



September 17, 2019

TO: Board Members, Transportation Agency for Monterey County
FROM: Gus Khouri, Principal
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RE: STATE LEGISLATIVE UPDATE – SEPTEMBER

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

Bills of Interest

1. **SB 628 (Caballero)**, TAMC's sponsored legislation, which would direct prospective proceeds from the sale of parcels near the former Prunedale Bypass Project for safety improvements along the Highway 101 and 156 corridors has made it to the Governor's Desk. If enacted, Caltrans would need to conduct a sale and the California Transportation Commission would need to approve an allocation prior to TAMC receiving funding. The prospects of a signature look promising given established precedent of similar bills, the elimination of the state's "wall of debt", the leveraging of Measure X, and the emphasis on addressing higher than average collision rates at intersections of concern. The bill was sent to the Governor's desk on September 17.
2. **SB 277 (Beall)** would convert the allocation method for the Local Partnership Program (LPP). The LPP provides \$200 million annually for jurisdictions that have secured a voter-approved tax or fee dedicated for transportation purposes. Currently, per the guidelines established by the California Transportation Commission (CTC), proceeds are split 50/50 between a formulaic share and a competitive program administered by the CTC. SB 277 would statutorily prescribe that 85% of all proceeds (\$170 million annually) be distributed on a formulaic basis, and 15% be made available for distribution on a competitive basis by the CTC to local jurisdictions with a population of 750,000 residents or fewer that have a sales tax or developer fee. Under the current guidelines, TAMC receives roughly \$700,000 annually from the formulaic share as a result of the passage of Measure X in 2016 and succeeded in receiving \$19 million from the

competitive program in May 2018 for the Imjin Parkway project. If SB 277 is enacted, TAMC would realize at least a 70% increase in the formulaic share, which would generate roughly an additional \$500,000 annually. TAMC would also qualify to bid in the 15% competitive pot. The bill also allows for program recipients to bank their formulaic shares for a period of up to 5 years before funds are required to be drawn. The bill is pending action on Governor Newsom's desk. ***TAMC has a support position.***

New California State Transportation Agency Secretary

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

New Caltrans Director

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

Transit Capital and Intercity Rail Program

CalSTA announced the release of formal draft guidelines for the Transit and Intercity Rail Capital Program (TIRCP) 2020 Award Cycle. TIRCP provides grants to fund transformative capital improvements that modernize California's transit systems and intercity, commuter, and urban rail systems to increase ridership and reduce emissions of greenhouse gases.

There have been three prior cycles of TIRCP funding, in which CalSTA has awarded \$5.3 billion in funding to 56 projects throughout the state. This fourth cycle will program available resources from two additional years of program funding. TAMC was a recent beneficiary, having secured \$10.1 million for the extension of two round trip passenger rail services from Gilroy to Salinas, including a layover facility and positive train control.

CalSTA will hold workshops on October 14 and 15 in both northern and southern California. Final public comments are requested no later than October 15, and CalSTA anticipates publishing final guidelines on October 18.

SB 1 Competitive Grant Programs

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