

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: January 29-30, 2020

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) accept the staff report on state legislation monitored by staff as presented in Attachment A?

Recommendation:

Commission staff recommend that the Commission accept the staff report on state legislation monitored by staff as presented in Attachment A.

Background:

The Legislature reconvened on January 6, 2020 to start the second year of its two-year session. The deadline for each house to pass bills introduced in that house during the first year of the session is January 31. Policy and fiscal committees had to hear these bills by January 17 and January 24, respectively. Members have until February 21 to introduce new legislation.

Attachment A includes a list of bills monitored by Commission staff, pursuant to the Commission's bill monitoring policy. The first part of the list shows active bills. The second part shows bills from the first year of session that were signed into law, vetoed, or are now considered "dead" because they did not meet committee deadlines, were held on suspense in fiscal committees, or failed a vote. The Commission currently does not have a position on any active legislation.

To date, relatively few new transportation-related bills have been introduced but Commission staff expect many more bills will be introduced in the coming weeks. Commission staff have had several conversations with Members' offices expressing interest in pursuing legislative recommendations from the Commission's 2019 Annual Report. Commission staff will bring forward for consideration bills introduced to implement Commission recommendations at the March Commission meeting.

State Budget Update:

On January 10, 2020, the Governor released his 2020-21 proposed budget. No budget change proposals impact the Commission's budget. The largest budget change proposal for the California Department of Transportation (Caltrans) is for \$32 million to address increased trash collection workload.

The Governor's budget includes several new proposals to reduce greenhouse gas emissions and prepare for climate change, some of which relate to transportation. For instance, the Governor proposes a new \$1 billion Climate Catalyst Fund (funded over four years) that would provide low-interest loans for technology and infrastructure projects, potentially including zero-emission vehicle and transit purchases. Another proposal is for \$51 million to accelerate deployment of electric vehicle charging infrastructure. The Governor also proposes a \$4.75 billion Climate Resilience Bond to address drought, wildfire, floods, sea level rise, and extreme heat, as well as a \$965 million cap-and-trade expenditure plan that includes new funding for activities such as climate change research, technical assistance, and capacity building. The proposals included in the Governor's climate budget would be administered by various natural resource and environmental protection agencies, Strategic Growth Council, and a few other non-transportation state agencies.

The proposals in the Governor's climate budget potentially offer opportunities to address policy issues identified in the Commission's 2019 Annual Report, including assisting California's transit operators in transitioning to a zero-emission fleet and preparing California's transportation infrastructure for climate change. Accordingly, Commission staff have initiated conversations with the administration to learn more about the proposals and offer input on their development.

Attachment B includes a copy of the Governor's Climate Budget.

Attachments:

- Attachment A: Bills Monitored by Commission Staff
- Attachment B: Governor's Climate Budget

Bills Monitored by Commission Staff

(Active Bills)

Friday, January 24, 2020

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

Introduced 1/30/2019
Last Amended 3/5/2019

Status: Pending committee assignment in the Senate

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.

Commission Position: None

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

Introduced 2/21/2019
Last Amended 6/19/2019

Status: Senate Transportation Committee

Summary: This bill would allow a local authority to require a shared mobility device provider to provide the local authority with de-identified and aggregated trip data and operational data, including as a condition for operating a shared mobility device program. The bill would prohibit the sharing of individual trip data, except as provided by the Electronic Communications Privacy Act. This bill would allow a local authority to enact reasonable regulations on shared mobility devices and providers within its jurisdiction, including, but not limited to, requiring a shared mobility service provider to obtain a permit. The bill would allow a local authority to ban persons from deploying and offering shared mobility devices for hire on its public right of way, subject to the California Environmental Quality Act.

Commission Position: None

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

Introduced 2/21/2019
Last Amended 4/29/2019

Status: Senate Business, Professions, and Economic Development Committee

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.

Commission Position: None

AB 1350 (Gonzalez) Free youth transit passes: eligibility for state funding.

Introduced 2/22/2019
Last Amended 1/15/2020

Status: Assembly Floor

Summary: This bill would require transit agencies to offer free youth transit passes to persons 18 years of age and under in order to be eligible for state funding under the Mills-Deddeh Transit Development Act, the State Transit Assistance Program, or the Low Carbon Transit Operations Program. The bill would also require a free youth transit pass to count as a full price fare for purposes of calculating the ratio of fare revenues to operating costs.

Commission Position: None

AB 1839 (Bonta) Climate change: California Green New Deal.

Introduced 1/6/2020

Status: Pending committee assignment in the Assembly

Summary: This bill would create the California Green New Deal Council with a specified membership appointed by the Governor. The bill would require the California Green New Deal Council to submit a specified report to the Legislature no later than January 1, 2022.

Commission Position: None

AB 1848 (Lackey) High-speed rail: Metrolink commuter rail system.

Introduced 1/6/2020

Status: Assembly Transportation Committee

Summary: The California High-Speed Rail Act creates the High-Speed Rail Authority to develop and implement a high-speed rail system in the state. The Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, approved by the voters as Proposition 1A at the November 4, 2008, general election, provides for the issuance of \$9,000,000,000 in general obligation bonds for high-speed rail purposes and \$950,000,000 for other related rail purposes. This bill would appropriate \$4,000,000,000 of those bond revenues to the Southern California Regional Rail Authority to fund improvements to the Metrolink commuter rail system.

Commission Position: None

AB 1908 (Chen) Department of Transportation: Homeless Encampment and Litter Program.

Introduced 1/8/2020

Status: Pending committee assignment in the Assembly

Summary: This bill would, among other provisions, require the California Department of Transportation, within its maintenance program, to establish a Homeless Encampment and Litter Program to provide timely abatement and cleanup of homeless encampments on department property and expedited and coordinated access to housing and supportive services. The bill would provide that implementation of these provisions is contingent upon an appropriation by the Legislature.

Commission Position: None

AB 1920 (Boerner Horvath) Climate change: California Climate Adaptation Center and Regional Support Network.

Introduced 1/13/2020

Status: Pending committee assignment in the Assembly

Summary: This bill would declare the intent of the Legislature to enact subsequent legislation that would establish the California Climate Adaptation Center and Regional Support Network to provide technical support and information to local governments on adapting to climate change impacts, including, but not limited to, sea level rise.

Commission Position: None

SB 757 (Allen) State highways: relinquishment.

Introduced 2/22/2019
Last Amended 1/23/2020

Status: Senate Floor

Summary: This bill would modify the highway relinquishment process by, among other provisions, requiring the California Department of Transportation to report to the California Transportation Commission on highway routes that are best candidates for relinquishment and requiring the Commission to hold a hearing on proposed relinquishments.

Commission Position: None

Total Measures: 9

Bills Monitored by Commission Staff
(Inactive Bills-Chaptered, Vetoed, Died, or Held on Suspense)

Friday, January 24, 2020

AB 29 (Holden) State Highway Route 710.

Status: Chaptered

Summary: This bill, on January 1, 2024, removes from the California freeway and expressway system the portion of Route 710 between Alhambra Avenue in the City of Los Angeles and California Boulevard in the City of Pasadena.

Commission Position: None

AB 74 (Ting) Budget Act of 2019.

Status: Chaptered

Summary: This bill made appropriations for the support of state government for the 2019–20 fiscal year.

Commission Position: None

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

Status: Died

Summary: This bill would have authorized 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.

Commission Position: None

AB 176 (Cervantes) California Alternative Energy and Advanced Transportation Financing Authority: sales and use taxes: exclusions.

Status: Chaptered

Summary: This bill requires the California Alternative Energy and Advanced Transportation Financing Authority to evaluate a project application for a sales and use tax exclusion for the extent to which the project will create new, or result in the loss of, permanent, full-time jobs in the state, as specified, in addition to other preexisting criteria.

Commission Position: None

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

Status: Chaptered

Summary: This bill requires the Department of Housing and Community Development to participate in the joint meetings held by the California Transportation Commission and the California Air Resources Board at least twice per year.

Commission Position: Support

AB 245 (Muratsuchi) California Aerospace and Aviation Commission: establishment.

Status: Senate Appropriations (on suspense)

Summary: This bill would establish, within the Governor's Office of Business and Economic Development, the California Aerospace and Aviation Commission consisting of 15 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.

Commission Position: None

AB 246 (Mathis) State highways: property leases.

Status: Died

Summary: This bill would have authorized 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.

Commission Position: None

AB 252 (Daly) Department of Transportation: environmental review process: federal program.

Status: Chaptered

Summary: This bill provided permanent authority for the State of California to consent to the jurisdiction of the federal courts with regard to the compliance, discharge, or enforcement of the responsibilities it assumes as a participant in a federal Department of Transportation program that allows states to assume certain responsibilities for environmental review and clearance of transportation projects that would otherwise be the responsibility of the federal government.

Commission Position: Support

AB 285 (Friedman) California Transportation Plan.

Status: Chaptered

Summary: Commencing with the third update to the California Transportation Plan (CTP) to be completed by December 31, 2025, this bill requires the California Department of Transportation 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 also updates the CTP to require that it address updated greenhouse gas emissions reduction targets in state law, among other provisions.

Commission Position: Support

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

Status: Died

Summary: This bill would have required 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.

Commission Position: Support

AB 380 (Frazier) Office of the Transportation Inspector General.

Status: Died

Summary: This bill would have eliminated the Independent Office of Audits and Investigations within the California Department of Transportation and would have instead created 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.

Commission Position: None

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

Status: Died

Summary: 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 have authorized 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.

Commission Position: None

AB 659 (Mullin) Transportation: emerging transportation technologies: California Smart City Challenge Grant Program.

Status: Died

Summary: This bill would have established 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.

Commission Position: Support

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

Status: Died

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 have instead required the Commission to adopt and submit the annual report by December 31 of each year.

Commission Position: None

AB 821 (O'Donnell) Transportation: Trade Corridor Enhancement Account: project nomination: California Port Efficiency Program.

Status: Died

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 have required 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 have created.

Commission Position: None

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

Status: Died

Summary: This bill would have required 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.

Commission Position: None

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

Status: Died

Summary: This bill would have required 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.

Commission Position: None

AB 970 (Salas) California Department of Aging: grants: transportation.

Status: Vetoed

Summary: This bill would have made grant awards available under the California Air Resources Board's Clean Mobility Options program for disadvantaged communities and low-income communities to eligible applicants, including, but not limited to, area agencies on aging and public transit operators. The bill also would have required the California Department of Aging, on or before July 1, 2020, to hold a public workshop devoted to the topic of overcoming barriers in providing transportation to and from nonemergency medical services for older individuals and persons with disabilities.

Commission Position: Support

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

Status: Chaptered

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 required the county to reimburse the state if the county fails to meet specified conditions. This bill relinquished the rights of the state to reimbursement pursuant to those resolutions. The bill also required the County of Contra Costa to revise the bylaws of the Iron Horse Corridor Management Program Advisory Committee.

Commission Position: None

AB 1142 (Friedman) Regional transportation plans: transportation network companies.

Status: Assembly Appropriations Committee (on suspense)

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.

Commission Position: None

AB 1226 (Holden) State highways: property leases: assessment.

Status: Senate Appropriations Committee (on suspense)

Summary: This bill would require the California Department of Transportation to assess the feasibility of constructing facilities above highways built below grade in urban areas that would be made available and leased to a city, county, or other political subdivision or another state agency for affordable housing, transitional housing, emergency shelter, feeding program, or wraparound services purposes, or any combination of these purposes, and would require the department, on or before January 1, 2021, to submit that assessment to the Governor and the fiscal and policy committees of the Legislature that oversee transportation programs.

Commission Position: None

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

Status: Died

Summary: This bill would have created 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 have provided 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, among other provisions.

Commission Position: None

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

Status: Died

Summary: This bill would have required, 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.

Commission Position: None

AB 1277 (Oberholte) Transportation projects: oversight committees.

Status: Died

Summary: This bill would have required a public agency administering a megaproject, defined as a transportation project with total estimated development and construction costs exceeding \$1,000,000,000, to take specified actions to manage the risks associated with the megaproject, including establishing a comprehensive risk management plan and regularly reassessing its reserves for potential claims and unknown risks.

Commission Position: None

AB 1351 (Lackey) Transit operators: paratransit and dial-a-ride services: assessment.

Status: Chaptered

Summary: This bill requires the California State Transportation Agency, in consultation with public transit operators, to conduct an assessment of the procedures public transit operators use to provide dial-a-ride and paratransit services to individuals with disabilities who are visiting their service territories and are certified to use another in-state public transit operator's similar dial-a-ride and paratransit services. The bill requires the Transportation Agency to publish the assessment on its internet website on or before July 1, 2021 and to adopt guidelines for the development of a statewide program to enable individuals with disabilities who a public transit operator has certified to use its dial-a-ride and paratransit services to use another in-state public transit operator's similar dial-a-ride and paratransit services.

Commission Position: None

AB 1374 (Fong) Department of Transportation: state highways.

Status: Died

Summary: This bill would have made non-substantive changes.

Commission Position: None

AB 1402 (Petrie-Norris) Active Transportation Program.

Status: Died

Summary: This bill would have required 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 have required 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.

Commission Position: None

AB 1411 (Reyes) Integrated action plan for sustainable freight.

Status: Died

Summary: This bill would have established as a state goal the deployment of 100,000 zero-emission medium- and heavy-duty vehicles and off-road vehicles and equipment, and the corresponding infrastructure to support them, by 2030.

Commission Position: None

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

Status: Chaptered

Summary: This bill authorizes specified local transportation agencies located in Placer County and San Diego County 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.

Commission Position: Support

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

Status: Died

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 have required 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.

Commission Position: None

AB 1456 (Kiley) State highways: Route 193: relinquishment.

Status: Chaptered

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 repeals those requirements on the city. The bill also authorizes 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.

Commission Position: None

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

Status: Chaptered

Summary: This bill expanded 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.

Commission Position: Support

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

Status: Chaptered

Summary: This bill authorizes the California Transportation Commission to relinquish to the City of Whittier and the County of Los Angeles the portion of Route 72 within their respective jurisdictional limits if the city and the county and the Department of Transportation enter into an agreement providing for the relinquishment, as specified.

Commission Position: None

ACA 1 (Aguiar-Curry) Local government financing: affordable housing and public infrastructure: voter approval.

Status: Assembly Floor (Failed)

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.

Commission Position: Support

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

Status: Vetoed

Summary: This bill would have established in state government the Affordable Housing and Community Development Investment Program, which would be administered by the Affordable Housing and Community Development Investment Committee. The bill would have authorized a city, county, city and county, joint powers agency, enhanced infrastructure financing district, affordable housing authority, community revitalization and investment authority, transit village development district, or a combination of those entities, to apply to the Affordable Housing and Community Development Investment Committee to participate in the program and would have authorized the committee to approve or deny plans for projects meeting specific criteria.

Commission Position: None

SB 7 (Portantino) Surplus nonresidential property and State Highway Route 710.

Status: Chaptered

Summary: This bill, on January 1, 2024, removes from the California freeway and expressway system the portion of Route 710 between Alhambra Avenue in the City of Los Angeles and California Boulevard in the City of Pasadena. This bill authorizes the California Transportation Commission to relinquish to the City of Pasadena the specified portions of Route 710 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 (Caltrans) and the city enter into an agreement providing for that relinquishment. The bill requires a state agency to give priority to a tenant in good standing of a nonresidential property to purchase, at the lesser of fair market value or value in use, as defined, if the tenant is a city or a nonprofit organization, as specified. The bill prohibits Caltrans from selling a nonresidential property to a tenant described above at a value below the minimum sales price, as defined in the department's Affordable Sales Program as of July 1, 2019.

Commission Position: None

SB 44 (Skinner) Medium- and heavy-duty vehicles: comprehensive strategy.

Status: Chaptered

Summary: This bill requires the California Air Resources Board, no later than January 1, 2021, and at least every 5 years thereafter, in consultation with the California Department of Transportation, the State Energy Resources Conservation and Development Commission, and the Governor's Office of Business and Economic Development and in collaboration with relevant stakeholders, to update the state board's 2016 mobile source strategy to include a comprehensive strategy for the deployment of medium-duty and heavy-duty vehicles in the state for the purpose of bringing the state into compliance with federal ambient air quality standards and reducing motor vehicle greenhouse gas emissions from the medium-duty and heavy-duty vehicle sector.

Commission Position: None

SB 59 (Allen) California Transportation Commission: advisory committee: autonomous vehicle technology.

Status: Assembly Appropriations (on suspense)

Summary: This bill would require the Chair of the California Transportation Commission to establish an advisory committee, the California Council on the Future of Transportation, to provide the Governor and the Legislature with recommendations for changes in state policy related to autonomous, driverless, and connected vehicle technology. The council would consist of at least 22 members who represent various state and local agencies, transportation workers, and a disability rights organization, among others. The bill would require the council to submit recommendations to the Legislature no later than January 1, 2022 and at least biannually thereafter.

Commission Position: Support

SB 87 (Committee on Budget and Fiscal Review) Transportation.

Status: Chaptered

Summary: Proposition 1B of 2006 makes the moneys in the Trade Corridors Improvement Fund (TCIF) available for allocation by the California Transportation Commission for infrastructure improvements along federally designated Trade Corridors of National Significance or along other corridors that have a high volume of freight movement. This bill requires the Commission to establish a competitive funding program to provide funds to California Department of Transportation or regional transportation planning agencies, or both, for short-line railroad projects such as railroad reconstruction, maintenance, upgrade, or replacement, using TCIF program savings available as of May 1, 2020.

Commission Position: None

SB 127 (Wiener) Transportation funding: active transportation: complete streets.

Status: Vetoed

Summary: The bill would have required the California Transportation Commission, in connection with the California Department of Transportation's 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 also would have required that specified State Highway Operation and Protection Program projects include capital improvements relative to accessibility for pedestrians, bicyclists, and transit users, among other changes.

Commission Position: None

SB 137 (Dodd) Federal transportation funds: state exchange programs.

Status: Chaptered

Summary: 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. This bill authorizes the California Department of Transportation to allow the above-described federal transportation funds that are allocated as local assistance to be exchanged for nonfederal State Highway Account funds appropriated to the department on a dollar-for-dollar basis for federal local assistance funds received by a city, county, or city and county, as specified. The bill requires, among other things, the total amount of federal funds exchanged to not exceed \$100,000,000 during each federal fiscal year. The bill also requires the department to consult with the League of California Cities and the California State Association of Counties on implementation.

Commission Position: None

SB 152 (Beall) Active Transportation Program.

Status: Died

Summary: This bill would have required that 60% of available Active Transportation Program 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 California Transportation Commission on a statewide basis. With respect to the funds made available to MPOs, the bill would have required the Commission to allocate those funds as a lump sum to the Department of Transportation for disbursement to each MPO for projects selected by the applicable MPO, unless the MPO requested the Commission to conduct the competitive selection process on its behalf. The bill also would have authorized the Commission to allocate to Caltrans a portion of the funds in the small urban and rural and the statewide components.

Commission Position: None

SB 211 (Beall) State highways: leases.

Status: Chaptered

Summary: This bill authorizes the California Department of Transportation to offer for lease to a city, county, political subdivision of a city or county, or state agency airspace and real property acquired for highway purposes that meets certain requirements for purposes of a temporary emergency shelter or feeding program. The bill requires the entity that enters into the lease to pay certain costs to the department including \$1 per month for the lease and an annual administrative fee of up to \$5,000, or no more than the department's cost of administering the lease, not to exceed \$15,000. The bill authorizes the lease to be terminated without penalty if the department determines the airspace or real property is needed for departmental purposes, as specified. The bill repeals these provisions on January 1, 2029.

Commission Position: None

SB 277 (Beall) Road Maintenance and Rehabilitation Program: Local Partnership Program.

Status: Vetoed

Summary: Current law continuously appropriates \$200,000,000 annually from the Road Maintenance and Rehabilitation Account for allocation by the California Transportation 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 for road maintenance and rehabilitation and other transportation improvement projects. This bill would have required the California Transportation Commission to annually deposit 85% of these funds into the Local Partnership Formula Subaccount, which the bill would create, and 15% of these funds in the Small Counties and Uniform Developer Fees Competitive Subaccount, which the bill would have created. The bill would have required the Commission to apportion (rather than allocate) funds from the Local Partnership Formula Subaccount, and it would have required the commission to approve lists of projects proposed to be funded from this account.

Commission Position: None

SB 498 (Hurtado) Trade Corridors Improvement Fund: grant program: short-line railroads.

Status: Assembly Transportation Committee

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.

Note: While this bill is still active, its provisions were already been enacted into law by SB 87 (Committee on Budget and Fiscal Review, Chapter 32, Statutes of 2019) as part of the 2019-20 budget.

Commission Position: None

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

Status: Chaptered

Summary: This bill authorizes 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.

Commission Position: None

SB 526 (Allen) Regional transportation plans: greenhouse gas emissions: State Mobility Action Plan for Healthy Communities.

Status: Died

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 have required 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 have required 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 have established 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.

Commission Position: None

SB 628 (Caballero) Prunedale Bypass: disposition of excess properties: relinquishment: State Route 183.

Status: Vetoed

Summary: This bill would have required 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 have exempted these funds from the distribution formulas otherwise applicable to transportation capital improvement funds.

Commission Position: None

SJR 5 (Beall) California transportation infrastructure.

Status: Chaptered

Summary: This measure urges 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.

Commission Position: Support

Total Measures: 49

CLIMATE RESILIENCE

For California, climate change is a real and present danger. In the past year, the state has experienced extreme winds and devastating wildfires, extreme heat, and flooding and mudslides. The state also continues to address longer-term, chronic climate impacts like sea level rise and the increasing volatility of its water supply.

California continues to lead in mitigating the risks from current climate impacts while aggressively reducing greenhouse gas emissions. The state must continue to be proactive in the face of clear threats to infrastructure and communities, critical ecosystems, and food systems, and continue to meet ambitious targets to reduce the very emissions that are responsible for these impacts. The state must do so with the recognition that climate policies are also economic and workforce policies, with the potential to help create a more inclusive and sustainable economy for all Californians.

REDUCING CLIMATE RISK WHILE TRANSITIONING TO CARBON NEUTRALITY

As a responsible member of the global community, the state must reduce climate risk, especially in the most climate-vulnerable communities, while transitioning to a carbon neutral economy by 2045. Key to this transition is achieving maximum decarbonization while also investing in land-based carbon removal strategies across all regions, sectors, and areas of government. At the same time, the state must invest in resilience in the face of an already-changing climate. Investing in these forward-looking strategies today will save lives and dollars tomorrow.

Executive Order N-19-19 directed the Department of Finance, in consultation with the Governor's Office of Planning and Research and the California Department of Human Resources, to develop a Climate Investment Framework for the California Public Employees' Retirement System, California State Teachers' Retirement System, and the University of California Retirement Plan. The framework will include an analysis of sound investment practices and where each pension fund currently stands in relation to statewide goals to support sustainable investments. The Department of Finance anticipates completion of the framework in spring 2020.

The Budget reflects the following priorities to address both short- and long-term climate risks:

- **Transportation—Decarbonization** in the state's largest sector of emissions by providing clean vehicles, clean fuels, low-carbon transportation options, and transit-oriented development, with enhanced prioritization on short-term environmental and public health benefits in disadvantaged and vulnerable communities.
- **Natural and Working Lands—Strategies** that increase sequestration and reduce emissions from the state's forests, agricultural lands, and conservation lands, and that support resilience across water systems.
- **Climate Resilience—Assistance** to regions and communities to become more resilient in the face of current and future climate impacts.

To tackle these goals at the scale and speed the science demands, the Administration proposes creating an integrated and comprehensive Climate Budget that prioritizes using government dollars to strategically leverage private sector capital in all three priority issue areas.

CLIMATE BUDGET

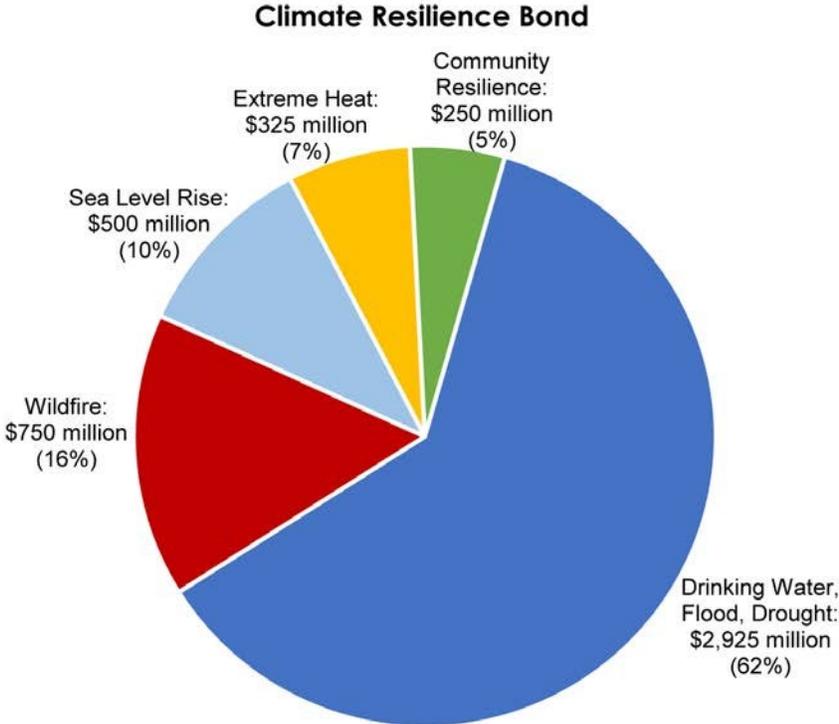
The Climate Budget takes a disciplined approach to government investment in meeting the state's priority climate goals of reducing climate risk while achieving carbon neutrality. The Climate Budget will invest \$12.5 billion over the next five years, including the following key components:

Climate Budget
(Dollars in Millions)

Funding Mechanism	2020-21 Total	5 Year Total
Climate Resilience Bond	-	\$4,750
Cap and Trade Expenditure Plan	\$965	\$4,825
Climate Catalyst Fund	\$250	\$1,000
General Fund One-Time Investments	\$169	\$169
General Fund Ongoing Expenditures	\$35	\$315
Existing Bond and Special Fund Expenditures	\$308	\$1,424
Total	\$1,727	\$12,483

CLIMATE RESILIENCE BOND

The Administration is proposing a \$4.75 billion climate resilience bond for the November 2020 ballot to support investments over the next five years to reduce specific climate risks across California through long-term investment in natural and built infrastructure, especially in the state’s most climate-vulnerable communities. The bond is structured based on climate risks, and approximately 80 percent of the funds are allocated to address immediate, near-term risks (floods, drought, and wildfires), while the remaining funds lay the groundwork for addressing long-term climate risk (sea level rise and extreme heat). The bond aligns with the Administration’s draft Water Resilience Portfolio in addressing drought and flood risks, and also makes strategic investments in community resilience. If approved by the voters, the bond will help the state move toward achieving carbon neutrality and carbon sequestration goals, and provide funding for programs that result in multiple benefits, leverage non-state funding, and help address liabilities such as the Salton Sea. For additional information on the draft Water Resilience Portfolio, see the Infrastructure chapter.



Climate Resilience Bond
(Dollars in Millions)

Investment Category	Department	Program	Amount
Drinking Water, Flood, Drought	Department of Water Resources / State Water Resources Control Board	Regional and Inter-regional Water Resilience	\$1,000
	Department of Water Resources	Sustainable Groundwater Management	\$395
	State Water Resources Control Board	Safe Drinking Water	\$360
	Department of Water Resources	Flood - Urban/USACE Projects	\$340
		Flood - Systemwide Multi-benefit	\$270
	Natural Resources Agency	Salton Sea	\$220
	California Department of Food and Agriculture	Environmental Farming Incentive Program	\$200
	Department of Fish and Wildlife	Enhanced Stream Flows and Fish Passage	\$140
	Subtotal	\$2,925	
Wildfire	Natural Resources Agency, CAL FIRE, and Office of Emergency Services	Hardening of Critical Community Infrastructure	\$500
	CAL FIRE	Forest Health	\$250
	Subtotal	\$750	
Sea Level Rise	Ocean Protection Council	Coastal Wetland Restoration	\$320
		Nature-Based Solutions to Build Resilience	\$130
		Demonstration Projects to Protect Critical Infrastructure	\$50
	Subtotal	\$500	
Extreme Heat	Natural Resources Agency	Urban Greening and Forestry	\$200
	Strategic Growth Council	Cool Surface Materials	\$125
	Subtotal	\$325	
Community Resilience	Strategic Growth Council	Community Resilience Planning	\$25
		Community Resiliency Centers	\$225
	Subtotal	\$250	
	Total	\$4,750	

DRINKING WATER, FLOOD, AND DROUGHT

Across various categories of water resilience approaches, 62 percent of the bond focuses on reducing risks to communities from climate impacts on water systems,

including floods, droughts, and degraded drinking water quality. The bond takes a regional and integrated state approach to these issues, recognizing that each area of the state faces different challenges and opportunities. These funds will be allocated to:

- **Regional and Inter-regional Water Resilience**—\$1 billion to support various water management programs and projects with a focus on regional and inter-regional water projects, including but not limited to: Integrated Regional Water Management projects; multi-benefit stormwater management; wastewater treatment; water reuse and recycling; water use efficiency and water conservation; water storage; water conveyance; watershed protection, restoration, and management; and water quality. This funding specifically supports the regional resilience approach identified in the draft Water Resilience Portfolio.
- **Sustainable Groundwater Management**—\$395 million to support local groundwater sustainability agencies implementing projects and programs related to the groundwater sustainability plans for critically overdrafted basins.
- **Safe Drinking Water**—\$360 million to provide grants and loans to disadvantaged communities to improve access to safe drinking water, including funding capital infrastructure costs for improved water supplies, treatment, and distribution to make vulnerable communities more resilient to the effects of climate change.
- **Flood Control: Urban/U.S. Army Corps of Engineers Projects**—\$340 million for Urban Flood Risk Reduction projects that provide the projected state cost share needs for various priority projects through 2024-25.
- **Flood Control: Systemwide Multi-benefit**—\$270 million to support multi-benefit flood risk reduction and ecosystem restoration efforts.
- **Salton Sea**—\$220 million to support Salton Sea habitat and air quality mitigation projects necessary for the 2018 Salton Sea Management Plan.
- **Environmental Farming Incentive Program**—\$200 million for grants, incentives, and demonstration projects to enhance agricultural lands for soil health, water quality and efficiency, biodiversity, resiliency, and habitat benefits. Specific projects include healthy soils, water efficiency, nutrient management, and other conservation practices on farms and ranches.
- **Enhanced Stream Flows and Fish Passage**—\$140 million to remove barriers to passage of native fish species and provide enhanced water flows, and reconnect aquatic habitat to help fish and wildlife endure drought and adapt to climate change.

WILDFIRE

In recognition of the unprecedented wildfires the state has experienced in recent years, the bond allocates \$750 million to harden critical public infrastructure in high fire-risk communities and makes additional investments in forest health. This forest health investment is complementary to the forest health and fuel reduction activities supported by the Greenhouse Gas Reduction Fund, and to the investments the Governor and Legislature have required that utilities make in high-risk areas across the state. These funds will be allocated to:

- **Hardening of Critical Community Infrastructure**—\$500 million to facilitate hardening of critical infrastructure, with a focus on low-income areas at significant risk of wildfires. Types of projects include hardening of drinking water infrastructure, emergency shelters (such as fairgrounds), and public medical facilities.
- **Forest Health**—\$250 million to support various long-term forest health projects, including reforestation; conservation easements; activities that promote long-term carbon storage; and upper watershed, riparian, mountain meadow, and inland wetland restoration.

SEA LEVEL RISE

Sea level rise is a chronic long-term threat facing the state's coastal communities. The bond invests \$500 million in reducing risks from sea level rise and changing ocean conditions. This complements funding from Proposition 68 and the Greenhouse Gas Reduction Fund to support coastal communities in planning for sea level rise. These funds will be allocated to:

- **Coastal Wetland Restoration**—\$320 million to support the restoration of coastal wetlands, which provide protection against sea level rise and flooding, enhance carbon sequestration, and provide benefits for biodiversity.
- **Nature-Based Solutions to Build Resilience**—\$130 million to support projects that build resilience of ocean ecosystems, such as kelp forests, seagrass habitat, eelgrass beds, and marine protected areas.
- **Demonstration Projects to Protect Critical Infrastructure**—\$50 million to support demonstration projects to protect infrastructure that is vulnerable to sea level rise and flooding such as roads, railways, sewage treatment plants, and power plants.

EXTREME HEAT

Extreme heat is both an immediate and chronic risk to many communities, especially in the Central Valley and inland regions. The bond invests \$325 million in proven cooling techniques such as urban greening and urban forestry, as well as in advanced materials for buildings and transportation systems that are designed to reflect rather than trap heat. Both sea level rise and extreme heat are areas where strategic bond investments today will help to create stronger and more resilient infrastructure over the next several decades. These funds will be allocated to:

- Urban Greening and Forestry—\$200 million to mitigate urban heat island impacts in the regions most affected by extreme heat. Funds would support urban forestry projects and an expanded urban greening program that supports the creation of green recreational parks in underserved areas.
- Cool Surface Materials—\$125 million for a new program to incentivize the use of "cool materials" in projects (e.g. paving and roofing) within vulnerable communities.

COMMUNITY RESILIENCE

Finally, the bond provides \$250 million to invest directly in communities to bolster community resilience centers, and support local preparedness, planning, and education around resilience. This community-level support will help to provide a pipeline of locally defined and driven climate resilience projects and programs that are effectively positioned to leverage state, federal, and private investment opportunities, including during emergencies. These funds will be allocated to:

- Community Resilience Planning—\$25 million for planning activities to address community-specific climate risks and develop climate resilience plans.
- Community Resiliency Centers—\$225 million for the construction of new and retrofitting of existing facilities, including at fairgrounds, to support adaptation needs to address locally relevant climate risks. These centers will serve both as community evacuation and emergency response centers, and to build long-term resilience and recovery operations for local communities.

CAP AND TRADE EXPENDITURE PLAN

Another primary pillar of the Climate Budget is a proposed \$965 million Cap and Trade Expenditure Plan. The Budget supports several existing ongoing programs (such as CAL

FIRE's forest health and fuel reduction programs) while prioritizing emission reductions in the transportation sector, the largest greenhouse gas emissions source in California. To maximize and leverage appropriate resources as part of the integrated Climate Budget, the Cap and Trade Expenditure Plan focuses on areas that are most appropriate for direct government grant funding: support to disadvantaged communities and investments in research, capacity building, and workforce necessary to drive the state's long-term transition to carbon neutrality.

In particular, the Cap and Trade Expenditure Plan continues a strong focus on community air protection, and community engagement generally, by providing \$235 million to support the AB 617 program, which reduces exposure in communities most impacted by air pollution through community air monitoring and community emissions reduction programs. Complementing this funding is a focus on reducing emissions in the transportation sector and prioritizing disadvantaged communities and clean mobility options for lower-income households, which make up \$400 million in Cap and Trade spending. Key among these programs are those aimed at truck, bus, off-road, and agricultural vehicles, where emissions have a disproportionate impact on disadvantaged populations in both urban and rural communities. These programs also provide targeted incentives for consumers to purchase both new zero-emission vehicles, but also to retire older, higher-polluting vehicles in favor of more low-emission alternatives—one critical strategy for improving clean mobility options for lower-income households.

The Cap and Trade Expenditure Plan includes \$35 million in strategic investments to reduce short-lived climate pollutants, especially methane.

Finally, the Cap and Trade Expenditure Plan includes foundational support for the research, capacity building, technical assistance, and workforce training that underpins the entirety of the Climate Budget. These programs include the Fifth California Climate Change Assessment, which provides the foundation for state, regional, and local agencies and departments to work together to understand and address projected physical climate impacts across the state. This research, coupled with strategies to directly engage local and tribal leaders as partners on the Assessment and to build capacity at the local level to respond to climate threats, is included as a foundational element of a \$25 million ongoing investment.

2020-21 Cap and Trade Expenditure Plan
(Dollars in Millions)

Investment Category	Department	Program	Amount
Air Toxic and Criteria Air Pollutants	Air Resources Board	AB 617 - Community Air Protection and Local Programs to Reduce Air Pollution	\$200
		AB 617 - Local Air District Implementation	\$25
		AB 617 - Technical Assistance to Community Groups	\$10
Low Carbon Transportation	Air Resources Board	Clean Vehicle Rebate Program	\$125
		Clean Trucks, Buses and Off-Road Freight Equipment	\$150
		Enhanced Fleet Modernization Program, School Buses and Transportation Equity Projects	\$75
		Agricultural Diesel Engine Replacement and Upgrades	\$50
Healthy Forests	CAL FIRE	Healthy and Resilient Forests	\$165
		Forest Carbon Plan: Prescribed Fire and Fuel Reduction	\$35
		2019 Fire Safety and Prevention Legislation	\$8
Climate Smart Agriculture	Department of Food and Agriculture	Healthy Soils	\$18
Short-Lived Climate Pollutants	CalRecycle	Waste Diversion	\$15
	Department of Food and Agriculture	Methane Reduction	\$20
Integrated Climate Action: Mitigation and Resilience	Coastal Commission and SF Bay Conservation and Development Commission	Coastal Resilience	\$4
	California Conservation Corps	Energy Corps	\$7
Research and Technical Assistance	Natural Resources Agency, California Energy Commission, Office of Planning and Research, and Strategic Growth Council	Climate Change Research, Technical Assistance, and Capacity Building	\$25
Workforce Training	Workforce Development Board	Apprenticeships and Job Creation/Just Transition Strategies for a Carbon Neutral Economy	\$33
Total			\$965

TRANSIT AND SUSTAINABLE COMMUNITY INVESTMENTS

These Cap and Trade investments will build on the climate resilience and greenhouse gas emission reduction benefits of \$1.5 billion of annual continuous appropriation programs.

The Affordable Housing and Sustainable Communities Program supports the Administration’s housing and transportation agendas by investing in integrated projects that have to date provided nearly 10,000 affordable housing units for low-income residents, as well as increased access to transit, walking, and biking. Additionally, the Transit and Intercity Rail Capital Program, Low Carbon Transit Operations Program, and High Speed Rail investments are building an integrated low-carbon transportation network and providing a foundation for sustainable community development, with a strong focus on the state’s most disadvantaged communities in terms of economic, community, and workforce development. Combined with the ongoing support for safe drinking water in disadvantaged communities, these Cap and Trade investments provide a model for how California can continue to grow and prosper even as the state's population increases over the next decade.

CLIMATE CATALYST FUND

Recognizing the scale and immediacy of the climate problem and the need to dramatically increase and leverage private sector investment in these critical programs to maximize and direct state investments, the Budget includes a \$1 billion General Fund investment (\$250 million in 2020-21, with additional funding in later years) for a Climate Catalyst Fund, to be administered by the state’s Infrastructure Economic Development Bank in consultation with the Strategic Growth Council and the Labor and Workforce Development Agency. This revolving loan fund will provide low-interest loans for a portfolio of climate-related projects, prioritized in areas that help meet the state’s climate and equity goals, and where technologies and infrastructure exist that could be deployed at much greater speed and scale but face barriers in the private market.

As with the overall Climate Budget, the Fund will be structured and managed to simultaneously address the state's climate goals while also building an inclusive and sustainable economy across all California regions and for all California businesses and workers.

Climate Catalyst Fund projects would be focused on the following key areas, with a commitment to re-examine the state’s climate priorities and adjust these investment areas as needed. Technologies listed below are examples, but not requirements, nor are they the only types of projects that may be considered.

- Transportation emission reduction—Zero-emission vehicles (ZEV) and charging infrastructure including light and heavy-duty ZEV vehicles (with a focus on those owned by individual operators and small businesses), transit and rail ZEV fleet and

equipment, advanced technology freight, electric school buses, and electric/hydrogen charging infrastructure.

- Climate smart agriculture and forestry—Dairy digesters, agricultural and off-road engine replacement (with a focus on vehicles owned by individual operators/small businesses), efficient on-farm irrigation, sustainable food processing, small business/landowner loans for forest management, and community hardening.
- Circular Economy—Municipal waste and recycling, compost, wood waste collection and utilization, and carbon/methane capture and utilization. This includes a special emphasis on small business owners and emerging technologies.

Other significant adjustments in the Climate Budget:

In addition to the components mentioned above, and to further help address immediate needs in anticipation of this proposed bond funding, the Climate Budget also includes the following:

- \$103 million one-time General Fund for efforts to support the draft Water Resilience Portfolio, including groundwater management, the State Water Efficiency and Enhancement Program, as well as investments in the New River and the Tijuana River.
- \$66 million one-time General Fund for Urban Flood Risk Reduction projects and for investments to help modernize operations for fish, wildlife, and habitat protection.
- \$35 million ongoing General Fund to support various resources investments that align with the draft Water Resilience Portfolio, including Sustainable Groundwater Management Act implementation and enhancements to the Department of Fish and Wildlife.
- \$257 million existing bond funds (\$1.4 billion over the next five years, primarily from Proposition 68) to continue to support strategic natural resources programs.
- \$51 million one-time Alternative and Renewable Fuel and Vehicle Technology Fund to the California Energy Commission to accelerate deployment of electric vehicle charging infrastructure.

This comprehensive approach supports programs that will achieve the state's long-term climate goals while creating a sustainable and inclusive economy for all Californians.