

AGENDA

Legislative Committee

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

Date: Thursday, May 11, 2017 - 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 April 13, 2017.	Action (Gordon)	Pages 1-4
3	Update from Shaw/Yoder/Antwih	Information (Shaw/Yoder/Antwih)	
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). Letters to discuss: ACA 5 (Frazier and Newman) SB 595 (Beall)	Action (Gordon)	Page 5- 12
5	Discuss Lobby Day briefing to the Board	Verbal	
6	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
April 13, 2017**

At 5:35 P.M. Vice Chair O’Connell called the Legislative Committee meeting to order in the 4th Floor “Dining Room” at the San Mateo Transit District Office.

Attendance sheet is attached.

Guests or Staff Attending:

Matt Robinson - Shaw/ Yoder/ Antwih Inc.
Sandy Wong, Jean Higaki, Matt Fabry - C/CAG Staff
Seth Miller – Peninsula Regional Public Affairs Manager, League of California Cities

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

None

2. Approval of Minutes from March 9, 2017.

Member Garbarino moved and Member Papan seconded approval of the March 9, 2017 minutes. Motion passed unanimously.

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

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

The Legislature is in the middle of spring recess. End of April is the deadline for policy committees to hear and report fiscal bills. More bills will meet their fates by the end of April.

On April 6th, the legislature passed a transportation funding package. Last minute negotiations were made by the Governor to help it pass. A lot of pressure was put on the legislature by the Fix it First Coalition, League of Cities, and many other stakeholders for support of the bill.

This is a \$52 billion program over 10 years. Steve Glazer from the Bay Area did not vote for the bill. Sources of funds are the Excise Tax on gas and diesel (with a consumer price index adjustment), an Annual Transportation Improvement Fee on vehicles, and Electric Vehicle Fee, and a Diesel Sales Tax. Expenditures are for Road maintenance and Rehabilitation Account (RMRA) (plus set asides), Solutions for Congested Corridors Program, Transit Programs, and Trade Corridor Enhancement Accounts.

A power point presentation of the SB1 breakdown is posted at the website. There is a one-time

\$1 billion in Price Based Excise Tax reset that is not accounted for in the package but this would be additional capacity to backfill the STIP, SHOPP, and Local Streets.

Many of the details will need to be addressed in further legislation. All of the funding is going to phase in over the next few years. The city breakdown on RMRA is currently ballpark and that there were deals made between the analysis timeframe and the bill passage. It is also dependent on the changing excise tax so it shouldn't be assumed to be static.

Member Aguirre asked how this bill might affect Regional Measure 3 (RM 3) legislation. More the state funding would mean more leveraging of fund for RM 3.

An introduced Bill ACA 5 (Frazier and Newman) will protect the new transportation revenues. This bill would have to go the ballot and needs two thirds vote. It is anticipated to pass easily. The truck weight fees are exempted for now.

At the last legislative meeting Matt was requested to add additional information for SCA 6 and ACA 4. Both bills would require 2/3 to pass. It is anticipated that there would be little to no appetite to pass this but that it might be nice gesture to show support our delegate by sending a letter of support for SCA 6. Most of the political capital is anticipated to be spent on ACA 5.

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).

AB 733(Berman) would allow a city or a county to establish an enhanced infrastructure financing district (EIFD) for projects that adapt to the impacts of climate change, including sea level rise.

Member Carlton moved and Member Garbarino seconded recommending that the C/CAG Board send a letter of support for AB 733. Motion passed unanimously.

SCA 6 (Weiner) proposes to lower the voter threshold on local transportation taxes from 2/3 to 55 %. This was a constitutional amendment introduced by Frazier last year that C/CAG supported.

Member Derwin moved and Member Aguirre seconded recommending that the C/CAG Board send a letter of support for SCA 6. Motion passed 6-1. Member Carlton opposed.

5. Lobby Day Schedule

A poll of attendance was taken for Lobby Day. All legislative committee members will make lobby day with the exception of Gina Papan who would need to verify her schedule and get back to staff.

Jean Higaki passed out a copy of the material that will be bound and given to delegates at Lobby Day.

Member Papan asked about adding issues that jurisdiction face in working with Caltrans. It was suggested that these issues be handled with the Caltrans District 4 Director as there is nobody, whom we will be meeting with in Sacramento, who would have to details to appropriately respond to those types of issues. It was anticipated that Caltrans issues might be addressed with the District in an alternative appropriate forum.

6. Adjournment

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

Legislative Committee 2017 Attendance Record

Agency	Name	Jan 12	Feb 9	March 9	April 13	May 11	June 8	July 13	August	Sept 14	Dec 8
Menlo Park	Catherine Carlton	x	x	x	x						
Millbrae	Gina Papan	x	x	x	x						
Portola Valley	Maryann Moise Derwin (C/CAG Vice Chair)	x	x	x	x						
Redwood City	Alicia Aguirre (C/CAG Chair)		x	x	x						
San Bruno	Irene O'Connell (Leg Vice Chair)	x	x	x	x						
Sounth San Francisco	Richard Garbarino		x		x						
Woodside	Deborah Gordon (Leg Chair)	x	x	x							
Foster City	Catherine Mahanpour	N/A	N/A	x	x						
Vacant											

 no meeting

C/CAG AGENDA REPORT

Date: May 11, 2017

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 response to questions, contact Jean Higaki at 650-599-1462)

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.

FISCAL IMPACT

Unknown.

SOURCE OF FUNDS

N/A

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.

There are two letters of support to discuss.

ACA 5 (Frazier and Newman) – Protection of Transportation Revenues

This measure prohibits the state from borrowing revenues from fees and taxes imposed on vehicles for use other than as specifically permitted by Article XIX. It would prohibit vehicle revenues and fuel tax revenues from being used to pay off general obligation bonds issued by the state, except for vehicle weight fee revenues used to pay bonds approved prior to January 1, 2017.

SB 595 (Beall) – Regional Measure 3

This bill is the Senate placeholder for Regional Measure 3 and would authorize the Bay Area to vote on an increase in tolls on the Bay Area's state owned bridges to be used for transportation projects throughout the region. This is currently a spot Bill.

ATTACHMENTS

1. May 2017 Legislative update from Shaw/ Yoder/ Antwih, Inc.
2. Letter of support for ACA 5 (Frazier and Newman)
3. Letter of support for SB 595 (Beall)
4. SB 1 Chart
5. Full Legislative information is available for specific bills at <http://leginfo.legislature.ca.gov/>

DATE: May 1, 2017
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 – May 2017

Legislative Update

The legislature returned from Spring Recess on April 17 and begin the mad rush to move bills out of policy committees before the April 28 deadline for committees to hear fiscal bills. The Governor is expected to release the May Revise – the update to the budget he released in January – on May 12. We highlight bills of note affecting C/CAG under ***Bills of Interest***, below.

Transportation Funding

Late the evening on April 6, the Legislature passed SB 1 (Beall and Frazier), a landmark transportation funding package that is the culmination of more than two years of strong leadership by Senate Transportation and Housing Committee Chair Jim Beall and Assembly Transportation Committee Chair Jim Frazier. The bill passed the Senate by a vote of 27-11, while the Assembly approved it on a 54-26 count. The funding package is a \$5.2 billion plan, with revenues coming from increasing gasoline and diesel excise taxes, an increase in diesel sales tax, a new transportation fee based on the value of vehicles, and a fee on zero emission vehicles. We provided a significant amount of detail regarding the package in last month's report to the Board.

As part of the deal to get SB 1 passed, the Governor reached an agreement to set aside some of the new money for specific projects in the Central Valley, the Los Angeles region, and in Riverside County. These projects are identified in SB 132 (Committee on Budget and Fiscal Review). The Governor also agreed to indemnity for design professionals as constituted in SB 496 (Cannella and De León). The companion measures were passed by the Legislature on April 24. **The Governor signed SB 1 on April 28.**

Finally, the funding package also advances a constitutional amendment – ACA 5 (Frazier and Newman) – to dedicate for transportation purposes all vehicle fee and gasoline or diesel tax revenues raised by the bill. This measure will be on the statewide ballot in June of 2018.

Bills of Interest

AB 28 (Frazier) – Caltrans NEPA Delegation (Signed by Governor on March 29)

This bill would grant Caltrans the authority to continue performing federal environmental responsibilities for highway projects under the National Environmental Policy Act (NEPA) and other federal laws until January 1, 2020. ***The C/CAG Board SUPPORTS this bill.***

AB 733 (Berman) – Enhanced Infrastructure Financing Districts

Existing law authorizes a city or a county to establish an enhanced infrastructure financing district (EIFD) to finance capital projects with property tax increment under certain conditions. This bill would allow the financing of projects that adapt to the impacts of climate change, including sea level rise. ***The C/CAG Legislative Committee SUPPORTED this bill on April 13.***

AB 1613 (Mullin) – SamTrans Sales Tax Authority

Existing law authorizes the San Mateo County Transit District to adopt a sales tax ordinance in accordance with specified provisions of law, including a requirement that the combined rate of all such taxes imposed in the county may not exceed 2%. This bill would authorize the board to exceed that 2% limit to impose a sales tax of no more than 0.5%, if approved by the board before January 1, 2021.

ACA 4 (Aguiar-Curry) – Lower Vote Threshold for Local Infrastructure Taxes

The California Constitution subjects the imposition of a special tax by a city, county, or special district upon the approval of two-thirds of the voters. This measure would lower that threshold to 55 percent of voters for taxes for purposes of funding the construction, rehabilitation or replacement of public infrastructure or affordable housing, which specifically includes improvements to transit and streets & highways, as well as protection from impacts of sea-level rise.

ACA 5 (Frazier and Newman) – Protection of Transportation Revenues

This measure would prohibit the state from borrowing revenues from fees and taxes imposed on vehicles or their use, and from using those revenues other than as specifically permitted by Article XIX. This measure would prohibit vehicle revenues and fuel tax revenues from being pledged or used for the payment of principal and interest on general obligation bonds issued by the state, except for vehicle weight fee revenues used to pay bond approved prior to January 1, 2017. ***We recommend the C/CAG Board SUPPORT this measure.***

SB 1 (Beall) – Transportation Funding Package (Signed by Governor on April 28)

This bill would increase several taxes and fees to address issues of deferred maintenance on state highways and local streets and roads, as well as provide new funding for public transit. Specifically, this bill would increase both the gasoline (over three years) and diesel excise taxes by 12 and 20 cents, respectively; increase the vehicle registration fee by \$38; create a new \$100 vehicle registration fee applicable to zero-emission motor vehicles; increase Cap and Trade funding for transit; increase the rate of sales tax on diesel by another 4% for the State Transit Assistance Program and intercity rail, limit the borrowing of weight-fee revenues, and repay outstanding transportation loans. As a result, transportation funding would increase by approximately \$6 billion per year. ***The C/CAG Board SUPPORTS this bill.***

SB 231 (Hertzberg) – Stormwater

The California Constitution (Proposition 218) generally requires that assessments, fees, and charges be submitted to property owners for approval or rejection after the provision of written notice and the holding of a public hearing. The Proposition 218 Omnibus Implementation Act prescribes specific procedures and parameters for local jurisdictions to comply with the California Constitution and defines terms. This bill would define the term “sewer” for these purposes to include outlets for surface or storm waters, and any and all other works, property, or structures necessary or convenient for the collection or disposal of sewage, industrial waste, or surface or storm waters. ***The C/CAG Board SUPPORTS this bill.***

SB 595 (Beall) – Regional Measure 3

This bill is the Senate placeholder for Regional Measure 3 and would authorize the nine counties in the Bay Area to vote on an unspecified increase in tolls on the Bay Area’s bridges to be used for transportation projects throughout the region. Bay Area leaders in both houses are working on the legislation, which could take shape in the coming weeks. ***We recommend the C/CAG Board SUPPORT this measure.***

SCA 6 (Wiener) – Lower Vote Threshold for Local Transportation Taxes

The California Constitution subjects the imposition of a special tax by a city, county, or special district upon the approval of two-thirds of the voters. This measure would lower that threshold to 55 percent of voters for taxes for transportation purposes. ***The C/CAG Legislative Committee SUPPORTED this bill on April 13.***

C/CAG

CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY

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May 12, 2017

The Honorable Jim Frazier
Chair, Assembly Transportation Committee
State Capitol, Room 3000
Sacramento, CA 95814

Per new procedures, to be
modified and sent to appropriate
committees when needed

The Honorable Josh Newman
California State Senate
State Capitol, Room 4082
Sacramento, CA 95814

RE: SUPPORT for ACA 5 (Frazier and Newman)

Dear Chair Frazier and Senator Newman:

The City/County Association of Governments of San Mateo County (C/CAG) is pleased to **SUPPORT** ACA 5 (Frazier and Newman). This constitutional amendment would restrict the expenditure of revenues generated by the Transportation Improvement Fee and diesel sales tax increase, enacted in SB 1 (Beall and Frazier), to specified transportation purposes.

Currently, the California State Constitution restricts the expenditure of revenues from taxes on fuels used in motor vehicles as well as from fees and taxes on vehicles to street, highway and certain mass transit purposes. These restrictions however do not apply to revenues from taxes or fees imposed under the Sales and Use Tax Law or the Vehicle License Fee Law. ACA 5 would extend the constitutional protections offered to these sources of revenues to the proposed fees and taxes in SB 1. This bill ensures a stable source of funding for transportation by prohibiting the Legislature from borrowing or using those proposed revenues for unauthorized purposes.

ACA 5 is necessary to show that revenue generated from these new taxes will be used for what was intended. It prohibits revenues from being used to pay for previously authorized transportation debt service which ensures that the money will go to transportation purposes that will benefit California.

For these reasons C/CAG is proud to **SUPPORT** ACA 5. Please feel free to contact Sandy Wong, C/CAG's Executive Director, at 650-599-1409 or slwong@smcgov.org with any questions or concerns.

Sincerely,

Alicia Aguirre, Chair
City/County Association of Governments of San Mateo County

Cc: Assembly Member Kevin Mullin
Assembly Member Marc Berman
Assembly Member Phil Ting
Senator Jerry Hill
Senator Scott Wiener

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May 12, 2017

The Honorable Ricardo Lara,
Chair, State Capitol Committee
Sacramento

Per new procedures, to be
modified and sent to appropriate
committees when needed

RE: SUPPORT for SB 595 (Beall)

Dear Chair Lara:

The City/County Association of Governments of San Mateo County (C/CAG) is pleased to **SUPPORT** SB 595 (Beall). This bill would authorize the nine counties in the Bay Area to conduct an election to raise the tolls on the Bay Area's bridges to fund bridge maintenance & repair, as well as projects throughout the region that reduce congestion on the bridges. The program of projects funded by the toll increase is commonly referred to as Regional Measure 3.

Regional Measure 1 funded the San Mateo Bridge Widening in 2003. Regional Measure 3 is expected to generate an estimated \$130 to \$380 million annually depending on the toll increase authorized by the voters. When capitalized, the higher tolls would produce approximately \$2-\$5 billion in funding for projects in the Bay Area. San Mateo County has a number of projects that would benefit from these funds, including the design and construction of managed lanes on US 101, improvements within the Dumbarton Bridge corridor, additional work on the Caltrain corridor, and expanded ferry service.

C/CAG **SUPPORTS** SB 595 and appreciates your favorable consideration of this legislation. Please feel free to contact Sandy Wong, C/CAG's Executive Director, at 650-599-1409 or slwong@smcgov.org with any questions or concerns.

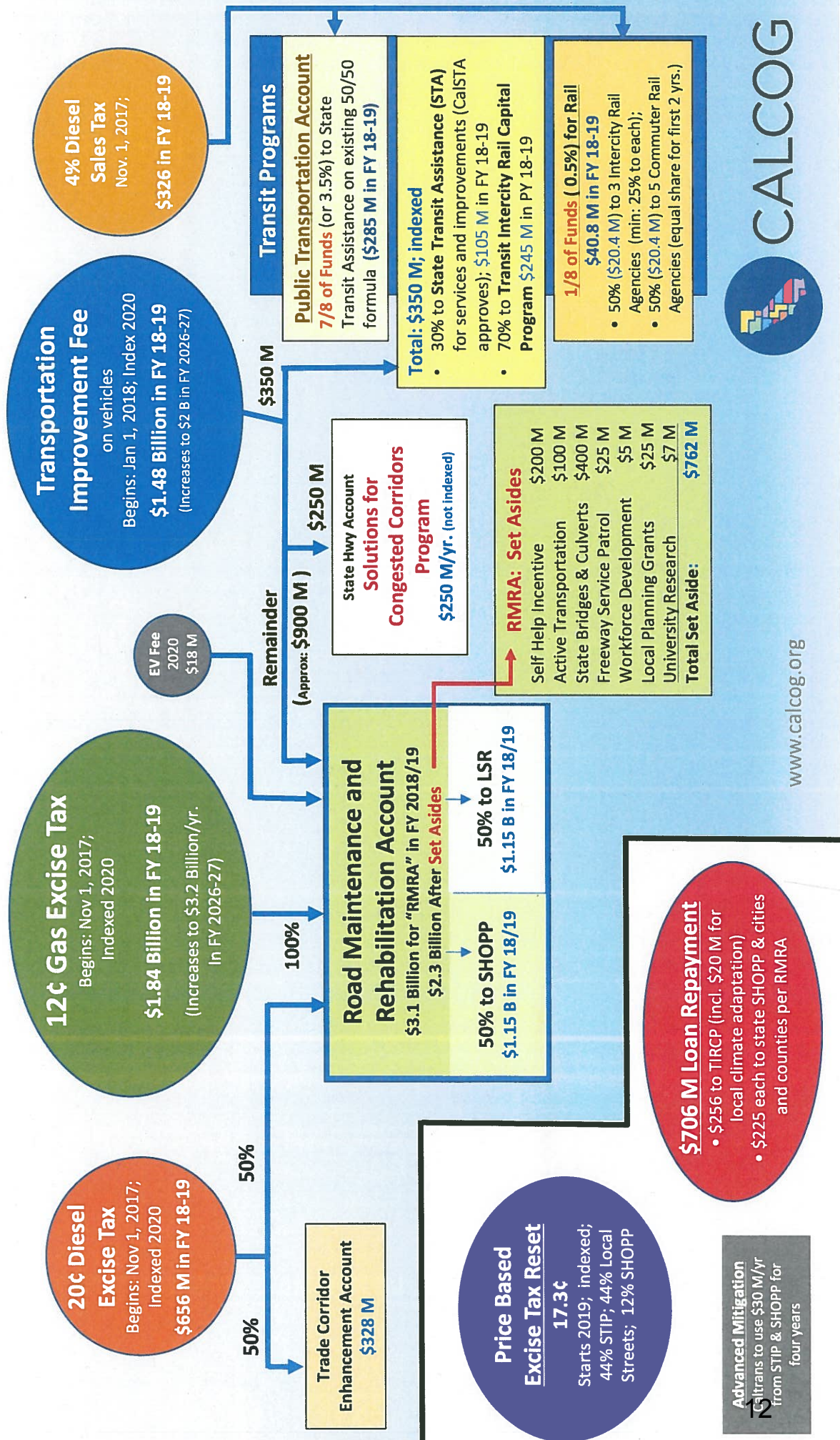
Sincerely,

Alicia Aguirre, Chair
City/County Association of Governments of San Mateo County

Cc: Assembly Member Kevin Mullin
Assembly Member Marc Berman
Assembly Member Phil Ting
Senator Jerry Hill
Senator Scott Wiener

SB 1: TRANSPORTATION ACCOUNT FLOWS

FY 18-19 is selected because it is the first full year when most of the new revenues are fully implemented. Figures are from Senate Appropriations Committee Analysis



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