



July 9, 2020
TAC Agenda Item 7.5
Continued From: New

Action Requested: **INFORMATION**

NAPA VALLEY TRANSPORTATION AUTHORITY

TAC Agenda Letter

TO: Technical Advisory Committee
FROM: Kate Miller, Executive Director
REPORT BY: Kate Miller, Executive Director
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SUBJECT: State Legislative Update, State Bill Matrix and Active Transportation Bill Matrix

RECOMMENDATION

Information only

EXECUTIVE SUMMARY

State Update

Attached are the State legislative update (Attachment 1), the State Bill Matrix (Attachment 2).

Staff is requesting that the NVRTA board take a support position on SB 288 (Weiner) that would exempt certain transportation projects in urbanized areas from the California Environmental Quality Act.

PROCEDURAL REQUIREMENTS

1. Staff Report
2. Public Comments

FISCAL IMPACT

Is there a Fiscal Impact? No

SUPPORTING DOCUMENTS

- Attachments: (1) June 30, 2020 State Legislative Update (Platinum Advisors)
(2) June 30, 2020 State Bill Matrix (Platinum Advisors)



June 30, 2020

TO: Kate Miller, Executive Director
Napa Valley Transportation Authority

FR: Steve Wallauch
Platinum Advisors

RE: Legislative Update

Done Deal: Governor Newsom signed the budget agreement and nearly all the trailer bills into law yesterday. The 2020-21 Budget provides for a \$202 billion spending plan that addresses a \$54 billion deficit caused by the COVID-19 recession. There are three budget trailer bills pending in the legislature that will be addressed when the Senate and Assembly return after summer recess. These include a measure on public safety, paid family leave, and a measure to exempt solar facilities from the pending split-roll initiative.

The Assembly is currently on their summer recess, and the Senate is scheduled to begin recess on July 2nd – both houses will reconvene on July 13th.

The following summarizes the budget agreement:

- Reserves—The Budget draws down \$8.8 billion in reserves from the Rainy Day Fund (\$7.8 billion), the Safety Net Reserve (\$450 million), and all the funds in the Public School System Stabilization Account.
- Triggers—The Budget includes \$11.1 billion in reductions and deferrals that will be restored if at least \$14 billion in federal funds are received by October 15, 2020.
- Federal Funds—The Budget relies on \$10.1 billion in federal funds that provide General Fund relief, including \$8.1 billion already received.
- Revenues—The Budget suspends the use of net operating losses for medium and large businesses and temporarily limits to \$5 million the amount of business incentive credits a taxpayer can use in any given tax year. These short-term limitations will generate \$4.4 billion in new revenues in the 2020-21 fiscal year.
- Borrowing/Transfers/Deferrals—The Budget relies on \$9.3 billion in special fund borrowing and transfers, as well as other deferrals for K-14 schools.

Transportation Trailer Bill: AB 90 (Chapter 17, Statutes of 2020) was enacted and takes effect immediately. This bill contains changes to transportation statutes, in particular relief for public transit operators. The bills include the following provisions:

- Institutes hold harmless provision for calculation and allocation of State Transit Assistance (STA) Program, STA-State of Good Repair, and Low Carbon Transit Operations Program allocations (Local Revenue Basis Only) for the 2020-

2021 and 2021-2022 budget years. Specifically, this change directs the State Controller to “freeze” for the 2020-21 and 2021-22 budget years the local revenue allocation factors used most recently before the pandemic; and, to allocate to transit agencies funds under these three programs using those same allocation factors, as opposed to updating the factors each year.

- Temporarily suspends the financial penalties associated with the Transportation Development Act's requirements that transit agencies obtain specified fixed percentages of their operating budgets from passenger fares for the 2020-2021 and 2021-2022 budget years. As transit ridership has declined due to the COVID-19 pandemic, this language would prevent agencies from being penalized due to the ongoing public health crisis.
- Temporarily suspends, for the 2020-2021 and 2021-2022 budget years, the financial penalties associated with the State Transit Assistance Program's requirement that transit agencies' operating cost per revenue vehicle hour may not exceed operating cost per revenue vehicle hour adjusted by regional CPI, year over year. Suspending this requirement would prevent transit agencies from being penalized for increasing maintenance and sanitation spending during the ongoing public health crisis.
- Requires retailers of aircraft jet fuel to report quarterly to the California Department of Tax and Fee Administration (CDTFA) on their sales of aircraft jet fuel. This bill makes failure to comply with this requirement subject to a fine. It would further require CDTFA to post the information from these reports online on a quarterly basis to comply with applicable Federal Aviation Administration policy.
- Delays until no later than December 15, 2020 the business plan that the High-Speed Rail Authority was required to submit by May 1, 2020 and requires the independent peer review group to review the plan prior to the authority adopting the plan. Also, eliminates the requirement that the authority provide a project update report to the Legislature on or before March 1, 2021.
- Appropriates \$1,705,000 from the Air Pollution Control Fund for the Department of Motor Vehicles to implement the requirements of SB 210 (Leyva), Chapter 298, Statutes of 2019. The requested funds will allow the DMV to develop an information technology (IT) system that will receive data from the California Air Resources Board regarding heavy-duty truck smog violations to assist the Board in improving its emissions control program for heavy-duty vehicles.

Transportation: Over the next 5 years gasoline excise tax revenue is expected to drop by \$1.8 billion, with \$1.2 billion of the hit being to the 19-20 and 20-21 fiscal years. This shows Department of Finance is assuming a fairly quick economic rebound. The budget year is also forecasting a drop in diesel sales tax revenue, which will impact transit operating funds. However, other funding sources, such as SB 1 vehicle registration fees, are so far stable.

Transit Funds: The Budget adjusts downward the funds allocated to public transit operators via the State Transit Assistance (STA) formula from \$806 million in January to \$528 million. However, the Low Carbon Transit Operations Program (LCTOP) funds remain at \$115 million. The primary source of the drop in STA is the forecast drop in the value of diesel fuel sales. LCTOP was considered stable as the funding source for this

program are cap & trade auction revenues; however, the dismal results from the May 20th auction raises concerns about the stability of the LCTOP funds in 2020-21.

Cap and Trade Expenditure Plan: Adoption of the cap & trade expenditure plan has been deferred until August. *The budget does appropriate \$200,000 to California Air Resources Board (CARB) to begin a rule making process to adopt a 2022 Scoping Plan. Included in this update will be the review and identification of any policies, including the cap & trade auction program, that need to be changed in order to ensure that the 2030 reduction targets are met.*

Climate Catalyst Fund: AB 78 was enacted to create the framework for the Climate Catalyst Revolving Loan program. This could be a potential funding source to finance zero emission vehicles and fueling infrastructure.

While the budget trailer bill would create the Climate Catalyst Revolving Loan Fund Account, the budget does not appropriate any funds for this program. However, AB 78 allows the IBank to accept outside funding for this program, which could allow the IBank to use private funds to finance projects. The trailer bills include the following provisions:

- Defines “climate catalyst project” as any building, structure, equipment, infrastructure, or other improvement within California, or financing the general needs of any sponsor or participating party for operations or activities within the state that are consistent with, and intended to, further the purposes of the act.
- Requires the IBank to administer the fund and provides how the IBank is to administer the moneys, such as authorizing the bank to pledge moneys in the fund as security for the payment on an issuance of bonds for purposes of this act.
- Requires the Strategic Growth Council (SGC), in consultation with the Labor and Workforce Development Agency, to advise the Legislature of potential categories of climate catalyst projects that focus on the state’s key climate mitigation and resilience priorities and inform IBank of the advice provided to the Legislature.
- Requires the IBank to prepare and submit a report, as specified, regarding the fund’s program activities for the preceding fiscal year to SGC, the Governor, and the Legislature.

LEGISLATION:

CEQA Exemptions: Senator Scott Wiener gutted and amended SB 288 to grant an exemption from CEQA review for bicycle, pedestrian and transit projects. This measure is being sponsored by the San Francisco Bay Area Planning and Urban Research Association (SPUR), the Bay Area Council, and the Silicon Valley Leadership Group. SB 288 is currently in the Assembly Rules Committee pending assignment to a policy committee. In summary, SB 288 would exempt from environmental review a specific project that includes the following:

- Publicly accessible zero emission vehicle fueling stations.
- Pedestrian and bicycle facilities.
- A project for the institution or increase of public mass transit, including bus, bus rapid transit, light rail, and passenger rail, or commuter services on existing rail or

highway rights of way. This includes modernizing stations, transit priority projects, the conversion of existing general purpose lanes to HOV lanes, toll lanes, or bus only lanes.

- A project for the institution or increase of passenger or commuter service on high-occupancy vehicle lanes or existing roadway shoulders.
- Rail, light rail, and bus maintenance, repair, storage, administrative, and operations facilities.
- The repair or rehabilitation of publicly owned local, major or minor collector, or minor arterial or major arterial bridges, provided that the repair or rehabilitation does not add automobile capacity

However, the exemption only applies to projects located in an urbanized area or if the project connects two or more urbanized areas, and the lead agency is a public agency. In addition, the project cannot add new automobile capacity and the projects must be completed by a skilled and trained workforce, or use a project labor agreement.



June 30, 2020

Action Items

Bills	Subject	Status	Client - Position
SB 288 (Wiener D) California Environmental Quality Act (CEQA): exemptions.	<p>SB 288 was recently gutted and amended to exempt from CEQA certain transit and bicycle projects. Specifically, the bill includes an exemption from CEQA for the following projects:</p> <ul style="list-style-type: none"> Publicly accessible zero emission vehicle fueling stations. Pedestrian and bicycle facilities. Project for the institution or increase of public mass transit, including bus, bus rapid transit, light rail, and passenger rail, or commuter services on existing rail or highway rights of way, A project for the institution or increase of passenger or commuter service on high-occupancy vehicle lanes or existing roadway shoulders. Rail, light rail, and bus maintenance, repair, storage, administrative, and operations facilities. 	ASSEMBLY RULES	Support

Existing Positions

Bills	Subject	Status	Client Positions
AB 1350 (Gonzalez D) Youth Transit Pass Pilot Program.	<p>AB 1350 (Gonzalez) was introduced last year with the intent of creating a funding program to provide free student bus passes. However, AB 1350 was amended earlier this month to replace the grant program with a mandate on transit operators.</p>	<p>Senate Transp.</p> <p><i>Assemblywoman Gonzalez will not move this bill. To be reintroduced next year.</i></p>	OPPOSE Unless Amended

<p><u>AB 1350</u> (Gonzalez D) (Continued)</p>	<p>As drafted, if a public transit operator wants to receive State Transit Assistance (STA), Transportation Development Act (TDA) or Low Carbon Transit Operations Program (LCTOP) funds then it shall provide free buses to persons 18 years of age and under. While the bill states that these free passes will be counted as a full fare for purposes of farebox calculations, this would still create a significant fiscal impact on transit operators.</p> <p>While the author intends to address the fiscal impact of this bill, on behalf of NVTa we intend to work with the author to include a stable long-term funding source that is sufficient to address the cost impact.</p>		
<p><u>AB 1839</u> (Bonta D) Climate change: California Green New Deal.</p>	<p>AB 1839 proposes a Green New Deal for California.</p> <p>As currently drafted, this measure would establish a policy framework of principles and goals to address negative climate change impacts and inequity. One of the elements of the New deal include increasing affordable housing and public transportation by doubling their current availability by 2030. AB 1839 would create the California Green New Deal Council, which would consist of specified agency secretaries. This Council will develop and submit a report to the Legislature on recommendations and policies to achieve the specified goals.</p> <p>However, the current version is a general outline of future content. Amendments are expected that provide more details on how the goals of the Green New Deal will achieved.</p>	<p>ASSEMBLY PRINT</p> <p><i>Assemblyman Bonta will not move this bill. To be reintroduced next year.</i></p>	<p>Watch</p>
<p><u>AB 2012</u> (Chu D) Free senior transit passes: eligibility for state funding.</p>	<p>AB 2012 by Assemblyman Kansen Chu was introduced on January 28th. Similar to AB 1350, this bill would mandate all public transit operators to provide free transit passes to individuals aged 65 and over if the operators want to remain eligible to receive STA, TDA and LCTOP funds.</p>	<p>ASSEMBLY TRANS</p> <p><i>Assemblyman Chu will not move this bill. To be reintroduced next year.</i></p>	<p>Oppose Unless Amended</p>

<u>AB 2012</u> <u>(Chu D)</u> <i>(Continued)</i>	To be consistent with the action on AB 1350, an Oppose Unless Amended position is also recommended on AB 2012.		
<u>AB 2057</u> <u>(Chiu D)</u> San Francisco Bay area: public transportation	AB 2057 is currently a spot bill that contains intent language to establish a seamlessly integrated regional transit system. While the impetus for this legislation is from the Seamless Bay Area effort, Assemblyman Chiu intends to work with transit operators to craft legislation that will advance service coordination and fare integration throughout the Bay Area. This will not be an easy process, but one that we will be actively involved in.	ASSEMBLY TRANS <i>Assemblyman Chiu will not move this bill. To be reintroduced next year.</i>	WATCH
<u>AB 2176</u> <u>(Holden D)</u> Free student transit passes: eligibility for state funding.	AB 2176 is also structured the same as AB 1350 and AB 2012, but it would require transit operators to provide a free transit pass to any student enrolled in community college, CSU, or UC. As proposed to be amended AB 2176 would require each transit agency and each community college, CSU, or UC located within the transit operators' service area to enter into an agreement to offer free or reduced fare transit passes to students. In addition, AB 2176 would require any community college, CSU or UC that currently charges a student fee for public transit service shall use that revenue solely for transit services.	ASSEMBLY TRANS <i>Assemblyman Holden will not move this bill. To be reintroduced next year.</i>	Oppose Unless Amended
<u>AB 2542</u> <u>(Kalra D)</u> Local transportation funds: State Transit Assistance Program: reports.	AB 2542 revises provisions of annual reporting requirements in relation to the State Transit Assistance Program (STA). It would shift the deadline for when a regional transportation planning agency (RTPA) must submit an STA eligibility report to the State Controller's Office (SCO) to within seven months of the end of each fiscal year. It would also require SCO to compile, publish, and make publicly available on its website the data and information of all transit operator financial transaction reports (FTRs) on or before November 1 of each year.	SENATE TRANSP	SUPPORT

<p><u>AB 2730</u> <u>(Cervantes D)</u> Access and functional needs: local government: agreement for emergency management, transportation, and paratransit services</p>	<p>The intent of AB 2730 is update local emergency evacuation plans to include agreements on the use of paratransit vehicles to evacuate vulnerable population. However, the structure of the bill raises concerns by placing these agreements outside the normal emergency planning process.</p> <p>AB 2730 requires a regional transit district, county transportation commission, or other local transportation authority that provides paratransit services to enter into an agreement with adjacent regional transit districts, county transportation commissions, or local transportation authorities, upon request of the adjacent district, commission, or authority, for purposes of permitting the adjacent district, commission, or authority to borrow, for compensation, paratransit vehicles and drivers in the event of an emergency that requires the evacuation and relocation of the access and functional needs population in the jurisdiction or service area of the adjacent district, commission, or authority.</p> <p>Provides that a regional transit district, county transportation commission, local transportation authority, county, or city and county is required to enter into an agreement described above within 2 years of a request for the agreement.</p>	<p>SENATE RULES</p>	<p>WATCH</p>
<p><u>AB 3209</u> <u>(Aguiar-Curry D)</u> California Transportation Commission.</p>	<p>As amended, AB 3209 would authorize the NVTa to develop and submit to the California Transportation Commission a local alternative transportation investment plan. The plan would direct the re-investment of proceeds from the sale excess right-of-way located at the intersection of State Highway Route 29 and State Highway Route 221 to address transportation problems and opportunities on state highways in the county.</p>	<p>ASSEMBLY TRANS</p> <p><i>Assemblywoman Aguiar-Curry with NVTa's consent has decided not to move this bill. To be reintroduced next year.</i></p>	<p>SPONSOR</p>

<p><u>ACA 1</u> (<u>Aguiar-Curry D</u>) Local government financing: affordable housing and public infrastructure: voter approval.</p>	<p>ACA 1 failed passage on the Assembly Floor. Reconsideration was granted, and another attempt is possible, but the measure was 8 votes short of the 54 needed for passage. A few Democrat members voted No, and several others abstained. Given the stigma that this measure erodes Prop 13 protections makes it unlikely it will secure the needed support to move to the Senate.</p> <p>ACA 1 would lower the voter threshold for property tax increases, parcel taxes and sales taxes to 55% if the funds are used for affordable housing and infrastructure projects. This includes capital improvements to transit and streets and highways.</p> <p>However, ACA 1 does not allow for the 55% local measure to use the tax revenue for transit operations.</p>	<p>ASSEMBLY FLOOR</p> <p>Failed Passage – Reconsideration Granted</p> <p><i>Assemblywoman Aguiar-Curry might try again later this session.</i></p>	<p>SUPPORT</p>
<p><u>SB 336</u> (<u>Dodd D</u>) Transportation: fully-automated transit vehicles.</p>	<p>SB 336 aims to address safety and customer service issues by requiring at least one public transit employee to be present on any fully automated transit vehicle. The public transit employee shall be trained in passenger safety, communications, emergency preparedness, and assisting the disabled and elderly.</p> <p>SB 336 would also require any transit operator that deploys an autonomous vehicle to submit a report to the legislature on that deployment by March 31st, 2025. SB 336 would sunset on January 1, 2025.</p>	<p>ASSEMBLY TRANSP – Two-Year Bill</p> <p><i>This bill will likely not move this year.</i></p>	<p>SUPPORT</p>
<p><u>SB 1408</u> (<u>Dodd D</u>) State Route 37 Toll Bridge Act.</p>	<p>SB 1408 would authorize another toll bridge in the Bay Area. While the bill currently does not specify the entity that would operate and maintain the toll facilities, the bill would authorize a toll for the use of the Sonoma Creek Bridge along Highway 37. The primary purpose of the toll authority is to fund improvement to the Highway 37 corridor that address sea level rise threats, flooding, and congestion.</p>	<p>SENATE TRANSP</p> <p><i>Senator Dodd will not move this bill. To be reintroduced next year.</i></p>	<p>SUPPORT</p>