MEETING OF THE

LEGISLATIVE/COMMUNICATIONS AND MEMBERSHIP COMMITTEE

Tuesday, January 17, 2017
8:30 a.m. - 10:00 a.m.
SCAG Offices
818 West 7th Street, 12th Floor
Policy Committee Room B
Los Angeles, CA 90017
(213) 236-1800

Videoconference Available
San Bernardino SCAG Office
1170 W. 3rd Street, Suite 140
San Bernardino, CA 92418

Riverside SCAG Office
3403 10th Street, Suite 805
Riverside, CA 92501

South Bay Cities COG
20285 S. Western Avenue, Suite 100
Torrance, CA 90501

Teleconference Is Available
If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Jane Embry at (213) 236-1826 or via email embry@scag.ca.gov.

Agendas and Minutes for the Legislative/Communications and Membership Committee are also available at:
http://www.scag.ca.gov/committees/Pages/default.aspx.

SCAG, in accordance with the Americans with Disabilities Act (ADA), will accommodate persons who require a modification of accommodation in order to participate in this meeting. If you require such assistance, please contact SCAG at (213) 236-1840 at least 72 hours in advance of the meeting to enable SCAG to make reasonable arrangements. To request documents related to this document in an alternative format, please contact (213) 236-1928.
Legislative/Communications and Membership Committee  
January 2017

Pam O’Connor, District 41  
Clint Lorimore, District 4  

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<td>Becerra, Glen</td>
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Legislative/Communications & Membership Committee
TELECONFERENCE INFORMATION — Pursuant to
Government Code §54953

TELECONFERENCE INSTRUCTIONS

Please Call: (877) 873-8018 and enter Participant Code: 452601

For Brown Act requirements please have your agenda posted at
your teleconference location.

Thank you. If you have any questions, please call
Jane Embry at (213) 236-1826
TELECONFERENCE LOCATIONS:

Hon. Glen Becerra
Metropolitan Transit Authority
One Gateway Plaza - 19th Floor
Los Angeles, CA  90012

Hon. Margaret Clark
Rosemead City Hall
8838 E Valley Blvd
Rosemead, CA  91770

Hon. Margaret Finlay
2221 Rim Road
Duarte, CA  91008

Hon. Clint Lorimore
Eastvale City Hall
12363 Limonite Avenue, Suite 910
Eastvale, CA  91752

Hon. Michele Martinez
300 W. 2nd Street
Santa Ana, CA  92701

Hon. Kris Murray
200 S Anaheim Blvd,
Anaheim, CA  92805

Hon. Pam O’Connor
SEIU Conference Center
1800 Massachusetts Avenue, NW
Washington, DC  20036

Hon. Michelle Steel
999 9th Street, NW
Washington, DC  20001

Chery Viegas-Walker
50 Greene Avenue, Apt. 6D
Brooklyn, NY  11238
## LEGISLATIVE/COMMUNICATIONS & MEMBERSHIP COMMITTEE
### AGENDA
#### JANUARY 17, 2017

The Legislative/Communications & Membership Committee may consider and act upon any of the items listed on the agenda regardless of whether they are listed as information or action items.

### CALL TO ORDER & ROLL CALL
(Hon. Pam O’Connor, Chair)

### PUBLIC COMMENT PERIOD
Members of the public desiring to speak on items on the agenda, or items not on the agenda, but within the purview of the Committee, must fill out and present a Public Comment Card to the Assistant prior to speaking. Comments will be limited to three (3) minutes per speaker provided that the Chair has the discretion to reduce this time limit based upon the number of speakers. The Chair may limit the total time for all comments to twenty (20) minutes.

### REVIEW AND PRIORITIZE AGENDA ITEMS

### CONSENT CALENDAR
1. Minutes of November 15, 2016 Meeting

### ACTION ITEMS
2. SCAG Sponsorship
   - Local Government Commission 26th Yosemite Policymakers Conference - $5,000
     
     (Darin Chidsey, Chief Operating Officer)

3. AB 28 (Frazier) – Department of Transportation: Environmental Review Process: Federal Pilot Program
   
   (Jeff Dunn, Senior Legislative Analyst)

### INFORMATION ITEMS
4. Summary of Governor’s Budget
   
   (Jeff Dunn, Senior Legislative Analyst)

5. Housing Principles & Housing Legislation
   
   (Darin Chidsey, Chief Operating Officer)

6. Bills of Interest
   
   (Jeff Dunn, Senior Legislative Analyst)

7. SCAG Sacramento Legislative Reception – March 15, 2017
   
   (Darin Chidsey, Chief Operating Officer)

8. Legislative Tracking Report
   
   (Jeff Dunn, Senior Legislative Analyst)

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FUTURE AGENDA ITEMS
Any Committee member or staff desiring to place items on a future agenda may make such a request.

ANNOUNCEMENTS

ADJOURNMENT
The next meeting of the Legislative/Communications & Membership Committee is scheduled for 8:30 AM, Tuesday, February 21, 2017 at the SCAG Los Angeles Office.
The Legislative/Communications & Membership Committee held its November 15, 2016 meeting at SCAG’s downtown Los Angeles Office.

**Members Present**
Hon. Margaret Clark, District 32 *(Teleconference)*
Hon. Gene Daniels, District 24
Hon. Margaret Finlay, District 35 *(Teleconference)*
Hon. Curt Hagman, County of San Bernardino *(Teleconference)*
Hon. Clint Lorimore, District 4
Hon. Michele Martinez, District 16 *(Teleconference)*
Hon. Larry McCallon, District 7 *(Videoconference)*
Hon. Judy Mitchell, District 40 *(Videoconference)*
Hon. Pam O’Connor, District 41 *(Teleconference)*
Michelle Steel, Orange County – *(Teleconference)*
Hon. Cheryl Viegas-Walker, District 1 *(Videoconference)*
Hon. Alan Wapner, SANBAG *(Videoconference)*

**CALL TO ORDER**
The meeting was called to order by the Vice-Chair, Hon. Clint Lorimore, at approximately 8:30 a.m. A quorum was confirmed and roll-call was taken.

**PUBLIC COMMENT PERIOD**
There were no public comments presented.

**REVIEW AND PRIORITIZE AGENDA ITEMS**
There was no reprioritization of the Agenda.

**CONSENT CALENDAR**

1. Minutes of September 20, 2016 Meeting

A MOTION was made (Daniels) to approve the Consent Calendar. The MOTION was SECONDED (Steel) and APPROVED by a majority vote. A roll-call vote was taken and recorded as follows:

**AYES:** Clark, Daniels, Finlay, Lorimore, Martinez, McCallon, O’Connor, Steel, Viegas-Walker, Wapner

**NOES:** None

**ABSTAIN:** None
**ACTION ITEM**

2. **SCAG Memberships**

Darin Chidsey, Chief Operating Officer, provided an overview of the memberships, Southern California Leadership Council and the Center of Economic Development, $20,000, and the Coalition for America’s Gateways & Trade Corridors (CAGTC), $6,500.

A MOTION was made (McCallon) to support the memberships Southern California Leadership Council and the Center of Economic Development, - $20,000, and the Coalition for America’s Gateways & Trade Corridors (CAGTC) - $6,500. The MOTION was SECONDED (O’Connor) and APPROVED by a majority vote. A roll-vote was taken and recorded as follows:

**AYES:** Clark, Daniels, Finlay, Lorimore, Martinez, McCallon, Mitchell, O’Connor, Steel, Viegas-Walker, Wapner

**NOES:** None

**ABSTAIN:** None

3. **2017 Legislative Priorities**

Darin Chidsey, Chief Operating Officer, provided an overview of the 2017 State and Federal Legislative Priorities. A noteworthy discussion pertained to the region’s involvement in the federal and state funding to keep the Bay Delta Conservation Plan (BDCP) on schedule to support the co-equal goals of water reliability and delta eco-system restoration. Mr. Chidsey stated that staff strongly supports making water reliability along the Delta a key priority for this legislative session. Nathan Purkiss, Legislative Services Section Manager, External Affairs, with the Metropolitan Water District of Southern California (MWD), was in attendance to answer questions proposed by the Committee.

A MOTION was made (Mitchell) to approve the Legislative Priorities as presented, while continuing to seek input from MWD, stakeholders, and other business partners. The MOTION was SECONDED (McCallon) and APPROVED by a majority vote. A roll-vote was taken and recorded as follows:

**AYES:** Clark, Daniels, Finlay, Lorimore, Martinez, McCallon, Mitchell, O’Connor, Viegas-Walker, Wapner

**NOES:** Steel

**ABSTAIN:** None

**INFORMATION ITEMS**

4. **Staff Report**
Darin Chidsey, Chief Operating Officer, provided an update on the upcoming 2016 Economic Summit and the 2017 General Assembly Host Committee. Mr. Chidsey also noted that due to the close proximity of the holidays, the December LCMC meeting will be cancelled.

5. Legislative Tracking Report

The Legislative Tracking Report is available on SCAG’s website under the Legislative section.

FUTURE AGENDA ITEMS
There were no future agenda items presented.

ANNOUNCEMENTS
There were no announcements presented.

ADJOURNMENT
Vice-Chair Lorimore adjourned the meeting at 9:40 a.m. The next regular meeting of the Legislative/Communications & Membership Committee is scheduled for 8:30 a.m. – 10:00 a.m., Tuesday, January 17, 2017.

Reviewed by:

Darin Chidsey
Chief Operating Officer
DATE: January 17, 2017

TO: Legislative/Communications & Membership Committee (LCMC)

FROM: Darin Chidsey; Chief Operating Officer; (213) 236-1836; chidsey@scag.ca.gov

SUBJECT: SCAG Sponsorship

RECOMMENDED ACTION:
Approve

EXECUTIVE SUMMARY:
The Legislative/Communications & Membership Committee (LCMC) is asked to approve up to $5,000 in sponsorships for the Local Government Commission 26th Yosemite Policymakers Conference.

STRATEGIC PLAN:
This item supports SCAG’s Strategic Plan: Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; and Goal 2: Obtain Regional Transportation infrastructure Funding and Promote Legislative Solutions for Regional Planning Priorities.

BACKGROUND:

1. Local Government Commission 26th Yosemite Policymakers Conference – $5,000

The Local Government Commission’s 26th Yosemite Policymakers Conference will be held March 16-19, 2017 at the Yosemite Valley Lodge in Yosemite National Park. This popular conference, attended by mayors, city council members, county supervisors, city managers, and other high level department heads, features a timely and inspirational agenda designed to assist California’s local elected officials in finding the tools and support they need to implement innovative solutions to address society’s most pressing challenges. This year’s conference theme “Affording the American Dream” will focus on ways in which policymakers can make communities more sustainable and resilient while also providing for people’s basic housing, transportation, food, and work needs.

Staff is recommending a “Conference Sponsor” level sponsorship in the amount of $5,000, which includes the following benefits:

- One (1) complimentary conference registration;
- Prominent logo placement in promotional materials;
- Prominent logo placement on the conference website;
- On-site acknowledgment of the agency’s support during the conference;
- Logo projected on screen during sessions;
- Special discount registration code (10% off) for local policymakers within the agency’s network;
- Opportunity to display up to two (2) promotional materials at the event.
FISCAL IMPACT:
$5,000 for memberships is included in the approved FY 16-17 General Fund budget.

ATTACHMENTS:
None.

Reviewed by:
Darin Chidsey, Chief Operating Officer

Reviewed by:
Basil Panas, Chief Financial Officer
DATE: January 17, 2017

TO: Legislative/Communications & Membership Committee (LCMC)

FROM: Darin Chidsey; Chief Operating Officer; (213) 236-1836; chidsey@scag.ca.gov

SUBJECT: AB 28 (Frazier) - Department of Transportation: Environmental Review Process: Federal Pilot Program

RECOMMENDED ACTION:
Support

EXECUTIVE SUMMARY:
Urgency legislation reenacting the authority of the California Department of Transportation (Caltrans) to waive its 11th Amendment right to immunity from lawsuits brought in federal court and in doing so, allows Caltrans to continue indefinitely to assume the role of the U.S. Department of Transportation for National Environmental Policy Act (NEPA) decision making under the state’s CEQA statutes. Presently under state law this authority sunsets on 01/01/17. By allowing Caltrans to continue in the NEPA decision-making role, it will be able to continue to provide a streamlined environmental process which results in substantial time and cost savings and expedited project delivery. Staff recommends support.

STRATEGIC PLAN:
This item supports SCAG’s Strategic Plan: Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; and Goal 2: Obtain Regional Transportation Infrastructure Funding and Promote Legislative Solutions for Regional Planning Priorities.

BACKGROUND:
In 2005, the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) established a Surface Transportation Project Delivery Pilot Program (later called the NEPA Assignment Program). This pilot program designated California as one of five states eligible to assume the responsibilities of USDOT and the Federal Highway Administration (FHWA) for NEPA, making Caltrans the lead agency for environmental reviews for projects subject to NEPA.

To participate in the NEPA Assignment Program, California was required to accept the financial costs associated with the delegated authority, as well as full liability for lawsuits filed under NEPA in federal court. Since states have immunity from being sued in federal court, to participate in the program Caltrans was required to obtain a limited waiver of their 11th Amendment sovereign immunity thereby allowing them to be sued in federal court and providing them the ability to defend against claims that may be brought against a NEPA document.

The Legislature passed AB 1039 (Núñez), Chapter 31, Statutes of 2006, which, among other things, granted the necessary waiver of sovereign immunity to Caltrans until January 1, 2009. With the waiver
in place, Caltrans entered into a memorandum of understanding with FHWA to participate in the NEPA Assignment Program effective July 1, 2007. In addition to granting the waiver of sovereign immunity, AB 1039 also required that Caltrans report to the Legislature information regarding the costs and benefits of the state's participation in the program.

In reports provided to the Legislature pursuant to AB 1039, as well as reports provided pursuant to subsequent legislation that extended the sunset, Caltrans has shown that participation in the NEPA Assignment Program results in significant project time and cost savings. For example, through the end of 2015, Caltrans achieved a median time savings of 11.5 months in preparing and approving routine environmental documents, measured from when environmental studies began until the final environmental document was signed. This time savings has been even greater for higher level environmental review, including a 22-month time saving for draft documents and 130 months for final documents. In addition to environmental document processing, the NEPA Assignment Program also allows Caltrans to approve supporting environmental documents such as those developed for the U.S. Fish and Wildlife Service. This authority has also resulted in substantial time and cost savings with the overall effect of speeding up the delivery of critical transportation projects to the public.

Caltrans’ waiver of immunity from federal lawsuits is set to expire on January 1, 2017, which means that unless the authority is reenacted, Caltrans will no longer be allowed to participate in the NEPA Assignment Program which would substantially increase environmental document processing times and result in significant project delivery delays. Since FHWA is not staffed to take on this additional workload at this time, allowing the NEPA Assignment Program to lapse would result in significant delays to projects that are currently in the environmental phase of project development, which would result in increased project costs and project delivery delays.

AB 28 is urgency legislation, requiring 2/3’s vote threshold to pass and taking effect immediately upon passage from the legislature and signature into law by the Governor. It is expected that the bill should pass within the first few months of the 2017 legislative session in order to avoid project delays described above, due to expiration of the waiver of immunity provision. Staff recommends that SCAG support this bill consistent with long-standing board policy supporting streamline of CEQA/NEPA environmental review processes to accelerate project development without meaningful reduction of environmental review.

ATTACHMENTS:
None.
DATE: January 17, 2017

TO: Legislative/Communications & Membership Committee (LCMC)

FROM: Jeffrey Dunn; Senior Legislative Analyst; (213) 236-1880; dunn@scag.ca.gov

SUBJECT: Summary of Governor’s Budget

RECOMMENDED ACTION:
No Action – Information Only

EXECUTIVE SUMMARY:
This summary of the Governor’s proposed 2017-18 fiscal year budget highlights the areas of particular importance to SCAG’s policy jurisdiction including transportation, housing, sustainability and climate change. The budget is balanced despite lower than expected revenues and contains spending freezes and some cuts, as well as proposed fee and tax increases in transportation to address the state’s infrastructure crisis. The proposal also would transfer over $1 billion into the state’s Rainy Day Fund to continue to build that reserve towards the state’s goal of 10% of annual revenues. Finally, the proposal outlines a 10-year infrastructure investment plan as well as ongoing robust allocation of cap-and-trade funds contingent upon the legislature acting to pass certain legislative initiatives this year.

STRATEGIC PLAN:
This item supports SCAG’s Strategic Plan: Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; and Goal 2: Obtain Regional Transportation infrastructure Funding and Promote Legislative Solutions for Regional Planning Priorities.

BACKGROUND:
On January 10, 2017, the Governor released his proposed 2017-18 fiscal year budget. The Governor noted in announcing the budget that declining revenues make this the most difficult budgetary year since 2012, and seeks to roll back some spending increases while protecting some of the Administration’s most important policy objectives including greater funding for education, an earned income tax credit for working families, an increased minimum wage, extension of health care more people, and pay down of certain long-term liabilities.

Overall Revenue/Expenditure Provisions
The proposed 2017-18 state budget is $179.5 billion. It includes $122.5 billion General Fund, $54.6 billion special funds, and $2.4 billion bond funds. It includes estimated revenues of $124.027 billion and expenditures of $122.52 billion.

Generally, revenues are lower than estimated from last year’s revenues by $5.8 billion (1.6%) due to lower receipts of state’s “big three” revenues — the income, sales, and corporation taxes. In order to
accommodate these lower revenues and keep the budget in balance, this budget takes corrective measures to reduce spending in the following areas:

- **Adjust Proposition 98 ($1.7 billion)** — The Budget proposes adjustments designed to fund K-14 education at the guarantee for 2015-16 through 2017-18. With these adjustments, overall K-14 funding still grows by $2.1 billion for 2017-18.

- **Recapture 2016 Allocations ($0.9 billion)** — the current year budget contains a large package of one-time spending, much of which remains uncommitted and the budget proposes to eliminate the authority to spend the dollars. The two largest components of this proposal are eliminating the $400 million set-aside for affordable housing that was never allocated and a $300 million transfer to modernize state office buildings planned for 2017-18.

- **Constrain Spending Growth ($0.6 billion)** — The Budget limits spending proposals to keep spending flat in 2017-18 compared to 2016-17, at about $123 billion. This involves pausing rate increases for child care, not providing Middle Class Scholarships to any new students, and not submitting a variety of spending proposals from various state departments.

### Education

The minimum guarantee of Proposition 90 funding for K-14 schools was $56.6 billion in 2007-08 and sank to $47.3 billion in 2011-12. Since then funding has continued to increase and is expected to grow to $73.5 billion in 2017-18 — an increase of $26.2 billion in six years (55 percent). Under Proposition 55, funds for education are expected to continue to grow steadily in future years. For K-12 schools, funding levels will increase by about $3,900 per student in 2017-18 over 2011-12 levels. This reinvestment provides the opportunity to correct historical inequities in school district funding with continued implementation of the Local Control Funding Formula.

For higher education, the budget reflects flat tuition and continues to provide each university system and the community colleges with annual General Fund growth. Since 2012-13, the University of California has received $818 million in new funding, the California State University has received $1.1 billion, and the community colleges $1.8 billion.

### Poverty

Since 2012, the General Fund has incurred new poverty-focused obligations totaling about $18 billion annually. The budget proposes to continue to fund the following obligations to protect the state’s neediest residents from poverty:

- The rising state minimum wage, which is scheduled to increase to $11 per hour in 2018 and to $15 per hour over time.
- The expansion of health care coverage under the federal Affordable Care Act providing millions of Californians with insurance.
- The repeal of the maximum family grant rule in CalWORKs, which denied aid to children who were born while their parents were receiving aid.
• Increases in child care and early education provider rates and children served totaling $837 million.

Infrastructure
The budget recognizes that construction and maintenance of key physical infrastructure is one of the core functions of state government. Annual maintenance and repairs are billions of dollars more than can be funded annually within existing revenues.

The Governor’s transportation package addresses the state’s most urgent transportation needs and reflects the following principles:

• Focusing new revenue primarily on “fix-it-first” investments to repair neighborhood roads and state highways and bridges.
• Making key investments in trade corridors to support continued economic growth and implementing a sustainable freight strategy.
• Providing funding to match locally generated funds for high-priority transportation projects.
• Continuing measures to improve performance, accountability and efficiency at Caltrans.
• Investing in passenger rail and public transit modernization and improvement.

The budget reflects the Governor’s transportation package first proposed in September of 2015 that would provide $4.2 billion annually to improve the maintenance of highways and local roads, expand public transit, and improve critical trade routes. It includes the following annualized resources:

• Road Improvement Charge — $2.1 billion from a new $65 fee on all vehicles, including hybrids and electrics.
• Stabilize Gasoline Excise Tax — $1.1 billion by setting the gasoline excise tax at the 2013-14 rate of 21.5 cents and eliminating the current annual adjustments. The broader gasoline tax would then be adjusted annually for inflation to maintain purchasing power.
• Diesel Excise Tax — $425 million from an 11-cent increase in the diesel excise tax. This tax would also be adjusted annually for inflation to maintain purchasing power.
• Cap and Trade — $500 million in additional Cap and Trade proceeds.
• Caltrans Efficiencies — $100 million in cost-saving reforms.

10-Year Investment Plan
Over the next 10 years, the Governor’s transportation package will provide almost $43 billion for transportation investments with revenues split evenly between state and local transportation priorities. It places an emphasis on repairing and maintaining existing infrastructure with major new funding for both state highways and local roads. The plan also includes a significant investment in public transit and active transportation. Key components of the 10-year plan are as follows:

• Active Transportation Program — $1 billion Cap and Trade for Caltrans to expand the grant program for local projects that encourage active transportation such as bicycling and walking, with at least 50 percent of the funds directed to benefit disadvantaged communities.
• Local Streets and Roads/Local Partnership Funds — About $11.4 billion in Shared Revenues to be allocated by the Controller to cities and counties for local road maintenance according to existing statutory formulas, and over $2.2 billion in state-local partnership grants.
• Sustainable Transportation Grants — An increase of $25 million annually for competitive planning grants to assist regions and local governments in achieving the sustainable transportation requirements under SB 375 and other State objectives.

• Corridor Mobility Improvements — An increase of over $2.7 billion for multi-modal investments on key congested commute corridors that demonstrate best practices for quality public transit and managed highway lanes such as priced express lanes or high-occupancy vehicle lanes. Included is also $25 million annually to expand the freeway service patrol program.

• Transit and Intercity Rail Capital Program — An increase of over $4.2 billion (including $4 billion in additional Cap and Trade as well as $256 million from loan repayments) for transit capital investments that provide greenhouse gas reductions, with at least 50 percent of the funds directed to benefit disadvantaged communities.

• Highway Repairs and Maintenance — An increase of almost $18 billion (including $1 billion from Caltrans efficiency savings) for Caltrans to fund repairs and maintenance on the state highway system.

• State Transportation Improvement Program (STIP) — An augmentation and stabilization to the STIP, which should not only allow the California Transportation Commission to restore funding for $750 million worth of projects cut from the program in 2016, but also program approximately $800 million in new projects in the 2018 STIP.

• Trade Corridor Improvements — An increase of over $2.8 billion (including $2.5 billion in new revenues and $323 million from loan repayments) for Caltrans to fund projects along the state’s major trade corridors, providing ongoing funding for a program originally established with $2 billion in one-time Proposition 1B bond funding.

### Governor’s Transportation Package

(Dollars in Millions)

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The transportation package also includes the following reforms and efficiencies at Caltrans to streamline project delivery and advance projects more quickly:

- State Highway Performance Plan — Establish measurable targets for improvements including regular reporting to the California Transportation Commission, the Legislature, and the public.
- Streamlined Project Delivery — Provide a limited California Environmental Quality Act (CEQA) exemption for projects on existing rights-of-way with previously completed CEQA approval; remove the sunset date for the federal delegation of environmental reviews so federal and state environmental review can be completed concurrently.
- Advanced Mitigation — Advance project environmental mitigation to get early permitting approval as well as stakeholder and advocate buy-in on activities, reducing the challenges that can occur later which sometimes delay projects.
- Job Order Contracting — Complete a limited-term, focused pilot program for procuring routine highway, bridge, and applicable culvert projects using the job order contracting method. This will allow the state to complete a large number of routine maintenance activities in a given area with a single, competitively bid contract while eliminating much of the time and expense of the current process of separately bidding each project contract.
- Extend Public-Private Partnership Authority — Allow for these partnerships through 2027 by extending the current sunset date by 10 years.
- California Transportation Commission Oversight — Expand the Commission’s oversight to cover each phase of project delivery to better track Caltrans’ staffing needs and increase transparency.

**Climate Change**
California has acted to reduce greenhouse gas emissions and address climate change by setting a state goal to reduce emissions 40 percent below 1990 levels by 2030. The state’s most cost-effective approach to meeting that target is the Cap and Trade Program. In addition to the direct emission reductions required under the program, the state has appropriated $3.4 billion in auction proceeds to further reduce emissions by funding transit and high speed rail, affordable housing near jobs and services, forest and watershed improvements, healthy soils, recycling opportunities, and home energy upgrades. The state has prioritized the expenditure of these funds in disadvantaged communities.

Over the past year, auctions have experienced significant volatility, at least partially due to uncertainties about the program’s future beyond 2020. Over the past year, Cap and Trade auctions have experienced significant volatility. After several consecutive auctions that generated over $500 million in proceeds,
the May and August auctions in 2016 generated only $10 million and $8 million, respectively. However, the most recent auction in November 2016 generated $364 million.

To eliminate this uncertainty, the Administration as part of this budget proposes through a two-thirds urgency vote, legislation affirming the California Air Resources Board’s (CARB) authority to administer the Cap and Trade Program beyond 2020. Assuming the passage of this legislation, the budget proposes $2.2 billion in expenditures from Cap and Trade auction proceeds.

Building upon the investment categories funded in the 2016 Cap and Trade agreement, such as short-lived climate pollutants, carbon sequestration, low-carbon transportation, and transformative climate communities, the Cap and Trade Expenditure Plan also includes $500 million for the Administration’s proposed Transportation package.

Consistent with the provisions of Chapter 36, Statutes of 2014 (SB 862), the Budget also reflects $900 million, or 60 percent of projected auction proceeds, in continuously appropriated funds for high-speed rail, affordable housing, sustainable communities, and public transit. Of the $1.3 billion in non-continuously appropriated funds, $863 million is proposed for transportation programs to lower emissions in the sector that represents the largest share of statewide emissions at nearly 40 percent. This funding could support a reduction in housing and transportation costs through the development of transit-oriented development, as well as to provide a substantial investment in incentives for electric vehicles and the development of in-state low-carbon biofuels. An additional $392 million is proposed for programs that could expand the amount of green spaces and new and upgraded housing in the state’s disadvantaged and low-income communities, reduce pollution at landfills and provide new recycling jobs, improve the condition of the state’s forests, and enhance agricultural water conservation.

### 2017-18 Cap and Trade Expenditure Plan

(Dollars in Millions)

<table>
<thead>
<tr>
<th>Investment Category</th>
<th>Department</th>
<th>Program</th>
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<td>Transportation Agency</td>
<td>Transit and Intercity Rail Capital Program</td>
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<td>Strategic Growth Council</td>
<td>Affordable Housing and Sustainable Communities Program</td>
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<td>Transportation Package</td>
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<td></td>
<td>Caltrans</td>
<td>Active Transportation</td>
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<td>50 Percent Reduction in Petroleum Use</td>
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<td>Strategic Growth Council</td>
<td>Transformative Climate Communities</td>
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<td>Technical Assistance &amp; Outreach</td>
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<td>Short-Lived Climate Pollutants</td>
<td>Air Resources Board</td>
<td>Black Carbon Woodsmoke</td>
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<td>Cal Recycle</td>
<td>Waste Diversion</td>
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<td></td>
<td>Department of Food and Agriculture</td>
<td>Dairy Digesters</td>
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Housing
The budget outlines the following principles related to housing that the Administration is committed to working with the Legislature on to further address the state’s housing shortage and affordability pressures. The budget specifies that such a package should include additional reforms and any new funding should not rely on the General Fund. The Administration puts forth the following principles:

- Streamline Housing Construction — Reduce local barriers to limit delays and duplicative reviews, maximize the impact of all public investments, and temper rents through housing supply increases.
- Lower Per ‑ Unit Costs — Reduce permit and construction policies that drive up unit costs.
- Production Incentives — Those jurisdictions that meet or exceed housing goals, including affordable housing, should be rewarded with funding and other regulatory benefits. Those jurisdictions that do not build enough to increase production should be encouraged by tying housing construction to other infrastructure ‑ related investments.
- Accountability and Enforcement — Compliance with existing laws — such as the housing element — should be strengthened.
- No Impact to the General Fund — No new costs, or cost pressures, can be added to the state’s General Fund, if new funding commitments are to be considered.
- Any permanent source of funding should be connected to these other reforms.

The budget recognizes that Local governments have primary control over land ‑ use and housing ‑ related decisions, and can enact policies that either encourage or discourage housing construction, which impacts housing costs for all Californians. To address the statewide housing shortage, more units need to be built at a lower per ‑ unit cost. The budget continues to target its limited resources in a manner that supports statewide policies and objectives, such as sustainable communities, transitional housing for former offenders, and supportive housing for homeless populations. The budget reflects $3.2 billion in state and federal funding and award authority. These programs provide grants and loans to construct affordable housing, assist first ‑ time homeowners with down payments, and offer various supports for individuals and families experiencing homelessness.
California Housing Finance Agency

<table>
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<td>Single Family 1st Mortgage Lending</td>
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<td>Mortgage Credit Certificates</td>
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<td>Single Family Down Payment Assistance</td>
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<td>Special Needs Housing Program</td>
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Strategic Growth Council

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<td>Affordable Housing and Sustainable Communities</td>
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Tax Credit Allocation Committee

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<td>Low Income Housing Tax Credits (State)</td>
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<td>Farmworker Housing Assistance Tax Credits</td>
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Department of Veterans Affairs

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<td>CalVet Farm and Home Loan Program</td>
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Department of Social Services

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<td>CalWORKS Homeless Assistance Program</td>
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Office of Emergency Services

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<td>Homeless Youth Emergency Services</td>
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<td>Domestic Violence Housing First Program</td>
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<td>Homeless Youth and Exploitation Program</td>
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Department of Health Care Services

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<td>Whole-Person Care Pilot Program, Health Homes Program, Mental Health Services Act Community Services and Supports, Projects for Assistance in Transition from Homelessness</td>
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California Department of Corrections and Rehabilitation

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<td>Integrated Services for Mentally-Ill Parolees</td>
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<td>Specialized Treatment of Optimized Programming, Parole Service Center, Day Reporting Center, Female Offender Treatment and Employment Program</td>
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Total                                           $3,189

Paying Down Debts/Liabilities

The state has $240 billion in long-term costs, debts, and liabilities. The vast majority of these liabilities — $236 billion — are related to retirement costs of state and University of California employees. In 2012, the California Public Employees’ Pension Reform Act was enacted to save billions of taxpayer dollars by capping benefits, increasing the retirement age, stopping abusive practices such as double dipping and other ‘golden parachutes’ and requiring that employees pay at least half of their pension costs. In 2014, a funding plan was implemented to restore fiscal solvency to the state’s teacher pension system over three decades. In 2016, the state and its employees began to share equally in the prefunding of retiree health benefits to eliminate a $74 billion unfunded liability over three decades.

Recently the CalPERS Board took action to reflect more realistic expectations for its investment returns — lowering its discount rate to 7 percent over the next three years. The budget includes $258 million from the General Fund to begin the additional payments required by these decisions. While the growing...
costs will be expensive, paying more now will reduce the liabilities and help preserve the ability of the state to keep providing these benefits over the long term.

Proposition 2 establishes a constitutional goal of having 10 percent of tax revenues in the Rainy Day Fund. By the end of 2017-18, the state’s Rainy Day Fund will have a total balance of $7.9 billion (63 percent of the constitutional target). The proposed budget would transfer from the General Fund approximately $1.15 billion into the state’s Rainy Day Fund.

ATTACHMENTS:
None.
DATE: January 17, 2017

TO: Legislative/Communications & Membership Committee (LCMC)

FROM: Darin Chidsey; Chief Operating Officer; (213) 236-1836; chidsey@scag.ca.gov

SUBJECT: Housing Principles & Housing Legislation

RECOMMENDED ACTION:
No Action – Information Only

EXECUTIVE SUMMARY:
This bill summarizes staff recommendations for housing principles consistent with board adopted 2017 legislative priority to promote further development of housing and affordable housing in the region and state, in addition to League of California Cities’ policy goals in this area, the Administration’s recent budget proposal regarding housing funding and policy, and summary of two legislative bills affecting the state’s housing policy that are introduced and have some level of support. There are numerous legislative vehicles introduced in the housing policy area and staff will continue to monitor and apprise the committee of possible action for its consideration going forward.

STRATEGIC PLAN:
This item supports SCAG’s Strategic Plan: Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; and Goal 2: Obtain Regional Transportation infrastructure Funding and Promote Legislative Solutions for Regional Planning Priorities.

BACKGROUND:
SCAG recognizes the acute shortage of housing in the region and throughout the state to meet the needs of its growing population, and particularly within the affordable housing segment of the market that is increasing as housing costs are pushed upward due to supply/demand inequities. In response to the policies arising from SCAG’s Housing Summit in 2016, staff has suggested some principles for the agency to embrace and consider as it moves forward to support housing/affordable housing policies in the state legislature consistent with the objectives adopted by the Regional Council as part of SCAG’s 2017 legislative platform.

The first housing principle is that of preserving local input and control. Any legislation that seeks to reduce or remove local barriers to housing production should not remove the public input process entirely. Legislative platforms that seek to improve zoning options, such as reduced parking requirements for affordable housing or proximity to open space, should be pursued as a way to promote the public hearing process while identifying a public good that will have clear benefits to the entire community.
The second principle is that of recognizing that there must be established new permanent sources of funding which then could support affordable housing in various ways. Permanent sources of funding for housing and affordable housing development must come from new sources and, thus, should not impact the state’s general fund which, as noted in the Governor’s recently released budget, cannot be affected by further funding proposals for housing. A permanent source of funding for affordable housing should be available to all eligible jurisdictions and not favor certain geographies such as, for example, Northern vs. Southern California, and urban vs. suburban.

Finally the third principle is recognition that new funding should support affordable housing in a number of ways including:

- Supporting local jurisdictions to revise zoning/local regulations for affordable housing development or to preserve and rehabilitate existing affordable housing;
- Serving as matching funds to jurisdictions that establish local housing trust funds;
- Rewarding local jurisdictions that approve affordable housing and meet the RHNA goal;
- Providing subsidies to affordable housing construction.

These principles will work in conjunction with other local government proposals from the League, CSAC and others to incentivize development of greater housing while preserving housing and land-use decision making at the local level.

League of California Cities

The League of California Cities has been working to identify policies that will help to streamline approvals of projects with affordable housing components but that does not go as far as the ministerial ‘by-right’ proposal that the Administration offered last year which did not pass. That proposal would have increased the housing supply through a streamlined permit approval process eliminating duplicative administrative barriers, such as discretionary local government reviews for housing developments consistent with objective general plan and zoning standards. This proposal was deemed by most local governments as going too far encroaching on local land-use decisions that are such an essential function of most cities. The League hopes some of the incentive-based concepts that it floated in 2016 will gather momentum this legislative session, such as:

- Establishing a state revolving fund that can be used to update Specific Plans and complete upfront environmental reviews on targeted housing sites adjacent to transit and areas consistent with SB 375. Such a process would allow for full community engagement and environmental analysis. Following that, development of those parcels would be expedited via existing laws;
- Rewarding local agencies that approve higher density housing in designated areas by helping it “pencil out” against service costs by shifting a percentage (such as 10%) of the increased property tax accruing from the approved development to the approving city or county;
- Developing a state-local matching funding program for infill development-related infrastructure that more adequately fills the gaps in urban renewal tools left by the loss of redevelopment; and
- Establishing a real, substantial and ongoing source of affordable housing funding from any source.
Administration
On January 10, 2016, the Administration put forth the following principles with respect to housing as part of the 2017-18 fiscal year state budget:

- Streamline Housing Construction — Reduce local barriers to limit delays and duplicative reviews, maximize the impact of all public investments, and temper rents through housing supply increases;
- Lower Per-Unit Costs — Reduce permit and construction policies that drive up unit costs;
- Production Incentives — those jurisdictions that meet or exceed housing goals, including affordable housing, should be rewarded with funding and other regulatory benefits. Those jurisdictions that do not build enough to increase production should be encouraged by tying housing construction to other infrastructure-related investments;
- Accountability and Enforcement — Compliance with existing laws — such as the housing element — should be strengthened;
- No Impact to the General Fund — No new costs, or cost pressures, can be added to the state’s General Fund, if new funding commitments are to be considered;
- Any permanent source of funding should be connected to these other reforms.

The Governor’s proposed budget authorizes $3.2 billion in state and federal funding and award authority to provide grants and loans to construct affordable housing, assist first-time homeowners with down payments, and offer various supports for individuals and families experiencing homelessness. Of this amount, the following amounts are authorized:

- California Department of Housing and Community Development $ 480 million
- California Housing Finance Agency $ 2.1 billion
- Tax Credit Allocation Committee $ 342 million
- Department of Veterans Affairs (Veterans’ Housing Programs) $ 232 million
- Department of Social Services (CALWORKS) $ 88 million
- Department of Emergency Services (Youth/Violence/Victims Housing) $ 35 million
- Strategic Growth Council TBD
- Department of Health Care Services TBD
- Department Corrections and Rehabilitation TBD

Legislation
So far in this legislative session there are a significant number of ‘spot’ and intent bills addressing the state’s housing issue. Among these, two that may move are noted in this report and others will be monitored by staff as they are introduced and move through the legislative process:

- SB 2 (Atkins) — The Building Homes and Jobs Act will assess a $75 fee on real estate recorded documents, excluding those documents associated with real estate sales. The fee is capped at $225 on a per parcel, per transaction basis; transactions involving the sale of commercial and residential real estate are exempt from the fee. Fifty percent (50%) of collected fees will be distributed directly to local governments to address local needs, the remainder will be allocated by the state on a competitive basis. 20% of overall funds must be allocated to affordable homeownership needs for a growing workforce and 10% of overall funds must be used to meet
the affordable housing needs of farmworkers and their families. The funds generated will leverage an additional $2 to $3 billion in federal, local, and bank investment. SB 2 is sponsored by Housing California and the California Housing Consortium. SB 2 is referred to Senate Rules Committee for assignment and first policy hearing.

- **SB 3** (Beall) – Enacts the Affordable Housing Bond Act which if adopted by voters at the November 8, 2018 general election would authorize a $3 billion bond issuance to finance various existing housing programs as well as infill infrastructure financing and affordable housing matching grant programs. $1.5 billion of bond funds would be expended for new construction, rehabilitation, and preservation of permanent and transitional rental housing for persons with incomes of up to 60 percent of the area median income; $600 million would be expended for Transit-Oriented Development and Infill Infrastructure; $600 million would be expended for special populations housing to help farmworkers and other various affordable housing projects including new pilot projects, and $300 million to the CalHome Program to provide direct, forgivable loans to assist development projects involving multiple home ownership units, including single-family subdivisions, for self-help mortgage assistance programs, and for manufactured homes.

In total, the bond authorized by this bill would fund the following existing state programs:
- Multifamily Housing
- CalHome
- Joe Serna Farmworker Housing
- Local Housing Trust Fund Matching Grant
- Transit-Oriented Development
- Infill Infrastructure Financing
- Building Equity and Growth in Neighborhoods (BEGIN).

The bill is co-sponsored by Senators Benjamin Allen (D-Redondo Beach), Toni Atkins (D-San Diego), Bill Dodd (D-Napa), Jerry Hill (D-San Mateo), Connie Leyva (D-San Bernardino), Mike McGuire (D-San Rafael), Tony Mendoza (D-Cerritos), Bill Monning (D-San Luis Obispo), Richard Roth (D-Riverside), and Scott Wiener (D-San Francisco) and is referred to Senate Rules Committee for assignment and first policy hearing.

SB’s 2 and 3 are referred Senate Rules Committee awaiting assignment to policy committee. Both bills are supported by senate leadership.

There will very likely be numerous housing proposals that will move through the legislative process this year, many still under development. Staff will monitor and apprise the committee as any legislation consistent with board adopted priorities to increase housing stock availability are advanced in session.

**ATTACHMENTS:**
None.
DATE: January 17, 2017

TO: Legislative/Communications & Membership Committee (LCMC)

FROM: Jeffrey Dunn; Senior Legislative Analyst; (213) 236-1880; dunn@scag.ca.gov

SUBJECT: Bills of Interest

RECOMMENDED ACTION:
No Action – Information Only

EXECUTIVE SUMMARY:
This report summarizes major bills already introduced in the Legislature that impact transportation funding and water policy. Staff will continue to monitor for other legislative vehicles as they are introduced, but presently these leadership bills are the principle vehicles for policy discussion in these important areas. No hearings are yet scheduled for these bills.

STRATEGIC PLAN:
This item supports SCAG’s Strategic Plan: Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; and Goal 2: Obtain Regional Transportation infrastructure Funding and Promote Legislative Solutions for Regional Planning Priorities.

BACKGROUND:

Transportation Funding

Assembly Bill (AB) 1 (Frazier) - Assemblyman Jim Frazier has re-introduced comprehensive transportation funding legislation very similar to his bill offered in special session last year, provides $6 billion in annual funding to repair and maintain state and local roads, improve trade corridors, support public transit and active transportation.

The legislation provides:

- A $706 million repayment of outstanding transportation loans for state and local roads.
- Eliminates the BOE “true up” that causes funding uncertainty and is responsible for drastic cuts to regional transportation projects.
- Indexes transportation taxes and fees to the California CPI to keep pace with inflation.
- Streamlines transportation project delivery to help complete projects quicker and cheaper.

New annual funding to pay for these provisions comes from:

- Gasoline Excise Tax -- $1.8 billion (12 cents per gallon increase)
- Diesel Excise Tax -- $600 million (20 cents per gallon increase)
• Vehicle Registration Fee -- $1.3 billion ($38 per year increase)
• Zero Emission Vehicle Registration Fee -- $21 million ($165 per year starting in 2nd year)
• Truck Weight Fees -- $500 million (return to transportation over five years)
• Diesel Sales Tax -- $263 million (increase increment to 5.25%)
• Cap and Trade -- $300 million (from unallocated C&T funds)
• Miscellaneous transportation revenues -- $185 million

Under bill provisions, these funds will be used to pay:
• $1.9 billion annually for maintenance and rehabilitation of the state highway system.
• $2.4 billion annually for maintenance and rehabilitation of local streets and roads.
• $577 million annually to help restore the cuts to the State Transportation Improvement Program (STIP).
• $563 million annually for transit capital projects and operations.
• $600 million annually for goods movement.
• $80 million annually for active transportation, with up to $150 million possible through Caltrans efficiencies, for bicycle and pedestrian projects.

Additionally, bill provisions help to restore the independence of the California Transportation Commission (CTC) and increases CTC oversight and approval of the State Highway Operations and Protection (SHOPP) program. The bill would create the Office of Transportation Inspector General to oversee all state spending on transportation, and it requires local governments to report streets and roads projects to the CTC and continue their own funding commitments to the local system.

With respect to streamlining project delivery, this bill permanently extends existing CEQA exemption for improvements in the existing roadway. It also has a provision to permanently extend existing federal NEPA delegation for Caltrans. As well, it creates an Advance Mitigation program for transportation projects to help plan ahead for needed environmental mitigation.

Senate Bill (SB) 1 (Beall) - likewise is a reintroduction of legislation from last year with slight modifications to address the state’s infrastructure deficit, and mirrors AB 1 in many respects. This plan also proposes $6 billion annually in new and redirected funding to address the urgent needs of the state’s transportation system. Revenue adjustments and enhancements include the following:

• $5 billion annually from a phased-in 12 cent gas tax increase and restores the price-based gas excise tax rate to 2010 levels. Specifically the proposal eliminates the Board of Equalization’s annual adjustment of the gas excise tax, restores the price-based gas excise tax rate to 17.3 cents, plus enhances and indexes the base gas excise tax by an additional 12 cents to raise approximately $2.9 billion annually at the end of the phase-in period. The base gas tax would be increased gradually over three years; increasing by 6 cents in the first fiscal year, to 9 cents in year two, ultimately to 12 cents in year three.
• Increase in the diesel excise tax by 20 cents and diesel sales tax by 4%
• Increase in the vehicle registration fee by $38
• New requirement on zero-emission vehicles to pay an annual $100 fee for road maintenance and repair
• Reallocation of existing truck weight fees: $500 million annually phased-in over five years that will go towards road maintenance and repair rather than to pay down transportation bond debt service. The bill will progressively shift a portion of these revenues back to transportation by annually redirecting a portion of weight fee revenues in gradual amounts ($100 million increments) over a five year period (i.e. $100 million – year one, $200 million – year two, etc) until $500 million in weight fees are restored and used for transportation purposes. The estimated $500 million remaining (truck weight fees total approximately $1 billion/year) will continue to be used to pay down transportation debt service.

• Increase the Cap and Trade (C&T) allocation for transit by increasing the share of C&T revenues to the Low Carbon Transit Operations Program and the Transit and Intercity Rail Capital Program. The bill increases the existing percentage of funding for the C&T’s Transit and Intercity Rail Capital Program from the current 10% allocation to 20% and the Low Carbon Transit Operations Program from the current 5% to 10% in order to increase transit services that reduce greenhouse gas emissions throughout the state.

• Caltrans Efficiency improvements: Estimated $70 Million annually. The package authorizes Caltrans to generate up to $70 million in department efficiencies, the revenue from which will be allocated to the Active Transportation Program.

• Accelerate General Fund Loan Repayments: $706 million in one-time revenue repaid to transportation programs from the General Fund as under AB 1. It provides that outstanding loans made to the General Fund from the State Highway Account, the Motor Vehicle Fuel Account, the Highway Users Tax Account, and the Motor Vehicle Account will be repaid over a two year period. The package would further evenly split these revenues to provide transportation dollars to local agencies and SHOPP.

Additionally, to assist local governments in maximizing transportation dollars to invest in improving California’s transportation infrastructure, the bill sets aside $200 million annually to “self-help” counties as well as local agencies that have adopted fees (such as uniform developer fees) that are used for transportation improvements. The bill also provides an even 50/50 funding split between state and local agencies to ensure transportation maintenance and rehabilitation needs are sufficiently met throughout the state. New transportation revenue will be split equally between locals and state for road and bridge repair and maintenance.

With respect to trade corridors, the bill allocates 20 cents of the diesel excise tax or approximately $600 million annually to support the movement of goods in California’s critically important trade corridors under the existing TCIF process.

The bill also establishes the CTC as an independent agency as a means to design a more efficient project delivery system and use of state resources and, further, transfers responsibility for the approval of the State Highway Operations and Protection Program (SHOPP) from Caltrans to CTC. It also requires CTC to conduct public hearings in Northern and Southern California to get feedback on the proposed SHOPP from stakeholders and the public.

Both AB 1 and SB 1 are awaiting referral to policy committee. Consistent with board policy and last year’s support of both bills last year, SCAG will act to support the legislation at the appropriate juncture in this legislative session.
Senate Bill (SB) 4 (Mendoza) - would, subject to voter approval at the June 5, 2018 statewide primary election, enact the Goods Movement and Clean Trucks Bond Act to authorize $600 million of state general obligation bonds as follows:

- $200 million to the California Transportation Commission (CTC) for projects and programs eligible for funding from the Trade Corridors Improvement Fund (TCIF);
- $200 million to the State Air Resources Board for projects and programs consistent with the Goods Movement Emission Reduction Program; and,
- $200 million to the State Air Resources Board for projects and programs to expand the use of zero- and near-zero emission trucks in areas of the state that are designated nonattainment areas for ozone and particulate matter.

The bill revises the list of plans to be consulted by CTC in prioritizing projects for funding and would expand eligible projects to include, among others, rail landside access improvements, landside freight access improvements to airports, and certain capital and operational improvements. The bill would also identify specific amounts to be allocated from federal goods movement funds made available by the federal Fixing America’s Surface Transportation Act to certain categories of projects.

Additionally, SB 4 picks up where negotiations on AB 2170 left off last year concerning provisions supported by SCAG and its transportation partners that would clarify TCIF funding allocations for the following:

- One hundred fifty million dollars ($150,000,000) exclusively to fund improvements to California’s existing or planned land ports of entry on the border with Mexico, in consultation with the San Diego Association of Governments and the Imperial County Transportation Commission to nominate such projects that make border capital and operational improvements to enhance goods movement between California and Mexico and contribute to the reduction of emissions;
- Seventy million dollars ($70,000,000) dedicated exclusively to fund projects jointly nominate by Caltrans and a regional transportation planning agency for projects that provide for the elimination, alteration, or improvement of hazardous railroad-highway grade crossings;
- Three hundred sixty million dollars ($360,000,000) for projects nominated by regional transportation agencies and other public agencies, including counties, cities, and port authorities, in consultation with Caltrans, and consistent with corridor-based programming targets contained in the existing TCIF guidelines or as amended by the CTC, to provide reasonable geographic targets for funding allocations without constraining what an agency may propose or what the commission may approve.

In addition, the bill includes one provision that was proposed at the end of session in 2016 and was objected to by SCAG and other local transportation partners requiring the CTC, in selecting projects for funding from TCIF to give highest priority for funding allocations to projects jointly nominated by Caltrans and a regional or other public agency. (Emphasis added).

Local stakeholders including SCAG last year expressed concern regarding this provision, asserting that it is an overreach by the department that would give Caltrans effective control over which projects would be selected for allocation from these scarce funds, as applications will certainly greatly exceed
funding available from TCIF and, thus, only the highest priority projects would likely be funded. Thus, while SCAG is supportive of the overreaching objectives of the bill and notes its consistency with AB 2170, staff will remain in communication with the author and leadership concerning future actions and movement in conjunction with the Governor’s budget priorities just announced, and possibly recommend a position or further action at the February meeting of this committee for its consideration.

SB 4 is referred to Senate Rules Committee awaiting assignment to policy committee for first hearing.

**Water/Drought Preparedness**

**Senate Bill 5 (De Leon)** – would enact the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act which would authorize a $3 billion bond issuance to finance a drought, water, parks, climate, coastal protection, and outdoor access for all program if approved by voters at the June 5, 2018 statewide primary election.

According to the author, the bill is offered in recognition of the fact that it has been three years after the initial inception of the drought that a water bond was approved, and much of those funds have been spent. It has been nearly 14 years since California last approved a true parks and open space bond and the 2008 economic downturn, combined with 5 years of drought, have had a disproportionate impact on local and regional water and parks infrastructure.

This measure would authorize the issuance of $3 billion in general obligation bonds for the following:

- $1.5 billion for Parks, which would provide -
  - $800 million for disadvantaged communities
  - $100 million for local and regional outdoor spaces/climate resiliency
  - $200 million for state parks
  - $50 million for CNRA for trails and waterfront greenway investment
  - $20 million for rural recreation and tourism
  - $200 million for rivers and recreation

- $1.5 billion for Drought/Water:
  - $1 billion for clean drinking water, drought response
  - $400 million for climate/drought
  - $200 million for conservancies for drought/water investments

SB 5 is referred to Senate Rules Committee awaiting assignment to policy committee.

**Assembly Bill (AB) 18 (E. Garcia)** - would enact the California Clean Water, Climate and Coastal Protection and Outdoor Access for All Bond Act authorizing a $3 billion bond issuance to finance programs similar to those outlined in SB 5, if approved by voters at the June 5, 2018 statewide primary election.

The proposal would authorize bond proceeds to be expended as follows:
• $900 million for the creation and expansion of safe neighborhood parks in park-poor neighborhoods within disadvantaged communities;
• $600 million to plan, develop, and implement climate adaptation and resiliency projects;
• $425 million for local park rehabilitation, creation, and improvement grants to local governments on a per capita basis;
• $330 million for restoration and preservation of existing state park facilities and units;
• $225 million for river recreation, creek, stormwater, and waterway improvement programs including $30 million for Salton Sea management,
• $145 million for state conservancy funding and the remainder for various programs to enhance coastlines, recreation and tourism, and other similar purposes.

AB 18 is awaiting referral to policy committee.

Staff notes that water/drought principles recommended by the LCMC supporting administrative/legislative action and federal and state funding to keep the Bay Delta Conservation Plan/California WaterFix on schedule to advance conveyance and ecosystem improvements to help achieve the coequal goals of water supply reliability and Delta ecosystem restoration were inadvertently left off of the priorities adopted by the Regional Council in January. The priority will be brought to the February EAC/RC meeting as a consent item to conform to the committee’s recommendation and prior RC action.

ATTACHMENTS:
None.
AB 1  (Frazier D)  Transportation funding.
Introduced: 12/5/2016
Status: 12/6/2016-From printer. May be heard in committee January 5.
Location: 12/5/2016-A. PRINT

Summary:
Would create the Road Maintenance and Rehabilitation Program to address deferred maintenance on the state highway system and the local street and road system. The bill would require the California Transportation Commission to adopt performance criteria, consistent with a specified asset management plan, to ensure efficient use of certain funds available for the program. The bill would provide for the deposit of various funds for the program in the Road Maintenance and Rehabilitation Account, which the bill would create in the State Transportation Fund.

History:
2016
Read first time. To print.
From printer. May be heard in committee January 5.

Organization:  SCAG
Position:  Tracking

AB 13  (Eggman D)  —580 Marine Highway.
Introduced: 12/5/2016
Status: 12/6/2016-From printer. May be heard in committee January 5.
Location: 12/5/2016-A. PRINT

Summary:
Would require the Department of Transportation to implement and oversee the —580 Marine Highway corridor project to reduce traffic by facilitating a permanent shift in container traffic away from truck transport to marine transport between the Port of Oakland and the Port of Stockton. The bill would require that the project be funded by an appropriation in the Budget Act of 2017 of $85,000,000.

History:
2016
Read first time. To print.
From printer. May be heard in committee January 5.

Organization:  SCAG
Position:  Tracking

AB 17  (Holden D)  Transit Pass Program: free or reduced-fare transit passes.
Introduced: 12/5/2016
Status: 12/6/2016-From printer. May be heard in committee January 5.
Location: 12/5/2016-A. PRINT

Summary:
Would create the Transit Pass Program to be administered by the Department of Transportation. The bill would require the Controller of the State of California to allocate moneys made available for the program, upon appropriation by the Legislature, to support transit pass programs that provide free or reduced-fare transit passes to specified pupils and students.

History:
2016
Read first time. To print.
From printer. May be heard in committee January 5.

Organization:  SCAG
Position:  Tracking
**AB 28** (Frazier D)  Department of Transportation: environmental review process: federal pilot program.

*Introduced: 12/5/2016*

*Status: 12/6/2016-From printer. May be heard in committee January 5.*

*Location: 12/5/2016-A. PRINT*

**Summary:**

Current federal law requires the United States Secretary of Transportation to carry out a surface transportation project delivery pilot program, under which the participating states assume certain responsibilities for environmental review and clearance of transportation projects that would otherwise be the responsibility of the federal government. Current law, until January 1, 2017, provided that the State of California consents to the jurisdiction of the federal courts with regard to the compliance, discharge, or enforcement of the responsibilities it assumed as a participant in the pilot program. This bill would reinstate the operation of the latter provision.

**History:**

2016

Read first time. To print.

From printer. May be heard in committee January 5.

**Organization:** SCAG

**Position:** Tracking

**AB 30** (Caballero D)  Planning and zoning: specific plan: housing.

*Introduced: 12/5/2016*

*Status: 12/6/2016-From printer. May be heard in committee January 5.*

*Location: 12/5/2016-A. PRINT*

**Summary:**

Would authorize a legislative body of a city or county to identify an area of underperforming infill and direct the planning agency to prepare a specific plan, in accordance with specified described provisions and specified additional procedures, to provide for immediate development within that area. The bill would require the specific plan make certain findings relating to the need for affordable housing and to designate the specific plan area as an overlay zone in which development is permitted by right. The bill would require the legislative body conduct at least one public hearing before approving a specific plan pursuant to these provisions to provide for community participation.

**History:**

2016

Read first time. To print.

From printer. May be heard in committee January 5.

**Organization:** SCAG

**Position:** Tracking

**AB 33** (Quirk D)  Greenhouse gases from transportation: reduction: fees and rebates on new vehicle purchases.

*Introduced: 12/5/2016*

*Status: 12/6/2016-From printer. May be heard in committee January 5.*

*Location: 12/5/2016-A. PRINT*

**Summary:**

Would state the intent of the Legislature to enact legislation to reduce net emissions from greenhouse gases from transportation by imposing fees and granting rebates on sales of new automobiles and light trucks.

**History:**

2016

Read first time. To print.

From printer. May be heard in committee January 5.

**Organization:** SCAG

**Position:** Tracking

**AB 63** (Frazier D)  Driver’s licenses: provisional licenses.
During the first 12 months after issuance of a provisional license, existing law prohibits the licensee from driving between the hours of 11 p.m. and 5 a.m. and transporting passengers who are under 20 years of age. This bill would extend the applicable age range for the program to 16 to under 21 years of age.

History:
2016
Introduced. To print.
From printer. May be heard in committee January 12.
2017
Read first time.

Organization: SCAG
Position: Tracking

AB 65 (Patterson R) Transportation bond debt service.
Introduced: 12/13/2016
Status: 1/4/2017-Read first time.
Location: 12/13/2016-A. PRINT

Summary: Current law provides for transfer of certain vehicle weight fee revenues to the Transportation Debt Service Fund to reimburse the General Fund for payment of current year debt service on general obligation bonds issued for transportation purposes, including bonds issued for high-speed rail and associated purposes pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century (Proposition 1A of 2008). This bill would specifically exclude from payment under these provisions the debt service for Proposition 1A bonds.

History:
2016
Introduced. To print.
From printer. May be heard in committee January 13.
2017
Read first time.

Organization: SCAG
Position: Tracking

AB 66 (Patterson R) High-Speed Rail Authority: reports.
Introduced: 12/13/2016
Status: 1/4/2017-Read first time.
Location: 12/13/2016-A. PRINT

Summary: Would require the business plan of the High-Speed Rail Authority to identify projected financing costs for each segment or combination of segments of the high-speed rail system, if financing is proposed by the authority. The bill would require the authority to identify in the business plan and in another report any significant changes in scope for segments of the high-speed rail system identified in the previous version of each report and to provide an explanation of adjustments in cost and schedule attributable to the changes.

History:
2016
Introduced. To print.
From printer. May be heard in committee January 13.
2017
Read first time.

Organization: SCAG
**AB 69** (Allen, Travis R)  
**State highways: roadside rests.**  
**Introduced:** 12/16/2016  
**Status:** 1/4/2017-Read first time.  
**Location:** 12/16/2016-A. PRINT

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**Summary:**  
Current law provides that the Department of Transportation has full possession and control of the state highway system and associated property. Current law authorizes the department to plan, design, and construct a system of safety roadside rests along state highways. Current law requires the department to design only those safety roadside rests that are reasonably economical and that will provide the motorist a place where he or she may stop for a short time during daytime and nighttime hours. This bill would make nonsubstantive changes to these provisions.

**History:**  
2016  
Introduced. To print.  
From printer. May be heard in committee January 18.  
2017  
Read first time.

**Organization:** SCAG  
**Position:** Tracking

**AB 73** (Chiu D)  
**Planning and zoning: housing sustainability districts.**  
**Introduced:** 12/16/2016  
**Status:** 1/4/2017-Read first time.  
**Location:** 12/16/2016-A. PRINT

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**Summary:**  
Would authorize a city, county, or city and county, including a charter city, charter county, or charter city and county, to establish by ordinance a housing sustainability district that meets specified requirements, including authorizing residential use within the district through the ministerial issuance of a permit. The bill would authorize the city, county, or city and county to apply to the Office of Planning and Research for approval for a zoning incentive payment and require the city, county, or city and county to provide specified information about the proposed housing sustainability district ordinance.

**History:**  
2016  
 Introduced. To print.  
From printer. May be heard in committee January 18.  
2017  
Read first time.

**Organization:** SCAG  
**Position:** Tracking

**AB 87** (Ting D)  
**Autonomous vehicles.**  
**Introduced:** 1/5/2017  
**Status:** 1/6/2017-From printer. May be heard in committee February 5.  
**Location:** 1/5/2017-A. PRINT

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**Summary:**  
Current law requires the Department of Motor Vehicles to adopt regulations no later than January 1, 2015, setting forth requirements for the submission of evidence of insurance, surety bond, or self-insurance, and for the submission and approval of an application to operate an autonomous vehicle. Under current law, it is unlawful and constitutes an infraction for any person to violate, or fail to comply with any provision of the Vehicle Code, unless otherwise specified. This bill would provide that violation of this section is not an infraction and would instead, among other things, require the department to revoke the registration of a vehicle that is being operated in violation of those provisions.

**History:**  
2017
SB 1 (Beall D) Transportation funding.  
Introduced: 12/5/2016  
Status: 12/6/2016-From printer. May be acted upon on or after January 5.  
Location: 12/5/2016-S. RLS.  

Summary:  
Would create the Road Maintenance and Rehabilitation Program to address deferred maintenance on the state highway system and the local street and road system. The bill would require the California Transportation Commission to adopt performance criteria, consistent with a specified asset management plan, to ensure efficient use of certain funds available for the program. This bill contains other related provisions and other existing laws.  
History:  
2016  
Introduced. Read first time. To Com. on RLS. for assignment. To print. (Corrected December 6). From printer. May be acted upon on or after January 5.

SB 2 (Atkins D) Building Homes and Jobs Act.  
Introduced: 12/5/2016  
Status: 12/6/2016-From printer. May be acted upon on or after January 5.  
Location: 12/5/2016-S. RLS.  

Summary:  
Would enact the Building Homes and Jobs Act. The bill would make legislative findings and declarations relating to the need for establishing permanent, ongoing sources of funding dedicated to affordable housing development. The bill would impose a fee, except as provided, of $75 to be paid at the time of the recording of every real estate instrument, paper, or notice required or permitted by law to be recorded, per each single transaction per single parcel of real property, not to exceed $225. By imposing new duties on counties with respect to the imposition of the recording fee, the bill would create a state-mandated local program.  
History:  
2016  
Introduced. Read first time. To Com. on RLS. for assignment. To print. From printer. May be acted upon on or after January 5.

SB 3 (Beall D) Affordable Housing Bond Act of 2018.  
Introduced: 12/5/2016  
Status: 12/6/2016-From printer. May be acted upon on or after January 5.  
Location: 12/5/2016-S. RLS.  

Summary:  
Would enact the Affordable Housing Bond Act of 2018, which, if adopted, would authorize the issuance of bonds in the amount of $3,000,000,000 pursuant to the State General Obligation Bond Law. Proceeds from the sale of these bonds would be used to finance various existing housing programs, as well as infill infrastructure financing and affordable housing matching grant programs, as provided. This bill contains other related provisions.  
History:  
2016  
Introduced. Read first time. To Com. on RLS. for assignment. To print. (Corrected December 6).
From printer. May be acted upon on or after January 5.


**Introduced:** 12/5/2016  
**Status:** 12/6/2016-From printer. May be acted upon on or after January 5.  
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**Summary:**  
Would, subject to voter approval at the June 5, 2018, statewide primary election, enact the Goods Movement and Clean Trucks Bond Act to authorize $600,000,000 of state general obligation bonds as follows: $200,000,000 to the California Transportation Commission for projects and programs eligible for funding from the Trade Corridors Improvement Fund; $200,000,000 to the State Air Resources Board for projects and programs consistent with the Goods Movement Emission Reduction Program; and $200,000,000 to the State Air Resources Board for projects and programs to expand the use of zero- and near-zero emission trucks in areas of the state that are designated as severe or extreme nonattainment areas for ozone and particulate matter.

**History:**  
2016  
Introduced. Read first time. To Com. on RLS. for assignment. To print.  
From printer. May be acted upon on or after January 5.

**Organization:** SCAG  
**Position:** Tracking

**SB 19** (Hill D) Public Utilities Commission: duties and responsibilities: governance.

**Introduced:** 12/5/2016  
**Status:** 12/6/2016-From printer. May be acted upon on or after January 5.  
**Location:** 12/5/2016-S. RLS.

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**Summary:**  
Would prohibit an executive of a public utility from serving as a commissioner within 2 years after leaving the employment of the utility. The bill would require the Public Utilities Commission to maintain an updated Conflict of Interest Code and Statement of Incompatible Activities. The bill would establish an ethics officer within the legal division of the commission. The ethics officer would be appointed by the commission and would be responsible for instituting a program of enhanced ethics training for all commissioners and employees of the commission.

**History:**  
2016  
Introduced. Read first time. To Com. on RLS. for assignment. To print.  
From printer. May be acted upon on or after January 5.

**Organization:** SCAG  
**Position:** Tracking

**SB 20** (Hill D) Vehicles: buses: seatbelts.

**Introduced:** 12/5/2016  
**Status:** 12/6/2016-From printer. May be acted upon on or after January 5.  
**Location:** 12/5/2016-S. RLS.

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**Summary:**  
Current law prohibits a person from operating a motor vehicle on a highway unless that person and all passengers 16 years of age or over are properly restrained by a safety belt. Existing law makes the violation of this provision an infraction. This bill would also require a passenger in a bus that is equipped with safety belts to be properly restrained by a safety belt. The bill would also require a bus operator to inform passengers of the requirement to wear a seatbelt and would authorize a bus driver to post, or allow to be posted, signs or placards informing passengers of the requirement to wear a seatbelt, as specified.
SB 37 (Roth D) Local government finance: property tax revenue allocations: vehicle license fee adjustments.

Introduced: 12/5/2016
Status: 12/6/2016-From printer. May be acted upon on or after January 5.
Location: 12/5/2016-S. RLS.

Summary:
Beginning with the 2004–05 fiscal year and for each fiscal year thereafter, existing law requires that each city, county, and city and county receive additional property tax revenues in the form of a vehicle license fee adjustment amount, as defined, from a Vehicle License Fee Property Tax Compensation Fund that exists in each county treasury. Current law requires that these additional allocations be funded from ad valorem property tax revenues otherwise required to be allocated to educational entities. This bill would modify these reduction and transfer provisions for a city incorporating after January 1, 2004, and on or before January 1, 2012, for the 2017–18 fiscal year and for each fiscal year thereafter, by providing for a vehicle license fee adjustment amount calculated on the basis of changes in assessed valuation.

History:
2016
Introduced. Read first time. To Com. on RLS. for assignment. To print.
From printer. May be acted upon on or after January 5.