



February 21, 2019

TO: Transportation Agency for Monterey County Executive Committee

FROM: Gus Khouri, Principal, Khouri Consulting

RE: STATE LEGISLATIVE UPDATE – FEBRUARY

Given that the bill introduction deadline is February 22, and most committee hearings will not commence until March, much of the conversation has centered on two topics: 1) the Governor's Budget proposal to tie affordable housing production to the receipt of transportation dollars and 2) attempts by the California Air resources Board (CARB) to influence the decision making of the California Transportation Commission (CTC) to make funding allocations based on reducing greenhouse gas emissions.

Tightening the Nexus Between Affordable Housing and Transportation Funding

Governor Newsom proposed that the state would 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. The Administration plans to convene discussions with stakeholders, including local governments, to assess the most equitable path forward in linking transportation funding and other local government economic development tools to make progress toward required housing production goals.

CTC and CARB Collaboration To Reduce Greenhouse Gas Emissions

Per Assembly Bill (AB) 179 of 2017, the CTC and CARB are required to convene a meeting twice a year to coordinate transportation policies, with a focus on reducing vehicle miles traveled and greenhouse gas emissions. A tension exists with transportation planning agencies who are being asked to go above and beyond to meet future emission reduction targets, despite not having purview over housing production or job creation location, while implementing voter-approved expenditure plans, such as Measure X. At the state level, there is also concern about the ability to implement SB 1 programs, which voters have overwhelmingly supported to be constitutionally protected (Proposition 22 of 2010, Proposition 69 of 2018) and continued for purposes of maintaining highway and local streets and roads infrastructure, easing congestion, and providing multimodal solutions (defeat of Proposition 6 in 2018).

Bills of interest

1. **AB 628 (Caballero)** would reserve proceeds from the sale of any excess properties originally acquired by Caltrans for the Prunedale Bypass in Monterey County and require that the funds be used for other projects within Monterey County, such as for safety projects on US 101 or State Route 156. The item is in TAMC's adopted 2019 legislative program. The bill is a reintroduction of AB 696 (Caballero), which was vetoed by Governor Brown in 2017. This version also contains language requested by the City of Salinas to direct Caltrans to relinquish a section of State Route 183 to the City.
Recommended Position: SPONSOR/SUPPORT
2. **AB 40 (Ting)** would require CARB to develop a comprehensive strategy to ensure that the sales of new motor vehicles and new light-duty trucks in the state transition fully to zero-emission vehicles by 2040. The concern with this bill is that while it is an attempt to reduce greenhouse gas emissions (GHGs) from the transportation sector (nearly 40% of all GHGs), transportation funding is largely dependent on motor fuel consumption. Therefore, unless a successor funding mechanism is identified, transportation funding will be compromised.
Recommended Position: OPPOSE unless amended
3. **AB 148 (Quirk Silva)** would require each Sustainable Communities Strategy (SCS) within a regional transportation plan to identify an 8-year projection of emergency shelters needed in the region. This provision is very specific to housing needs rather than transportation plans, and regional transportation plans are prepared by transportation agencies. It would be more appropriate to place an emergency housing projection in the city and county-prepared regional housing needs assessment and local housing elements.
Recommended Position: OPPOSE
4. **AB 252 (Daly)**, sponsored by the Self-Help Counties Coalition, would remove the sunset date (January 1, 2020) for Caltrans being able to use the National Environmental Policy Act (NEPA) delegation to streamline environmental review for projects with federal funding, allowing for environmental review of projects to be expedited.
Recommended Position: SUPPORT
5. **AB 821 (O'Donnell)** would require the CTC to allocate not less than 10% of funds available in the Trade Corridor Enhancement Program to projects nominated by Caltrans for projects nominated to the California Port Efficiency Program. Since there are no ports in Monterey County, this bill would result in less available funding for our trade corridors (US 101, State Route 156).
Recommended Position: OPPOSE
6. **AB 847 (Grayson)** would direct miscellaneous revenue (approximately \$80 million annually) from the State Highway Account to cities and counties certified by the Department of Housing and Community Development (HCD) to have met their very low-income housing goals or low-income housing goals. The bill would require the CTC to

amend its guidelines for the Active Transportation Program and Local Partnership Program and provide a 10% bonus to those jurisdictions determined by HCD to have met its moderate-income housing goals. This bill sets a precedent of shifting transportation funding away from cities and counties based on other goals, in this case, housing. In their rejection of Proposition 6, voters affirmed the funding formulas established by SB 1, which base transportation funding on population, rather than investment in housing projects

Recommended Position: OPPOSE

7. **Senate Bill (SB) 127 (Weiner)** would establish a Division of Active Transportation Program and require investments from the State Highway Operations and Protection Program (SHOPP), traditionally a program directed at maintaining the state highway system, to fund bicycle and pedestrian programs.

Recommended Position: SUPPORT

8. **SB 526 (Allen)** would require the CARB to adopt a regulation requiring Metropolitan Planning Organizations (MPOs) to determine if they will be on track to meet 2035 GHG targets. If an MPO is deemed to not be on course to meet its 2035 targets, the CTC would have to assign a lower priority to a project that increases vehicle miles traveled and GHG emissions. This bill could jeopardize funding for safety projects by giving highest priority to projects that reduce greenhouse gas emissions.

Recommended Position: OPPOSE