of an emergency shelter or feeding program, or for park, recreational, or open-space purposes for a rental amount of \$1 per month, subject to certain conditions.

AB 252

(Daly D) Department of Transportation: environmental review process: federal program.

Current Text: Introduced: 1/23/2019

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| Desk | Policy | Fiscal | Floor | Desk | Policy | Fiscal | Floor | Conf. Conc. | Enrolled | Vetoed | Chaptered |
| 1st House | | | | 2nd House | | | | | | | |

Summary: Current federal law requires the United States Secretary of Transportation to carry out a surface transportation project delivery program, under which the participating states may assume certain responsibilities for environmental review and clearance of transportation projects that would otherwise be the responsibility of the federal government. Current law, until January 1, 2020, provides that the State of California consents to the jurisdiction of the federal courts with regard to the compliance, discharge, or enforcement of the responsibilities it assumed as a participant in the program. This bill would extend the operation of these provisions indefinitely.

SB 5

(Beall D) Local-State Sustainable Investment Incentive Program.

Current Text: Introduced: 12/3/2018

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| Desk | Policy | Fiscal | Floor | Desk | Policy | Fiscal | Floor | Conf. Conc. | Enrolled | Vetoed | Chaptered |
| 1st House | | | | 2nd House | | | | | | | |

Summary: Would establish in state government the Local-State Sustainable Investment Incentive Program, which would be administered by the Sustainable Investment Incentive Committee. The bill would 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 to the Sustainable Investment Incentive Committee to participate in the program and would authorize the committee to approve or deny applications for projects meeting specific criteria.

SB 7

(Portantino D) State Highway Route 710.

Current Text: Introduced: 12/3/2018

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| Desk | Policy | Fiscal | Floor | Desk | Policy | Fiscal | Floor | Conf. Conc. | Enrolled | Vetoed | Chaptered |
| 1st House | | | | 2nd House | | | | | | | |

Summary: Would require for surplus nonresidential properties for State Route 710 in the County of Los Angeles that purchases of those properties by tenants in good standing be offered at fair market value as determined relative to the current use of the property if the tenant is a nonprofit organization or a city.

SB 59

(Allen D) Automated vehicle technology: Statewide policy.

Current Text: Introduced: 12/19/2018

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| Desk | Policy | Fiscal | Floor | Desk | Policy | Fiscal | Floor | Conf. Conc. | Enrolled | Vetoed | Chaptered |
| 1st House | | | | 2nd House | | | | | | | |

Summary: Would establish the policy of the state relating to automated vehicles in order to ensure that these vehicles support the state's efforts to, among other things, reduce greenhouse gas emissions and encourage efficient land use. The bill would require the Office of Planning and Research in the Governor's office, in coordination with the State Air Resources Board, to convene an automated vehicle interagency working group of specified state agencies, including, among others, the California Environmental Protection Agency, the Transportation Agency, and the Department of Motor Vehicles, to guide policy development for automated vehicle technology consistent with statewide policies as specified.

SB 127

(Wiener D) Transportation funding: active transportation: complete streets.

Current Text: Introduced: 1/10/2019

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| Desk | Policy | Fiscal | Floor | Desk | Policy | Fiscal | Floor | Conf. Conc. | Enrolled | Vetoed | Chaptered |
| 1st House | | | | 2nd House | | | | | | | |

Summary: Would require the California Transportation Commission, when programming funds from the State Highway Account, to give highest priority to accessibility improvements for all users of the transportation system that improve efficiency, reduce vehicle miles traveled, and promote public health; and makes environmental enhancement a higher priority than transportation capital improvements that expand capacity or reduce congestion. Also requires the Commission, in connection with Caltrans' Transportation Asset Management Plan, to adopt certain performance measures, including

measures for the conditions of bicycle and pedestrian facilities. Requires Caltrans to include new pedestrian and bicycle facilities, or improve such facilities, when undertaking State Highway Operation and Protection Program (SHOPP) projects. Disallows auxiliary lanes, merging lanes, and toll lanes from SHOPP.

SB 128

(Beall D) Enhanced infrastructure financing districts: bonds: issuance.

Current Text: Introduced: 1/10/2019

| Desk | Policy | Fiscal | Floor | Desk | Policy | Fiscal | Floor | Conf. | Enrolled | Vetoed | Chaptered |
|-----------|--------|--------|-------|-----------|--------|--------|-------|-------|----------|--------|-----------|
| 1st House | | | | 2nd House | | | | Conc. | | | |

Summary: Current law authorizes the legislative body of a city or a county to establish an enhanced infrastructure financing district, with a governing body referred to as a public financing authority, to finance public capital facilities or other specified projects of communitywide significance. Current law authorizes the public financing authority to issue bonds for these purposes upon approval by 55% of the voters voting on a proposal to issue the bonds. Current law requires the proposal submitted to the voters by the public financing authority and the resolution for the issuance of bonds following approval by the voters to include specified information regarding the bond issuance. This bill would instead authorize the public financing authority to issue bonds for these purposes without submitting a proposal to the voters.

SB 137

(Dodd D) Federal transportation funds: state exchange programs.

Current Text: Introduced: 1/15/2019

| Desk | Policy | Fiscal | Floor | Desk | Policy | Fiscal | Floor | Conf. | Enrolled | Vetoed | Chaptered |
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| 1st House | | | | 2nd House | | | | Conc. | | | |

Summary: Current federal law apportions transportation funds to the states under various programs, including the Surface Transportation Program and the Highway Safety Improvement Program, subject to certain conditions on the use of those funds. Current law establishes the Road Maintenance and Rehabilitation Program to address deferred maintenance on the state highway system and the local street and road system, and funds that program from fuel taxes and an annual transportation improvement fee imposed on vehicles. This bill would authorize the Department of Transportation to allow the above-described federal transportation funds that are allocated as local assistance to be exchanged for Road Maintenance and Rehabilitation Program funds appropriated to the department.

Total Measures: 13

Total Tracking Forms: 13

ASSEMBLY BILL

No. 185

Introduced by Assembly Members Grayson and Cervantes

January 10, 2019

An act to amend Section 14516 of the Government Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 185, as introduced, Grayson. California Transportation Commission: transportation policies: joint meetings.

Existing law creates the California Transportation Commission, with various powers and duties relative to the programming of transportation capital projects and allocation of funds to those projects pursuant to the state transportation improvement program and various other transportation funding programs. Existing law requires the commission and the State Air Resources Board to hold at least 2 joint meetings per calendar year to coordinate their implementation of transportation policies.

This bill would require the Department of Housing and Community Development to participate in those joint meetings.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 14516 of the Government Code is
- 2 amended to read:
- 3 14516. (a) The commission and the State Air Resources Board
- 4 shall hold at least two joint meetings per calendar year to

1 coordinate their implementation of transportation policies,
2 including interagency efforts, which shall include, but not be
3 limited to, implementation of the sustainable freight action plan
4 developed pursuant to Executive Order B-32-15, development of
5 the California Transportation Plan update pursuant to Section
6 65071, and the setting of targets pursuant to subparagraph (A) of
7 paragraph (2) of subdivision (b) of Section 65080.
8 *(b) The Department of Housing and Community Development*
9 *shall participate in joint meetings of the commission and the State*
10 *Air Resources Board held pursuant to subdivision (a).*

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Attachment C

FRAN INMAN, Chair
JAMES EARP, Vice Chair
BOB ALVARADO
YVONNE B. BURKE
LUCETTA DUNN
JAMES C. GHIELMETTI
CARL GUARDINO
CHRISTINE KEHOE
JOSEPH TAVAGLIONE
PAUL VAN KONYNENBURG

STATE OF CALIFORNIA

GAVIN NEWSOM, Governor

SENATOR JIM BEALL, Ex Officio
ASSEMBLY MEMBER JIM FRAZIER, Ex Officio

SUSAN BRANSEN, Executive Director



CALIFORNIA TRANSPORTATION COMMISSION

1120 N STREET, MS-52
SACRAMENTO, CA 95814
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SACRAMENTO, CA 94273-0001
(916) 654-4245
FAX (916) 653-2134
<http://www.catc.ca.gov>

January 30, 2019

The Honorable Timothy Grayson
Member of the Assembly
State Capitol, Room 4164
Sacramento, CA 95814

Re: Support for Assembly Bill 185

Dear Assembly Member Grayson:

As part of its statutory charge, the California Transportation Commission (Commission) advises the Administration and the Legislature on state transportation policies and makes recommendations for legislation to improve the transportation system.

The Commission adopted a position to support Assembly Bill (AB) 185 at its meeting on January 30, 2019. This bill requires the Department of Housing and Community Development (DHCD) to participate in joint meetings held by the Commission and the California Air Resources Board (CARB) to coordinate their implementation of transportation policies. These joint meetings are required under Chapter 737 of 2017 (AB 179, Cervantes).

At the inaugural joint meeting between the Commission and CARB held in June 2018, it was evident from Commissioner, Board Member, and public comment that key state agencies and policy areas were missing from the discussion. Given the connection between transportation and housing, DHCD's participation in these joint meetings is critical for transportation policy discussions on issues such as land use decisions, growth patterns, and facility siting and permitting. For this reason, the Commission, in its 2018 Annual Report to the Legislature, recommended legislation to include DHCD in the joint meetings.

Assembly Member Grayson
RE: Support for Assembly Bill 185
January 30, 2019
Page 2

In its 2018 Annual Report, the Commission also recommended including the California Energy Commission (CEC) in the joint meetings, given CEC's role in promoting advanced transportation technologies to achieve state environmental goals. For example, CEC currently is leading an effort to complete a statewide network of electric vehicle charging stations along key interregional highway corridors. Because CEC administers this and other transportation-related programs, the Commission respectfully requests that you consider amending AB 185 to require CEC to participate in the joint meetings as well.

The Commission commends your leadership on further coordinating the implementation of transportation policy across key state agencies. Commissioners and staff are available to provide information that may assist you in moving this legislation forward. If we can be of assistance, please contact the Commission's Executive Director, Ms. Susan Bransen, at 916-654-4245.

Sincerely,

FRAN INMAN
Chair

c: Commissioners, California Transportation Commission
Susan Bransen, California Transportation Commission, Executive Director
The Honorable Jim Beall, Senate Transportation Committee, Chair
The Honorable Shannon Grove, Senate Transportation Committee, Vice Chair
The Honorable Jim Frazier, Assembly Transportation Committee, Chair
The Honorable Vince Fong, Assembly Transportation Committee, Vice Chair
The Honorable Sabrina Cervantes, Assembly Member
Brian Annis, California State Transportation Agency, Secretary

ASSEMBLY BILL

No. 252

Introduced by Assembly Members Daly and Frazier

January 23, 2019

An act to amend Section 820.1 of the Streets and Highways Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 252, as introduced, Daly. Department of Transportation: environmental review process: federal program.

Existing law gives the Department of Transportation full possession and control of the state highway system. Existing federal law requires the United States Secretary of Transportation to carry out a surface transportation project delivery program, under which the participating states may assume certain responsibilities for environmental review and clearance of transportation projects that would otherwise be the responsibility of the federal government. Existing law, until January 1, 2020, provides that the State of California consents to the jurisdiction of the federal courts with regard to the compliance, discharge, or enforcement of the responsibilities it assumed as a participant in the program.

This bill would extend the operation of these provisions indefinitely.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 820.1 of the Streets and Highways Code
- 2 is amended to read:

1 820.1. (a) The State of California consents to the jurisdiction
2 of the federal courts with regard to the compliance, discharge, or
3 enforcement of the responsibilities assumed by the department
4 pursuant to Section 326 of, and subsection (a) of Section 327 of,
5 Title 23 of the United States Code.

6 (b) In any action brought pursuant to the federal laws described
7 in subdivision (a), no immunity from suit may be asserted by the
8 department pursuant to the Eleventh Amendment to the United
9 States Constitution, and any immunity is hereby waived.

10 (c) The department shall not delegate any of its responsibilities
11 assumed pursuant to the federal laws described in subdivision (a)
12 to any political subdivision of the state or its instrumentalities.

13 (d) This section does not affect the obligation of the department
14 to comply with state and federal law.

15 ~~(e) This section shall remain in effect only until January 1, 2020,~~
16 ~~and as of that date is repealed.~~

FRAN INMAN, Chair
JAMES EARP, Vice Chair
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YVONNE B. BURKE
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January 30, 2019

The Honorable Tom Daly
Member of the Assembly
State Capitol, Room 3120
Sacramento, CA 95814

Re: Support for Assembly Bill 252

Dear Assembly Member Daly:

As part of its statutory charge, the California Transportation Commission (Commission) advises the Administration and the Legislature on state transportation policies and makes recommendations for legislation to improve the transportation system.

The Commission adopted a position to support Assembly Bill (AB) 252 at its meeting on January 30, 2019. This bill continues Caltrans' ability to streamline environmental review processes that are conducted pursuant to the National Environmental Policy Act (NEPA) Assignment Program by providing Caltrans with a permanent limited waiver of sovereign immunity under the 11th Amendment of the U.S. Constitution. Under the NEPA Assignment Program, Caltrans serves as the lead agency for environmental reviews for projects subject to NEPA, thereby eliminating one layer of governmental review. Caltrans must have a limited waiver of sovereign immunity to participate in the program because the federal government requires states to accept the financial costs associated with the delegated authority, as well as full liability for lawsuits filed under NEPA in federal court. Under current law, Caltrans' limited waiver will sunset on January 1, 2020.

Assembly Member Daly
RE: Support for Assembly Bill 252
January 30, 2019
Page 2

In its 2018 Annual Report to the Legislature, the Commission recommended the Legislature remove the January 1, 2020 sunset date on Caltrans' limited waiver to allow it to continue in the NEPA Assignment Program indefinitely. For over a decade, Caltrans has participated in this program, which has had important benefits. Specifically, the program allows states to accelerate project delivery and reduce costs without compromising compliance with environmental laws and regulations.

The Commission commends your leadership on streamlining environmental review processes to accelerate project delivery and reduce costs. Commissioners and staff are available to provide information that may assist you in moving this legislation forward. If we can be of assistance, please contact the Commission's Executive Director, Ms. Susan Bransen, at 916-654-4245.

Sincerely,

FRAN INMAN
Chair

c: Commissioners, California Transportation Commission
Susan Bransen, California Transportation Commission, Executive Director
The Honorable Jim Frazier, Assembly Transportation Committee, Chair
The Honorable Vince Fong, Assembly Transportation Committee, Vice Chair
The Honorable Jim Beall, Senate Transportation Committee, Chair
The Honorable Shannon Grove, Senate Transportation Committee, Vice Chair
Brian Annis, California State Transportation Agency, Secretary

Attachment F

MEMBERS OF THE ASSEMBLY TRANSPORTATION COMMITTEE:

Assemblymember Jim Frazier, Chair
Assemblymember Vince Fong, Vice Chair
Assemblymember Cecilia Aguiar-Curry
Assemblymember Marc Berman
Assemblymember Frank Bigelow
Assemblymember Kansen Chu
Assemblymember Jordan Cunningham
Assemblymember Tom Daly
Assemblymember Tyler Diep
Assemblymember Laura Friedman
Assemblymember Mike Gipson
Assemblymember Timothy Grayson
Assemblymember Jose Medina
Assemblymember Adrin Nazarian
Assemblymember Patrick O'Donnell

MEMBERS OF THE SENATE COMMITTEE ON TRANSPORTATION:

Senator Jim Beall, Chair
Senator Shannon Grove, Vice Chair
Senator Bill Dodd
Senator Cathleen Galgiani
Senator Mike McGuire
Senator Mike Morrell
Senator Richard D. Roth
Senator Susan Rubio
Senator Nancy Skinner
Senator Jeff Stone
Senator Thomas J. Umberg
Senator Bob Wieckowski
Vacancy

2020 CENSUS

The upcoming 2020 Census is critical to California because the data collected by the decennial census is used to determine the number of seats California will have in the U.S. House of Representatives and federal funding levels for local communities. This will be the first census conducted online, and this and other aspects of the federal census design may adversely impact resident participation. California has the largest number of hard-to-count residents—putting its population at risk of being underreported. Launched in 2017-18, California's Complete Count effort will be an extensive statewide outreach and awareness campaign designed to encourage and support full participation by all Californians in the upcoming 2020 Census.

The Budget includes an additional \$50 million for statewide outreach efforts related to increasing the participation rate of Californians in the decennial census, bringing the total funding available to \$140.3 million. This effort will span multiple years, be conducted in multiple languages, and implement specific strategies to obtain a complete and accurate count of all California residents. The Budget also includes \$4 million for the California Housing and Population Sample Enumeration, which is a survey that will identify barriers to a complete count and successful approaches taken by the various outreach efforts and help develop recommendations for the 2030 Census.

TRANSPORTATION AND INFRASTRUCTURE

The Administration is continuing to implement the Road Repair and Accountability Act of 2017 (Chapter 5, Statutes of 2017, SB 1), which provides stable, long-term funding for both state and local transportation infrastructure. SB 1 provides an average of \$5.4 billion per year over the next ten years for a strategic mix of state and local transportation projects. The sustained investment over the course of the next decade and beyond will support hundreds of thousands of jobs in California.

The Budget provides \$4.8 billion in new SB 1 funding. Of this amount, \$1.2 billion is available to all 479 cities and 58 counties for local road repairs, with another \$1.2 billion for the repair and maintenance of the state highway system. On top of this, \$400 million is available to repair and maintain the state's bridges and culverts, \$307 million is available to improve trade corridors, and \$250 million is available to increase throughput on congested commute corridors. The Budget also reflects \$458 million for local transit operations and \$386 million for capital improvements for transit, commuter, and intercity rail. SB 1 also provides annual funding for other local transportation

STATEWIDE ISSUES AND VARIOUS DEPARTMENTS

priorities, including \$200 million for Local Partnership projects, \$100 million for projects in the Active Transportation Program, \$25 million for expansion of freeway service patrols, and \$25 million in local planning grants.

The Administration will release a Five-Year Infrastructure Plan that will identify priorities for investments in the state's infrastructure later this year.

The Budget includes one-time resources of \$315.8 million (\$287.2 million General Fund and \$28.6 million Proposition 68 bond funds) to address the most critical statewide deferred maintenance projects. At present, the reported statewide deferred maintenance need is more than \$70 billion. These one-time resources will continue to address the statewide backlog of deferred maintenance and help departments reduce the need to build costlier new infrastructure. This funding will be provided to the entities listed below:

- Department of Corrections and Rehabilitation: \$112,200,000
- Department of Parks and Recreation: \$45,600,000 (\$34,000,000 General Fund and \$11,600,000 Proposition 68 bond funds)
- Judicial Branch: \$40,000,000
- Department of State Hospitals: \$35,000,000
- Department of General Services: \$16,000,000
- Department of Fish and Wildlife: \$10,000,000 (Proposition 68 bond funds)
- Network of California Fairs: \$7,000,000 (Proposition 68 bond funds)
- Department of Forestry and Fire Protection: \$6,000,000
- Department of Developmental Services: \$5,000,000
- California Military Department: \$5,000,000
- California Highway Patrol: \$5,000,000
- Department of Veterans Affairs: \$5,000,000
- State Special Schools: \$5,000,000
- Department of Motor Vehicles: \$3,000,000
- Exposition Park: \$3,000,000
- Department of Food and Agriculture: \$3,000,000

- Housing and Community Development: \$3,000,000
- Employment Development Department: \$2,000,000
- Office of Emergency Services: \$2,000,000
- California Conservation Corps: \$1,000,000
- Hastings College of the Law: \$1,000,000
- Tahoe Conservancy: \$1,000,000

LONG-TERM STATEWIDE HOUSING PRODUCTION STRATEGY

The Administration will develop a strategy to revamp the current Regional Housing Needs Assessment (RHNA) process, which determines the amount and type of housing regions and local jurisdictions must produce to meet their need. Under Chapter 370, Statutes of 2017 (AB 72) and Chapter 958, Statutes of 2018 (AB 686), HCD will be taking a more active role in housing element reviews. Moving from an advisory role, HCD will now oversee and enforce regional housing goals and production. HCD will determine a methodology for allocating housing needs to regions and local jurisdictions, with local input.

These long-term housing production targets will be more ambitious than the short-term housing goals mentioned above. As HCD develops these targets, local jurisdictions will have lead time to begin reformulating their housing plans, using the grants above to leverage other sources of funding, such as their general funds and private dollars, to meet their targets.

Going forward, the state will strongly encourage jurisdictions to contribute to their fair share of the state's housing supply by linking housing production to certain transportation funds and other applicable sources, if any. The Administration will convene discussions with stakeholders, including local governments, to assess the most equitable path forward in linking transportation funding and other potential local government economic development tools to make progress toward required production goals.

MODERATE-INCOME HOUSING PRODUCTION

The Budget makes a sizable investment of \$500 million General Fund one-time in the development of housing for moderate-income households. The California Housing Finance Agency (CalHFA) will expand its Mixed-Income Loan Program, which provides loans to developers for mixed-income developments that include housing for moderate-income households at a lower subsidy level than traditional state programs. This additional investment will jump-start the estimated \$43 million in annual Chapter 364, Statutes of 2017 (SB 2) revenues dedicated for this purpose, and pair with the proposed tax credit program targeting households with incomes between 60 to 80 percent of Area Median Income (see below).

EXPANDED STATE HOUSING TAX CREDIT PROGRAM

Tax credits garner private investment in affordable housing by offering a dollar-for-dollar credit against an investor's state or federal taxes owed. Two federal credits are

STREAMLINING CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

The Administration will propose legislation to accelerate the construction of homeless shelters, navigation centers and new supportive housing units by allowing for a streamlined CEQA process with accelerated judicial review of challenges to an Environmental Impact Report. This is similar to the process outlined in Chapter 354, Statutes of 2011 (AB 900), and recent bills providing streamlined environmental reviews for sports stadiums.

AIRSPACE

The Administration will also develop a statewide policy for use of Department of Transportation (Caltrans) airspace for emergency shelters. Airspace is land located within the state's highway right-of-way limits used for non-transportation purposes. This expands on 2018 legislation allowing for up to 30 parcels to be used for emergency shelters in Oakland, San Jose, and Los Angeles, and additional parcels in San Diego and Stockton.

SUPPLEMENTAL SECURITY INCOME (SSI) ADVOCACY

Providing safe shelter for homeless populations coupled with housing supports generally leads to more positive outcomes than either on its own. Studies have shown that affordable housing combined with health and social services supports result in declines in the use of medical and other local services as well as in incarceration.

Many of the chronically homeless are eligible for federal SSI due to their disabling conditions, but the process for applying can be lengthy and difficult to complete. The Housing and Disability Advocacy Program (HDAP) was established as a county match program to assist homeless, disabled individuals with applying for disability benefit programs, while also providing housing supports. The program includes outreach, case management, benefits advocacy, and housing supports to all program participants. Participating counties are required to match any state funds on a dollar-for-dollar basis. The 2017 Budget Act included one-time funding of \$45 million General Fund, available over three years, for this program. The Budget proposes an annual appropriation of \$25 million General Fund beginning in 2019-20 to continue this program.

WHOLE PERSON CARE PILOT PROGRAMS

The Budget invests \$100 million General Fund (one-time with multi-year spending authority) for Whole Person Care Pilot programs that provide housing services.

Attachment H

**MEMBERS OF ASSEMBLY BUDGET SUBCOMMITTEE NO. 3 ON RESOURCES
AND TRANSPORTATION:**

Assemblymember Richard Bloom, Chair
Assemblymember Vince Fong
Assemblymember Cristina Garcia
Assemblymember Kevin Mullin
Assemblymember Jim Patterson
Assemblymember Eloise Reyes
Assemblymember Luz Rivas
Assemblymember Phil Ting, Democratic Alternate
Assemblymember Jay Obernolte, Republican Alternate

**MEMBERS OF SENATE BUDGET SUBCOMMITTEE NO. 2 ON RESOURCES,
ENVIRONMENTAL PROTECTION, ENERGY AND TRANSPORTATION:**

Senator Bob Wieckowski, Chair
Senator Brian W. Jones
Senator Mike McGuire
Senator Bill Monning
Senator Henry I. Stern