

AGENDA

Legislative Committee

The next meeting of the Legislative Committee will be as follows.

Date: Thursday, September 10, 2015 - 5:30 p.m. to 6:30 p.m.
 Place: San Mateo County Transit District Office¹
 1250 San Carlos Avenue
2nd Floor Auditorium
 San Carlos, California

PLEASE CALL Jean Higaki (599-1462) IF YOU ARE UNABLE TO ATTEND.

1	Public comment on related items not on the agenda.	Presentations are limited to 3 Minutes	
2	Approval of Minutes from August 13, 2015.	Action (Gordon)	Pages 1-4
3	Update from Shaw/Yoder/Antwih	Information (Shaw/Yoder/Antwih)	Pages 5-9
4	Review and recommend approval of the C/CAG legislative policies, priorities, positions, and legislative update (A position may be taken on any legislation, including legislation not previously identified). – Support letter for SB 705	Action (Gordon)	Pages 10 - 13
5	Adjournment	Action (Gordon)	

NOTE: All items appearing on the agenda are subject to action by the Committee. Actions recommended by staff are subject to change by the Committee.

¹From Route 101 take the Holly Street (west) exit. Two blocks past El Camino Real go left on Walnut. The entrance to the parking lot is at the end of the block on the left, immediately before the ramp that goes under the building. Enter the parking lot by driving between the buildings and making a left into the elevated lot. Follow the signs up to the levels for public parking.

For public transit access use SamTrans Bus lines 390, 391, 292, KX, PX, RX, or take CalTrain to the San Carlos Station and walk two blocks up San Carlos Avenue.

**CITY/COUNTY ASSOCIATION OF GOVERNMENTS
LEGISLATIVE COMMITTEE**

**MEETING MINUTES
August 13, 2015**

At 5:32 P.M. Chair Gordon called the Legislative Committee meeting to order in the 2nd Floor auditorium at the San Mateo Transit District Office.

Guests or Staff Attending:

Matt Robinson - Shaw/ Yoder/ Antwih Inc.
Sandy Wong, Jean Higaki, - C/CAG Staff
Jim Bigelow –Congestion Management and Environmental Quality Committee (CMEQ)
Nancy Magee – San Mateo County Office of Education (SMCOE)

1. Public comment on related items not on the agenda.

None

2. Approval of Minutes from May 14, 2015 and June 4, 2015.

Member Garbarino moved and Member Kiesel seconded approval of the May 14, 2015 and June 4, 2015 minutes. Motion passed unanimously.

3. Update from Shaw/ Yoder/ Antwih (SYA).

Matt Robinson, from Shaw/ Yoder/ Antwih provided an update from Sacramento.

The legislature has been in recess since July 17. It reconvenes on August 17 and has a month left before the end of session.

Fiscal appropriations committees will hear bills over the next two weeks. The final two weeks of the session will be spent discussing bills on the floor. There two special sessions are being held by the Governor. One is focused on health care finance and the other is focused on transportation funding.

There were two information hearings for the transportation special session, one in the senate and one in the assembly. The hearings focused on the funding shortfall for preservation and maintenance of the existing system. There is a 60 million plus shortfall identified on the state highway system alone. The shortfall did not include capital expansion.

So far about 25 bills have been introduced at the special session some are place holders. On August 19, Senator Beall's SB X1-1 will be heard by the senate special session Committee on Transportation and Infrastructure. This bill is a revised version of SB 16, which was supported

by C/CAG in May. Staff recommends support of SB X1-1. The assembly has not revealed any substantial proposal at this time; however the speaker is planning to make several presentations around the state, regarding an assembly proposal next week.

Senator Hill has introduced SB X1-8 which would direct Cap and Trade funds towards transit. AB X1-7 from Nezarian is the same bill from the Assembly. Staff recommends support of both bills which would potentially help Caltrain with some modernization shortfalls.

A Fix Our Roads Coalition, made up of labor groups, business groups, the Silicon Valley Leadership Group, the Bay Area Council, building trades, road contractors, and some local transportation agencies are seeking support. The coalition supports seven principles that could potentially help raise 6 billion in funding towards the rehabilitation of local streets and state highway repair. The Coalition also proposes accountability measures to protect tax payer investments.

Chair Gordon asked which of the bills above fit the seven principles supported by the Fix Our Roads Coalition. SB X1-1 is the bill that most closely aligns with the principles but SB X1-1 does not propose to raise as much revenue nor does it have the accountability proposed by the coalition. Member Nihart voiced frustration that current bills appear to just maintain the existing system without necessarily proposing to improve the system. Knowing that there is not enough funding in general, she would like to see the state prioritize projects and programs. This is supposedly being done for goods movements. Chair Gordon expressed that there appears to be many individual bills but a lack of a comprehensive strategy for improving the transportation system.

4. Review and recommend approval of the C/CAG legislative policies, priorities, positions, and legislative update (A position may be taken on any legislation, including legislation not previously identified).

Several motions were made in support of legislative efforts discussed under Item 3:

Member O'Connell moved and Member Nihart seconded a recommendation to send a letter in support of the Fix Our Road Coalition's seven principles and signing to support the Coalition's efforts.

Member O'Connell moved and Member Garbarino seconded sending support letters for SB X1-1, AB X1-7, and SB X1-8. Motion passed unanimously.

In May, support letters were approved by the C/CAG Board and sent for AB 194 and AB 516. Committees in Sacramento are looking for a reconfirmation of support due to subsequent amendments to both bills.

Matt Robinson explained the revisions to AB 194 and why a new letter of support is requested for the Senate Appropriations Committee. Two processes were proposed to request managed lanes from the California Transportation Commission (CTC), one was applicable to the state and the other applicable for regional agencies. The revisions merged the state and regional agency

application process. It also merged language from a similar trailer bill issued from the Governor's office. The revised bill is still consistent with C/CAG policy.

Member O'Connell moved and Member May seconded a recommendation to resend a support letter for AB 194. Motion passed unanimously.

Matt Robinson explained revisions to AB 516. The revision added language, at the request of the Department of Motor Vehicles, to install a computerized system as a requirement of implementing the temporary license plate program. Other amendments allow dealers to recoup their cost for implementing the program. The revised bill is still consistent with C/CAG policy.

Member O'Connell moved and Member Garbarino seconded a recommendation to resend a support letter for AB 516. Motion passed unanimously.

The Legislative Committee was asked to outline a decision making policy for addressing continued support or opposition for amended bills as it is often requested to re-confirm support as bills move through committee.

For bills with minor technical amendments, positions can be re-confirmed, via letter, without Board or Legislative Committee consultation.

For amendments that are more than technical in nature, SYA will:

- 1) Provide an analysis of the amendments via email and
- 2) Include outlines about how it is still consistent with C/CAG policy, and
- 3) Provide a red-line of the modifications to Legislative Committee staff.

If re-confirmation is not urgent a letter will be brought back to the Legislative Committee and Board for approval. If the re-confirmation is urgent Jean and Sandy (Legislative Committee staff) will email both the Legislative Committee Chair and the C/CAG Chair with a position recommendation. Chairs will send approvals via email.

Member O'Connell moved and Member Garbarino seconded the formal decision making policy regarding continued positions for amended bills. Motion passed unanimously

Matt Fabry asked if there was any news regarding Prop 218 reform. Matt Robinson reported that not much is happening as transportation and managed health care is getting most of the attention in Sacramento at this time. Matt Fabry has heard that polling for Prop 218 storm water reform is not looking good. It may fare worse on a crowded 2016 ballot. There might be opportunities next year to work on this.

5. Adjournment

The meeting adjourned at approximately 6:25 P.M.

Legislative Committee 2015 Attendance Record

Agency	Name	Jan 8	Feb 12	March 12	April 2	May 14	June 4	July	Aug 13	Sept 10	Oct	Nov	Dec 10
San Bruno	Irene O'Connell								x				
Foster City	Art Kiesel (Leg Vice Chair)	x	x	x	x	x	x		x				
Woodside	Deborah Gordon (Leg Chair)	x	x	x		x			x				
Pacifica	Mary Ann Nihart (C/CAG Chair)		x	x	x	x			x				
Hillsborough	Laurence May	x							x				
Pacifica	Karen Ervin	x	x	x	x	x			x				
South San Francisco	Richard Garbarino	x		x	x	x	x		x				
Menlo Park	Catherine Carlton	x				x	x						
Menlo Park	Kirsten Keith	x	x		N/A	N/A	N/A		N/A				
Redwood City	Alicia Aguirre (C/CAG Vice Chair)		N/A	N/A		x							

 no meeting



SHAW/YODER/ANTWIH, *inc.*
LEGISLATIVE ADVOCACY • ASSOCIATION MANAGEMENT

DATE: August 31, 2015
TO: Board Members, City/County Association of Governments, San Mateo County
FROM: Andrew Antwih and Matt Robinson, Shaw / Yoder / Antwih, Inc.
RE: STATE LEGISLATIVE UPDATE – September 2015

Legislative Update

The Legislature returned from Summer Recess on August 17 and began the sprint to the finish line, recessing the first year of the two-year Legislative Session on September 11. August 28 marked the last day for bills to move out of fiscal committees and any bills that did not pass will be held for the year. We have flagged several bills for the C/CAG Board and discuss some of the more relevant bills under ***Bills of Interest***, below.

Transportation Special Session

On June 16, Governor Brown called on the Legislature to convene a special legislative session to address the state’s transportation infrastructure needs, and proposed that the Legislature “enact pay-as-you-go, permanent and sustainable funding to: adequately and responsibly maintain and repair the state’s transportation and critical infrastructure; improve the state’s key trade corridors; and complement local infrastructure efforts.” The Governor further proposed that the Legislature enact legislation necessary to: “establish clear performance objectives measured by the percentage of pavement, bridges, and culverts in good conditions; and incorporate project development efficiencies to expedite project delivery or reduce project costs.” The Legislature responded by convening Extraordinary Session 1 on June 19. Any significant legislative action related to transportation infrastructure funding is expected to take place in the special session.

The first informational hearings of the special legislative session, which are intended to inform the work of the special session, were held in the Senate Transportation and Infrastructure Development Committee and Assembly Transportation and Infrastructure Development Committee on July 2 and July 6, respectfully. (These new committees were constituted in each House to mirror their regular session transportation committee counterparts; with a few different members in each new committee, as well.) The Senate hearing, entitled “California’s Transportation Funding Challenge,” focused exclusively on the needs of the state’s highways and local streets & roads, and featured testimony by the Administration, policy experts and transportation stakeholders. The Assembly hearing on “the Basics of Transportation Funding” similarly focused on the needs of state highways and

local streets & roads, but featured significant discussion between Committee members and panelists about the funding needs of public transit.

Since the first round of hearings, two additional special session hearings have taken place. The Senate Transportation and Infrastructure Development Committee held a policy hearing on August 19 during which they heard a select number of special session bills and passed SBX1 1 (Beall), arguably the most significant of the special session bills, which would provide \$4-4.5 billion in new transportation revenues (more on this bill and others under ***Special Session Bills*** below).

On August 24, the Assembly Transportation and Infrastructure Development Committee held an informational hearing on freight and goods movement. We expect additional hearings to take place in the coming weeks.

Assembly Goes on Transportation “Roadshow”

On August 19 and 21, Assembly Speaker Toni Atkins held two press events in Oakland and Los Angeles, respectively, to highlight the need for increased transportation funding to address the state’s crumbling infrastructure. Governor Brown attended the Oakland event and did not offer much in the way of details, calling himself a “catalytic agent” for ensuring that whatever the Legislature agrees to is signed in to law, but dodging any questions related to his appetite for new taxes and fees to pay for the necessary improvements. The Speaker’s press events, which featured prominently Assemblymember Jim Frazier, Chair of the Assembly Transportation and Infrastructure Development Committee, were followed by roundtable discussions between several other Assembly Members and transportation stakeholders, again primarily focused on the needs of state highways and local streets & roads.

As of this writing, however, there is still no legislation in print that represents Assembly leadership’s plan for transportation funding. We do see various members and staff working closely with the Administration and other legislators and interest groups to define the proposal more specifically. In that regard, the Assembly effort is tied very closely to the “Fix Our Roads” Coalition, spearheaded by the California Alliance for Jobs, League of California Cities, and the California State Association of Counties. The Coalition has retained public affairs consulting services, which coordinated, for instance, the press events described above. For more information about that group’s efforts and its advocacy platform, go to <http://fixcaroads.com/>.

Cap and Trade

The Legislature has yet to propose a spending plan for the remaining 40 percent of the Cap and Trade revenues that aren’t subject to continuous appropriation. As part of his January Budget, the Governor proposed investments in clean transportation, sustainable forestry, clean energy, water efficiency, and waste diversion. The Air Resources Board conducted its first auction of the 2015-16 Fiscal Year on August 18 and it will take several weeks to sort out the results of that auction to determine how much of what was sold is directed to the state. Once the results are tabulated, the Legislature and the Administration can use it as a barometer of sorts for how much money could be in the program for the entire fiscal year. It is assumed that a plan will be put forth before the Legislature recesses on September 11.

Under the rubric of the special session on transportation, various legislators and interest groups have put in calls for a share of Cap and Trade funds for transportation; for instance, some Republican legislators want funds for streets and roads projects, while some Democratic legislators want more Cap and Trade funds for public transit purposes.

Special Session Bills

ABX1 1 (Alejo) Vehicle Weight Fees

This bill would undo the statutory scheme that allows vehicles weight fees from being transferred to the general fund from the State Highway Account to pay debt-service on transportation bonds and requires the repayment of any outstanding loans from transportation funds by December 31, 2018. **The Board is in SUPPORT of this bill.**

SBX1 1 (Beall) Transportation Funding

This bill, like the author's SB 16, would increase several taxes and fees, beginning in 2015, to address issues of deferred maintenance on state highways and local streets and roads. Specifically, this bill would increase both the gasoline and diesel excise taxes by 12 and 22 cents, respectively; increase the vehicle registration fee by \$35; create a new \$100 vehicle registration fee applicable to zero-emission motor vehicles; create a new \$35 road access charge on each vehicle; and repay outstanding transportation loans. As a result, transportation funding would increase by approximately \$3-\$3.5 billion per year. **The Board is in SUPPORT of this bill.**

ABX1 7 (Nezarian) and SBX1 8 (Hill) Cap and Trade Increase for Rail and Transit

This bill would increase the amount of funding continuously appropriated to two Cap and Trade programs dedicated to transit - 20% of the annual proceeds to the Transit and Intercity Rail Capital Program and 10% of the annual proceeds to the Low Carbon Transit Operations Program. **The Board is in SUPPORT of this bill.**

Regular Session Bills of Interest

(Bills listed in red will not be moved this year or have been vetoed.)

ACA 4 (Frazier) Lower-Voter Threshold for Transportation Taxes

This bill would lower voter approval requirements from two-thirds to 55 percent for the imposition of special taxes used to provide funding for transportation purposes. **The Board is in SUPPORT of this bill.**

AB 194 (Frazier) Managed Lanes

This bill would authorize a regional transportation agency to apply to the California Transportation Commission to operate a high-occupancy toll (HOT) lane. This bill further requires that a regional transportation agency "consult" with any local transportation authority (e.g. C/CAG) prior to applying for a HOT lane if any portion of the lane exists in the local transportation authority's jurisdiction. This bill also specifically does not authorize the conversion of a mixed-flow lane into a HOT lane. **The Board is in SUPPORT of this bill.**

AB 227 (Alejo) Vehicle Weight-Fees

This bill would undo the statutory scheme that allows vehicles weight fees from being transferred to the general fund from the State Highway Account to pay debt-service on

transportation bonds and requires the repayment of any outstanding loans from transportation funds by December 31, 2018. **The Board is in SUPPORT of this bill.**

AB 378 (Mullin) US 101 Congestion Relief (2-year Bill)

This bill is a placeholder for legislation that will eventually target congestion relief on US 101. The author began meeting with stakeholder groups, including C/CAG, to discuss solutions to the US 101. This will be an ongoing effort and the bill may not move until next year.

AB 464 (Mullin) Local Sales Tax Limit Increase (Vetoed on 8/17/15)

This bill would increase, from 2 percent to 3 percent, the statewide cap on sales tax at the local level. Currently, the statewide sales tax may not exceed 9.5 percent when combined with any local sales tax. This would increase the overall limit to 10.5 percent. **The Board is in SUPPORT of this bill.**

AB 516 (Mullin) Temporary License Plates

This bill would, beginning January 1, 2017, require the Department of Motor Vehicles (DMV) to develop a temporary license plate to be displayed on vehicles sold in California and creates new fees and penalties associated with the processing and display of the temporary tag. **The Board is in SUPPORT of this bill.**

AB 779 (Garcia) Congestion Management Programs (2-year Bill)

This bill would delete the level of service standards as an element of a congestion management program in infill opportunity zones and revise and recast the requirements for other elements of a congestion management program.

AB 1098 (Bloom) Congestion Management Plans (2-year Bill)

This bill would delete the level of service standards as an element of a congestion management planning and revise and recast the requirements for other elements of a congestion management program by requiring performance measures to include vehicle miles traveled, air emissions, and bicycle, transit, and pedestrian mode share.

AB 1362 (Gordon) Constitutional Stormwater Definition (2-year Bill)

The Constitution requires a majority vote of impacted property owners vote or a two-thirds vote of all voters living within a designated area in order to impose a property-related fee. Exempt from these provisions are fees for sewer, water, and refuse collection services. Fees for these services follow a protest procedure wherein if a majority of property owners write in protest of the new fee, it shall not be imposed. To interpret the Constitution, statute defines certain terms. This bill would add a definition of “stormwater” in anticipation of a Constitutional Amendment to add it to the fees subject to protest process as opposed to seeking voter approval.

SB 16 (Beall) Transportation Funding

This bill would increase several taxes and fees for the next five years, beginning in 2015, to address issues of deferred maintenance on state highways and local streets and roads. Specifically, this bill would increase both the gasoline and diesel excise taxes by 10 and 12 cents, respectively; increase the vehicle registration fee; increase the vehicle license fee; redirect truck weight fees; and repay outstanding transportation loans. As a result,

transportation funding would increase by approximately \$3-\$3.5 billion per year. **The Board is in SUPPORT of this bill.**

SB 32 (Pavley) Extension of the California Global Warming Solutions Act of 2006 (AB 32)

Under AB 32, ARB adopted a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990, to be achieved by 2020, and was authorized to adopt regulations to achieve the GHG reduction-target, including a market-based compliance mechanism (e.g. Cap and Trade). This bill would require ARB to approve a GHG limit equivalent to 80% below the 1990 level to be achieved by 2050 and would authorize the continued use of the regulatory process to ensure the target is met.

SB 321 (Beall) Stabilization of Gasoline Excise Tax

The gas tax swap replaced the state sales tax on gasoline with an excise tax that was set at a level to capture the revenue that would have been produced by the sales tax. The excise tax is required to be adjusted annually by the BOE to ensure the excise tax and what would be produced by the sales tax remains revenue neutral. This bill would, for purposes of adjusting the state excise tax on gasoline, require the BOE to use a five-year average of the sales tax when calculating the adjustment to the excise tax. **The Board is in SUPPORT of this bill.**

C/CAG AGENDA REPORT

Date: September 10, 2015

To: C/CAG Legislative Committee

From: Sandy Wong, Executive Director

Subject: Review and recommend approval of C/CAG legislative policies, priorities, positions, and legislative update (A position may be taken on any legislation, including legislation not previously identified)

(For further information or questions contact Jean Higaki at 599-1462)

RECOMMENDATION

That the C/CAG Legislative Committee recommend the C/CAG Board to take a position on any legislation or direct staff to monitor any legislation for future positions to be taken.

Receive a copy of the support letter for SB 705 (Hill)

FISCAL IMPACT

Unknown.

SOURCE OF FUNDS

NA.

BACKGROUND

The C/CAG Legislative Committee receives monthly written reports and oral briefings from the C/CAG's State legislative advocates. Important or interesting issues that arise out of that meeting are reported to the Board.

The Legislative session will adjourn for interim recess on September 11, 2015. The special session called by the Governor does not have a specified adjournment date.

In May, C/CAG supported Assembly Bill 464 (Mullin) to raise the sales tax cap from 2% to 3% but the Governor recently vetoed that bill. The Governor has said that he would be willing to sign a bill that this more county specific vs statewide. Senate Bill 705 was introduced and would provide an opportunity for San Mateo County to seek up to a 0.5% sales tax measure for transportation. This provision would expire on January 1, 2026 and only provides the option to pursue a measure if the County decides to do so.

On September 1, 2015 San Mateo County Transportation Authority (SMCTA) legislative staff requested that C/CAG send a letter in support of SB 705 by or before September 4, 2015. Staff emailed both the C/CAG Legislative Committee Chair and C/CAG Chair with an analysis of SB 705 and a draft letter for review. SB 705 has a similar objective of AB 464 and is consistent with C/CAG policy. Letters were mailed with the approval of both Chairs.

ATTACHMENTS

1. Letter of Support for SB 705
2. Full Legislative information is available for specific bills at <http://leginfo.legislature.ca.gov/>

C/CAG

CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY

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September 2, 2015

The Honorable Jerry Hill
State Capitol, Room 5035
Sacramento, CA 95814

RE: **SUPPORT** for Senate Bill 705 (Hill) - Local Sales Tax Cap Exemption for Transportation Measures: San Mateo County

Dear Senator Hill:

The City/County Association of Governments of San Mateo County (C/CAG), the Congestion Management Agency (CMA) for San Mateo County is pleased to **SUPPORT** your bill, Senate Bill 705, which would provide an exemption for San Mateo County from the two percent sales tax cap in order to pursue a local sales tax measure, not exceeding 0.5 percent; to address transportation needs.

Inadequate State and Federal funding continues to limit the ability of cities, counties and other local agencies to provide high quality public services to their residents. Additionally, unfunded State and Federal mandates have forced local governments to rely more heavily on “self-help” revenue solutions, such as pursuing local tax measures.

The existing two percent cap on local sales tax severely limits our County’s ability to utilize this option since at least two cities – Half Moon Bay and San Mateo – are near the cap. The San Mateo County Transportation Authority is exploring the possibility of pursuing a 0.5% sales tax measure to address the severe congestion along the 101 corridor in San Mateo County.

Historically, San Mateo County voters have shown a willingness to approve local sales taxes to fund new and existing transportation services, invest in critically needed infrastructure and support other vital local services. This measure will provide the capacity to allow for local decision makers to weigh their options in addressing our transportation needs.

For these reasons, we **SUPPORT** SB 705 and appreciate your efforts to support self-help revenue solutions. Please feel free to contact Sandy Wong, the C/CAG Executive Director, at slwong@smcgov.org with any questions or concerns.

Sincerely,



Mary Ann Nihart, Chair
City/County Association of Governments of San Mateo County

cc: Assembly Member Kevin Mullin
Assembly Member Rich Gordon
Assembly Member Phil Ting
Senator Mark Leno, Senator
Assembly Member Brian Maienschein, Chair of the Assembly Local Government
Committee
Senator Robert M. Hertzberg, Chair of the Senate Governance and Finance Committee