Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: June 26-27, 2019

From: SUSAN BRANSEN, Executive Director

Reference Number: 4.1, Action

Prepared By: Paul Golaszewski
Deputy Director

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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 (included in Attachment B) to Assembly Member Cecilia Aguiar-Curry on Assembly Constitutional Amendment (ACA) 1? This bill, subject to approval by voters at a statewide election, lowers the voter threshold from two-thirds to 55 percent for local governments to impose special taxes to fund transportation and other infrastructure projects.

3. Adopt a position of support in concept and submit a letter (included in Attachment C) to Assembly Member Laura Friedman on Assembly Bill (AB) 285? This bill modifies requirements for the California Transportation Plan, including a requirement to forecast the impacts of emerging technologies on the state’s transportation system.

4. Adopt a position of support and submit a letter (included in Attachment D) to Assembly Member Rudy Salas on AB 970? This bill creates a grant program to fund transportation services to and from nonemergency medical services for older individuals and individuals with disabilities.

5. Adopt a position of support and submit a letter (included in Attachment E) to Senator Jim Beall on Senate Joint Resolution (SJR) 5? This bill urges Congress and the President of the United States to address federal funding needs for transportation.
6. Send a comment letter (included in Attachment F) to Senator Jim Beall on Senate Bill (SB) 277? This bill modifies requirements for the Local Partnership Program.

Recommendation:
Commission staff recommends that the Commission:

1. Accept the staff report and provide direction on legislation of interest in Attachment A.

2. Adopt a position of support for ACA 1 and approve transmission of the letter to Assembly Member Cecilia Aguiar-Curry, included in Attachment B.

3. Adopt a position of support in concept for AB 285 and approve transmission of the letter to Assembly Member Laura Friedman, included in Attachment C.

4. Adopt a position of support for AB 970 and approve transmission of the letter to Assembly Member Rudy Salas, included in Attachment D.

5. Adopt a position of support for SJR 5 and approve transmission of the letter to Senator Jim Beall, included in Attachment E.

6. Send a comment letter to Senator Jim Beall regarding SB 277, included in Attachment F.

Update on Bills on Which the Commission Has Taken a Position

The deadline for bills to pass out of the house of origin was May 31, 2019. Four bills the Commission is supporting advanced to the second house: AB 185 (Grayson), AB 252 (Daly), AB 1413 (Gloria), and AB 1475 (Bauer-Kahan). The remaining two bills the Commission is supporting did not advance: AB 371 (Frazier) and AB 659 (Mullin). The Commission has not taken an oppose position on any bills.

Below is an update on the status of each of the six bills on which the Commission has taken a position. Additional information on each bill is included in Attachment A.

AB 185 (Grayson)
Subject: joint meetings
Commission position: support

This bill adds the Department of Housing and Community Development to the joint meetings currently held by the Commission and the California Air Resources Board.
The bill has passed the full Assembly and the Senate Transportation Committee. It will next be heard in the Senate Appropriations Committee.

**AB 252 (Daly)**

Subject: National Environmental Protection Act delegation

Commission position: support

This bill removes the sunset date for the California Department of Transportation (Department) to assume responsibilities for work required under the National Environmental Protection Act. The bill has passed the full Assembly and the Senate Transportation Committee. It will next be heard in the Senate Appropriations Committee.

**AB 371 (Frazier)**

Subject: freight industry assessment

Commission position: support

This bill requires the Governor’s Office of Business and Economic Development to conduct a statewide economic growth, prosperity, and resiliency assessment of the state’s freight industry. This bill was held in the Assembly Appropriations Committee.

**AB 659 (Mullin)**

Subject: emerging transportation technology grant program

Commission position: support in concept

This bill creates the California Smart Cities Challenge Grant Program, under the purview of the Commission, for municipalities to compete for grant funding for emerging transportation technologies to serve their transportation system needs. This bill was held in the Assembly Appropriations Committee.

**AB 1413 (Gloria)**

Subject: sales taxes for transportation

Commission position: support

This bill authorizes a local transportation authority to impose a sales tax applicable to only a portion of its county if the tax receives approval from two-thirds of voters.
residing in the portion of the county to which the tax would apply. The bill has passed the full Assembly and will next be heard by the Senate Transportation Committee.

**AB 1475 (Bauer-Kahan)**

Subject: Construction Manager/General Contractor project delivery method

Commission position: support

This bill expands authorization for regional transportation agencies to employ the Construction Manager/General Contractor project delivery tool to include any transportation project that is not on the state highway system. The bill has passed the full Assembly and will next be heard by the Senate Transportation Committee.

**Additional Bills Being Monitored**

Commission staff are monitoring an additional 46 bills, pursuant to the Commission’s bill monitoring policy, included in Attachment A. Among these bills, Commission staff recommend adopting a position of support or support in concept on ACA 1 (Aguiar-Curry), AB 285 (Friedman), AB 970 (Salas), and SJR 5 (Beall). Commission staff also recommend sending a comment letter on SB 277 (Beall).

**ACA 1 (Aguiar-Curry)**

Subject: voter threshold for local government special taxes and bonds

Staff recommendation: support

This measure would, subject to approval by voters at a statewide election, amend the California Constitution to lower the necessary voter threshold from two-thirds to 55 percent for a city, county, or special district to issue bonds or impose special taxes to fund specified housing and public infrastructure projects, including transportation projects. The bill has passed out of the Assembly Local Government Committee and the Assembly Appropriations Committee and is pending a vote on the Assembly floor.

This bill would implement a recommendation from the Commission’s 2016 Annual Report to provide additional, reliable, and sufficient funding for transportation. Although SB 1 (Beall, 2017) recently provided critical funding increases for transportation, local governments still expect to face ongoing funding shortfalls to meet their transportation needs. ACA 1 would make it easier for cities, counties, and special districts to raise additional revenue to meet these needs.

Attachment B contains a draft support letter and copy of the bill.
AB 285 (Friedman)

Subject: California Transportation Plan (CTP) requirements

Staff recommendation: support in concept

This bill would require the Department to include a forecast of the impacts of advanced and emerging technologies on transportation systems as part of the CTP, beginning with the third update to the CTP in 2025. The bill also would require the Department to submit an interim report in 2022 that reviews progress in implementing past CTPs, assesses how the implementation of specified regional plans would impact the state’s transportation system, and identifies opportunities to improve the coordination of specified transportation funding programs. In addition, the bill would update requirements for the CTP to reflect the state’s recent adoption of a new greenhouse gas emissions reduction target and add environmental justice to the subject areas that the plan is required to consider for the movement of people and freight. The bill has passed the full Assembly and the Senate Transportation Committee and will next be heard in the Senate Committee on Environmental Quality.

This bill would implement a recommendation from the Commission’s 2018 Annual Report to the Legislature. In this report, the Commission noted that emerging technologies involving shared, autonomous, connected, and electric transportation options have far-reaching implications for transportation policy and infrastructure. Given the potentially significant impact that such technologies will have on California’s future transportation system, the Commission recommended the Legislature require that the CTP include a forecast of the impacts of advanced transportation technologies, as would be required under AB 285. Commission staff also recommend supporting in concept other requirements in AB 285, such as assessing the coordination among transportation grant programs. However, the author should consider whether another state entity besides the Department might be better positioned to perform some of the activities required as part of the interim report.

Attachment C contains a draft support in concept letter and copy of the bill.

AB 970 (Salas)

Subject: transportation grant program for older and disabled individuals

Staff recommendation: support

This bill would require the California Department of Aging, in coordination with the California Air Resources Board and the California Department of Health Care Services, to administer a grant program for specified local and regional agencies to
fund transportation to and from nonemergency medical services for older individuals and persons with disabilities. The bill would require such transportation services to be provided through the purchase, lease, operation or maintenance of zero-emission vehicles or near-zero emission vehicles. The program would be funded from the Greenhouse Gas Reduction Fund, upon an appropriation by the Legislature. The bill has passed the full Assembly and the Senate Committee on Human Services and will next be heard in the Senate Committee on Environmental Quality.

This bill will help address transportation needs of older and disabled individuals who often lack access to safe, reliable, and affordable transportation options. Providing transportation services for these individuals to reach their medical appointments is especially critical for their well-being as well as public health in California. The bill also will improve air quality and reduce greenhouse gas emissions by requiring grant recipients to utilize zero-emission or near-zero emission vehicles.

Attachment D contains a draft support letter and copy of the bill.

SJR 5 (Beall)

Subject: federal funding for transportation

Staff recommendation: support

This measure would urge Congress and the President of the United States to (1) provide all federal resources promised to California and other states expeditiously to ensure critical transportation projects can be delivered without delay, (2) work together to enact federal infrastructure legislation, and (3) address the shortfall in the federal Highway Trust Fund. The measure has passed the full Senate and will next be heard in the Assembly Transportation Committee.

This measure is consistent with the Commission’s longstanding recognition of the need for the federal government to be a strong partner in providing stable, ongoing, timely funding for transportation. For example, in its 2018 Annual Report, the Commission recommended the Legislature alert Congress of the need to reimburse California for its backlog of federal highway emergency expenditures. Such support from the federal government is critical for the mobility of the state’s residents as well as the state’s continued economic prosperity.

Attachment E contains a draft support letter and copy of the bill.
SB 277 (Beall)

Subject: Local Partnership Program

Staff recommendation: provide a comment letter to the author

This bill would require the Commission to apportion 100 percent of Local Partnership Program funds on a formula basis to local and regional transportation agencies. The bill would require the Commission to establish guidelines on or before April 1, 2020 to: (1) identify minimum apportionments, (2) identify eligible local matching funds, (3) establish an apportionment formula, (4) establish the types of eligible projects, consistent with specified statutory and Constitutional restrictions, and (5) allow an eligible entity to retain its apportionment to accumulate and use in a subsequent year. Eligible entities would submit to the Commission a list of projects proposed to be funded, including a project description, location, schedule, and estimate of the useful life. The Commission would approve the project list unless a project is not consistent with project eligibility requirements. The bill also modifies the definition of eligible entities to conform with the definition in the Proposition 1B State-Local Partnership Program (SLPP). The bill has passed the full Senate and will next be heard in the Assembly Transportation Committee. However, if passed by the full Assembly, the bill will go back to the Senate as it has been amended since it passed the house of origin.

Commission staff recommend sending a comment letter to the author noting that the legislative intent of certain provisions is unclear. Most notably, the bill does not specify a distribution formula by which to apportion the funds, whereas the Proposition 1B SLPP statute directed the Commission to utilize a specific formula, thereby eliminating ambiguity regarding legislative intent. The absence of a specific formula in the bill also raises the question of whether the program could continue to offer incentive funding for new or renewed sales tax measures, tolls, or fees.

Additionally, it is unclear whether funds are to be distributed upfront to eligible entities or on a reimbursement basis. This is because the bill models some but not all apportionment language after the SB 1 Local Streets and Roads Program (LSRP). For example, whereas the LSRP statute specifies that funds are apportioned upon determination of eligibility, similar language does not appear in SB 277. It is also unclear whether the Commission would approve lists of projects in lieu of project allocations and how eligible entities would be held accountable for using funding in a timely manner.

Attachment F contains a draft comment letter and copy of the bill.
Federal Legislation:

On May 30, 2019, Commission staff participated in the second meeting of the California Transportation Federal Affairs Working Group, convened by Caltrans. This group is working to develop a California Surface Transportation Reauthorization Consensus Principles document, as has been done in the past. The group discussed various potential principles related to funding, project delivery, innovation, and sustainability.

On June 4, 2019, the House Appropriations Committee approved the fiscal year 2020 Transportation, Housing and Urban Development, and Related Agencies bill. The bill provides a total of $86.6 billion in total funding for the U.S. Department of Transportation, an increase of $167 million above the 2019 enacted level. Of this amount, the bill includes: $48.9 billion for the Federal Highway Administration ($404 million below the 2019 enacted level), $13.5 billion for the Federal Transit Administration ($60 million above the 2019 enacted level), $3 billion for the Federal Railroad Administration ($96 million above the 2019 enacted level), and $1 billion for infrastructure investment programs ($100 million above the 2019 enacted level). The legislation also includes a provision prohibiting the National Highway Transportation Safety Agency from finalizing the Safer Affordable Fuel-Efficient (SAFE) Vehicles Rule that would roll back fuel-economy standards and lead to increased greenhouse gas emissions from vehicles. Because the SAFE rule would put most regions of California out of conformity with national air quality standards, it would place at risk of delay and/or loss of funding an estimated 2,000 transportation projects throughout the state valued at over $130 billion.

Attachments:

- Attachment A: Bills monitored by Commission staff
- Attachment B: ACA 1 (Aguiar-Curry): Support letter and bill text
- Attachment C: AB 285 (Friedman): Support in concept letter and bill text
- Attachment D: AB 970 (Salas): Support letter and bill text
- Attachment E: SJR 5 (Beall): Support letter and bill text
- Attachment F: SB 277 (Beall): Comment letter and bill text
Bills Supported by the Commission

AB 185 (Grayson). California Transportation Commission: transportation policies: joint meetings.

Status: Fiscal Committee, Second House

Summary: Existing law requires the California Transportation Commission and the California 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 252 (Daly). Department of Transportation: environmental review process: federal program.

Status: Fiscal Committee, Second 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.

AB 371 (Frazier). Transportation: freight: statewide economic growth, prosperity, and resiliency assessment.

Status: 2-year Bill

Summary: This bill would require the Governor’s Office of Business and Economic Development, in consultation with the California Air Resources Board, the California Transportation Commission, and the California Transportation Agency, to prepare a statewide growth, prosperity, and resiliency assessment of the California freight industry on or before December 31, 2021, and to update the assessment at least once every five years. The bill would require the assessment to identify specified information, and would require the office, in developing the assessment, to consult with representatives from a cross section of public and private sector freight stakeholders.
AB 659 (Mullin). Transportation: emerging transportation technologies: California Smart City Challenge Grant Program.

Status: 2-year Bill

Summary: This bill would establish the California Smart City Challenge Grant Program to enable municipalities to apply to the California Transportation Commission for grant funding for emerging transportation technologies to serve their transportation system needs and would specify certain program goals. The bill would require the commission to form the California Smart City Challenge Workgroup on or before July 1, 2020, to guide the commission on program matters. The bill would make implementation of the grant program contingent upon an appropriation in the annual Budget Act, not to exceed ten million dollars ($10,000,000), and require the source of the moneys to come from Proposition 1B generally, with the specific source to be proposed by the commission.

AB 1413 (Gloria). Transportation: local transportation authorities: transactions and use taxes.

Status: Policy Committee, Second House

Summary: This bill would authorize a local transportation authority to impose a tax applicable to only a portion of its county if 2/3 of the voters voting on the measure within the portion of the county to which the tax would apply vote to approve the tax, as specified, and other requirements are met, including that the revenues derived from the tax be spent within, or for the benefit of, the portion of the county to which the tax would apply.

AB 1475 (Bauer-Kahan). Construction Manager/General Contractor method: transportation projects.

Status: Policy Committee, Second House

Summary: Current law authorizes the California Department of Transportation to engage in a Construction Manager/General Contractor project delivery method (CM/GC method), as specified, for projects for the construction of a highway, bridge, or tunnel that has construction costs greater than $10,000,000. Current law also authorizes regional transportation agencies, as defined, to use the CM/GC method for certain projects. This bill expands the authorization for regional transportation agencies to employ the Construction Manager/General Contractor project delivery tool to include any transportation project that is not on the state highway system.

Total Measures: 6
Additional Bills Monitored by Commission Staff

AB 29 (Holden). State Highway Route 710.

Status: Policy Committee, Second House

Summary: This bill would remove the portion of State Route (SR) 710 located north of Route 10 from the California freeway and expressway system in state law. The bill would authorize the California Transportation Commission, after projects have been agreed upon in the SR-710 North Project Study Area, as described, to relinquish to the Cities of Alhambra, Pasadena, and South Pasadena specified portions of SR 710 under conditions established through direct consultation and agreement, and upon terms and conditions the Commission finds to be in the best interests of the state, if the California Department of Transportation and the cities enter into an agreement providing for that relinquishment.


Status: Enrolled

Summary: This bill would make appropriations for the support of state government for the 2019–20 fiscal year. This bill would declare that it is to take effect immediately as a Budget Bill.

AB 87 (Committee on Budget). Transportation.

Status: Floor, Second House

Summary: This bill would require the California Transportation Commission to establish a competitive funding program to provide funds to the California Department of Transportation (Caltrans) or regional transportation planning agencies, or both, for short-line railroad projects such as railroad reconstruction, maintenance, upgrade, or replacement. The bill would require the Commission to adopt guidelines, in consultation with representatives from specified government and industry entities, by July 1, 2020, to be used by the Commission to select projects for programming and allocation. The bill would appropriate $7,200,000, or a lesser amount, as specified, from unprogrammed project savings in the Trade Corridors Improvement Fund as of May 2020 to Caltrans for purposes of the program.
AB 146 (Quirk-Silva). State highways: property leases: County of Orange.

Current Text: Introduced: 12/14/2018 html pdf

Status: 2-year Bill

Summary: This bill would authorize the California 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.


Status: Policy Committee, Second House

Summary: Current law 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. This bill would require the authority, before July 1, 2020, to submit to the Legislature a report responding to the report of the Legislative Analyst’s Office regarding the sales and use tax exclusion program and would require the report to address potential program overlap between the sales and use tax exclusion administered by the authority and the sale and use tax exemption administered by the California Department of Tax and Fee Administration.


Status: Policy Committee, Second House

Summary: This bill 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 authorize the commission to engage in various other activities in undertaking its mission and responsibilities.

**AB 246 (Mathis). State highways: property leases.**

**Status:** 2-year Bill

**Summary:** This bill would authorize the California 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 285 (Friedman). California Transportation Plan.**

**Status:** Fiscal Committee, Second House

**Summary:** Commencing with the 3rd update to the California Transportation Plan (CTP) to be completed by December 31, 2025, this bill would require the California Department of Transportation (Caltrans) to include specified information in the CTP, including, among other things, a forecast of the impacts of advanced and emerging technologies over a 20-year horizon on the state transportation system. The bill would also update the CTP to require that it address updated greenhouse gas emissions reduction targets in state law, among other provisions.

**AB 313 (Frazier). Road Maintenance and Rehabilitation Account: University of California: California State University: reports.**

**Status:** Policy Committee, Second House

**Summary:** This bill would require the University of California and the California State University, on or before January 1 of each year, to each submit a report to the California Transportation Agency and specified legislative committees detailing its expenditures from the Road Maintenance and Rehabilitation Account for the previous year, including, but not limited to, research activities and administration.
AB 380 (Frazier). **Office of the Transportation Inspector General.**

Status: 2-year Bill

Summary: This bill would eliminate the Independent Office of Audits and Investigations within the California Department of Transportation and would instead create the Independent Office of the Transportation Inspector General in state government, as an independent office that would not be a subdivision of any other government entity, to ensure that specified state agencies and all external entities that receive state and federal transportation funds are operating efficiently, effectively, and in compliance with federal and state laws. The bill would require the Governor to appoint the Transportation Inspector General for a 4-year term, subject to confirmation by the Senate, and would prohibit the Transportation Inspector General from being removed from office during the term except for good cause.

AB 449 (Gallagher). **Local alternative transportation improvement program: Feather River crossing.**

Status: Policy Committee, Second House

Summary: Current law, in certain cases, requires the California Transportation Commission to reallocate funds from canceled state highway projects to a local alternative transportation improvement program within the same county and exempts those funds from the fair share distribution formulas that would otherwise be applicable. This bill, with respect to planned state transportation facilities over the Feather River in the City of Yuba City and the Counties of Sutter and Yuba, which facilities are no longer planned to be constructed, would authorize the affected local agencies, acting jointly with the transportation planning agency having jurisdiction, to develop and file with the California Transportation Commission a local alternative transportation improvement program that addresses transportation problems and opportunities in the area that was to be served by the canceled state facilities.

AB 676 (Frazier). **California Transportation Commission: annual report.**

Status: 2-year Bill

Summary: Current law requires the California Transportation Commission to adopt and submit to the Legislature, by December 15 of each year, an annual report summarizing the commission’s prior-year decisions in allocating transportation capital outlay appropriations and identifying timely and relevant transportation issues facing the state. This bill would instead require the commission to adopt and submit the annual report by December 31 of each year.

Status: 2-year Bill

Summary: Current law creates the Trade Corridor Enhancement Account to receive revenues attributable to 50% of a $0.20 per gallon increase in the diesel fuel excise tax imposed by the Road Repair and Accountability Act of 2017 for corridor-based freight projects nominated by local agencies and the state. Current law makes these funds and certain federal funds apportioned to the state available upon appropriation for allocation by the California Transportation Commission for trade infrastructure improvement projects that meet specified requirements. This bill would require the commission to allocate not less than 10% of the funds that are required to be allocated to projects nominated by the California Department of Transportation to projects nominated pursuant to the California Port Efficiency Program, which this bill would create.

AB 847 (Grayson). Housing: transportation-related impact fees grant program.

Status: 2-year Bill

Summary: This bill would require the Department of Housing and Community Development, upon appropriation by the Legislature, to establish a competitive grant program to award grants to cities and counties to offset up to 100% of any transportation-related impact fees exacted upon a qualifying housing development project, as defined, by the local jurisdiction.

AB 905 (Chen). Department of Transportation: Highway Design Manual: fire prone areas.

Status: 2-year Bill

Summary: This bill would require the California Department of Transportation to update its Highway Design Manual to incorporate the use of k-rails, weed mats, or other fire proofing devices in fire prone areas.
AB 970 (Salas). California Department of Aging: grants: transportation.

Status: Policy Committee, Second House

Summary: This bill would require the California Department of Aging to administer a grant program for area agencies on aging and public transit operators to fund transportation to and from nonemergency medical services for older individuals and persons with a disability, for the purpose of reducing greenhouse gas emissions. The bill would require that transportation be made available using the purchase, lease, operation, or maintenance of zero-emission or near-zero-emission vehicles with a capacity for 7, 12, or 15 passengers.

AB 1025 (Grayson). Transportation: California Transportation Commission: San Ramon Branch Corridor: reimbursement.

Status: Policy Committee, Second House

Summary: In the 1980s, the California Transportation Commission allocated funds appropriated to it from the Transportation Planning and Development Account to the County of Contra Costa for the acquisition of a specified right-of-way, and for associated projects, relating to the San Ramon Branch Corridor. The resolutions allocating the funds require the county to reimburse the state if the county fails to meet specified conditions. This bill would relinquish the rights of the state to reimbursement pursuant to those resolutions. The bill also would require the County of Contra Costa to revise the bylaws of the Iron Horse Corridor Management Program Advisory Committee to: (1) include a seat for a Contra Costa Transportation Authority representative, (2) expand the management program elements to include a new, seventh element that considers proposals to study new and emerging mobility modes and technologies in the corridor, and (3) include a new task in the committee’s work program to recommend a framework for acting on these proposals.

AB 1112 (Friedman). Shared mobility devices: local regulation.

Status: Policy Committee, Second House

Summary: This bill would authorize a local authority to regulate motorized scooters by, among other things, assessing limited penalties for moving or parking violations involving the use of motorized scooters. The bill would prohibit a local authority from subjecting the riders of shared scooters to requirements more restrictive than those applicable to riders of privately-owned motorized scooters or bicycles. The bill would authorize a local authority to regulate scooter share operators by, among other things, requiring a scooter share operator to pay fees that do not exceed the reasonable cost to the local authority of regulating the scooter share operator.
AB 1142 (Friedman). Regional transportation plans: transportation network companies.

Status: Policy Committee, Second House

Summary: Current law requires a regional transportation plan to include a policy element, an action element, a financial element, and, if the transportation planning agency is also a metropolitan planning organization, a sustainable communities strategy. Current law authorizes the policy element of transportation planning agencies with populations that exceed 200,000 persons to quantify a set of specified indicators. This bill would authorize the inclusion of two additional indicators regarding measures of policies to increase use of existing transit and percentage of trips made by transportation network companies. The bill also would require the California Public Utilities Commission to consider the needs of state and regional planning agencies and other entities with regard to data on transportation network companies.


Status: Policy Committee, Second House

Summary: This bill would authorize the California Department of Transportation to lease airspace that it owns to a city, county, or other political subdivision or another state agency for emergency shelter, feeding program, or wraparound services purposes, or any combination of these purposes, subject to specified terms and conditions.

AB 1243 (Fong). Traffic Relief and Road Improvement Act.

Status: Policy Committee, First House

Summary: This bill would create the Traffic Relief and Road Improvement Program to address traffic congestion and deferred maintenance on the state highway system and the local street and road system. The bill would provide for the deposit of various existing sources of revenue in the Traffic Relief and Road Improvement Account, including revenues attributable to the sales and use tax on motor vehicles, revenues attributable to automobile and motor vehicle insurance policies from the insurer gross premiums tax, and certain miscellaneous State Highway Account revenues. The bill also would eliminate the use of weight fee revenues for state transportation general obligation bond debt service and retain those revenues in the State Highway Account. Additionally, the bill would prohibit the California Environmental Quality Act from applying to a project, or the issuance of a permit for a project, that consists of the inspection, maintenance, repair, rehabilitation, replacement, or removal of existing
transportation infrastructure, or to the addition of an auxiliary lane or bikeway to existing transportation infrastructure under certain conditions.

**AB 1262 (O'Donnell). California Sustainable Freight Action Plan.**

Status: 2-year Bill

Summary: This bill would require, by January 1, 2021, and every 5 years thereafter, the California Air Resources Board, the California Department of Transportation, the State Energy Resources Conservation and Development Commission, and the Governor’s Office of Business and Economic Development, in collaboration with relevant stakeholders, to update the California Sustainable Freight Action Plan.

**AB 1274 (Arambula). California Partnership for the San Joaquin Valley.**

Status: Policy Committee, Second House

Summary: By executive order in 2005, and continued in existence by executive orders in 2006, 2008, and 2010, the California Partnership for the San Joaquin Valley was established as a public-private partnership to, among other things, identify projects and programs that will improve the economic vitality of the San Joaquin Valley. This bill would establish in statute the California Partnership for the San Joaquin Valley for the same purposes. The bill would incorporate language of the executive orders to, among other things, require the partnership to identify projects and programs that will improve the economic vitality of the San Joaquin Valley. Serving on the California Transportation Commission establishes eligibility for appointment by the Governor to a specified class of voting directors in the partnership.

**AB 1277 (Obernolte). Transportation projects: oversight committees.**

Status: 2-year Bill

Summary: This bill would require a public agency undertaking a publicly funded major transportation infrastructure construction project that is estimated to cost $500,000,000 or more to form an oversight committee subject to applicable open meeting laws and to develop and use risk management plans throughout the course of the project. The bill would require the oversight committee (1) to be composed of specified individuals, (2) to act as the authority for critical decisions regarding the project, and (3) to have sufficient staff to support decision making.
AB 1374 (Fong). Department of Transportation: state highways.

Status: 2-year Bill

Summary: Current law establishes the California Department of Transportation (Caltrans) and the California Transportation Commission and provides that Caltrans has full possession and control of all state highways and all property and rights in property acquired for state highway purposes and authorizes and directs Caltrans to lay out and construct all state highways between the termini designated by law and on the locations as determined by the commission. This bill would make nonsubstantive changes to these provisions.

AB 1402 (Petrie-Norris). Active Transportation Program.

Status: 2-year Bill

Summary: This bill would require the California Department of Transportation, instead of the California Transportation Commission, to award Active Transportation Program funds to projects in the statewide and small urban and rural region distribution categories and to adopt a program of projects for those distribution categories. The bill would require that 75% of available funds be awarded to metropolitan planning organizations in urban areas with populations greater than 200,000, in proportion to their relative share of the population, 15% to small urban and rural regions with populations of 200,000 or less, competitively awarded by the department to projects in those regions, and 10% to projects competitively awarded by the department, in consultation with the commission, on a statewide basis.

AB 1430 (Garcia, Eduardo). State government: public investment opportunities: cost-effective definition.

Status: 2-year Bill

Summary: Current law authorizes the California Public Utilities Commission, the California Air Resources Board, the California Transportation Commission, and the California Labor and Workforce Development Agency to invest public moneys on various project and programs. Current law requires some of those investments to be cost effective. This bill would require these agencies, by January 1, 2021, to provide a joint assessment of options for redefining the term “cost-effective” to the Legislature for the purposes of prioritizing public investment opportunities.
AB 1456 (Kiley). State highways: Route 193: relinquishment.

Status: Policy Committee, Second House

Summary: Existing law acknowledges the relinquishment of a portion of Route 193 in the City of Lincoln and requires the city to install and maintain signs directing motorists to the continuation of Route 193 and to other routes, and to ensure the continuity of traffic flow on the relinquished portion of Route 193. This bill would repeal those requirements on the city. The bill also would authorize the California Transportation Commission to relinquish to the City of Lincoln the portion of Route 193 within its city limits, upon terms and conditions the commission finds to be in the best interests of the state, if the California Department of Transportation and the city enter into an agreement providing for that relinquishment.

AB 1568 (McCarty). Housing law compliance: prohibition on applying for state grants.

Status: 2-year Bill

Summary: Current law prescribes requirements for the preparation of a housing element, including a requirement that a planning agency submit a draft of the element or an amendment to the Department of Housing and Community Development. Current law requires the department to review the draft and report its written findings, including whether the draft substantially complies with the law. This bill would, on or before January 1, 2025, prohibit a city or county found to be in violation of the housing element law from applying for a state grant, unless (1) the fund source of the state grant is constitutionally protected under a provision related to state taxes and fees on motor vehicles and motor vehicle fuels, or (2) the state grant funds, if awarded to the city or county, would assist the city or county in complying with the housing element law.

AB 1810 (Committee on Transportation). Transportation: omnibus bill.

Status: Policy Committee, Second House

Summary: This bill would exclude the California Transportation Commission from the California Transportation Agency, establish it as an entity in state government, and require it to act in an independent oversight role.
ACA 1 (Aguiar-Curry). Local government financing: affordable housing and public infrastructure: voter approval.

Status: Floor, First House

Summary: The California Constitution prohibits the ad valorem tax rate on real property from exceeding 1% of the full cash value of the property, subject to certain exceptions. This measure would create an additional exception to the 1% limit that would authorize a city, county, city and county, or special district to levy an ad valorem tax to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure, including transportation infrastructure, as well as affordable housing, or permanent supportive housing, or the acquisition or lease of real property for those purposes, if the proposition proposing that tax is approved by 55% of the voters of the city, county, or city and county, as applicable, and the proposition includes specified accountability requirements.

SB 5 (Beall). Affordable Housing and Community Development Investment Program.

Status: Policy Committee, Second House

Summary: This bill 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). State Highway Route 710: surplus residential and nonresidential property.

Status: Policy Committee, Second House

Summary: This bill 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). Autonomous vehicle technology: Statewide policy.
Status: Policy Committee, Second House
Summary: This bill would establish guiding principles relating to autonomous vehicles in order to ensure that these vehicles support the state’s efforts to, among other things, reduce greenhouse gas emissions, reduce traffic congestion and vehicle miles traveled, and encourage efficient land use. The bill would require the Office of Planning and Research, in coordination with the California Air Resources Board, to convene an autonomous vehicle interagency working group of specified state agencies, including, among others, the California Transportation Agency, the California Department of Transportation, and the California Department of Motor Vehicles, to guide policy development for autonomous vehicle technology consistent with the guiding principles.

SB 127 (Wiener). Transportation funding: active transportation: complete streets.
Status: Policy Committee, Second House
Summary: The bill would require the California Transportation Commission, in connection with the California Department of Transportation's (Caltrans) asset management plan, to adopt performance measures that include conditions of bicycle and pedestrian facilities, accessibility and safety for pedestrians, bicyclists, and transit users, and vehicle miles traveled on the state highway system. The bill would require that specified State Highway Operation and Protection Program projects include capital improvements relative to accessibility for pedestrians, bicyclists, and transit users. The bill also would establish an Active Transportation Asset Branch within Caltrans.

SB 128 (Beall). Public contracts: Best Value Construction Contracting for Counties Pilot Program.
Status: Policy Committee, Second House
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). Federal transportation funds: state exchange programs.

Status: Policy Committee, Second House

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 California 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.

SB 152 (Beall). Active Transportation Program.

Status: 2-year Bill

Summary: Current law establishes the Active Transportation Program for the purpose of encouraging increased use of active modes of transportation, such as biking and walking. Existing law requires specified funds for the program to be appropriated to the California Department of Transportation (Caltrans) and allocated to eligible projects by the California Transportation Commission. This bill would require that 60% of available funds be awarded to projects selected by metropolitan planning organizations (MPO) in urban areas with populations greater than 200,000, 15% to fund projects in small urban and rural regions, and 25% to projects competitively awarded by the commission on a statewide basis. With respect to the funds made available to MPOs, the bill would require the commission to allocate those funds as a lump sum to Caltrans for disbursement to each MPO for projects selected by the applicable MPO, unless the MPO requests the commission to conduct the competitive selection process on its behalf. The bill also would authorize the commission to allocate to Caltrans a portion of the funds in the small urban and rural and the statewide components. The bill would make the provisions of the bill apply only to the 5th and successive funding cycles of the Active Transportation Program.
SB 162 (Galgiani). State Board of Equalization: oversight of local voter approved bonds.

Status: Policy Committee, Second House

Summary: The California Alternative Energy and Advanced Transportation Financing Authority Act establishes the California Alternative Energy and Advanced Transportation Financing Authority. The act authorizes, until January 1, 2021, the authority to provide financial assistance to a participating party in the form of specified sales and use tax exclusions 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. 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, 2030 and would extend the sales and use tax exclusion until January 1, 2030.

SB 211 (Beall). State highways: leases.

Status: Policy Committee, Second House

Summary: This bill would authorize the California Department of Transportation to lease on a right of first refusal basis any airspace under a freeway, or real property acquired for highway purposes, that is not excess property, to the city or county in which the airspace or real property is located, or to a political subdivision of the city or county, for purposes of an emergency shelter or feeding program for a lease amount, for up to 10 parcels in the city or county, or political subdivision of the city or county, of $1 per month, and a payment of an administrative fee not to exceed $500 per year, as specified.


Status: Policy Committee, Second House

Summary: This bill would require the North Coast Railroad Authority, within 90 days of removing all of its debts, liabilities, and contractual obligations, to convey and transfer its rights, interests, privileges, and title, lien free, relating to a specified rail right-of-way, its licenses and certificates of public convenience and necessity, any common carrier obligations held by the authority or an associated freight operator, and the railroad assets the authority owns to the Sonoma-Marin Area Rail Transit District. The bill also would require the district to create and maintain a trail that runs in, or parallel to, the right-of-way, as appropriate, and connects to the district’s bicycle and pedestrian pathways to the extent feasible.
SB 498 (Hurtado). Trade Corridors Improvement Fund: grant program: short-line railroads.

Status: Policy Committee, Second House

Summary: This bill would require the California Transportation Commission to establish a competitive grant program in the 2020–21 and 2021–22 fiscal years for the California Department of Transportation and regional transportation planning agencies, or both, to fund short-line railroad projects such as railroad reconstruction, maintenance, upgrade, or replacement. The grant program would be funded from Trade Corridor Improvement Fund program savings.

SB 504 (Monning). State highways: Route 1: relinquishment.

Status: Policy Committee, Second House

Summary: This bill would authorize the California Transportation Commission to relinquish to the City of Pismo Beach specified portions of Route 1 within its city limits, upon terms and conditions the commission finds to be in the best interests of the state, if the California Department of Transportation and the city enter into an agreement providing for that relinquishment.


Status: 2-year Bill

Summary: Current law requires the California Air Resources Board (CARB), by September 1, 2018, and every 4 years thereafter, to prepare a report that assesses progress made by each metropolitan planning organization (MPO) in meeting the regional greenhouse gas emission reduction targets set by CARB. This bill would require CARB to adopt a regulation that requires an MPO to provide any data that CARB determines is necessary to fulfill the requirements of the above-described report and to determine if the MPO is on track to meet its 2035 greenhouse gas emission reduction target. The bill also would require the action element prepared by an MPO to identify near and long-term steps to be taken to implement a sustainable communities strategy and it would require the MPO to monitor progress toward implementing these steps and to report that progress to CARB. Additionally, the bill would establish an interagency working group to be administered by the Strategic Growth Council and to be composed of a specified membership, including the Chair of the California Transportation Commission, to develop and implement a State Mobility Action Plan for Healthy Communities.

Status: Policy Committee, Second House

Summary: This bill would require the net proceeds from the sale of any excess properties originally acquired for a replacement alignment for State Highway Route 101 in the County of Monterey, known as the former Prunedale Bypass, to be reserved in the State Highway Account for programming and allocation by the California Transportation Commission, with the concurrence of the California Transportation Agency for Monterey County, for other state highway projects in that county, as specified. The bill would exempt these funds from the distribution formulas otherwise applicable to transportation capital improvement funds.

SJR 5 (Beall). California transportation infrastructure.

Status: Policy Committee, Second House

Summary: This bill would urge the Congress and the President of the United States to (1) provide all federal resources promised to California and other states expeditiously and without delay, (2) work together to enact the robust bipartisan federal infrastructure legislation necessary to restore California’s and other states’ crumbling road and freight infrastructure, respond to growing traffic congestion, and increase investment in public transportation, most particularly, by expanding paratransit services for the elderly and those with special needs, and (3) address the shortfall in the federal Highway Trust Fund by restoring the lost purchasing power of the federal fuel tax, in order to provide the long-term funding stability necessary for California and other states.

Total Measures: 46
June 26, 2019

The Honorable Cecilia Aguiar-Curry  
Member of the Assembly  
State Capitol, Room 5144  
Sacramento, CA 95814

Re: Support for Assembly Constitutional Amendment 1

Dear Assembly Member Aguiar-Curry:

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 California’s transportation system.

The Commission adopted a position to support Assembly Constitutional Amendment (ACA) 1 at its June 26, 2019 meeting. This measure would, subject to approval by voters at a statewide election, amend the California Constitution to lower the necessary voter threshold from two-thirds to 55 percent for a city, county, or special district to incur bonded indebtedness or impose special taxes to fund specified housing and public infrastructure projects, including transportation projects.

In its 2016 Annual Report, the Commission recommended the Legislature provide additional, reliable, and sufficient funding for transportation. While Senate Bill 1 (Beall, 2017) provided critical funding increases, the Commission recognizes that large funding gaps remain for local governments to adequately finance their transportation systems. ACA 1 would make it easier for cities, counties, and special districts to raise additional revenue to meet their transportation needs.
Assembly Member Aguiar-Curry
RE: Support for ACA 1
June 26, 2019
Page 2

The Commission commends your leadership in identifying ways to increase funding for transportation. 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, Executive Director, California Transportation Commission
   David Kim, Secretary, California State Transportation Agency
Assembly Constitutional Amendment No. 1

Introduced by Assembly Member Aguiar-Curry
(Principal coauthor: Assembly Member Chiu)
(Principal coauthor: Senator Wiener)
(Coauthors: Senators Beall, Hill, and Skinner)

December 3, 2018

Assembly Constitutional Amendment No. 1—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by amending Sections 1 and 4 of Article XIII A thereof, by amending Section 2 of, and by adding Section 2.5 to, Article XIII C thereof, by amending Section 3 of Article XIII D thereof, and by amending Section 18 of Article XVI thereof, relating to local finance.

LEGISLATIVE COUNSEL'S DIGEST

ACA 1, as amended, Aguiar-Curry. Local government financing: affordable housing and public infrastructure: voter approval.

(1) The California Constitution prohibits the ad valorem tax rate on real property from exceeding 1% of the full cash value of the property, subject to certain exceptions.

This measure would create an additional exception to the 1% limit that would authorize a city, county, or city and county city and county,
or special district to levy an ad valorem tax to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure or infrastructure, affordable housing, or permanent supportive housing, or the acquisition or lease of real property for those purposes, if the proposition proposing that tax is approved by 55% of the voters of the city, county, or city and county, as applicable, and the proposition includes specified accountability requirements. The measure would specify that these provisions apply to any city, county, city and county, or special district measure imposing an ad valorem tax to pay the interest and redemption charges on bonded indebtedness for these purposes that is submitted at the same election as this measure.

(2) The California Constitution conditions the imposition of a special tax by a local government upon the approval of \( \frac{2}{3} \) of the voters of the local government voting on that tax, and prohibits these entities from imposing an ad valorem tax on real property or a transactions or sales tax on the sale of real property.

This measure would authorize a local government to impose, extend, or increase a sales and use tax or transactions and use tax imposed in accordance with specified law or a parcel tax, as defined, for the purposes of funding the construction, rehabilitation, or replacement of public infrastructure or infrastructure, affordable housing, or permanent supportive housing if the proposition proposing that tax is approved by 55% of its voters voting on the proposition and the proposition includes specified accountability requirements. This measure would also make conforming changes to related provisions. The measure would specify that these provisions apply to any local measure imposing, extending, or increasing a sales and use tax, transactions and use tax, or parcel tax for these purposes that is submitted at the same election as this measure.

(3) The California Constitution prohibits specified local government agencies from incurring any indebtedness exceeding in any year the income and revenue provided in that year, without the assent of \( \frac{2}{3} \) of the voters and subject to other conditions. In the case of a school district, community college district, or county office of education, the California Constitution permits a proposition for the incurrence of indebtedness in the form of general obligation bonds for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, to be adopted
upon the approval of 55% of the voters of the district or county, as
appropriate, voting on the proposition at an election.

This measure would expressly prohibit a special district, other than
a board of education or school district, from incurring any indebtedness
or liability exceeding any applicable statutory limit, as prescribed by
the statutes governing the special district. The measure would also
similarly lower to 55% the voter approval threshold for a
require the
approval of 55% of the voters of the city, county, or city and county
city and county, or special district, as applicable, to incur bonded
indebtedness, exceeding in any year the income and revenue provided
in that year, that is in the form of general obligation bonds issued to
fund the construction, reconstruction, rehabilitation, or replacement of
public infrastructure or infrastructure, affordable housing or
permanent supportive housing projects, if the proposition proposing
that bond includes specified accountability requirements. The measure
would specify that this 55% threshold applies to any proposition for
the incurrence of indebtedness by a city, county, city and county, or
special district for these purposes that is submitted at the same election
as this measure.

State-mandated local program: no.

Resolved by the Assembly, the Senate concurring, That the
Legislature of the State of California at its 2017–18
2019–20
Regular Session commencing on the fifth third day of December
2016, 2018, two-thirds of the membership of each house
concurring, hereby proposes to the people of the State of California,
that the Constitution of the State be amended as follows:

First—That Section 1 of Article XIII A thereof is amended to
read:

SECTION 1. (a) The maximum amount of any ad valorem
tax on real property shall not exceed 1 percent of the full cash
value of that property. The 1 percent tax shall be collected by the
counties and apportioned according to law to the districts within
the counties.

(b) The limitation provided for in subdivision (a) shall not apply
to ad valorem taxes or special assessments to pay the interest and
redemption charges on any of the following:

(1) Indebtedness approved by the voters before July 1, 1978.
(2) Bonded indebtedness to fund the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by the voters voting on the proposition.

(3) Bonded indebtedness incurred by a school district, community college district, or county office of education for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, approved by 55 percent of the voters of the district or county, as appropriate, voting on the proposition on or after November 8, 2000. This paragraph shall apply only if the proposition approved by the voters and resulting in the bonded indebtedness includes all of the following accountability requirements:
   (A) A requirement that the proceeds from the sale of the bonds be used only for the purposes specified in this paragraph, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.
   (B) A list of the specific school facilities projects to be funded and certification that the school district board, community college board, or county office of education has evaluated safety, class size reduction, and information technology needs in developing that list.
   (C) A requirement that the school district board, community college board, or county office of education conduct an annual, independent performance audit to ensure that the funds have been expended only on the specific projects listed.
   (D) A requirement that the school district board, community college board, or county office of education conduct an annual, independent financial audit of the proceeds from the sale of the bonds until all of those proceeds have been expended for the school facilities projects.

(4) (A) Bonded indebtedness incurred by a city, county, or city and county, or special district for the construction, reconstruction, rehabilitation, or replacement of public infrastructure or infrastructure, affordable housing, or permanent supportive housing for persons at risk of chronic homelessness, including persons with mental illness, or the acquisition or lease of real property for public—infrastructure or infrastructure, affordable housing, or permanent supportive housing for persons
at risk of chronic homelessness, including persons with mental illness, approved by 55 percent of the voters of the city, county, or city and county, or special district, as appropriate, voting on the proposition on or after the effective date of the measure adding this paragraph. This paragraph shall apply only if the proposition approved by the voters and resulting in the bonded indebtedness includes all of the following accountability requirements:

(i) A requirement that the proceeds from the sale of the bonds be used only for the purposes specified in this paragraph, and not for any other purpose, including city, county, or city and county, or city and county, or special district employee salaries and other operating expenses.

(ii) A list of the specific projects to be funded, and a certification that the city, county, or city and county, or special district has evaluated alternative funding sources.

(iii) A requirement that the city, county, or city and county, or special district conduct an annual, independent performance audit to ensure that the funds have been expended only on the specific projects listed.

(iv) A requirement that the city, county, or city and county, or special district conduct an annual, independent financial audit of the proceeds from the sale of the bonds until all of those proceeds have been expended for the public infrastructure or affordable housing projects, as applicable.

(v) A requirement that the city, county, or city and county, or special district post the audits required by clauses (iii) and (iv) in a manner that is easily accessible to the public.

(vi) A requirement that the city, county, or city and county, or special district appoint a citizens’ oversight committee to ensure that bond proceeds are expended only for the purposes described in the measure approved by the voters.

(B) For purposes of this paragraph, “affordable housing” shall include housing developments, or portions of housing developments, that provide workforce housing affordable to households earning up to 150 percent of countywide median income, and housing developments, or portions of housing developments, that provide housing affordable to lower, low-, or very low income households, as those terms are defined in state law.
(ii) “At risk of chronic homelessness” includes, but is not limited to, persons who are at high risk of long-term or intermittent homelessness, including persons with mental illness exiting institutionalized settings, including, but not limited to, jail and mental health facilities, who were homeless prior to admission, transition age youth experiencing homelessness or with significant barriers to housing stability, and others, as defined in program guidelines.

(iii) “Permanent supportive housing” means housing with no limit on length of stay, that is occupied by the target population, and that is linked to onsite or offsite services that assist residents in retaining the housing, improving their health status, and maximizing their ability to live and, when possible, work in the community. “Permanent supportive housing” includes associated facilities, if those facilities are used to provide services to housing residents.

(C) For purposes of this paragraph, “public infrastructure” shall include, but is not limited to, projects that provide any of the following:

(I) Water or protect water quality.

(II) Sanitary sewer.

(III) Treatment of wastewater or reduction of pollution from stormwater runoff.

(IV) Protection of property from impacts of sea level rise.

(V) Parks.

(VI) Parks and recreation facilities.

(VII) Open space and recreation facilities.

(VIII) Improvements to transit and streets and highways.

(VIII) Flood control.

(IX) Broadband internet access service expansion in underserved areas.
(X) Local hospital construction.

(XI) Public safety buildings or facilities, equipment related to fire suppression, emergency response equipment, or interoperable communications equipment for direct and exclusive use by fire, emergency response, policy or sheriff personnel.

(XII) Public library facilities.

(v) “Special district” has the same meaning as provided in subdivision (c) of Section 1 of Article XIII C and specifically includes a transit district, except that “special district” does not include a school district, redevelopment agency, or successor agency to a dissolved redevelopment agency.

(C) This paragraph shall apply to any city, county, city and county, or special district measure imposing an ad valorem tax to pay the interest and redemption charges on bonded indebtedness for those purposes described in this paragraph that is submitted at the same election as the measure adding this paragraph.

(c) (1) Notwithstanding any other provisions of law or of this Constitution, a school district, community college district, or county office of education may levy a 55-percent ad valorem tax pursuant to paragraph (3) of subdivision (b).

(2) Notwithstanding any other provisions of law or this Constitution, a city, county, or city and county may levy a 55-percent ad valorem tax pursuant to paragraph (4) of subdivision (b).

Second—That Section 4 of Article XIII A thereof is amended to read:

SEC. 4. Except as provided by Section 2.5 of Article XIII C, a city, county, or special district, by a two-thirds vote of its electors voting on the proposition, may impose a special tax within that city, county, or special district, except an ad valorem tax on real property or a transactions tax or sales tax on the sale of real property within that city, county, or special district.

Second—That Section 4 of Article XIII A thereof is amended to read:

Section 4:

SEC. 4. Cities, Counties and special districts—Except as provided by Section 2.5 of Article XIII C, a city, county, or special district, by a two-thirds vote of the qualified electors of such district, its voters voting on the proposition, may impose special taxes on such district, a special tax within that city, county, or
special district, except an ad valorem taxes tax on real property or a transaction transactions tax or sales tax on the sale of real property within such City, County that city, county, or special district.

Third—That Section 2 of Article XIII C thereof is amended to read:
SEC. 2. Notwithstanding any other provision of this Constitution:
   (a) Any tax imposed by a local government is either a general tax or a special tax. A special district or agency, including a school district, has no authority to levy a general tax.
   (b) A local government may not impose, extend, or increase any general tax unless and until that tax is submitted to the electorate and approved by a majority vote. A general tax is not deemed to have been increased if it is imposed at a rate not higher than the maximum rate so approved. The election required by this subdivision shall be consolidated with a regularly scheduled general election for members of the governing body of the local government, except in cases of emergency declared by a unanimous vote of the governing body.
   (c) Any general tax imposed, extended, or increased, without voter approval, by any local government on or after January 1, 1995, and before the effective date of this article, may continue to be imposed only if that general tax is approved by a majority vote of the voters voting in an election on the issue of the imposition, which election shall be held no later than November 6, 1996, and in compliance with subdivision (b).
   (d) Except as provided by Section 2.5, a local government may not impose, extend, or increase any special tax unless and until that tax is submitted to the electorate and approved by a two-thirds vote. A special tax is not deemed to have been increased if it is imposed at a rate not higher than the maximum rate so approved.

Fourth—That Section 2.5 is added to Article XIII C thereof, to read:
SEC. 2.5. (a) The imposition, extension, or increase of a sales and use tax imposed in accordance with the Bradley-Burns Uniform Local Sales and Use Tax Law (Part 1.5 (commencing with Section 7200) of Division 2 of the Revenue and Taxation Code) or a successor law, a transactions and use tax imposed in accordance with the Transactions and Use Tax Law (Part 1.6 (commencing
with Section 7251) of Division 2 of the Revenue and Taxation Code) or a successor law, or a parcel tax imposed by a local government for the purpose of funding the construction, reconstruction, rehabilitation, or replacement of public infrastructure or infrastructure, affordable housing, or permanent supportive housing for persons at risk of chronic homelessness, including persons with mental illness, or the acquisition or lease of real property for public infrastructure or infrastructure, affordable housing, or permanent supportive housing for persons at risk of chronic homelessness, including persons with mental illness, or the acquisition or lease of real property for public infrastructure or infrastructure, affordable housing, or permanent supportive housing for persons at risk of chronic homelessness, including persons with mental illness, or the acquisition or lease of real property for public infrastructure or infrastructure, affordable housing, or permanent supportive housing for persons at risk of chronic homelessness, including persons with mental illness, is subject to approval by 55 percent of the voters in the local government voting on the proposition, if both of the following conditions are met:

1. The proposition is approved by a majority vote of the membership of the governing board of the local government.
2. The proposition contains all of the following accountability requirements:
   A. A requirement that the proceeds of the tax only be used for the purposes specified in the proposition, and not for any other purpose, including general employee salaries and other operating expenses of the local government.
   B. A list of the specific projects that are to be funded by the tax, and a certification that the local government has evaluated alternative funding sources.
   C. A requirement that the local government conduct an annual, independent performance audit to ensure that the proceeds of the special tax have been expended only on the specific projects listed in the proposition.
   D. A requirement that the local government conduct an annual, independent financial audit of the proceeds from the tax during the lifetime of that tax.
   E. A requirement that the local government post the audits required by subparagraphs (C) and (D) in a manner that is easily accessible to the public.
   F. A requirement that the local government appoint a citizens’ oversight committee to ensure the proceeds of the special tax are expended only for the purposes described in the measure approved by the voters.

(b) For purposes of this section, the following terms have the following meanings:
(1) “Affordable housing” shall include housing developments, or portions of housing developments, that provide workforce housing affordable to households earning up to 150 percent of countywide median income, and housing developments, or portions of housing developments, that provide housing affordable to lower, low-, or very low income households, as those terms are defined in state law.

(2) “At risk of chronic homelessness” includes, but is not limited to, persons who are at high risk of long-term or intermittent homelessness, including persons with mental illness exiting institutionalized settings, including, but not limited to, jail and mental health facilities, who were homeless prior to admission, transition age youth experiencing homelessness or with significant barriers to housing stability, and others, as defined in program guidelines.

(3) “Parcel tax” means a special tax imposed upon a parcel of real property at a rate that is determined without regard to that property’s value and that applies uniformly to all taxpayers or all real property within the jurisdiction of the local government. “Parcel tax” does not include a tax imposed on a particular class of property or taxpayers.

(4) “Permanent supportive housing” means housing with no limit on length of stay, that is occupied by the target population, and that is linked to onsite or offsite services that assist residents in retaining the housing, improving their health status, and maximizing their ability to live and, when possible, work in the community. “Permanent supportive housing” includes associated facilities, if those facilities are used to provide services to housing residents.

(5) “Public infrastructure” shall include, but is not limited to, the projects that provide any of the following:

(A) Water or protect water quality.

(B) Sanitary sewer.

(C) Treatment of wastewater or reduction of pollution from stormwater runoff.

(D) Protection of property from impacts of sea level rise.

(E) Parks.

(E) Parks and recreation facilities.
(F) Open space and recreation facilities.
(G) Improvements to transit and streets and highways.
(H) Flood control.
(I) Broadband Internet access service expansion in underserved areas.
(J) Local hospital construction.
(K) Public safety buildings or facilities, equipment related to fire suppression, emergency response equipment, or interoperable communications equipment for direct and exclusive use by fire, emergency response, policy or sheriff personnel.
(L) Public library facilities.

This section shall apply to any local measure imposing, extending, or increasing a sales and use tax imposed pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law, a transactions and use tax imposed in accordance with the Transactions and Use Tax Law, or a parcel tax imposed by a local government for those purposes described in subdivision (a) that is submitted at the same election as the measure adding this section.

Fifth—That Section 3 of Article XIII D thereof is amended to read:

SEC. 3. (a) An agency shall not assess a tax, assessment, fee, or charge upon any parcel of property or upon any person as an incident of property ownership except:

(1) The ad valorem property tax imposed pursuant to Article XIII and Article XIII A.
(2) Any special tax receiving a two-thirds vote pursuant to Section 4 of Article XIII A or receiving a 55-percent approval pursuant to Section 2.5 of Article XIII C.
(3) Assessments as provided by this article.
(4) Fees or charges for property-related services as provided by this article.

(b) For purposes of this article, fees for the provision of electrical or gas service are not deemed charges or fees imposed as an incident of property ownership.

Sixth—That Section 18 of Article XVI thereof is amended to read:

SEC. 18. (a) A county, city, town, township, board of education, or school district, shall not incur any indebtedness or liability in any manner or for any purpose exceeding in any year
the income and revenue provided for that year, without the assent
of two-thirds of the voters of the public entity voting at an election
to be held for that purpose, except that with respect to any such
public entity which is authorized to incur indebtedness for
public school purposes, any proposition for the incurrence of
indebtedness in the form of general obligation bonds for the
purpose of repairing, reconstructing, or replacing
public school buildings determined, in the manner prescribed by
law, to be structurally unsafe for school use, shall be adopted upon
the approval of a majority of the voters of the public entity voting
on the proposition at such the election; nor unless before or at the
time of incurring such indebtedness provision shall be made for
the collection of an annual tax sufficient to pay the interest on such
indebtedness as it falls due, and to provide for a sinking fund for
the payment of the principal thereof, on or before maturity, which
shall not exceed forty years from the time of contracting the
indebtedness. A special district, other than a board of education
or school district, shall not incur any indebtedness or liability
exceeding any applicable statutory limit, as prescribed by the
statutes governing the special district as they currently read or
may thereafter be amended by the Legislature.

(b) (1) Notwithstanding subdivision (a), any proposition for
the incurrence of indebtedness in the form of general obligation
bonds for the purposes described in paragraph (3) or (4) of
subdivision (b) of Section 1 of Article XIII A shall be adopted
upon the approval of 55 percent of the voters of the school district,
community college district, county office of education, city, county,
or city and county, city and county, or other special district, as
appropriate, voting on the proposition at an election. This
subdivision shall apply to a proposition for the incurrence of
indebtedness in the form of general obligation bonds for the
purposes specified in this subdivision only if the proposition meets
all of the accountability requirements of paragraph (3) or (4) of
subdivision (b), as appropriate, of Section 1 of Article XIII A.

(2) The amendments made to this subdivision by the measure
adding this paragraph shall apply to any proposition for the
incurrence of indebtedness in the form of general obligation bonds
pursuant to this subdivision for the purposes described in
paragraph (4) of subdivision (b) of Section 1 of Article XIII A that
is submitted at the same election as the measure adding this paragraph.

(c) When two or more propositions for incurring any indebtedness or liability are submitted at the same election, the votes cast for and against each proposition shall be counted separately, and if two-thirds or a majority or 55 percent of the voters, as the case may be, voting on any one of those propositions, vote in favor thereof, the proposition shall be deemed adopted.

REVISIONS:
Heading—Line 5.
June 26, 2019

The Honorable Laura Friedman
Member of the Assembly
State Capitol, Room 2137
Sacramento, CA 95814

Re: Support for Assembly Bill 285

Dear Assembly Member Friedman:

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 California’s transportation system.

The Commission adopted a position to support in concept Assembly Bill (AB) 285 at its June 26, 2019 meeting. This bill would require the California Department of Transportation (Department) to include a forecast of the impacts of advanced and emerging technologies on transportation systems as part of the California Transportation Plan (CTP), beginning with the third update to the CTP in 2025. The bill also would require the Department to submit an interim report in 2022 that reviews progress in implementing past CTPs, assesses how the implementation of specified regional plans would impact the state’s transportation system, and identifies opportunities to improve the coordination of specified transportation funding programs. In addition, the bill would update requirements for the CTP to reflect the state’s recent adoption of new greenhouse gas emissions reduction targets and add environmental justice to the subject areas that the plan is required to consider for the movement of people and freight.
In its 2018 Annual Report to the Legislature, the Commission noted that emerging technologies involving shared, autonomous, connected, and electric transportation options have far-reaching implications for transportation policy and infrastructure. Given the potentially significant impact that such technologies will have on California’s future transportation system, the Commission recommended the Legislature require that the California Transportation Plan include a forecast of the impacts of advanced transportation technologies, as would be required under AB 285. The Commission also supports in concept other requirements in AB 285, such as assessing the coordination among transportation grant programs. The Commission encourages you to consider whether another state entity besides or in conjunction with Caltrans might perform some of the activities required as part of the interim report.

The Commission commends your leadership in ensuring that the state’s forward-looking plans include the effects of emerging technologies that can impact the interoperability, structure, and funding of the statewide transportation system. 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, Executive Director, California Transportation Commission
   David Kim, Secretary, California State Transportation Agency
ASMENED IN SENATE JUNE 3, 2019
AMENDED IN ASSEMBLY MARCH 6, 2019
CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

ASSEMBLY BILL No. 285

Introduced by Assembly Member Friedman

January 28, 2019

An act to amend Sections 14000.6, 65071, 65072.1, and 65072.2 of the Government Code, relating to transportation planning.

LEGISLATIVE COUNSEL’S DIGEST

AB 285, as amended, Friedman. California Transportation Plan.

Existing law requires the Department of Transportation to prepare the California Transportation Plan for submission to the Governor and the Legislature, to complete the first update to the plan by December 31, 2015, and to update the plan every 5 years thereafter. Existing law requires the plan to consider various subject areas for the movement of people and freight, including environmental protection and quality of life. Existing law also requires the plan to address how the state will achieve maximum feasible emissions reductions in order to attain a statewide reduction of greenhouse gas emissions to 1990 levels by 2020 and 80% below 1990 levels by 2050, and to identify the statewide integrated multimodal transportation system needed to achieve greenhouse gas emission reductions.

This bill would require the department to address in the California Transportation Plan how the state will achieve maximum feasible emissions reductions in order to attain a statewide reduction of greenhouse gas emissions of 40% below 1990 levels by the end of 2030 and attain all state ambient air quality goals.
The people of the State of California do enact as follows:

SECTION 1. Section 14000.6 of the Government Code is amended to read:
2 amended to read:
3 14000.6. The Legislature further finds and declares all of the
4 following:
5 (a) California has established a statewide greenhouse gas
6 emissions limit to be achieved by 2020 pursuant to the California
7 Global Warming Solutions Act of 2006 (Division 25.5
8 (commencing with Section 38500) of the Health and Safety Code),
9 which is equivalent to 1990 greenhouse gas emissions in the state.
10 Senate Bill 32 (Chapter 249 of the Statutes of 2016) extended the
statewide greenhouse gas emissions limit to 40 percent below 1990 levels by 2030.

(b) Emissions from the transportation sector account for 39 percent of California’s greenhouse gas emissions.

(c) In June 2016, the state released its transportation plan called California Transportation Plan 2040, which represented an important step toward integrating statewide long-range modal plans, key programs, and analysis tools that build on regional transportation plans, sustainable communities strategies, and rural land use visions. Yet more must be done to meet objectives of mobility and congestion management consistent with the state’s greenhouse gas emission limit and air pollution standards.

(d) The Legislature intends that subsequent transportation plans improve transparency, interagency coordination, and the impact of California’s transportation investments and planning to meet the objectives set forth in this section.

SEC. 2. Section 65071 of the Government Code is amended to read:

65071. The department shall update the California Transportation Plan every five years consistent with this chapter. The second update shall be completed by December 31, 2020.

SEC. 3. Section 65072.1 of the Government Code is amended to read:

65072.1. The California Transportation Plan shall consider all of the following subject areas for the movement of people and freight:

(a) Mobility and accessibility.
(b) Integration and connectivity.
(c) Efficient system management and operation.
(d) Existing system preservation.
(e) Safety and security.
(f) Economic development, including productivity and efficiency.
(g) Environmental protection and quality of life.
(h) Environmental justice.

SEC. 4. Section 65072.2 of the Government Code is amended to read:

65072.2. (a) The department shall address in the California Transportation Plan how the state will achieve maximum feasible emissions reductions in order to attain a statewide reduction of
greenhouse gas emissions to 1990 levels by 2020 and 40 percent
below 1990 levels by December 31, 2030, as required by the
California Global Warming Solutions Act of 2006 (Division 25.5
(commencing with Section 38500) of the Health and Safety Code),
and attain the all state ambient air quality goals standards and
national ambient air quality standards in all areas of the state, as
described in California’s state implementation plans required by
the federal Clean Air Act (42 U.S.C. Sec. 7401 et seq.), taking into
consideration the use of alternative fuels, new vehicle technology,
tailpipe emissions reductions, and expansion of public transit,
commuter rail, intercity rail, bicycling, and walking. The plan shall
identify the statewide integrated multimodal transportation system
needed to achieve these results.

(b) Commencing with the third update to the California
Transportation Plan, the department shall include the following
information in the plan:

(1) An overview of all sustainable communities strategies and
alternative planning strategies prepared pursuant to paragraph (2)
of subdivision (b) of Section 65080, and an assessment of how
implementation of the sustainable communities strategies and
alternative planning strategies will influence the configuration of
the statewide integrated multimodal transportation system.

(2) A review of the potential impacts and opportunities for
coordination of the following grant programs: the Affordable
Housing and Sustainable Communities Program, the Transit and
Intercity Rail Capital Program, the Low Carbon Transit Operators
Program, the Transformative Climate Communities Program, and
the Sustainable Transportation Planning Grant Program. The review
shall be conducted in consultation with the agencies that administer
these grant programs. The review shall include recommendations
for the improvement of these grant programs or other relevant
transportation funding programs to better align the programs to
meet long-term common goals.

(3)

(1) A forecast of the impacts of advanced and emerging
technologies over a 20-year horizon on infrastructure, access, and
transportation systems. For purposes of this paragraph, “advanced
and emerging technologies” includes, but is not limited to, shared,
autonomous, connected, and electric transportation options.

(4)
(2) A review of the progress made implementing past California Transportation Plans including, but not limited to, a review of actions taken by each of the department’s districts to achieve the goals and policies outlined in the plan.

(c) The department shall complete an interim report by January 31, 2022, that contains the information described in paragraphs (1), (2), and (3) of subdivision (b) and shall submit this report to the relevant policy and fiscal committees of the Legislature. The interim report shall contain all of the following:

(1) The information described in paragraph (2) of subdivision (b).

(2) An overview of all sustainable communities strategies and alternative planning strategies prepared pursuant to paragraph (2) of subdivision (b) of Section 65080, and an assessment of how implementation of the sustainable communities strategies and alternative planning strategies will influence the configuration of the statewide integrated multimodal transportation system.

(3) A review of the potential impacts and opportunities for coordination of the following grant programs: the Affordable Housing and Sustainable Communities Program, the Transit and Intercity Rail Capital Program, the Low Carbon Transit Operators Program, the Transformative Climate Communities Program, and the Sustainable Transportation Planning Grant Program. The review shall be conducted in consultation with the agencies that administer these grant programs. The review shall include recommendations for the improvement of these grant programs or other relevant transportation funding programs to better align the programs to meet long-term common goals.
June 26, 2019

The Honorable Rudy Salas
Member of the Assembly
State Capitol, Room 4016
Sacramento, CA 95814

Re: Support for Assembly Bill 970

Dear Assembly Member Salas:

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 California’s transportation system.

The Commission adopted a position to support Assembly Bill (AB) 970 at its June 26, 2019 meeting. This bill would require the California Department of Aging, in coordination with the California Air Resources Board and the California Department of Health Care Services, to administer a grant program for specified local and regional agencies to fund transportation to and from nonemergency medical services for older individuals and persons with disabilities. The bill would require such transportation services to be provided through the purchase, lease, operation or maintenance of zero-emission vehicles or near-zero emission vehicles. The program would be funded from the Greenhouse Gas Reduction Fund, upon an appropriation by the Legislature.

The Commission believes it is important for the state to address the transportation needs of older and disabled individuals who often lack access to safe, reliable, and affordable transportation options. Providing transportation services for these individuals to reach their medical appointments is especially critical for their well-being as well as public health in California. The Commission
also supports utilizing zero-emission or near-zero emission vehicles as a method to improve air quality and reduce greenhouse gas emissions.

The Commission commends your leadership in finding new ways to ensure access to transportation for underserved communities while advancing the State’s environmental goals. 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, Executive Director, California Transportation Commission
David Kim, Secretary, California State Transportation Agency
An act to add Chapter 8.5 (commencing with Section 9580) to Division 8.5 of the Welfare and Institutions Code, relating to aging.

LEGISLATIVE COUNSEL’S DIGEST

AB 970, as amended, Salas. California Department of Aging: grants: transportation.

Existing law, the California Global Warming Solutions Act of 2006, designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the state board to include the use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by the state board as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available for appropriation.

Existing law establishes the Air Quality Improvement Program, which is administered by the state board for the purpose of funding projects related to, among other things, the reduction of criteria air pollutants and improvement of air quality. Existing law requires that moneys in the Air Quality Improvement Fund, upon appropriation by the Legislature, be expended by the state board in accordance with the program.
Existing law requires the California Department of Aging to designate various private nonprofit or public agencies as area agencies on aging to work for the interests of older Californians within a planning and service area and provide a broad array of social and nutritional services. Existing law states that the mission of the department is to provide leadership to the area agencies on aging in developing systems of home- and community-based services that maintain individuals in their own homes or the least restrictive homelike environments. Existing law establishes certain wellness, injury prevention, and other programs within the department to serve both older individuals and persons with a disability, as defined.

This bill would require the department to administer a grant program to receive applications from eligible applicants, including, but not limited to, area agencies on aging and public transit operators, to fund transportation to and from nonemergency medical services for older individuals and persons with a disability who reside in rural, desert, or mountain areas within a planning and service area, disability, for the purpose of reducing greenhouse gas emissions. The bill would require that transportation be made available using the purchase, lease, or maintenance of zero-emission or near-zero-emission vehicles with a capacity for 7, 12, or 15 passengers.

The bill would authorize the allocation of moneys from the Greenhouse Gas Reduction Fund and the Air Quality Improvement Fund, upon appropriation by the Legislature, to fund the grant program.


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

SECTION 1. Chapter 8.5 (commencing with Section 9580) is added to Division 8.5 of the Welfare and Institutions Code, to read:

Chapter 8.5. Transportation for Medical Services

9580. (a) The department

9580. (a) For purposes of this section, “near-zero-emission vehicle” and “zero-emission vehicle” have the same meanings as those terms are defined in Section 44258 of the Health and Safety Code.
(b) The department shall administer a grant program to fund transportation to and from nonemergency medical services for older individuals, as defined in Section 9018, and persons with a disability, as defined in Section 9653, pursuant to this department, in coordination with the State Air Resources Board and the State Department of Health Care Services, section for the purpose of reducing greenhouse gas emissions.

(b) Area agencies on aging may apply for grants from the department pursuant to this section. An area agency on aging that has been awarded a grant shall use the funds to provide transportation as described in subdivision (c).

(c) Eligible applicants who may apply for grants from the department pursuant to this section shall include, but not be limited to, all of the following:

1. Local or regional transportation agencies that provide transportation services to seniors and persons with disabilities.
2. Area agencies on aging.
3. Counties.
4. Public transit operators.

(d) An applicant that has been awarded a grant shall use the funds to provide transportation services as described in subdivision (e).

(e) (1) Eligible transportation includes transportation to and from nonemergency medical services for older individuals and persons with a disability, as described in subdivision (a), who reside in rural, desert, or mountain areas within a planning and service area. (b).

2. Eligible transportation shall be made available using the purchase, lease, operation, or maintenance of zero-emission or near-zero-emission vehicles with a capacity for 7, 12, or 15 passengers.

(d)

(f) (1) The department may use moneys allocated to the grant program pursuant to Section 9581 to cover reasonable administrative costs incurred by the department under this section.

2. An area agency on aging applicant that has been awarded a grant may use grant moneys to cover reasonable administrative costs incurred by the area agency on aging applicant under this section.
9581. Moneys from the Greenhouse Gas Reduction Fund, created pursuant to Section 16428.8 of the Government Code, and the Air Quality Improvement Fund, created pursuant to Section 44274.5 of the Health and Safety Code, Code may be allocated, upon appropriation by the Legislature, to fund the grant program described in Section 9580.
June 26, 2019

The Honorable Jim Beall
Member of the Senate
State Capitol, Room 2082
Sacramento, CA 95814

Re: Support for Senate Joint Resolution 5

Dear Senator Beall:

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 California’s transportation system.

The Commission adopted a position to support Senate Joint Resolution 5 at its June 26, 2019 meeting. This measure would urge Congress and the President of the United States to (1) provide all federal resources promised to California and other states expeditiously to ensure critical transportation projects can be delivered without delay, (2) work together to enact federal infrastructure legislation, and (3) address the shortfall in the federal Highway Trust Fund.

The Commission has long recognized the need for the federal government to be a strong partner in providing stable, ongoing, timely funding for transportation. For example, in its 2018 Annual Report, the Commission recommended the Legislature alert Congress of the need to reimburse California for its backlog of federal highway emergency expenditures. Such support from the federal government is critical for the mobility of the state’s residents as well as the state’s continued economic prosperity.
The Commission commends your leadership in calling on our national leaders to pass federal legislation to address California’s transportation needs. 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, Executive Director, California Transportation Commission
   David Kim, Secretary, California State Transportation Agency
Senate Joint Resolution No. 5

Introduced by Senator Beall
(Coauthors: Senators Archuleta, Bradford, Caballero, Dodd, Durazo, Galgiani, Hertzberg, Hueso, Jackson, McGuire, Mitchell, Roth, Umberg, Wieckowski, and Wiener)
(Coauthors: Assembly Members Aguiar-Curry, Chu, Frazier, Grayson, and O’Donnell)

March 7, 2019

Senate Joint Resolution No. 5—Relative to California transportation infrastructure.

LEGISLATIVE COUNSEL’S DIGEST

SJR 5, as amended, Beall. California transportation infrastructure. This measure would urge the Congress and the President of the United States to (1) provide all federal resources promised to California and other states expeditiously and without delay, (2) work together to enact the robust bipartisan federal infrastructure legislation necessary to restore California’s and other states’ crumbling road and freight infrastructure, respond to growing traffic congestion, and increase investment in public transportation, most particularly, by expanding paratransit services for the elderly and those with special needs, and (3) address the shortfall in the federal Highway Trust Fund by restoring the lost purchasing power of the federal fuel tax, in order to provide the long-term funding stability necessary for California and other states.

Fiscal committee: no.

WHEREAS, California’s transportation infrastructure is aging and in serious need of repair, with more than 44 percent of major...
roads and highways considered in poor condition and another 25 percent rated mediocre; and

WHEREAS, This problem is even more acute in urban areas, where more than 53 percent of major roads and highways are in poor condition and 25 percent are rated mediocre; and

WHEREAS, California motorists spend in excess of $22 billion annually in additional operating costs, more than $843 per driver, as a result of driving on poorly maintained roads; and

WHEREAS, Increasing levels of traffic congestion are clogging urban freeways, impacting commutes and commerce, and costing Californians an estimated $29 billion annually in wasted time and fuel; and

WHEREAS, With California’s population expected to grow to 48 million by 2040, substantial new investment in public transportation will be needed to improve mobility, reduce gridlock, and meet critical greenhouse gas reduction targets, yet the state’s transit agencies collectively face billions of dollars annually in capital and operating shortfalls; and

WHEREAS, These transit agencies face particularly acute regulatory challenges and funding shortfalls in providing vital paratransit services to the elderly, persons with disabilities, and others with special needs; and

WHEREAS, Freight transportation is critical to the economic vitality of the United States and robust investment in safe and efficient transportation facilities and infrastructure is essential to promoting strong economic growth in California and throughout the nation; and

WHEREAS, California serves as the nation’s gateway to international trade as the entry point for nearly one-fifth of the country’s imports, by far the largest share of any state, with the state’s vast network of land and seaports, truck routes, and rail lines transporting more than $2.8 trillion in goods annually; and

WHEREAS, California’s freight system is responsible for the creation of 800,000 freight jobs and stimulates creation of millions of other jobs throughout the economy; and

WHEREAS, The California Legislature, having risen to meet this crisis by enacting the Road Repair and Accountability Act of 2017 (Chapter 5 of the Statutes of 2017) to add more than $5 billion annually in new transportation investment, depends on the federal government to provide its share of the resources needed to restore
and enhance California’s highway, transit, and active transportation infrastructure for the generations to come; and

WHEREAS, For the past 25 years, the Congress of the United States has failed to take action to preserve or restore the purchasing power of the federal fuel tax or provide any alternate solution adequate to ensure sustained federal investment in the nation’s transportation system; now, therefore, be it

Resolved by the Senate and the Assembly of the State of California, jointly, That the Legislature urges the Congress and the President of the United States to provide all federal resources promised to California and other states, including the $2.6 billion in transit Capital Investment Program grant funds appropriated in 2018, expeditiously and without delay, to ensure that critical transportation projects vital to economic growth and public safety can be delivered without delay; and be it further

Resolved, That the Legislature urges Congress and the President to work together to enact the robust bipartisan federal infrastructure legislation necessary to restore California’s and other states’ crumbling road and freight infrastructure, respond to growing traffic congestion, and increase investment in public transportation, most particularly, by expanding paratransit services for the elderly and those with special needs; and be it further

Resolved, That the Legislature urges Congress and the President to address the shortfall in the federal Highway Trust Fund by restoring the lost purchasing power of the federal fuel tax in order to provide the long-term funding stability necessary for California and other states to rebuild infrastructure, invest in people through good, well-paying jobs, and strengthen the state’s and the nation’s economy; and be it further

Resolved, That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to the Majority Leader of the Senate, and to each Senator and Representative from California in the Congress of the United States.
June 26, 2019

The Honorable Jim Beall  
Member of the Senate  
State Capitol, Room 2082  
Sacramento, CA 95814

Re: Comments on Senate Bill 277

Dear Senator Beall:

On June 26, 2019, the California Transportation Commission (Commission) considered Senate Bill (SB) 277 and approved comments to share with you for your consideration. This bill would require that the Commission apportion 100 percent of Local Partnership Program funds on a formula basis; establish specified program guidelines on or before April 1, 2020; require eligible entities to submit certain project information to the Commission; and modify the definition of eligible entities to conform with the definition set forth in the Proposition 1B State-Local Partnership Program.

The Commission appreciates the trust the Legislature has placed in it under SB 1 to ensure that funds are appropriately and efficiently spent and accounted for. The Commission also appreciates its statutory role to advise and assist the Legislature in formulating and evaluating state policies and plans for state transportation programs. The comments in this letter are provided to fulfill these statutory responsibilities.

To ensure that the Legislative intent is met under SB 277, it is important that the formulaic distribution methodology is identified. For example, the Proposition 1B State-Local Partnership Program statute set forth a specific distribution formula, thereby eliminating ambiguity regarding legislative intent. Additionally, by not specifying a formula, the bill raises the question whether the
program could continue to offer incentive funding for new or renewed sales tax measures, tolls, or fees. Moreover, specifying a formula that ensures smaller agencies receive sufficient funding for critical projects is important.

While the process set forth in the bill requires apportionments that appear to model the SB 1 Local Streets and Roads Program (LSRP) apportionment process, additional clarification is necessary with respect to accountability. For example, unlike the LSRP legislative language, it is unclear whether funds are intended to be provided upfront to eligible entities or on a reimbursement basis and whether the Commission is required to approve lists of projects in lieu of project allocations.

The Commission also believes it is important to ensure that funds are utilized in a timely manner and not withheld from eligible recipients with important projects ready to proceed. While the Proposition 1B State-Local Partnership Program was a successful program and funded critical projects, a substantial portion of funding was not dedicated to projects until the last year of the five-year program. Specifically, despite $186 million per year available in formula funding, recipients dedicated only $109 million on average annually to projects in the first four years of the program. This meant that over $300 million, available in earlier years, was not programmed to projects until the last year of the five-year program. Therefore, the Commission encourages legislative language that increases accountability and safeguards to provide assurance that funds are efficiently utilized and do not remain uncommitted.

The Commission hopes that you find the above comments helpful as you work on this legislation. If you would like to discuss these comments or any other aspects of the legislation, please contact the Commission’s Executive Director, Ms. Susan Bransen, at (916) 654-4245.

Sincerely,

FRAN INMAN
Chair

c: Commissioners, California Transportation Commission
The Honorable Jim Frazier, Assembly Transportation Committee, Chair
Susan Bransen, Executive Director, California Transportation Commission
David Kim, Secretary, California State Transportation Agency
An act to amend Section 2033 of, to amend and repeal Section 2033 of, and to add Section 2033.1 to, the Streets and Highways Code, relating to transportation.

LEGISLATIVE COUNSEL’S DIGEST

SB 277, as amended, Beall. Road Maintenance and Rehabilitation Program: guidelines. Program: Local Partnership Program.

Under existing law, the California Transportation Commission allocates various state and federal transportation funds through specified state programs to local and regional transportation agencies to implement projects consistent with the requirements of those programs. The Road Repair and Accountability Act of 2017 Existing law continuously appropriates $200,000,000 annually from the Road Maintenance and Rehabilitation Account for allocation by the commission for a program commonly known as the Local Partnership Program to local or regional transportation agencies that have sought and received voter approval of taxes or that have imposed certain fees, which taxes or fees are dedicated solely to transportation improvements for road maintenance and rehabilitation and other transportation improvement projects. Existing law requires the commission, in cooperation with the Department of Transportation, transportation planning agencies, county transportation commissions, and other local agencies, to develop guidelines for the allocation of those moneys, and authorizes the
commission to amend the adopted guidelines after conducting at least one public hearing. moneys.

This bill would require the commission, in cooperation with those same entities, to biennially update the guidelines with final approval of the update occurring on or before January 1 of each even-numbered year. The bill would require the commission to publicly release a draft of the proposed update at least 6 months before the January 1 final approval deadline, to provide for a 90-day public comment period on the draft, and to conduct at least 2 public hearings about the draft. In order to amend the guidelines, the bill would require the commission to publicly release a draft of the proposed amendment at least 3 months before the amendment is adopted, to provide for a 90-day public comment period on the amendment, and to conduct an additional public hearing. commission to apportion these funds on a formula basis to those of the local and regional transportation agencies described above that also have responsibility for funding, procuring, and constructing transportation improvements within their jurisdictions. The bill would require the commission, in conjunction with transportation planning agencies and county transportation commissions, and in consultation with other local agencies, to develop guidelines for the apportionment of these funds that, among other things, establish an apportionment formula, identify guaranteed minimum apportionments, and establish the types of eligible projects consistent with specified requirements. In order to receive an apportionment of funds from the commission in a funding cycle, the bill would require an eligible entity to submit to the commission a list of projects proposed to be funded with the funds. The bill would require the commission to approve a project list submitted by a local or regional transportation agency unless a project identified in the project list is not consistent with the project eligibility guidelines.


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

SECTION 1. Section 2032 of the Streets and Highways Code is amended to read:

2032. (a) (1) After deducting the amounts appropriated in the annual Budget Act, as provided in Section 2031.5, two hundred million dollars ($200,000,000) of the remaining revenues deposited in the Road Maintenance and Rehabilitation Account shall be set
aside annually for local or regional transportation agencies that have sought and received voter approval of taxes or that have imposed fees, including uniform developer fees as defined by subdivision (b) of Section 8879.67 of the Government Code, which taxes or fees are dedicated solely to transportation improvements: eligible entities. The Controller shall each month set aside one-twelfth of this amount, except in fiscal year 2017–18, the Controller shall set aside one-eighth of this amount, to accumulate a total of two hundred million dollars ($200,000,000) in each fiscal year. The Controller may adjust the amount in the final month or months of each fiscal year if necessary to achieve the annual amount specified in this subdivision.

(2) Eligible projects under this subdivision include, but not are limited to, sound walls for a freeway that was built before 1987 without sound walls and with or without high-occupancy vehicle lanes if the completion of the sound walls has been deferred due to lack of available funding for at least 20 years and a noise barrier scope summary report has been completed within the last 20 years.

(3) Notwithstanding Section 13340 of the Government Code, the funds available under this subdivision in each fiscal year are hereby continuously appropriated for allocation apportionment on a formula basis to eligible entities by the commission for road maintenance and rehabilitation and other transportation improvement projects pursuant to Section 2033 or 2033.1, as applicable.

(4) For purposes of this subdivision, an “eligible entity” means a local or regional transportation agency that has responsibility for funding, procuring, or constructing transportation improvements within its jurisdiction, and that does either of the following:

(A) Has sought and received voter approval for the imposition of taxes or fees dedicated solely to transportation improvements and administers those taxes or fees.

(B) Has imposed uniform developer fees, as defined by subdivision (b) of Section 8879.67 of the Government Code.

(b) After deducting the amounts appropriated in the annual Budget Act pursuant to Section 2031.5 and the amount allocated in subdivision (a), beginning in the 2017–18 fiscal year, one hundred million dollars ($100,000,000) of the remaining revenues shall be available annually for expenditure, upon appropriation by
the Legislature, on the Active Transportation Program created pursuant to Chapter 8 (commencing with Section 2380) of Division 3 to be allocated by the California Transportation Commission pursuant to Section 2381. The Controller shall each month set aside one-twelfth of this amount, except in the 2017–18 fiscal year, when the Controller shall set aside one-eighth of this amount, to accumulate a total of one hundred million dollars ($100,000,000) in each fiscal year. The Controller may adjust the amount in the final month or months of each fiscal year if necessary to achieve the annual amount specified in this subdivision.

(c) After deducting the amounts appropriated in the annual Budget Act pursuant to Section 2031.5 and the amounts allocated in subdivisions (a) and (b), beginning in the 2017–18 fiscal year, four hundred million dollars ($400,000,000) of the remaining revenues shall be available annually for expenditure, upon appropriation by the Legislature, by the department for bridge and culvert maintenance and rehabilitation. The Controller shall each month set aside one-twelfth of this amount, except in the 2017–18 fiscal year, when the Controller shall set aside one-eighth of this amount, to accumulate a total of four hundred million dollars ($400,000,000) in each fiscal year. The Controller may adjust the amount in the final month or months of each fiscal year if necessary to achieve the annual amount specified in this subdivision.

(d) After deducting the amounts appropriated in the annual Budget Act pursuant to Section 2031.5 and the amounts allocated in subdivisions (a), (b), and (c), beginning in the 2017–18 fiscal year, twenty-five million dollars ($25,000,000) of the remaining revenues shall be transferred annually to the State Highway Account for expenditure, upon appropriation by the Legislature, to supplement the freeway service patrol program. The Controller shall each month set aside one-twelfth of this amount, except in the 2017–18 fiscal year, when the Controller shall set aside one-eighth of this amount, to accumulate a total of twenty-five million dollars ($25,000,000) in each fiscal year. The Controller may adjust the amount in the final month or months of each fiscal year if necessary to achieve the annual amount specified in this subdivision.

(e) After deducting the amounts appropriated in the annual Budget Act pursuant to Section 2031.5 and the amounts allocated in subdivisions (a), (b), (c), and (d), in the 2017–18, 2018–19,
2019–20, 2020–21, and 2021–22 fiscal years, from revenues in
the Road Maintenance and Rehabilitation Account that are not
subject to Article XIX of the California Constitution, five million
dollars ($5,000,000) shall be appropriated in each fiscal year to
the California Workforce Development Board to assist local
agencies to implement policies to promote preapprenticeship
training programs to carry out the projects that are funded by the
account pursuant to Section 2038. Funds appropriated pursuant to
this subdivision in the Budget Act but remaining unexpended at
the end of each applicable fiscal year shall be reappropriated for
the same purposes in the following year’s Budget Act, but all funds
appropriated or reappropriated pursuant to this subdivision in the
Budget Act shall be liquidated no later than June 30, 2027.

(f) After deducting the amounts appropriated in the annual
Budget Act pursuant to Section 2031.5 and the amounts allocated
in subdivisions (a), (b), (c), (d), and (e), beginning in the 2017–18
fiscal year, twenty-five million dollars ($25,000,000) of the
remaining revenues shall be available annually for expenditure,
upon appropriation by the Legislature, by the department for local
planning grants, as described in Section 2033.5. The Controller
shall each month set aside one-twelfth of this amount, except in
the 2017–18 fiscal year, when the Controller shall set aside
one-eighth of this amount, to accumulate a total of twenty-five
million dollars ($25,000,000) in each fiscal year. The Controller
may adjust the amount in the final month or months of each fiscal
year if necessary to achieve the annual amount specified in this
subdivision.

(g) After deducting the amounts appropriated in the annual
Budget Act pursuant to Section 2031.5 and the amounts allocated
in subdivisions (a), (b), (c), (d), (e), and (f), beginning in the
2017–18 fiscal year and each fiscal year thereafter, from the
remaining revenues, five million dollars ($5,000,000) shall be
available, upon appropriation, to the University of California for
the purpose of conducting transportation research and two million
dollars ($2,000,000) shall be available, upon appropriation, to the
California State University for the purpose of conducting
transportation research and transportation-related workforce
education, training, and development. Before the start of each
fiscal year, the Secretary of Transportation and the chairs of the
Assembly Committee on Transportation and the Senate Committee
on Transportation and Housing may set out a recommended priority list of research components to be addressed in the upcoming fiscal year.

(h) Notwithstanding Section 13340 of the Government Code, the balance of the revenues deposited in the Road Maintenance and Rehabilitation Account are hereby continuously appropriated as follows:

1. Fifty percent for allocation to the department for maintenance of the state highway system or for purposes of the state highway operation and protection program.

2. Fifty percent for apportionment to cities and counties by the Controller pursuant to the formula in clauses (i) and (ii) of subparagraph (C) of paragraph (3) of subdivision (a) of Section 2103 for the purposes authorized by this chapter.

SEC. 2. Section 2033 of the Streets and Highways Code is amended to read:

2033. (a) On or before January 1, 2018, the commission, in cooperation with the department, transportation planning agencies, county transportation commissions, and other local agencies, shall develop guidelines for the allocation of funds pursuant to subdivision (a) of Section 2032.

(b) The guidelines shall be the complete and full statement of the policy, standards, and criteria that the commission intends to use to determine how these funds will be allocated.

(c) The commission may amend the adopted guidelines after conducting at least one public hearing.

(d) The guidelines may include streamlining of project delivery by authorizing local or regional transportation agencies to seek commission approval of a letter of no prejudice that allows the agency to expend its own funds in advance of an allocation of funds by the commission, and to be reimbursed at a later time for eligible expenditures. A letter of no prejudice shall only be available to local or regional transportation agencies for moneys that have been identified for future allocation to the applicant agency. Moneys designated pursuant to subdivision (a) of Section 2032 shall only be reimbursed when there is funding available in an amount sufficient to make the reimbursement.

(e) The guidelines developed pursuant to this section shall only apply to programming cycle 1 and 2 of the formulaic program, as described in commission resolution G-17-33, and programming

97
cycle 1 of the competitive program, as described in commission
resolution G-17-33.

(f) This section shall remain in effect only until January 1, 2024,
and as of that date is repealed.

SEC. 3. Section 2033.1 is added to the Streets and Highways
Code, to read:

2033.1. (a) (1) On or before April 1, 2020, the commission,
in conjunction with transportation planning agencies and county
transportation commissions, and in consultation with other local
agencies, shall develop guidelines for the apportionment of funds
pursuant to subdivision (a) of Section 2032.

(2) The guidelines shall be the complete and full statement of
the policy, standards, and criteria that the commission intends to
use to determine how these funds will be apportioned.

(3) The guidelines shall do, but are not limited to doing, all of
the following regarding the appointment of these funds:
(A) Identify guaranteed minimum apportionment for eligible
entities.
(B) Identify eligible local matching funds.
(C) Establish an apportionment formula for these funds.
(D) Establish the types of eligible projects consistent with
subdivision (b).
(E) Authorize an eligible entity to retain its apportionment to
accumulate and use that apportionment in a subsequent year for
a larger expenditure.

(4) The guidelines may include streamlining of project delivery
by authorizing eligible entities to seek commission approval of a
letter of no prejudice that allows the entity to expend its own funds
in advance of an apportionment of funds by the commission, and
to be reimbursed at a later time for eligible expenditures. A letter
of no prejudice shall only be available to eligible entities for
moneys that have been identified for future apportionment to the
applicant entity. Moneys designated pursuant to subdivision (a)
of Section 2032 shall only be reimbursed when there is funding
available in an amount sufficient to make the reimbursement.

(5) The commission may amend the adopted guidelines after
conducting at least one public hearing.

(b) A project is eligible to receive funding pursuant to
subdivision (a) of Section 2032 if it is eligible pursuant to
subdivision (b) of Section 2030 and is consistent with Section 2 of Article XIX of the California Constitution.

(c) (1) In order to receive an apportionment of funds pursuant to subdivision (a) of Section 2032 from the commission in a funding cycle, an eligible entity shall submit to the commission a list of projects proposed to be funded with these funds. All projects proposed to receive funding shall be adopted by resolution by the eligible entity at a regular public meeting. The list of projects proposed to be funded with these funds shall include a description and the location of each proposed project, a proposed schedule for the project’s completion, and the estimated useful life of the improvement.

(2) The commission shall approve a project list submitted by an eligible entity pursuant to paragraph (1) unless a project identified in the project list is not consistent with project eligibility requirements.

(d) For purposes of this section, “eligible entity” has the same meaning as defined in subdivision (a) of Section 2032.

(e) The guidelines developed pursuant to this section shall apply to programming cycles beginning after the programming cycles described in subdivision (e) of Section 2033, as it read on January 1, 2020.

SECTION 1. Section 2033 of the Streets and Highways Code is amended to read:

2033.—(a) On or before January 1, 2018, the commission, in cooperation with the department, transportation planning agencies, county transportation commissions, and other local agencies, shall develop guidelines for the allocation of funds pursuant to subdivision (a) of Section 2032.

(b) (1) The commission, in cooperation with the department, transportation planning agencies, county transportation commissions, and other local agencies, shall biennially update the guidelines with final approval of the update occurring on or before January 1 of each even-numbered year.

(2) The commission shall publicly release a draft of the proposed update at least six months before the January 1 final approval deadline, provide for a 90-day public comment period on the draft, and conduct at least two public hearings about the draft, at least one of which shall be conducted in the northern part of the state.
and at least one of which shall be conducted in the southern part
of the state.

e) The guidelines shall be the complete and full statement of
the policy, standards, and criteria that the commission intends to
use to determine how these funds will be allocated.

d) The commission may amend the guidelines if it meets all
of the following requirements:

1. The commission releases a draft of the proposed amendment
at least three months before the amendment is adopted.

2. The commission provides for a 90-day public comment
period on the amendment.

3. The commission conducts at least two public hearings, at
least one of which shall be conducted in the northern part of the
state and at least one of which shall be conducted in the southern
part of the state.

e) The guidelines may include streamlining of project delivery
by authorizing local or regional transportation agencies to seek
commission approval of a letter of no prejudice that allows the
agency to expend its own funds in advance of an allocation of
funds by the commission, and to be reimbursed at a later time for
eligible expenditures. A letter of no prejudice shall only be
available to local or regional transportation agencies for moneys
that have been identified for future allocation to the applicant
agency. Moneys designated pursuant to subdivision (a) of Section
2032 shall only be reimbursed when there is funding available in
an amount sufficient to make the reimbursement.