

AGENDA

Legislative Committee

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

PLEASE NOTE THAT WE WILL BE MEETING AT 5:30 P.M.

in the 2nd Floor Auditorium

Date: Thursday, February 12, 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 January 8, 2015.	Action (Gordon)	Pages 1-2
3	Update from Shaw/Yoder/Antwih	Oral Presentation (Shaw/Yoder/Antwih)	
4	Receive update on stormwater-related legislative issues	Information (Matt Fabry)	Pages 3-4
5	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).	Action (Gordon)	Pages 5-8
6	Receive C/CAG Board Approved C/CAG Legislative Policies for 2015	Information (Jean Higaki)	Pages 9-13
7	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
January 8, 2015**

At 5:31 P.M. Chair Gordon called the Legislative Committee meeting to order in the 4th Floor “Dining Room” at the San Mateo Transit District Office.

Committee Members Attending:

Art Kiesel (City of Foster City)
Deborah Gordon (Town of Woodside)
Richard Garbarino (City of South San Francisco)
Laurence May (Town of Hillsborough)
Karen Ervin (City of Pacifica)
Catherine Carlton (City of Menlo Park)
Kirsten Keith (City of Menlo Park)

Guests or Staff Attending:

Matt Robinson, Andrew Antwih - Shaw/ Yoder/ Antwih Inc.
Gus Khouri – Khouri Consulting Inc.
Sandy Wong, Jean Higaki, Matt Fabry - C/CAG Staff
Shweta Bhatnagar – SamTrans Staff

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

None

2. Approval of Minutes from September 11, 2014.

Member Garbarino moved and Member May seconded approval of the September 11, 2014 minutes. Motion passed unanimously.

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

Matt Robinson, from SYA provided a legislative update. The senate now has 25 Democrats and 12 Republicans, 11 are new senators. In the house there is a, 52 Democrats and 28 Republican split with 26 new members. So far 193 bills have been introduced.

SB 32 - establishes new GHG reduction targets to 80% below 1990 levels by 2050. Largest impact of SB 32 would allow Cap and Trade to go beyond 2020.

Other items that may appear in the future to watch are bills lowering voter thresholds from 2/3 to

55% for new tax authority, raising the sales tax limit above 2% cap, clean up with the water bond, and Prop 218 reform to include storm water. Governor's budget will come out tomorrow. SYA will prepare a memo highlighting C/CAG areas that will be forwarded to the Committee (sent on January 11, 2015). Final Strategic Growth Council (SGC) guidelines for the Affordable Housing and Sustainable Communities (AHSC) program will post final guidelines on January 9, 2015. A small (2 cent/gal) increase in gas prices that started in January cannot be attributed to Cap and Trade and may be a ploy by oil companies. Cap and Trade may double in years to come.

4. Review and Recommend Approval of the C/CAG Legislative Policies for 2015

Questions and answers about policies.

Member Carlton asked if C/CAG had a history of sponsoring legislation. C/CAG has sponsored several bills and worked with other bill authors in the past. Most recently, AB 418, AB 2170, and a \$4 vehicle license fees, and a \$10 vehicle license bill. Member Ervin asked for some clarifications in policy number 3.

Member May moved and Member Ervin seconded approval of the Legislative Policies for 2015. Motion passed unanimously.

5. Approval of the 2015 Legislative Committee Calendar.

Member Carlton noted that there was a conflict with the League of Cities Policy meeting in April and June. It was decided to move the April 9th meeting to April 2nd and the June 11th meeting to June 4th. The time would remain 5:30p.m.

Member Garbarino moved and Member Gordon seconded approval of the 2015 Legislative Committee Calendar with revisions to the April meeting date and June meeting date. Motion passed unanimously. (Note: Upon rescheduling the start time was moved to 6:45 p.m. to avoid conflicts with the San Mateo County Transportation Authority Board meetings.)

6. Review and recommend approval to execute an agreement with Shaw/ Yoder/ Antwih, Inc. to provide state legislative advocacy service in an amount not to exceed \$144,000 for the 2015 and 2016 legislative session.

Member Carlton requested that a standard severability clause be added to the contract.

Member Kiesel moved and Member Keith seconded recommending approval to execute an agreement with Shaw/ Yoder/ Antwih, Inc. to provide state legislative advocacy service in an amount not to exceed \$144,000 for the 2015 and 2016 legislative session. A severability clause will be added to the final contract. Motion passed unanimously.

7. Adjournment

The meeting adjourned at approximately 6:15 P.M.

C/CAG AGENDA REPORT

Date: February 12, 2015
To: City/County Association of Governments Legislative Committee
From: Sandy Wong, Executive Director
Subject: Receive update on stormwater-related legislative issues

(For further information or questions contact Matthew Fabry at 599-1419)

RECOMMENDATION

Receive update on stormwater-related legislative issues

BACKGROUND

At the start of the 2015-16 legislative session, there are currently two stormwater-related legislative issues C/CAG staff and its advocacy team are involved with/tracking. First, Assemblymember Gordon has provided C/CAG a spot-bill for potential legislative revisions to last year's SB 985 regarding stormwater resource planning. Second, a coalition of organizations is actively seeking legislative remedies to the existing Proposition 218 treatment of stormwater with regard to property-related fees. Each of these issues is discussed in more detail in the following paragraphs, after which a brief update is provided on anticipated next steps in regard to AB 2170, which went into effect January 1 and clarified C/CAG's legal authority to pursue a countywide special tax or property-related fee.

SB985 – Stormwater Resource Planning

Senator Pavley's SB 985 was signed into law by Governor Brown last year and amended existing legislation that authorized, but did not require, agencies to develop Stormwater Resource Plans. In addition to various modifications to the standards such plans must meet, the Pavley's bill required that Stormwater Resource Plans be developed in order for an agency to receive grants for stormwater projects under any voter approved bond act after January 1, 2014. This means that any local agency that wants to compete for stormwater funding under the recent voter-approved water bond will have to develop a Stormwater Resource Plan and have it incorporate into the applicable Integrated Regional Water Management Plan. Many of the criteria that must be satisfied when developing a Stormwater Resource Plan focus on stormwater capture and use in augmenting water supply – developing plans that satisfy all the mandatory criteria, while potentially beneficial for long-term water management, is anticipated to be costly.

This requirement to develop a Stormwater Resource Plan is concerning to C/CAG staff given that the requirements and criteria associated with creating a Stormwater Resource Plan are separate from and unrelated to mandated requirements in municipal stormwater permits issued by the State and Regional Water Boards. Stormwater permits are focused on addressing water quality problems, not integrated stormwater management in the context of enhancing water supply. As such, C/CAG staff is working with its legislative advocacy team to evaluate the need for a legislative fix to ensure that local agencies seeking funding to implement mandated stormwater management projects are able to compete for

water bond funding without the additional significant hurdle of creating a stormwater resource plan. In addition to evaluating legislative remedies, C/CAG staff and the advocacy team are seeking administrative solutions that may achieve the same end result without the need for legislation. If a legislative solution is deemed appropriate, C/CAG staff will bring a recommendation to the Legislative Committee.

Proposition 218 Amendment

A coalition of organizations, including Heal the Bay, the California State Association of Counties, the League of California Cities, and the California Stormwater Quality Association, are working together to evaluate feasibility of proposing a constitutional amendment to provide the same status for stormwater as currently afforded water, sewer, and refuse collection in regard to establishing or raising property-related fees. Existing constitutional restrictions enacted under Proposition 218 in 1996 require both a protest hearing and a vote of the electorate or property owners in order to establish or increase a stormwater property-related fee. This additional hurdle has made it challenging, if not impossible, to secure sufficient funding to meet mandated requirements in municipal stormwater permits. Buoyed by the success last year in amending the definition of water in the Proposition 218 Omnibus Implementation Act to include water “from any source,” these organizations believe the timing is right to once again seek an ultimate solution to the funding problems that plague stormwater management agencies in California. As of the drafting of this agenda report, a bill has not been introduced, but C/CAG staff and the advocacy team will keep the Legislative Committee updated once legislation is proposed.

AB 2170 Next Steps

Last year, Governor Brown signed Assemblymember Mullin’s AB 2170 into law, clarifying that Joint Powers Authorities have the authority to levy a fee, assessment, or tax so long as those powers are specified in the joint powers agreement and all member agencies jointly hold that authority. These powers are still subject to all the relevant rules and restrictions specified in the State constitution.

C/CAG spent much of 2014 evaluating the feasibility of a countywide funding initiative for stormwater compliance activities and this legislation was essential to ensure C/CAG had legal authority to pursue such an initiative. AB 2170 went into effect on January 1, 2015 so C/CAG staff anticipates working with the C/CAG Board in the coming months to amend the existing joint powers agreement to specify authority to levy a fee, assessment, or tax. Regional Water Board staff is expected to release a preliminary draft of the new Municipal Regional Permit on February 5, which will enable C/CAG staff and member agencies to better evaluate cost implications for the next five years and revisit the overall need and timing for a potential countywide initiative. Next steps for a potential initiative include developing a draft expenditure plan, continuing community group outreach and education, revisiting the validity of previously performed opinion research, and preparing a revenue report that documents the proposed tax or fee structure and rates for various parcel classes.

ATTACHMENTS

None

C/CAG AGENDA REPORT

Date: February 12, 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.

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 2015/2016 legislative session convened on January 5, 2015. February 27, 2015 is the last day to introduce a bill in the first year of the 2015/16 legislative session.

Strategic Growth Council (SGC) adopted the Affordable Housing and Sustainable Communities (AHSC) Program guidelines under Cap and Trade. Guidelines can be found at this website: http://sgc.ca.gov/s_ahscprogram.php A required project concept proposal is due to Department of Housing and Community development (HCD) from project sponsors by February 19, 2015. The Metropolitan Transportation Commission (MTC) will have an opportunity to advise SGC on project selection but their role is only advisory.

A California Road Charge Technical Advisory Committee was established under Senate Bill 1077 to undertake a California Road Usage Charge Pilot Program to study road usage charge alternatives to the gas tax, to gather public comment, and make recommendations to California State Transportation Agency (CalSTA) regarding a road usage charge pilot program. CalSTA is charged with implementing a pilot program by January 1, 2017 and reporting its findings on the pilot program by June 30, 2018.

Other bills of interest to C/CAG include AB 4 Vehicle Weight Fees, AB 194 Managed Lanes, and SB 32 Extension of Global Warming Solutions Act of 2006. These bills are further described in the attached legislative update from Shaw/ Yoder/ Antwih Inc.

ATTACHMENTS

1. February 12, 2015 State Legislative Update from Shaw/ Yoder/ Antwih Inc.
2. Full Legislative information is available for specific bills at <http://leginfo.legislature.ca.gov/>



ADVOCATION



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

DATE: February 12, 2015

TO: Board Members, City/County Association of Governments, San Mateo County

FROM: Andrew Antwih and Matt Robinson, Shaw / Yoder / Antwih, Inc.
Chuck Cole, Advocation, Inc.

RE: STATE LEGISLATIVE UPDATE – February 2015

Legislative Update

On January 9, Governor Brown released his 2015-16 Proposed Budget, which includes approximately \$17 billion in transportation spending across all programs under the umbrella of the California State Transportation Agency, with approximately \$1.4 billion going to cities and counties. As part of his budget, the Governor alluded to the need to find additional transportation funding, particularly to address the state's funding shortfall in the State Highway Operations and Protection Program (SHOPP), estimated to be around \$59 billion. The Governor also acknowledged the need to continue to explore new funding sources, including a road usage charge and tolling. The Governor's Budget proposes to streamline the highway relinquishment process to allow roads that serve a local or regional purpose to more easily be transferred to local agencies. We submitted a detailed overview of the Governor's Budget to C/CAG on January 9.

February 27 marks the final day to introduce bills for consideration in the first year of the 2015-16 Legislative Session. The Legislature will break for Spring Recess on March 26.

Cap and Trade

The Governor's Budget proposes \$1 billion in Cap and Trade spending in 2015-16, with 60 percent of that funding earmarked for transportation programs, including the high-speed rail project. The Legislative Analyst's Office, in its review of the Governor's Budget, argues that the above estimate is far too low and that Cap and Trade revenues will likely be in excess of \$2 billion.

The guidelines for the Affordable Housing and Sustainable Communities (AHSC) Program were adopted by the Strategic Growth Council (Council) on January 20. The Council received \$130 million for the AHSC Program in FY 2014-15 (20 percent of all Cap and Trade revenues beginning in FY 2015-16). The Program will fund two specific project-types – Transit Oriented Development (TOD) Projects and Integrated Connectivity Projects – with applicants applying for funding in either program based on the project's proximity to high-quality transit service. Public agencies, including joint powers authorities, may apply for funding under the Program. TOD Projects must include an affordable housing development. Eligible capital uses under the AHSC

Program include: affordable housing development; housing-related infrastructure; and transportation-related infrastructure.

Road Usage Charge, Tolling, and Increasing the Local Sales Tax Cap

On January 23, the Road Charge Technical Advisory Committee held its first meeting since being formed by the CTC in December. The meeting consisted primarily of framing up roles and responsibilities moving forward. The Committee also heard program updates from Oregon and Washington. The next meeting will be held on February 26 in Sacramento.

As mentioned above, the Governor has included tolling as part of his budget that we expect will be modeled after the recommendations contained in the California Transportation Infrastructure Priorities report released by CalSTA last February. The Administration indicated the authorizing legislation will be part of the budget process and included in a budget trailer bill. Assembly Member Frazier has introduced AB 194 on the subject to allow for a policy discussion if warranted.

Assembly Member Kevin Mullin has agreed to carry a bill to raise the local sales tax cap from 2% to 3% (potentially) statewide to provide cities and counties additional flexibility to pursue a sales tax measure for any purpose. As of this writing, it has not yet been introduced.

Bills of Interest

AB 4 (Linder) Vehicle Weight Fees

This bill would prohibit vehicle weight fee revenues from being transferred from the State Highway Account to the Transportation Debt Service Fund, the Transportation Bond Direct Payment Account, or any other fund or account for the purpose of payment of the debt service on transportation general obligation bonds, and would also prohibit loans of weight fee revenues to the General Fund. This bill would sunset on January 1, 2020. Currently, approximately \$1 billion annually is shifted from the State Highways Account to cover the debt-service on transportation bonds, mainly from Proposition 1B.

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 (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.

SB 32 (Pavley) Extension of 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 (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.

C/CAG AGENDA REPORT

Date: February 12, 2015
To: C/CAG Legislative Committee
From: Sandy Wong, Executive Director
Subject: Receive C/CAG Board Approved C/CAG Legislative Policies for 2015

(For further information or response to questions, contact Jean Higaki at 650-599-1462)

RECOMMENDATION

That the Legislative Committee receive the C/CAG Board approved C/CAG Legislative Policies for 2015.

FISCAL IMPACT

Many of the policies listed in the attached document have the potential to increase or decrease the fiscal resources available to C/CAG member agencies.

SOURCE OF FUNDS

New legislation

BACKGROUND

Each year, the C/CAG Board adopts a set of legislative policies to provide direction to its Legislative Committee, staff, and legislative advocates. In the past, the C/CAG Board established policies that:

- Clearly defined a policy framework at the beginning of the Legislative Session.
- Identified specific policies to be accomplished during this session by C/CAG's legislative advocates.
- Limited the activities of C/CAG to areas where we can have the greatest impact.

On January 8, 2015 the C/CAG Legislative Committee recommended approval and the C/CAG Board approved the C/CAG Legislative Policies for 2015. The policies were presented to the Legislative Committee with track changes. The attached document is a "clean" version.

ATTACHMENTS

1. Attachment A: Final C/CAG Legislative Policies for 2015

Attachment A

FINAL C/CAG LEGISLATIVE POLICIES FOR 2015

Policy #1 -

Protect against the diversion of local revenues.

- 1.1 Support League and CSAC Initiatives to protect local revenues.
- 1.2 Provide incentives to local government to promote economic vitality and to alleviate blighted conditions.
- 1.3 Support the reinstatement of state funding for economic development and affordable housing.

Policy #2 -

Protect against increased local costs resulting from State action without 100% State reimbursement for the resulting costs.

- 2.1 Oppose State action to restrict the ability of local jurisdictions to contract for services.
- 2.2 Require all State actions to take into consideration the fiscal impact to local jurisdictions, by ensuring that adequate funding is made available by the State, for delegated re-alignment responsibilities and by ensuring that all State mandates are 100% reimbursed.

Policy #3 -

Support actions that help to meet municipal stormwater permit requirements and secure stable funding to pay for current and future regulatory mandates.

- 3.1 Primary focus on securing additional revenue sources for both C/CAG and its member agencies for funding state and federally mandated stormwater compliance efforts.
 - a. Support additional efforts to exempt storm sewers from the voting requirements imposed by Proposition 218, similar to water, sewer, and refuse services, or efforts to reduce the voter approval threshold for special taxes related to stormwater management.
 - b. Include water quality and stormwater management as a priority for funding in new sources of revenues (e.g. water bonds) and protect against a geographically unbalanced North-South allocation of resources.
 - c. Support efforts to coordinate stormwater quality concerns with other statewide and regional efforts to achieve greenhouse gas reductions and climate change adaptation strategies.
 - d. Track and advocate for resources for stormwater quality in State and Federal grant and loan programs.

- e. Support stormwater fee reform to 1) ensure regulatory permit fees are used to support Regional Water Quality Control Board staff resources, 2) eliminate fee setting under emergency regulations and coordinate process with local budgeting procedures, and 3) ensure fees are consistent with level of service provided by state agencies.
 - f. Support efforts to identify regulatory requirements that are unfunded state mandates and ensure provision of state funding for such requirements.
 - g. Pursue and support efforts that provide additional funding from Federal, State, or local governments outside the San Mateo County to regional or statewide associations of stormwater quality agencies (i.e., BASMAA – regional and CASQA – statewide) for programs and projects that reduce or eliminate the need for C/CAG and its member agencies to fund and implement similar programs and projects locally.
- 3.2 Pursue and support efforts that control pollutants at the source and extend producer responsibility, especially in regard to trash and litter control.
 - 3.3 Support efforts to place the burden/ accountability of reporting, managing, and meeting municipal stormwater requirements on the responsible source rather than the cities or county, such as properties that are known pollutant hot spots and third party utility purveyors.
 - 3.4 Advocate for the development of statewide stormwater policies that establish consistent and practical approaches for stormwater regulatory and management programs that help protect water quality and beneficial uses.
 - 3.5 Pursue and support pesticide regulations that protect water quality and reduce pesticide toxicity.
 - 3.6 Track stormwater-related regulatory initiatives that may impact member agencies, such as the proposed statewide trash policy, Caltrans stormwater permits, special exceptions for Areas of Special Biological Significance, and the Phase II Municipal Stormwater Permit for smaller rural municipalities.

Policy #4 -

Support lowering the 2/3rd super majority vote for local special purpose taxes and fees.

- 4.1 Support bills that reduce the vote requirements for special taxes and fees.
- 4.2 Oppose bills that impose restrictions on the expenditures, thereby reducing flexibility, for special tax category.
- 4.3 Support modification or elimination of the Proposition 26 two-thirds requirements.

Policy #5-

Protect and support transportation funding.

- 5.1 Oppose the transfer of additional State transportation funds to the State General Fund and support the redirection of truck weight fees to the State Highway Account

- 5.2 Support additional revenues for transportation funding.
- 5.3 Protect existing funding and support additional funding for maintenance of streets and roads.
- 5.4 Monitor recommendations of implementing “Road User Charges”.
- 5.5 Protect existing funding and support new funding for the State of California SHOPP program, which provides resources for maintenance of State highways.
- 5.6 Support revisions in the Peninsula Joint Powers Agreement that provide equitable funding among the Caltrain partners.
- 5.7 Support a dedicated funding source for the operation of Caltrain.
- 5.8 Support efforts to secure the appropriation and allocation of “cap and trade” revenues to support San Mateo County needs.

***Policy #6 -
Advocate for revenue solutions to address State budget issues that are also beneficial to Cities/
Counties***

- 6.1 Support measures to ensure that local governments receive appropriate revenues to service local communities.

***Policy #7 -
Support reasonable climate protection action, Greenhouse Gas reduction, and energy conservation
legislation***

- 7.1 Support incentive approaches toward implementing AB32.
- 7.2 Oppose climate legislation that would conflict with or override projects approved by the voters.
- 7.3 Support funding for both transportation and housing investments, which support the implementation of SB 375, so that housing funds are not competing with transportation funds.
- 7.4 Alert the Board on legislation that would require recording of vehicle miles of travel (VMT) as part of vehicle registration.
- 7.5 Support local government partnerships to foster energy conservation, as well as the generation and use of renewable and/ or clean energy sources (wind, solar, etc.)

***Policy #8 -
Protection of water user rights***

- 8.1 Support the Bay Area Water Supply and Conservation Association (BAWSCA) efforts in the protection of water user rights for San Mateo County users.

***Policy #9 –
Other***

- 9.1 Support/sponsor legislation that identifies revenue to fund airport/land use compatibility plans.
- 9.2 Support efforts that will engage the business community in mitigating industry impacts associated with stormwater, transportation congestion, greenhouse gas emissions, and energy consumption.