



® Housing, Land Use and Transportation Policy Committee Meeting
CSAC 127th Annual Meeting
Wednesday, December 1, 2021 — 8:30am – 10:00am
In-person: Portola Hotel Monterey, Bonsai Room
Conference Line: 916-517-4217; no passcode
Monterey County, California

Supervisor David Rabbitt, Sonoma County, Chair
Supervisor Jennifer Kreitz, Mono County, Vice Chair

- 8:30 am I. Welcome and Introductions**
Supervisor David Rabbitt, Sonoma County, Chair
Supervisor Jennifer Kreitz, Mono County, Vice Chair
- 8:35 am II. 2022 Housing, Land Use and Transportation Priorities – ACTION ITEM**
Chris Lee, Legislative Representative, CSAC
Marina Espinoza, Senior Legislative Analyst, CSAC
Attachment One: 2022 HLT Priorities and 2021 Year in Review
Attachment Two: 2021 HLT Legislative Advocacy Outcomes
- 8:50 am III. The Infrastructure Investment and Jobs Act: Upcoming Opportunities for County Transportation Projects**
Joe Krahn, CSAC Federal Representative, Paragon Government Relations
Matt Randall, Engineering Manager/Road Superintendent, Placer County
Chris Lee, Legislative Representative, CSAC
Attachment Three: IJA Transportation Summary
Attachment Four: Local Streets and Roads Needs Assessment Memo
Attachment Five: Bridge Needs Assessment Executive Summary
- 9:15 am IV. The Future of the Gas Tax & California Transportation Revenue Trends**
Professor Asha Weinstein Agrawal, Director, Mineta Transportation Institute Center on Transportation Finance, San Jose State University
Lauren Prehoda, Road Charge Program Manager, California Department of Transportation
Attachment Six: How Do California's Local Governments Fund Surface Transportation? A Guide to Revenue Sources
Attachment Seven: The Impact of COVID-19 Recovery on California Transportation Revenue: A Scenario Analysis through 2040
- 10:00 am V. Closing Comments and Adjournment**

LIST OF ATTACHMENTS

2022 Housing, Land Use and Transportation Priorities – ACTION ITEM

Attachment One2022 HLT Priorities and 2021 Year in Review

Attachment Two2021 HLT Legislative Advocacy Outcomes

The Infrastructure Investment and Jobs Act: Upcoming Opportunities for County Transportation Projects

Attachment Three..... IJA Transportation Summary

Attachment Four.....Local Streets and Roads Needs Assessment
Memo

Attachment FiveBridge Needs Assessment Executive
Summary

The Future of the Gas Tax & California Transportation Revenue Trends

Attachment Six IJA Transportation Summary

Attachment Seven The Impact of COVID-19 Recovery on
California Transportation Revenue: A
Scenario Analysis through 2040

Attachment One
2022 HLT Priorities and 2021 Year in Review



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Orange County



EXECUTIVE DIRECTOR

Graham Knaus

November 15, 2021

To: Housing, Land Use, and Transportation Policy Committee

From: Chris Lee, Legislative Representative
Marina Espinoza, Senior Legislative Analyst

Re: **2021 Year in Review and 2022 Work Plan – ACTION ITEM**

The following memo includes a summary of key highlights from the work of the Housing, Land Use and Transportation Policy Committee in 2021 and draft 2022 priorities for the Committee’s consideration.

Housing, Land Use and Transportation Policy Committee 2021 Year in Review

CSAC has taken a leading role engaging in various housing, land use and transportation debates in the Capitol in 2021. This legislative session, the Legislature revisited major housing proposals that stalled in 2020 due to the COVID-19 pandemic and the chaotic end to the 2020 legislative session and considered dozens of new proposals on housing, wireless permitting, transportation planning, and tribal intergovernmental relations.

The Legislature and the Administration also allocated significant funding to address the housing crisis, including funding for local infrastructure improvements to facilitate housing growth sought by CSAC and others. The State also allocated federal funding to regions and local governments in line with county priorities to fill the gap in transportation funding caused by the pandemic. Finally, the Legislature and Administration enacted statutory relief from transportation maintenance of effort (MOE) requirements for local agencies and sought by counties and cities.

I. COVID-Related Transportation Funding and MOE Relief

In response to the COVID-19 pandemic the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSSA) made funding available to states for transportation infrastructure in order to fill the gap in funding resulting from reductions in local transportation revenues due to the COVID-19 pandemic. California received roughly \$912 million in CRRSSA funds, 40 percent of which will be apportioned to regional transportation agencies for local and regional projects. CSAC was also successful in securing one-time funding in the amount of \$23.5 million from the Highway Infrastructure Program for local bridge projects.

At the state level, CSAC advocated to the California Transportation Commission, Administration, and Legislature for temporary relief from the SB 1 (Beall, 2017) Maintenance of Effort (MOE) requirement for local government Road Maintenance and Rehabilitation Account Funding for jurisdictions whose revenues have been disproportionately affected by the COVID-19 pandemic. AB 149 (Committee on Budget), the transportation budget trailer bill, offers temporary and proportionate reductions in local MOEs based on revenue reductions. No city or county's MOE will be increased pursuant to the provisions of the bill. CSAC also pushed for allocations of federal relief funding for local transportation infrastructure.

II. Infill Infrastructure Funding

CSAC also successfully advocated for additional state funding for the Infill Infrastructure Grant (IIG) Program of 2019, which was included in AB 140 (Committee on Budget), the housing budget trailer bill. The IIG program promotes infill housing development and funds infrastructure improvements necessary to support housing development. AB 140 includes \$250 million for the IIG program. It allocates \$160 million of those funds for selected capital improvement projects for large jurisdictions. To ensure that all types of communities can benefit from this funding, CSAC worked with RCRC and the California Coalition for Rural Housing to include a \$90 million set-aside for over-the-counter grants for capital improvement projects for counties under 250,000 population and the cities located within those counties as well as a flexible definition of infill to facilitate projects in small and rural jurisdictions.

III. Housing, Transportation, Permitting and Tribal Intergovernmental Relations Legislative Advocacy

The Housing, Land Use and Transportation team tracked over 150 pieces of legislation in 2021 and took active or pending positions on over 60 bills. CSAC has been a key stakeholder in discussions around housing, land use and transportation legislation. Attachment Two includes a comprehensive overview of the bills CSAC engaged on, including details information on our key requests for amendments and each bill's final outcome.

2022 Housing, Land Use and Transportation Policy Committee Priorities

The following section of the memo summarizes major priorities for the work of the Housing, Land Use, and Transportation Policy Committee in the second year of the 2021-2022 legislative session.

I. Implementing Federal Transportation Reauthorization

The Infrastructure Investment and Jobs Act (IIJA) recently approved by Congress includes a full five-year transportation funding bill. California will soon begin its work to develop an implementation plan allocating these federal funds between

Caltrans, regions, counties, and cities. In a significant victory for CSAC, the IJJA restores dedicated funding for bridge projects—a CSAC priority since MAP-21 eliminated such funding in 2009. Based on needs identified in the [2020 Local Streets and Roads Needs Assessment](#), CSAC will advocate for at least \$500 million annually from this new dedicated funding for local bridge maintenance, repair, and replacement projects, while protecting current funding allocated to bridges. CSAC will also advocate for additional federal funding and state general fund dollars for: evidence-based local road safety projects; funding to repair and improve the resiliency of local streets and roads; and additional funding for local active transportation grants with flexible guidelines to ensure that all communities can access these competitive funds.

II. Planning Reform Efforts and Affordable Housing Funding

As counties work to implement 6th cycle housing elements, the Legislature continues to focus on local zoning and housing element compliance as the primary means of addressing California’s housing affordability crisis. CSAC will continue to advocate for locally driven planning to implement statewide housing goals. CSAC will also advocate for flexibility and housing element reforms that recognize the unique characteristics and infrastructure limitations of unincorporated areas—both via legislation and in the forthcoming housing element report to the Legislature from the Department of Housing and Community Development and the Office of Planning and Research. Finally, CSAC will continue to support affordable housing funding for all types of communities, with a focus on housing-supportive infrastructure in unincorporated areas.

III. Preparing for the Future of Transportation

The Committee’s 2021 priorities included convening a working group to develop principles regarding the role of counties in the oversight and regulation of automated and connected vehicles. Unfortunately, this effort was put on hold as COVID-19 led to significant changes in workload and in the legislative calendar and other legislative and funding matters required more staff time.

A 2020 executive order from Governor Newsom established the goal of phasing-out the sale of most gas-powered vehicles by 2035 and created new urgency for developing a long-term, sustainable replacement revenue stream for the gas tax. Fuel tax revenues currently provide the vast majority of state funding for local streets and roads in California.

In 2022, staff will hold informational sessions on long-term transportation revenue trends and emerging vehicle technologies. Staff propose that the Committee convene a subcommittee including supervisors and senior staff from rural, suburban, and urban counties, to develop proposed updates to CSAC policy related to these transportation policy issues. The subcommittee will

report back to the full Housing, Land Use, and Transportation Committee with its recommendations later in 2022, with a goal of incorporating any approved changes in policy into the CSAC Legislative Platform Update for 2023.

IV. Protect and Advance County Flexibility in Delivering Public Works Projects

In 2022, CSAC will continue to protect and advance local flexibility in the delivery of transportation and public works projects. Specifically:

- CSAC secured significant amendments to AB 1035 (Salas, 2020), which would have made the receipt of state transportation funding contingent on the adoption of “one-size-fits-all” standards for the use of recycled materials in local pavements. Our amendments removed the link to SB 1 RMRA funding eligibility; limited the bill to Caltrans’ 2018 standards, which are already widely in use at the local level; and provided local agencies flexibility when they find that the use of a particular material is not cost-effective. Despite these amendments, Governor Newsom vetoed the bill due to local mandate reimbursement concerns. CSAC expects the sponsors to return with a new version of this legislation.
- CSAC will sponsor a legislative proposal to remove the January 1, 2023 sunset date from existing statute granting counties the authority to use Construction Manager at Risk (CMAR) contracts on any infrastructure owned or leased by the county, excluding roads, but including buildings, utility improvements associated with buildings, flood control, underground utility improvements, and bridges. Allowing alternative delivery methods such as CMAR for construction projects gives counties and other public agencies the ability to make the most cost-effective and advantageous decision for a particular project.

V. County Priorities in Renegotiated Gaming Compacts

CSAC has continued to advocate with the Governor’s Administration on county priorities for tribal-state gaming compacts. These priorities, most notably the requirement for an enforceable mitigation agreement for the off-reservation impacts of the gaming facility on the affected local government, are included in the recent tribal-state gaming compacts negotiated by the Governor, but there are still a several agreements from 1999 that need to be renegotiated.

The Special Distribution Fund (SDF), which was the sole statewide mechanism for mitigation of local government gaming impacts under the 1999 compacts, has not had sufficient funding for SDF grants to local governments since FY 2014-15, and its authorizing legislation included a sunset date of December 31, 2020. While SDF grants proved insufficient to mitigate local, CSAC will advocate for a

mechanism to fund mitigation from pre-existing impacts, especially for counties where local casino mitigation agreements are not in place.

Attachment Two
2021 HLT Legislative Advocacy Outcomes

**Housing, Land Use and Transportation
Legislative Advocacy – 2021
November 15, 2021**

Bill Summary	CSAC Position	Final Outcome
<i>Housing and Land Use</i>		
<p>AB 115 (Bloom) – Housing in Sites Designated for Commercial Uses: Would, until January 1, 2031, mandate that a housing development in which at least 20 percent of the units are affordable to low-income households be an authorized use on a site designated in any element of the general plan for commercial uses.</p>	<p>CSAC holds an “oppose unless amended” position on AB 115. We have requested amendments to apply the bill to only office or retail uses in commercial zones, limit its applicability to sites located in census-designated urbanized areas, and to allow counties to count commercial sites where the bill would apply toward their regional housing needs allocation planning requirement provided that the sites are able to accommodate residential development.</p>	<p>AB 115 was referred to the Assembly Local Government Committee but the committee did not hear the bill.</p>
<p>AB 215 (Chiu) – Housing Element Violations: Increases the state Department of Housing and Community Development’s enforcement authority in relation to violations of state housing law and requires cities and counties to make draft revisions to their housing elements available for public comment for at least 30 days.</p>	<p>CSAC requested a veto on AB 215. CSAC secured amendments to resolve many concerns with the bill, including requirements for a mid-cycle housing element consultation and provisions that made the AB 101 (2019) pro-housing policy designation mandatory for local agencies. New language added late in the legislative process created issues for counties with a new 30-day comment period for housing element updates, and an overly-broad three-year statute of limitations for state actions to enforce alleged violations of state housing laws.</p>	<p>AB 215 was signed by the Governor.</p>
<p>AB 362 (Quirk-Silva) – Safety Regulations for Homeless Shelters: Establishes a framework for local governments to conduct annual inspections of homeless shelters, including enforcement measures and additional penalties.</p>	<p>CSAC did not take a position on this measure. We worked with the author on amendments to remove new minimum habitability standards for homeless shelters inconsistent with the building code, providing counties with tort liability protections, and limiting overly burdensome reporting requirements.</p>	<p>AB 362 was signed by the Governor.</p>

<p>AB 500 (Ward) – Streamlined Permitting in Coastal Development: Would broaden the California Coastal Commission’s authority to include housing policy within the coastal zone.</p>	<p>CSAC holds an “oppose” position on this measure. AB 500 would add another agency to an already complex process involving HCD and local governments, which would lead to additional uncertainty and delay.</p>	<p>AB 500 moved to the Senate Floor but was not taken up for a vote.</p>
<p>AB 602 (Grayson) – Impact Fee Nexus Study: Makes significant changes to laws governing local residential development impact fee programs.</p>	<p>CSAC, along with our local government partners, negotiated many concessions in the bill over a multi-year process but continued to oppose the provision requiring HCD to develop a nexus fee study template as well as the requirement related to integrating capital improvement planning with fee nexus studies for counties with populations of at least 250,000. CSAC held an “oppose unless amended” position on this measure, but did not request a veto as the major provisions of the bill align with CSAC’s residential impact fee policy principles.</p>	<p>AB 602 was signed by the Governor.</p>
<p>AB 803 (Boerner-Horvath) – Starter Home Revitalization Act of 2021: Requires cities and counties to allow denser development of single-family housing if certain requirements are met.</p>	<p>CSAC did not take a position on this measure. However, we provided feedback and worked with the author on technical amendments, which, among other changes, ensured that this bill wouldn’t undermine local efforts to comply for housing element requirements to identify sites for below-moderate income housing development.</p>	<p>AB 803 was signed by the Governor.</p>
<p>AB 880 (Aguiar-Curry) – Affordable Disaster Housing Revolving Development and Acquisition Program: Would establish a program to expedite relief funding for the development or preservation of affordable housing in the state’s declared disaster areas that have experienced damage or loss of homes that were occupied by lower-income households.</p>	<p>CSAC holds a “support” position on this measure.</p>	<p>AB 880 was held in the Assembly Appropriations Committee.</p>

<p>AB 838 (Friedman) — State Housing Law: Enforcement Response to Complaints: Makes several changes to local building code enforcement processes and procedures.</p>	<p>CSAC and other local government groups successfully negotiated amendments to reduce tort liability for local agencies related to the new, mandatory inspection process, and secure other technical changes. We remained opposed due to limitations on recovery of appropriate inspection costs. We offered the author amendments that would remove our opposition to the bill, but that language was rejected. CSAC requested a veto on AB 838.</p>	<p>AB 838 was signed by the Governor.</p>
<p>AB 950 (Ward) – Caltrans Sale of Excess Property for Affordable Housing Purposes: Would authorize the California Department of Transportation to sell its excess property to the local government where the property is located if the jurisdiction agrees to use it for the purpose of implementing affordable housing, emergency shelters, or feeding programs. Exempts the sale of property under these provisions from CEQA.</p>	<p>CSAC moved from a “support” position on this measure to a neutral position after amendments required the use of specified labor standards for projects constructed on properties conveyed to local agencies pursuant to the bill.</p>	<p>AB 950 did not move out of the Assembly Appropriations Committee.</p>
<p>AB 989 (Gabriel) – Office of Housing Appeals: Would create a costly and time-consuming appeals process with a new Office of Housing Appeals and authorize a developer to appeal a local agency’s decision that resulted in the denial of a specified housing development project or subjected the project to conditions in violation of the Housing Accountability Act.</p>	<p>CSAC held an “oppose” position on this measure. AB 989 would create a new state government bureaucracy and appeals process that would prove costly and time-consuming for local agencies and project proponents alike.</p>	<p>AB 989 moved to the Senate Floor but was not taken up for a vote.</p>

<p>AB 1271 (Ting) – Surplus Lands Act: Would expand the types of land exempt from the Surplus Lands Act (SLA), impose new procedural requirements on local agencies disposing of surplus land, and make various technical changes to the SLA.</p>	<p>CSAC initially held an oppose position on this measure but removed opposition to it after amendments were made to it addressing concerns regarding new requirements for certain transactions by local jurisdictions under the SLA.</p>	<p>AB 1271 was not set for a hearing in the Assembly Housing and Community Development Committee.</p>
<p>AB 1423 (Daly) – Multifamily Housing Programs: Pursuant to guidelines developed by the state’s Housing and Community Development Department, would allow developers to receive grant funding during the construction period.</p>	<p>CSAC’s letter to the Governor requesting his signature on this measure is available here. AB 1423 would support the development of housing by significantly reducing construction period interest expenses and the overall cost of development.</p>	<p>AB 1423 was vetoed by the Governor.</p>
<p>SB 6 (Caballero) – Housing in Sites Designated for Commercial Uses: Would create a new process allowing residential development on commercial sites, including allowing qualifying projects to use the streamlined application procedures of SB 35 (Wiener, 2017).</p>	<p>CSAC holds an “oppose unless amended” position on this measure. We have requested that the provisions of the bill apply to only office or retail uses in commercial zones and that housing element credit be offered for eligible sites, among many other technical and policy changes.</p>	<p>SB 6 was not set for a hearing in the Assembly Housing and Community Development Committee.</p>
<p>SB 8 (Skinner) – Housing Crisis Act of 2019: Among other changes, extends the sunset on SB 330, the Housing Crisis Act of 2019, by five years, to January 1, 2030.</p>	<p>CSAC did not take a position on this measure, as we were significantly engaged in addressing our concerns with SB 330 in 2019, which established the Housing Crisis Act.</p>	<p>SB 8 was signed by the Governor.</p>
<p>SB 9 (Atkins) – Housing Development Approvals: Requires ministerial approval of a housing development of no more than two units (duplex) in a single-family zone, the subdivision of a parcel zoned for residential use into two parcels (lot split), or both, in census-designated urbanized areas or urban clusters.</p>	<p>CSAC held a “support if amended” position on this measure. While the author took many technical amendments from CSAC and other local government groups to improve the bill, our final requested changes were not incorporated into the bill.</p>	<p>SB 9 was signed by the Governor.</p>

<p>SB 10 (Wiener) – Housing Density: Authorizes, until 2029, a city or county to pass an ordinance to zone any parcel for up to 10 units of residential density, at a height specified by the local government in the ordinance, if the parcel is located in a transit-rich area, which include areas near rail transit or bus routes with peak headways of 15 minutes or faster, or an urban infill site.</p>	<p>CSAC did not take a position on this measure. The infill definition used in the bill mean it will have limited applicability to county unincorporated areas. The bill is also optional for local agencies.</p>	<p>SB 10 was signed by the Governor.</p>
<p>SB 477 (Wiener) – General Plan Annual Report: Would have significantly increased reporting burdens for counties and cities submitting Housing Element Annual Progress Reports.</p>	<p>CSAC requested a veto on this measure after the author rejected our proposed amendments to streamline the reporting requirements and exempt small, rural counties from the new reporting requirements.</p>	<p>SB 477 was vetoed by the Governor.</p>
<p>SB 478 (Wiener) – Housing Development Projects: Prohibits local governments from imposing certain floor area ratio standards on housing projects of 3-10 units.</p>	<p>CSAC moved from an “oppose unless amended” position to a “neutral” position on this measure after the author made amendments to it that would limit the bill to multifamily or residential mixed-use zones and addressed other concerns outlined in our April 5 letter.</p>	<p>SB 478 was signed by the Governor.</p>
<p>SCA 2 (Allen and Wiener) – Public Housing Projects: Would repeal Article XXXIV of the California Constitution upon approval of the statewide electorate. Article XXXIV requires a vote of the electorate when a local government seeks to build or fund affordable housing.</p>	<p>Repealing Article XXXIV would not only remove this discriminatory provision from the Constitution, but it would also eliminate a stumbling block that has frustrated efforts by counties to provide homes to lower-income residents and people experiencing serious mental illness who are homeless.</p>	<p>SCA 2 moved to the Senate floor but was not taken up for a vote.</p>
<p>SB 32 (Cortese) – Building Decarbonization Requirements: Would require local governments to identify goals and strategies to decarbonize new buildings in land use or climate plans, or local building codes.</p>	<p>CSAC did not take a position on this measure; however, we expressed concerns to the author’s office regarding the costs to local governments of completing the emissions inventory and developing goals and strategies to decarbonize new buildings—especially as the State is poised to address these issues via the building code.</p>	<p>SB 32 was held in the Senate Appropriations Suspense File.</p>

Miscellaneous Permitting		
<p>SB 556 (Dodd) – Small Wireless Facilities Attachments: Would have required local governments and publicly owned electric utilities to make infrastructure available to communication service providers for the placement of small wireless facilities.</p>	<p>CSAC’s letter to the Governor requesting a veto on this bill is available here. SB 556 would have imposed unreasonable application processing timelines, enacted an unnecessary and restrictive cost formula on publicly funded property, and significantly expanded the reach of these provisions to infrastructure outside of the public rights-of-way, without any public benefit. Most concerning, however, are the provisions of the bill that prohibit a local government from denying an application for use of its infrastructure.</p>	<p>SB 556 was vetoed by the Governor.</p>
<p>AB 537 (Quirk) – Wireless Telecommunications and Broadband Facilities: Updates existing law establishing a timeline and process through which wireless telecommunication siting facility permits are deemed approved.</p>	<p>CSAC removed opposition to this measure after the author amended the bill to address our concerns, particularly those related to facility siting and construction in the public right-of-way.</p>	<p>AB 537 was signed by the Governor.</p>
<p>AB 970 (McCarty) – Streamlined Permitting for Electric Vehicle Charging Stations: Establishes specific time frames in which local agencies must approve permits for electric vehicle charging stations.</p>	<p>CSAC was part of a coalition that opposed this measure. We are concerned with requiring electric vehicle charging stations to be deemed complete within five business days after an application is submitted and approved within 20 business days after submission of the application if the jurisdiction has not issued a permit and if the building official has not made findings that the proposed installation could have adverse impacts.</p>	<p>AB 970 was signed by the Governor.</p>
<p>AB 1124 (Friedman) – Solar Energy System Permitting: Expands the definition of “solar energy system” to include facilities not installed on a building or structure on multiple properties, thereby arguably making commercial or utility grade solar projects subject to only a ministerial review process by the local jurisdiction.</p>	<p>CSAC requested a veto on this AB 1124. This bill’s expanded definition of “solar energy system” moves beyond allowing for solar installations on carports or small ground mounts and arguably allows for large scale solar systems without appropriate environmental review.</p>	<p>AB 1124 was signed by the Governor.</p>

<i>Transportation and Sustainable Communities Strategies</i>		
<p>AB 43 (Friedman) – Traffic Safety: Grants the California Department of Transportation and local authorities greater flexibility in setting speed limits based on recommendations included in the January 2020 report prepared by the California State Transportation Agency’s Zero Traffic Fatalities Task Force.</p>	<p>CSAC supports efforts to reduce traffic-related fatalities and injuries by promoting vehicle, pedestrian, and bicycle safety, and AB 43 will allow local agencies to set speed limits based on safety-related factors and lead to a reduction in traffic-related injuries and fatalities. CSAC’s letter to the Governor requesting his signature on this measure is available here.</p>	<p>AB 43 was signed by the Governor.</p>
<p>AB 1035 (Salas) – Recycled Materials Standards for Local Pavements: Would have required local agencies to apply Caltrans’ most recently published standard specifications for use of recycled materials in local pavements, unless the local agency finds that the use of such materials is infeasible or not cost-effective.</p>	<p>CSAC moved from an “oppose unless amended” position to a “neutral” position on the bill after working closely with the author’s office to remove a link to SB 1 funding in the introduced version of the bill and to narrow the scope of the bill. The bill’s final amendments resolved our final outstanding issue by basing the bill on the current Caltrans specifications rather than also applying to any future specifications.</p>	<p>AB 1035 was vetoed by the Governor.</p>
<p>AB 1147 (Friedman) – Sustainable Communities Strategies: Would make numerous changes to the required elements of metropolitan planning organizations' regional transportation plans to ensure effective implementation of sustainable communities strategies. Would have required the Governor's Office of Planning and Research to develop a guidance document to provide best practices for establishing "15-minute communities," and required Caltrans to develop a bicycle highway pilot program.</p>	<p>CSAC did not take a position on this measure but worked closely with the author’s office on amendments that addressed our key concerns. We secured amendments related to the regional-local consultation process, local government reporting, data issues, eligible uses for block grant funding, and the emissions reduction target action plan.</p>	<p>AB 1147 was vetoed by the Governor.</p>

<p><u>SB 261 (Allen)</u> – Sustainable Communities Strategies: Would task the California Air Resources Board with devising new greenhouse gas emission reduction targets for the automobile and light truck sector —as well as adding vehicle miles traveled reduction targets— to the requirements for sustainable communities strategy plans as prepared by the state’s metropolitan planning organizations.</p>	<p>CSAC took an <u>“oppose”</u> position on this bill and urged the author to make it a two-year bill to provide time for all affected entities to convene and resolve issues presented by the bill. CSAC continues to work with Senator Cortese and Senator Allen to determine next steps on any potential changes to SB 375, with a goal of protecting local transportation priorities and ensuring that counties can meet housing element obligations to plan for adequate homes for all income levels in the incorporated area.</p>	<p>SB 261 did not move out of the Senate Transportation Committee.</p>
<p><u>SB 475 (Cortese)</u> – Sustainable Communities Strategies: Would make the following changes to the provisions of SB 375 (2008): require the Air Resources Board (ARB) to update Sustainable Communities Strategy guidelines in coordination with specified agencies; task ARB with appointing a State-Regional Collaborative for Climate, Equity, and Resilience, with membership as specified; require ARB to update short- and long-term greenhouse gas emission reduction goals; require the California Energy Commission to set regional building decarbonization targets, and eliminate the Alternative Planning Strategy compliance option.</p>	<p>CSAC did not take a position on this measure but is working with Senator Cortese and Senator Allen to determine next steps on any potential changes to SB 375, with a goal of protecting local transportation priorities and ensuring that counties can meet housing element obligations to plan for adequate homes for all income levels in the incorporated area.</p>	<p>The bill did not move out of the Senate Transportation Committee.</p>
<p><u>SB 415 (Melendez)</u> – Transportation Funding County Apportionments: Would deem CSD-maintained roads county roads for purposes of apportioning state fuel tax funding.</p>	<p>CSAC did not take a position on this measure; however, we provided feedback to the author’s office early in the legislative process and expressed our significant concerns.</p>	<p>The author decided not to move this bill during the current legislative session.</p>

<p>SB 580 (Hueso) – Recycled Plastics Study and Specifications: Would authorize Caltrans to study on the benefits of using recycled plastics in asphalt. If Caltrans determines this is feasible, cost-effective and provides life-cycle environmental benefits, SB 580 would authorize Caltrans to establish specifications for including recycled plastics in asphalt used as paving material for roads and highways. If established by Caltrans, SB 580 would require local agencies to consider the adoption of the specifications at a public hearing.</p>	<p>CSAC holds an “oppose unless amended” position on SB 580. We have significant concerns with the provision that would require local agencies to adopt the specifications established by Caltrans or to discuss at a public hearing why they are not being adopted. We are especially concerned by this requirement because both the Caltrans study and potential development of the specifications have yet to occur.</p>	<p>SB 580 moved to the Senate Floor but was not taken up for a vote.</p>
<p><i>Tribal Intergovernmental Relations</i></p>		
<p>SB 712 (Hueso) – Local government: California Tribes: Federal Fee-to-Trust Application: Imposes requirements on local governments regarding comments on fee-to-trust applications by California federally recognized tribes.</p>	<p>CSAC held an “oppose unless amended” position on this measure but did not request a veto when the author accepted amendments providing counties additional time to initiate the process required by the bill.</p>	<p>SB 712 was signed by the Governor.</p>
<p>AB 1180 (Mathis) – Surplus Land Transfers to Federally-Recognized Tribes: Expands the existing provision in the Surplus Lands Act that exempts government to government transfers to include surplus land transfers to federally recognized California Indian Tribes.</p>	<p>CSAC testified in support of this measures to provide parity to tribal governments when receiving surplus lands from other government entities.</p>	<p>AB 1180 was signed by the Governor.</p>

Attachment Three
IIJA Transportation Summary



OFFICERS

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James Gore
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Chuck Washington
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Lisa A. Bartlett
Orange County



EXECUTIVE DIRECTOR

Graham Knaus

November 15, 2021

To: Housing, Land Use, and Transportation Policy Committee

From: Chris Lee, Legislative Representative
Marina Espinoza, Senior Legislative Analyst

Re: **Transportation Provisions of the Infrastructure Investment and Jobs Act**

The following memo includes a summary of key transportation provisions from the Infrastructure Investment and Jobs Act (IIJA), which was signed by President Biden on November 15. The IIJA includes a full, five-year surface transportation reauthorization bill, which supersedes the FAST Act, for federal fiscal years 2022 through 2026.

National Highway Performance Program (NHPP)

- 17.3% increase in funding from federal fiscal year (FFY) 2021 to 2022, with 2% annual increases in years two through five, for an average of \$2.56 billion annually to California.
- Under the FAST Act in California, majority of funding allocated to Caltrans for state highway projects.
- Newly eligible project types include climate/natural disaster resiliency for transportation infrastructure, cybersecurity, and undergrounding utility infrastructure.
- Under the FAST Act in California, approximately \$230 million annually allocated to federally eligible county/local bridge repair or replacement projects.
- CSAC implementation goal: Maintain or increase allocation to local bridges.

Surface Transportation Block Grant Program (STBGP)

- 4.4% increase in funding from FFY 2021 to 2022, with 2% annual increases in years two through five, for an average of \$1.25 billion annually to California.
- Majority of this funding (55%) is suballocated to RTPAs or MPOs (regional transportation planning agencies or metropolitan planning agencies, respectively) for regional and local projects.
- Newly eligible project types include construction of wildlife crossing structures, electric vehicle charging infrastructure and vehicle-to-grid infrastructure, installation and deployment of intelligent transportation technologies.

- Dedicated STBGP Funding Set-Asides:
 - **Active Transportation Projects:** 10% of California’s share of STBGP funds must be dedicated to bicycle/pedestrian projects, estimated at \$125 million annually; an increase from approximately \$75 million annually under the FAST Act.
 - **“Off-system” bridge projects:** \$100 million of California’s share of STBGP funds must be spent on off-system bridges; an increase from approximately \$75 million annually under the FAST Act (*off-system bridges are locally-serving and would otherwise not be eligible for federal funds*)

Bridge Formula Program (NEW)

- Estimated \$4.2 billion to California over five years.
- Eligible uses include state/local highway bridge replacement, rehabilitation, preservation, protection, or construction projects on public roads.
- 15% dedicated to “off-system” bridge projects at 100% federal cost share.
- CSAC implementation goal: *Ensure a fair and needs-based allocation of funding between state and local bridges, with a goal of a combined allocation of at least \$800 million annually for local bridges from the formula program, STBG off-system set-aside, and NHPP funding for on-system bridges.*

Highway Safety Improvement Program (HSIP)

- 23.8% increase from FFY 2021 to 2022, with 2.2% annual increases in years two through five, for an average of \$274 million annually for California.
- Under the FAST Act in California, HSIP funding is shared between Caltrans and local government grants, with a share allocated to regional agencies.
- Up to 10% can be dedicated to non-infrastructure safety purposes.
- CSAC implementation goal: *Maximize funding available for county safety projects.*

Discretionary Grant Programs: IIJA funds several grant programs including the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grants and the Infrastructure for Rebuilding America (INFRA) Grant Program. It also creates new programs, including the Rural Surface Transportation Grant Program, the National Infrastructure Project Assistance Grant Program, a Wildlife Crossings Pilot Program, and the Reconnecting Communities Pilot Program.

Public Transit: The IIJA increases allocations from \$10.2 billion in FFY 2021 to \$13.4 billion in FFY 2022 and includes significant funding for Urbanized Area Formula Grants, State of Good Repair Grants Program, rural transit, bus/bus facility formula grants, and other transit investments.

Resources and Detailed Summaries:

- [National Association of Counties Infrastructure Investment and Jobs Act Website](#)
- [National Association of Counties Transportation Reauthorization Summary](#)
- [American Association of State Highway and Transportation Officials IIJA Summary](#)

Attachment Four
Local Streets and Roads Needs Assessment Memo



August 25, 2021

To: Honorable Members, California Legislature

From: Chris Lee, Legislative Representative, California State Association of Counties
Damon Conklin, Legislative Representative, League of California Cities

Re: New Statewide Analysis of Local Transportation Funding Needs

The California State Association of Counties (CSAC) and the League of California Cities (Cal Cities) are excited to share the results of our [2020 California Statewide Local Streets and Roads Needs Assessment Report](#). The Needs Assessment is a comprehensive analysis of California's local roads and bridges — including essential components like sidewalks, bike lanes, signals, and storm drains.

Cities and counties have already completed thousands of maintenance, rehabilitation, safety, and active transportation projects in our local communities using funding from SB 1 (Beall, 2017). **This report is the first to systematically analyze the impacts of SB 1 on local streets and roads.** Key findings include:

- **Increased funding from SB 1 led to the first statewide improvement in local pavement conditions since 2008, but local governments still face significant unmet funding needs.**
- Using the 100-point “Pavement Condition Index” (PCI), **the quality of our city and county roadways statewide improved from 65 in 2018 to 66 in 2020.** Local road conditions had been on a downward trajectory in California since we began the statewide Needs Assessment in 2008.
- **Bid prices for some of the most common road repairs increased drastically from 2018 to 2020, dampening the impacts of new funding. For example, unit costs for road reconstruction increased by over 20%.**
- Local agencies own 12,339 bridges — nearly half of all bridges in California. More than one third of those bridges **(4,401) need to be repaired and 451 are so deteriorated that they need to be replaced.**
- **Dedicated funding for local bridges has stagnated at \$300 million since 2009, but \$800 million annually is needed just to prevent further decay.**

Accordingly, CSAC and Cal Cities recommend **continued “fix-it-first” investments in local streets and roads.** We also urge policymakers to **increase dedicated funding for local bridges.** Pending federal infrastructure legislation provides an excellent opportunity to repair and replace crumbling local bridges.

Despite the COVID-19 pandemic, cities and counties representing over 99% of local roadway mileage completed the 2020 Needs Assessment Survey. Our next survey in early 2022 will provide additional insight on bid prices, the effects of the pandemic, and the impacts of ongoing SB 1 revenues.

For more information, visit www.savecaliforniastreet.org. For questions about the report, or to request a briefing, please contact Chris Lee (CSAC) at cle@counties.org or (916) 650-8180, or Damon Conklin (Cal Cities) at dconklin@cacities.org or (916) 290-3400.

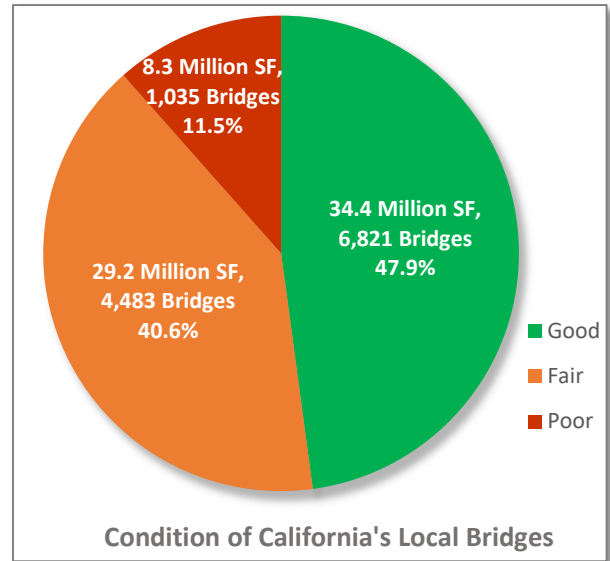
Attachment Five
Bridge Needs Assessment Executive Summary

1 Executive Summary

Local Bridge Needs

Bridges are lifelines connecting our towns, cities, and counties to the state’s economy. They establish safe routes over rivers, creeks, railroads, highways, and other roads. They provide access to schools, grocery stores, offices, retail shops, farms, and factories. In many communities, local bridges provide the only means of access for first responders. When bridges fail or close, local residents and economies are immediately affected.

California’s local bridges are an integral part of our transportation network, but they are deteriorating and aging faster than they can be repaired or replaced. Dedicated funding to fix local bridges has been stagnant for many years. This report presents the status of California’s aging inventory of local bridges and provides policymakers with a reliable estimate of funding needed to maintain and improve this vital component of our transportation system.



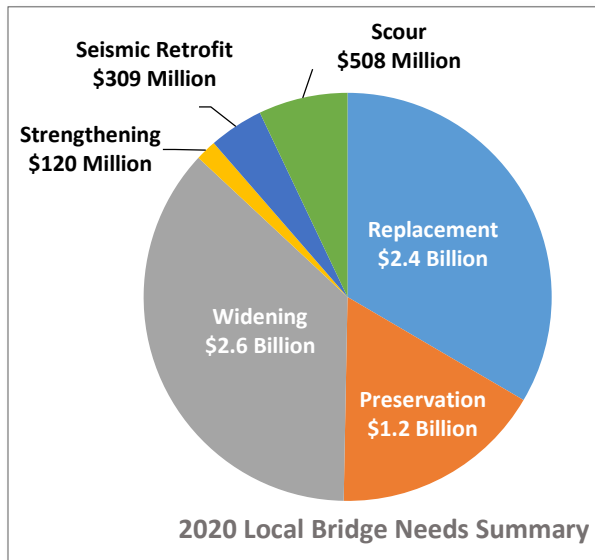
How many local bridges are there in California?

Cities and counties own and maintain about half of the state’s bridges (12,339). The average age for these bridges is over 50 years – 10 years older than the national average. Almost one-fifth of these

bridges are at least 80 years old, which is of significant concern, since most bridges were designed for a 75-to-100-year lifespan. The chart, to the right, indicates

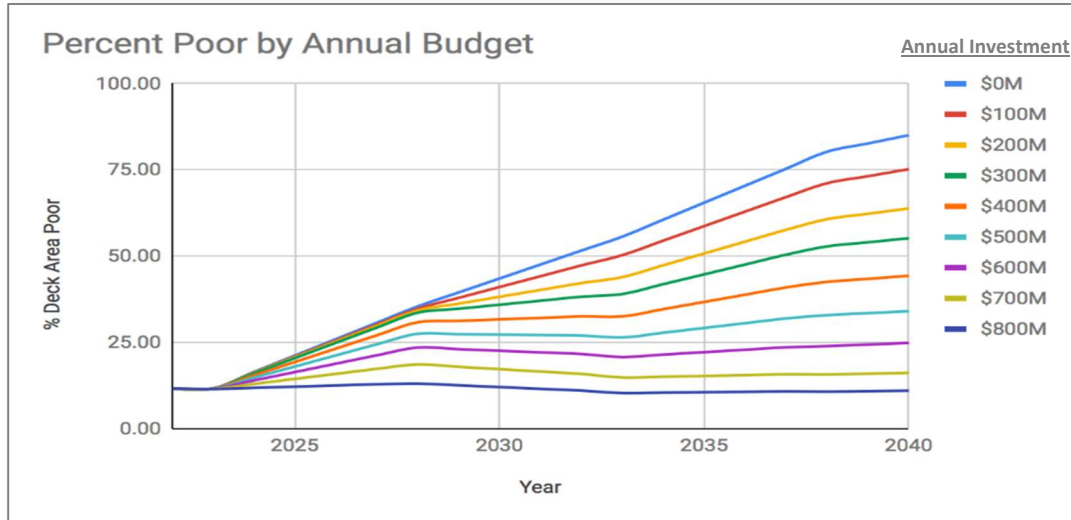
that more than half (52.1 percent of total deck area) of our local bridges are in “Fair” to “Poor” condition. Over 7 million vehicle trips are made across “Poor” local bridges every day. As bridges age, the rate of deterioration also increases due to increasing traffic volumes and accumulated wear and tear.

Cities and Counties own more than 12,000 bridges, and over half are more than 50 years old.



How much will it cost to make essential repairs?

It will require \$7.2 billion in today's dollars to make important safety, strengthening, and widening improvements to keep pace with California's modern mobility needs. Just to maintain our current state of disrepair, it would require nearly \$800 million annually.



How much do we have allocated to make repairs?

The primary funding source for local bridge projects has traditionally been through the Highway Bridge Program (HBP). This funding source has been stagnant over the past 10 years; at less than \$300 million dollars annually. At this investment level, **the percentage of local bridges in poor condition will climb above 50% within the next 20 years.**

To put it another way, approximately 250 bridges need to be repaired or replaced annually. In California today, less than 40 bridge repairs are completed every year.

Summary

The needs for California's local bridges are increasing every year as they age. At the same time, the cost of bridge repairs continues to increase due to an increase in project complexity - based on design features, traffic widths, modern traffic loads, environmental regulations and permitting, and other project requirements. Today, bridge project construction costs are considerably higher and take more time to complete than they did at the time of their original construction.

California's local bridges need \$800 million a year just to maintain current conditions.

The current rate of bridge replacement and major rehabilitation projects is not keeping up with the bridges that are reaching the end of their expected service lives. At the same time, maintenance needs within the aging population are also increasing. In conclusion, funding must be increased to \$800 million annually just to maintain the current condition of California's local bridge inventory. And to improve the overall condition of our bridges as a key component in our local transportation network, the annual investment must be even higher.

Attachment Six

How Do California's Local Governments Fund Surface Transportation? A
Guide to Revenue Sources

How Do California’s Local Governments Fund Surface Transportation? A Guide to Revenue Sources

Project 1938A
November 2021

Asha Weinstein Agrawal, PhD, Kevin Yong Lee, and Serena E. Alexander, PhD

Local governments own and operate virtually every public transit service and the great majority of road miles in California, responsibilities for which funding is in very short supply. However, their specific funding challenges are often overlooked in policy discussions and research into transportation revenue options.

A major barrier to effective state-wide discussion about increasing local funding is the bewildering complexity of the current funding system. Every year, 482 cities, 58 counties, and numerous special districts piece together the puzzle of their transportation budgets, drawing upon a complex mix of revenue raised through dozens of taxes and fees imposed by every level of government—federal, state, regional, and local.

This report helps policymakers and researchers tackle the local funding challenge by providing a snapshot of many different revenue tools that raise revenue spent by local governments for transportation purposes in California. In addition, we identified transportation revenue options used in other states and developed a set of principles to frame discussion about stabilizing and enhancing local transportation funding.

Study Methods

We spoke to more than 30 California transportation funding experts and combed through policy documents and research about transportation and local government finance.

Taxes & Fees Generating Dedicated Transportation Revenue, by Level of Government

(Note: Not all revenue from these sources is used for transportation purposes)

Revenue sources	Federal	State	Special district	County	City
Fuels					
Gasoline excise tax	✓	✓			
Diesel excise tax	✓	✓			
Diesel sales tax		✓			
Vehicles					
Truck & truck-tire sales tax	✓				
Truck weight fee	✓	✓			
Vehicle registration fee		✓		✓	
Transportation system use					
Tolls			✓	✓	
Fares + other operator-generated revenue ^a			✓	✓	✓
Parking fees			✓		✓
TNC/ride-hailing user tax					✓
Refuse vehicle impact fee			✓	✓	✓
Real property					
Development fee			✓	✓	✓
User-utility tax			✓	✓	✓
Occupancy tax				✓	✓
Parcel tax			✓	✓	✓
Other					
Sales tax		✓	✓	✓	✓
Transient occupancy tax			✓		✓
Business-license tax			✓		✓
Cap-and-trade program		✓			
Franchise agreements					✓

^a For example, advertising revenue.

Findings

While a certain amount of unrestricted general fund revenue supports local transportation, the great majority of revenue comes from taxes and

fees that are legally or by resolution designated for transportation. The table shows which tax and fee options are used by each level of government to raise transportation revenue.

The federal government levies taxes on fuel and sales of heavy-duty vehicles and their tires, and heavy-duty vehicles pay a weight-based annual fee. The State of California raises revenue from fuel taxes, vehicle registration fees, a heavy-duty vehicle weight fee, a small portion of state sales tax revenue, and the state's cap and trade program. Local jurisdictions augment their allocations of these federal and state revenues with numerous locally-raised funds. Many jurisdictions cobble together transportation budgets from a dozen or more local sources. Common ones include local-option sales taxes, development impact fees, parcel taxes, community service districts, employee headcount taxes, tolls, and refuse vehicle impact fees.

...the local system of transportation revenue funding is diverse and byzantine.

Policy Recommendations

The study identified a number of conceptual approaches that policymakers can consider for raising additional local revenue:

- **Raise the rates on existing taxes and fees already earmarked for transportation.** This approach will be most effective if used for taxes and fees imposed on a broad base, such as fuel and sales taxes.
- **Tax the electricity used to charge vehicles.** As more and more electric vehicles enter the California fleet, it may become realistic to impose a tax on the electricity they use. Minnesota legislators have introduced a bill for a so-called "electric fuel tax" that would charge 5.1 cents per kilowatt hour of fuel used to charge an electric vehicle.
- **Raise the rates on those taxes and fees charged to transportation system users from which the revenue is not earmarked for transportation, and earmark the incremental new revenue for transportation.** Parking and

traffic citation fees are local examples. A state option would be to create a supplementary sales tax on vehicle purchases.

- **Charge a tax on vehicle-based services that have expanded exponentially in recent years, such as ride-hailing and e-commerce delivery.** San Francisco and Berkeley are the only two California cities that currently impose taxes on ride-hailing trips. No local governments in California currently tax e-commerce deliveries, but a few states such as North Carolina are considering the option.
- **Charge property owners "utility fees" for roadway services.** A 2016 study identified 34 cities that impose transportation utility fees (TUFs). These TUFs are structured as monthly fees assessed on commercial and residential property occupants, and the proceeds pay for local streets and roads.

About the Authors

Asha Weinstein Agrawal, PhD, is Director of MTI's National Transportation Finance Center, Kevin Yong Lee is an MTI Research Assistant, and Serena E. Alexander, PhD, is Associate Professor of Urban and Regional Planning at San José State University.

To Learn More

For more details about the study, download the full report at transweb.sjsu.edu/research/1938A



The California State University Transportation Consortium (CSUTC), led by the Mineta Transportation Institute, fosters synergies across the entire California State University system to conduct impactful transportation research and engage in workforce development initiatives that increase mobility of people and goods and strengthen California's economy.

Attachment Seven

The Impact of COVID-19 Recovery on California Transportation
Revenue: A Scenario Analysis through 2040

The Impact of the COVID-19 Recovery on California Transportation Revenue: A Scenario Analysis through 2040

Project WP 2054
December 2020

Asha Weinstein Agrawal, PhD, Hannah King, Martin Wachs, PhD, and Jeremy Marks

The COVID-19 public health emergency has affected every aspect of life in California, reducing social and economic activity. Less activity translates to less travel, and less travel leads to less revenue generated from taxes on motor fuels. As California emerges from the COVID-19 crisis and returns to more normal levels of activity, the state must plan transportation system operations and maintenance in the context of deep uncertainty regarding future revenue.

To help decision makers navigate that uncertainty, we used spreadsheet models to estimate the impacts that different economic recovery scenarios from the COVID-19 pandemic would have on state-generated transportation revenue. Because it is not possible to anticipate future economic conditions, travel volumes, and vehicle markets with certainty, we created six potential economic recovery scenarios and projected future transportation revenue in California through 2040 under each.

The scenarios illustrate the revenue consequences of plausible alternative future economic conditions, vehicle fleet mixes, and levels of travel. There is no certainty that the future will resemble any of the chosen scenarios, but they nevertheless help state leaders assess and design policies to achieve desired outcomes.

Study Methods

The study used a tested spreadsheet model and well-known data sources to project transportation revenues generated by California's Senate Bill 1 (2017) package of taxes and fees. These are taxes on gasoline and diesel fuel, plus two annual fees levied on vehicles. One fee, the Transportation Improvement Fee (TIF), varies the rate according to the vehicle's value. The other fee, the Road

Improvement Fee (RIF), is a flat annual fee assessed on Zero Emission Vehicles (ZEVs).

We created six potential economic recovery scenarios and projected future transportation revenue in California through 2040 under each. These scenarios assumed different annual state VMT, light-duty vehicle fleet size, light-duty ZEV fleet size, light-duty ZEV vehicle values, and the diesel share of the heavy-duty fleet.

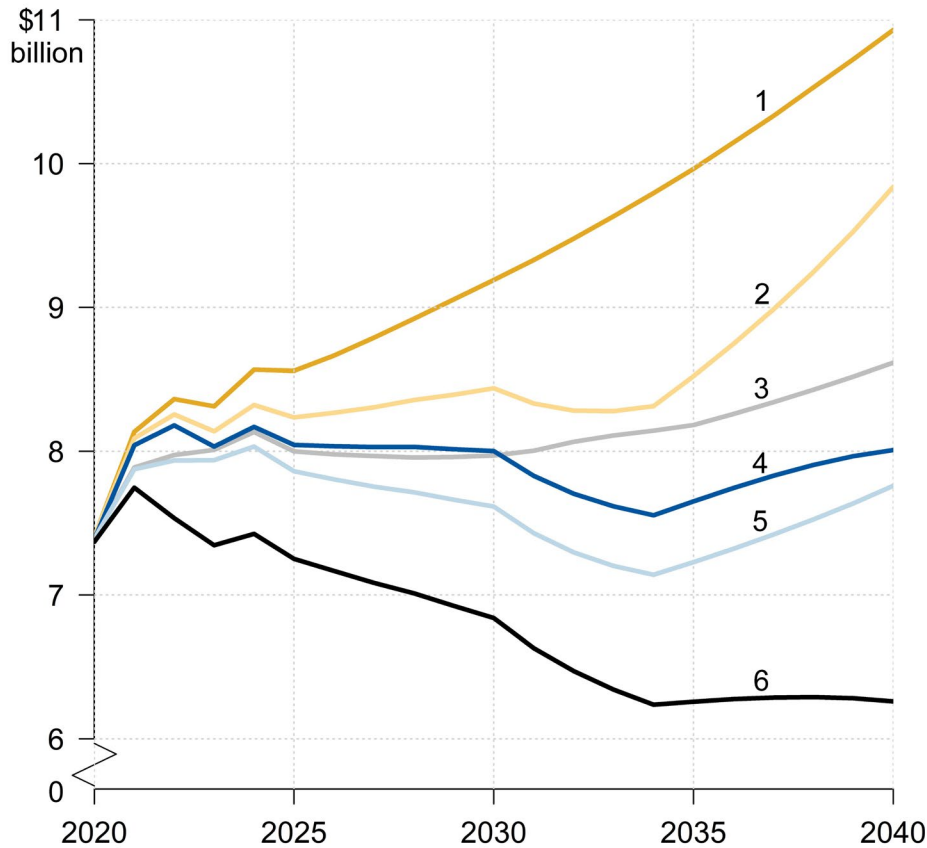
The projected cumulative revenue raised between 2020 and 2040 varies across the scenarios by more than \$40 billion.

Findings

The figure shows the revenue projections under all scenarios.

Key findings include:

- The projections from the six scenarios demonstrate that annual California transportation revenue by 2040 could range widely, from as little as \$6.5 billion to as much as \$10.9 billion, if the assumptions and conditions used to create particular scenarios are realized over time.
- The projected cumulative revenue raised between 2020 and 2040 varies across the scenarios by more than \$40 billion.
- In 2020, taxes on fuels will generate roughly three-quarters of state-generated transportation revenue. By 2040, however, taxes on fuels will generate a much smaller percentage of overall revenue. For example, in four of the six scenarios they generate less than a quarter of revenues.



Total Projected State Revenue Under the Six Scenarios, 2020–2040 (in 2020 dollars)

Policy Implications

The study findings highlight the need for California’s policy leaders to prepare a long-term strategy for raising adequate transportation revenues that takes into account the wide variation that will arise from different mixes of ICE vs. ZEV light-duty vehicles, light-duty fleet sizes, light-duty ZEV values, and annual state VMT. Should the state achieve its policy goals of reducing carbon emissions from the transportation sector, policymakers may wish to change the structure of taxes to “replace” the revenue lost from fuel taxes. For example, our spreadsheet models show that the gap in revenue between the scenarios that generate the most and the least fuel tax revenue in 2040 could be raised by supplementing the existing tax structure with a new road-user charge of one cent per mile.

To Learn More

For more details about the study, download the full report at transweb.sjsu.edu/research/2054

About the Authors

Asha Weinstein Agrawal, PhD, is Professor at San José State University, Hannah King is a doctoral student at UCLA, Martin Wachs, PhD, is Professor Emeritus of the University of California, and Jeremy Marks, MURP, is a Public Administration Analyst at UCLA’s Institute of Transportation Studies.



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