



**DATE:** February 21, 2019

**TO:** Alameda County Transportation Commission

**FROM:** Tess Lengyel, Deputy Executive Director of Planning and Policy

**SUBJECT:** Federal, state, regional, and local legislative activities update

### Recommendation

This item is to provide the Commission with an update on federal, state, regional, and local legislative activities.

At the Planning and Policy Committee (PPLC) meeting on February 11, 2019, the following items were recommended to the full Commission:

- Support the Association of Bay Area Governments as the regional entity to administer CASA<sup>1</sup> compact components;
- Include housing related bills that have associated implications with transportation in future legislative updates and include updates on CASA-related legislation. Staff will work with the Chair of PPLC on housing related bill recommendations, and staff will address resource needs to analyze housing bills.

### Summary

Each year, Alameda CTC adopts a legislative program to provide direction for its legislative and policy activities for the year. The program is designed to be broad and flexible, allowing Alameda CTC to pursue legislative and administrative opportunities that may arise during the year, and to respond to political processes in the region as well as in Sacramento and Washington, D.C.

The 2019 Alameda CTC Legislative Program is divided into six sections for Transportation Funding, Project Delivery and Operations, Multimodal Transportation, Land Use and Safety, Climate Change and Technology, Goods Movement, Partnerships. Partnership throughout the Bay Area and California on legislation and policy issues will be key to the success of the 2019 Legislative Program.

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<sup>1</sup> CASA: The Committee to House the Bay Area: <https://mtc.ca.gov/our-work/plans-projects/casa-committee-house-bay-area>

## **Background**

The Commission approved the 2019 Legislative Program in December 2018. The purpose of the legislative program is to establish funding, regulatory, and administrative principles to guide Alameda CTC's legislative advocacy.

Each month, staff brings updates to the Commission on legislative issues related to the adopted legislative program, including recommended positions on bills as well as legislative and policy updates. The following are updates that include information from Alameda CTC state and federal lobbyists, Platinum Advisor and CJ Lake, respectively.

## **State Update**

On January 10, 2019, Governor Newsom unveiled his first budget outlining \$209 billion in spending, including \$144 billion in general funds expenses, \$59 billion in special fund spending, and \$5.3 billion in bond funds. The budget supports new investments while adding more reserve funds. The budget proposal adds \$1.8 billion to reserves bringing the Rainy Day fund to \$15.3 billion. In addition, the budget adds \$700 million to the Safety Net Reserve, for a total of \$900 million to preserve safety net programs during a recession.

The 2019-20 budget proposes to pay off outstanding loans of \$4 billion, including \$2.4 billion to eliminate all outstanding loans from special funds and transportation accounts. The remaining debt payments are for state payroll deferral and CALPERS payments that provided one-time budget savings about a decade ago to balance the budget at that time. In addition, the proposed budget includes a one-time \$3 billion supplemental contribution to the state's share of unfunded PERS liability, and a \$1.1 billion payment toward CalSTRS pension liability.

**Transportation Funding:** The budget summary does not include a chapter on transportation. With SB 1 in place, the budget proposal supports the flow of SB 1 funds as prescribed in law. The budget estimates a total of \$4.8 billion in SB 1 funds will be available and the funds are programmed as follows:

- \$1.2 billion for cities and counties for local road repair
- \$1.2 billion for the repair and maintenance of the state highway system
- \$400 million for the state's bridges and culverts
- \$307 million for trade corridors
- \$250 million for congested commute corridors
- \$458 million for local transit operations
- \$386 million for capital improvements for transit and intercity rail
- \$200 million for Local Partnership projects
- \$100 million for Active Transportation projects
- \$25 million for freeway service patrols
- \$25 million for local planning grants

**State Transit Assistance (STA):** The formula allocation of the funds to transit operators through the STA formula totals nearly \$1 billion in 2019-20. This includes \$422 million in “base” STA revenue, \$108 million in SB 1 registration fee revenue, \$350 million in SB 1 diesel sales tax revenue, and \$122 million in Cap & Trade Low Carbon Transit Operation Program funds. An additional \$50 million in SB 1 diesel sales tax revenue is allocated to commuter and intercity rail operators.

**Cap & Trade:** The budget summary includes an expenditure plan for cap & trade auction revenue. The proposal does not propose any changes to the 60% of funds that are continuously appropriated to high-speed rail, transit operations, housing, and transit capital funds. The total cap & trade auction revenue anticipated in 2019-20 is approximately \$2.5 billion. Some funds are taken “off-the-top” for forest health programs, and then 60% is continuously appropriated, leaving about \$1 billion in discretionary funds. Governor Newsom’s proposed expenditure plan is as follows:

Figure EPA-01  
**2019-20 Cap and Trade Expenditure Plan**  
(Dollars in Millions)

Investment Category	Department	Program	Amount
Air Toxic and Criteria Air Pollutants	Air Resources Board	AB 617 - Community Air Protection	\$200
		AB 617 - Local Air District Implementation (\$50 million total, including other funds)	\$20
		Technical Assistance to Community Groups	\$10
Low Carbon Transportation	Air Resources Board	Clean Vehicle Rebate Project	\$200
		Clean Trucks, Buses, & Off-Road Freight Equipment	\$132
		Enhanced Fleet Modernization Program, School Buses & Transportation Equity Projects	\$50
		Agricultural Diesel Engine Replacement & Upgrades	\$25
Healthy Forests	CAL FIRE	Healthy & Resilient Forests	\$165
		Prescribed Fire & Fuel Reduction	\$35
Climate Smart Agriculture	Department of Food & Agriculture	Healthy Soils	\$18
		Methane Reduction	\$25
Short-Lived Climate Pollutants	CalRecycle	Waste Diversion	\$25
Integrated Climate Action: Mitigation & Resilience	Strategic Growth Council	Transformative Climate Communities	\$40
	Coastal Commission & SF Bay Conservation and Development Commission	Coastal Resilience	\$3
	Community Services & Development	Low-Income Weatherization	\$10
	California Conservation Corps	Energy Corps	\$6
Workforce Training	Workforce Development Board	Apprenticeships for a Green Economy	\$27
Climate and Clean Energy Research	Strategic Growth Council	Climate Change Research	\$10
<b>Total</b>			<b>\$1,001</b>

**Green Apprenticeships:** The cap & trade expenditure plan includes \$27 million for workforce development. This revenue would be used to establish apprenticeships and workforce assistance as described below:

- Pre-Apprenticeship Construction Partnerships—\$10 million annually for 5 years to place approximately 3,000 disadvantaged workers in

apprenticeships for a career in the trades by doubling the training capacity for each of the existing 14 regional hubs.

- Training Partnerships—\$10 million annually for 5 years to place 2,000 disadvantaged workers into entry-level jobs and develop skills in climate and technology-related occupations through the expansion of existing partnerships.
- Worker Transition Fund—\$5 million annually for 5 years to provide income replacement in conjunction with retraining for approximately 1,500 displaced workers resulting from climate policies or automation.
- Technical Assistance and Program Administration—\$2 million for 11 positions and contract resources at the California Workforce Development Board to support these programs.

Budget subcommittees will conduct hearings on the budget into early May prior to the Governor's May Revise, which must be released by May 14. Thereafter, both the Assembly and Senate will finalize each houses' version of the budget, then conference to resolve differences. The legislative leaders and the Governor will meet in June to address any outstanding issues and a final budget must be adopted by June 15. The new budget year will begin on July 1 after the Governor signs the final budget bill.

**Legislation:** Both January and February have bill deadlines, including January 25<sup>th</sup> as the last day to submit bill requests to the Office of Legislative Counsel and February 22<sup>nd</sup> is the final day for introducing new bills. It is anticipated that over 2500 bills will be introduced into the state legislature this year. Staff evaluates bills related to Alameda CTC's legislative platform and brings recommendations during the legislative year on bills that advance or affect the adopted Alameda CTC legislative program.

Since the commencement of the 2019 legislative year, several bills have been introduced, many with spot bill language - language of intent that will be flushed out further as bills are heard in committees. Many bills thus far address the state's housing needs and range from reestablishment of redevelopment agencies, to new tax increment financing, expediting housing approval processes and changing housing development requirements regarding zoning, density and height limitations, and lowering the voter threshold for parcel and sales taxes that could fund housing development. Staff will evaluate housing bills that have transportation related components relevant to the Alameda CTC adopted legislative platform.

Regarding transportation, Alameda CTC is watching several bills that have been introduced (below) and will bring recommendations in the upcoming months as bills are more clearly defined through the committee hearing processes.

- AB 147 regarding the Wayfair Supreme Court Decision: Assemblywoman Autumn Burke and Senator Mike McGuire have introduced AB 147, which

would enact changes to implement the *South Dakota v. Wayfair* decision. Under *Wayfair*, the U.S. Supreme Court found that online retailers are required to collect and remit sales tax regardless of whether the online retailer has a physical presence in the state where the order is delivered. The California Department of Tax and Fee Administration (CDTFA) through its authority has issued a letter stating how it intends to comply with this decision which relies on the \$100,000 threshold implemented in South Dakota, but CDTFA would apply that dollar threshold to sales within each taxing jurisdiction, not statewide total. To simplify this process, AB 147 would propose a \$500,000 statewide threshold. This bill would also require sales tax to be collected on sales made through an intermediary, such as eBay, and under the bill eBay would be the entity that is required to collect and remit the tax.

- AB 252 NEPA Delegation: Assemblyman Daly introduced AB 252, which would remove the sunset date for delegation to Caltrans the National Environmental Policy Act (NEPA) review in California. Current law allows NEPA delegation through January 1, 2020 and this bill would extend that authority indefinitely, allowing continuation of this more streamlined environmental review process for projects that must go through federal environmental reviews pursuant to NEPA.
- SB 137 State and Federal Fund Swap: Senator Bill Dodd introduced SB 137 which would allow any city or county to swap federal transportation funds for state funds. The current exchange program is limited to regional transportation planning agencies with a population below 200,000. This measure is sponsored by CSAC, and it is aimed at streamlining project delivery by removing the federal review process associated with using federal funds. With the additional SB 1 funds in state accounts, the resources should be sufficient to allow interested cities and counties to exchange federal funds for state dollars, thus eliminating the need to complete both NEPA and CEQA reviews.
- SB 127 Complete Streets: Senator Wiener reintroduced a measure that would require Caltrans to address complete needs on state highways that operate as local roads. SB 127 would require Caltrans, starting with the 2020 State Highway Operation and Protection Program (SHOPP) to include investments that improve the safety of pedestrians and bicyclists. In particular, this bill would require Caltrans when it undertakes a capital improvement project on a state highway or a local street that crosses a state highway to include investments in or improvements to pedestrian and bicycle facilities. Caltrans is required to form a project development team for each project that include representatives from the local transportation agency, bicycle and pedestrian advisory committees, and representatives from disadvantaged communities. Bicycle and pedestrian investments are not required to be made on freeways, and Caltrans can seek to exempt a project if the investments would create an adverse impact or there is a demonstrated absence of need.

## Federal Update

On January 25<sup>th</sup>, the President signed a clean continuing resolution (CR) through February 15 for the remaining seven appropriations bills that need to be approved to fully open the federal government. The plan includes funding the departments of Transportation, Agriculture, Homeland Security, Treasury, Commerce, Housing and Urban Development, Justice, State and Interior, as well as the IRS, National Science Foundation, FDA and EPA. Additionally, there is an agreement for the House and Senate to go to conference on border wall negotiations.

**Federal Surface Transportation Reauthorization:** The Fixing America's Surface Transportation (FAST) Act funds the nation's federal surface transportation program. The FAST Act bill was signed by President Barack Obama on December 4, 2015. The \$305 billion, five-year bill was funded without increasing transportation user fees. The bill will expire in 2020.

The federal gas tax was last raised in 1993 and it is anticipated that action on development of a new transportation/infrastructure bill could take place this year and would include a particular focus on how to address funding the nation's transportation system.

The following summarizes the committees that are related to the surface transportation reauthorization. The House and Senate Full Committees have organized for the 116<sup>th</sup> Congress; however, the Subcommittee Chairman and Ranking Members are still unknown at this point

- House Appropriations
  - Full Committee Chairwoman: Nita Lowey (D-NY)
  - Full Committee Ranking Member: Kay Granger (R-TX)
  - Jurisdiction: Legislates the disbursement of revenue to all federal departments and agencies
- House Energy and Commerce (E&C)
  - Full Committee Chairman: Frank Pallone (D-NJ)
  - Full Committee Ranking Member: Greg Walden (R-OR)
  - Jurisdiction: With respect to transportation, emissions/Corporate Average Fuel Economy (CAFE) standards for vehicles (of all types to include trains, airplanes, and ships), authorization for vehicle safety standards within the National Highway Traffic Safety Administration (NHTSA) of DOT, DOE vehicle technologies (and all DOE programs in general), and communications infrastructure/technology for autonomous vehicles (AV). The Committee also has jurisdiction over health, energy, environment, and communications policy in general.
- House Transportation and Infrastructure (T&I)
  - Full Committee Chairman: Peter DeFazio (D-OR)
  - Full Committee Ranking Member: Sam Graves (R-MO)

- Jurisdiction: Policy (not disbursement of funds or control of Highway Trust Fund [HTF]) for all modes of transportation (highways, transit, airplanes, ships/boats), interior waterways and Clean Water Act standards, and U.S. Army Corps of Engineers projects/programs (Waters of the United States), and federal buildings/infrastructure management.
- House Ways and Means
  - Full Committee Chairman: Richard Neal (D-MA)
  - Full Committee Ranking Member: Kevin Brady (R-TX)
  - Jurisdiction: With respect to transportation, Ways and Means maintains jurisdiction over the HTF and any tax/user fee measure used to finance it.
- Senate Appropriations
  - Full Committee Chairman: Richard Shelby (R-AL)
  - Full Committee Vice Chairman: Patrick Leahy (D-VT)
  - Jurisdiction: Legislates the disbursement of revenue to all federal departments and agencies
- Senate Banking
  - Full Committee Chairman: Mike Crapo (R-ID)
  - Full Committee Ranking Member: Sherrod Brown (D-OH)
  - Jurisdiction: With respect to transportation, transit funding.
- Senate Commerce
  - Full Committee Chairman: Roger Wicker (R-MS)
  - Full Committee Ranking Member: Maria Cantwell (D-WA)
  - Jurisdiction: In terms of transportation, airports, railroads, highway safety (NHTSA), pipelines (PHMSA), and communications (Vehicle 2 Vehicle (V2V), Vehicle to Infrastructure (V2I), Autonomous Vehicles (AV))
- Senate EPW
  - Full Committee Chairman: John Barrasso (R-WY)
  - Full Committee Ranking Member: Tom Carper (D-DE)
  - Jurisdiction: With respect to transportation, highways (FHWA), inland waterways and projects under the control of the U.S. Army Corps of Engineers for Civil Works (USACE). They also have jurisdiction over federal air and water emission/pollution standards (i.e. the Clean Water Act, and Clean Air Act)
- Senate Finance
  - Full Committee Chairman: Chuck Grassley (R-IA)
  - Full Committee Ranking Member: Ron Wyden (D-OR)
  - Jurisdiction: With respect to transportation, the HTF

**Fiscal Impact:** There is no fiscal impact associated with the requested action.

**Attachment:**

- A. Alameda CTC 2019 Legislative Program





**2019 Alameda County Transportation Commission Legislative Program**

The legislative program herein supports Alameda CTC's transportation vision below adopted for the 2016 Countywide Transportation Plan:

1111 Broadway, Suite 800, Oakland, CA 94607  
510.208.7400  
[www.AlamedaCTC.org](http://www.AlamedaCTC.org)

*"Alameda County will be served by a premier transportation system that supports a vibrant and livable Alameda County through a connected and integrated multimodal transportation system promoting sustainability, access, transit operations, public health and economic opportunities. Our vision recognizes the need to maintain and operate our existing transportation infrastructure and services while developing new investments that are targeted, effective, financially sound and supported by appropriate land uses. Mobility in Alameda County will be guided by transparent decision-making and measureable performance indicators. Our transportation system will be: Multimodal; Accessible, Affordable and Equitable for people of all ages, incomes, abilities and geographies; Integrated with land use patterns and local decision-making; Connected across the county, within and across the network of streets, highways and transit, bicycle and pedestrian routes; Reliable and Efficient; Cost Effective; Well Maintained; Safe; Supportive of a Healthy and Clean Environment."*

Issue	Priority	Strategy Concepts
Transportation Funding	Increase transportation funding	<ul style="list-style-type: none"> <li>• Oppose efforts to repeal transportation revenues streams enacted through SB1.</li> <li>• Support efforts that protect against transportation funding diversions.</li> <li>• Support efforts to lower the two-thirds voter threshold for voter-approved transportation measures.</li> <li>• Support the implementation of more stable and equitable long-term funding sources for transportation.</li> <li>• Ensure fair share of sales tax allocations from new laws and regulations</li> <li>• Seek, acquire, accept and implement grants to advance project and program delivery.</li> </ul>
	Protect and enhance voter-approved funding	<ul style="list-style-type: none"> <li>• Support legislation and increased funding from new and/or flexible funding sources to Alameda County for operating, maintaining, restoring, and improving transportation infrastructure and operations.</li> <li>• Support increases in federal, state, and regional funding to expedite delivery of Alameda CTC projects and programs, including funding to expand the Affordable Student Transit Pass program.</li> <li>• Support efforts that give priority funding to voter-approved measures and oppose those that negatively affect the ability to implement voter-approved measures.</li> <li>• Support efforts that streamline financing and delivery of transportation projects and programs.</li> <li>• Support rewarding Self-Help Counties and states that provide significant transportation funding into transportation systems.</li> <li>• Support statewide principles for federal surface transportation reauthorization and/or infrastructure bills that expand funding and delivery opportunities for Alameda County</li> </ul>
Project Delivery and Operations	Advance innovative project delivery	<ul style="list-style-type: none"> <li>• Support environmental streamlining and expedited project delivery, including contracting flexibility and innovative project delivery methods.</li> <li>• Support high-occupancy vehicle (HOV)/express lane expansion in Alameda County and the Bay Area, and efforts that promote effective implementation.</li> <li>• Support efforts to allow local agencies to advertise, award, and administer state highway system contracts largely funded by local agencies.</li> </ul>
	Ensure cost-effective project delivery	<ul style="list-style-type: none"> <li>• Support efforts that reduce project and program implementation costs.</li> <li>• Support funding and policies to implement transportation projects that create jobs and economic growth, including for apprenticeships and workforces training programs.</li> </ul>
	Protect the efficiency of managed lanes	<ul style="list-style-type: none"> <li>• Support HOV/managed lane policies that protect toll operators' management of lane operations and performance, toll rate setting and toll revenue reinvestments, deployment of new technologies and improved enforcement.</li> <li>• Support legislation that clarifies and enables effective toll processing, resolution of unpaid tolls, and interoperability.</li> <li>• Oppose legislation that degrades HOV lanes that could lead to congestion and decreased efficiency.</li> </ul>
	Reduce barriers to the implementation of transportation and land use investments	<ul style="list-style-type: none"> <li>• Support legislation that increases flexibility and reduces barriers for infrastructure improvements that link transportation, housing, and jobs.</li> </ul>

Issue	Priority	Strategy Concepts
<b>Multimodal Transportation, Land Use and Safety</b>		<ul style="list-style-type: none"> <li>• Support local flexibility and decision-making regarding land-uses for transit oriented development (TOD) and priority development areas (PDAs).</li> <li>• Support funding opportunities for TOD and PDA implementation, including transportation corridor investments that link PDAs.</li> </ul>
	Expand multimodal systems, shared mobility and safety	<ul style="list-style-type: none"> <li>• Support policies that provide increased flexibility for transportation service delivery through programs that address the needs of commuters, youth, seniors, people with disabilities and low-incomes, and do not create unfunded mandates.</li> <li>• Support policies that enable shared mobility innovations while protecting the public interest, including allowing shared data (such as data from transportation network companies and app based carpooling companies) that could be used for transportation and land use planning and operational purposes.</li> <li>• Support investments in active transportation, including for improved safety and Vision Zero strategies.</li> <li>• Support investments in transportation for transit-dependent communities that provide enhanced access to goods, services, jobs, and education.</li> <li>• Support parity in pre-tax fringe benefits for public transit, carpooling, and vanpooling and other modes with parking.</li> <li>• Support legislation to modernize the Congestion Management Program, supporting the linkage between transportation, housing, and multi-modal performance monitoring</li> </ul>
<b>Climate Change and Technology</b>	Support climate change legislation and technologies to reduce greenhouse gas (GHG) emissions	<ul style="list-style-type: none"> <li>• Support funding for infrastructure, operations, and programs to relieve congestion, improve air quality, reduce emissions, expand resiliency and support economic development, including transitioning to zero emissions transit fleets.</li> <li>• Support rewarding Self-Help Counties with cap-and-trade funds for projects and programs that are partially locally funded and reduce GHG emissions.</li> <li>• Support emerging technologies such as alternative fuels and fueling technology to reduce GHG emissions.</li> <li>• Support legislation and policies to facilitate deployment of connected and autonomous vehicles in Alameda County, including data sharing that will enable long-term planning.</li> <li>• Support the expansion of zero emissions vehicle charging stations.</li> <li>• Support efforts that ensure Alameda County jurisdictions are eligible for state funding related to the definition of disadvantaged communities used in state screening tools.</li> </ul>
<b>Goods Movement</b>	Expand goods movement funding and policy development	<ul style="list-style-type: none"> <li>• Support a multimodal goods movement system and efforts that enhance the economy, local communities, and the environment.</li> <li>• Support goods movement policies that enhance Bay Area goods movement planning, funding, delivery, and advocacy.</li> <li>• Support legislation and efforts that improve the efficiency and connectivity of the goods movement system, including passenger rail connectivity.</li> <li>• Ensure that Alameda County goods movement needs are included in and prioritized in regional, state and federal goods movement planning and funding processes.</li> <li>• Support rewarding Self-Help Counties that directly fund goods movement infrastructure and programs.</li> <li>• Leverage local funds to the maximum extent possible to implement goods movement investments in Alameda County through grants and partnerships.</li> </ul>
<b>Partnerships</b>	Expand partnerships at the local, regional, state and federal levels	<ul style="list-style-type: none"> <li>• Support efforts that encourage regional and mega-regional cooperation and coordination to develop, promote, and fund solutions to regional transportation problems and support governmental efficiencies and cost savings.</li> <li>• Partner with community and national organizations and other partners to increase transportation funding for Alameda CTC's multiple projects and programs and to support local jobs.</li> <li>• Support efforts to maintain and expand local-, women-, minority- and small-business participation in competing for contracts.</li> </ul>