



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT



METROPOLITAN
TRANSPORTATION
COMMISSION

Memorandum

TO: Bay Area Regional Collaborative

DATE: September 15, 2016

FR: Rebecca Long, MTC

Tom Addison, BAAQMD

RE: 2016 State Legislative Session Overview

This memo provides a brief overview of the second year of the 2015-16 State Legislative Session as it relates to some major transportation, housing and environmental bills. While the Legislature wrapped up its work in August, the fate of bills currently residing on the Governor's desk won't be known until the end of this month. A more detailed summary is attached.

Big Wins

The passage of Senate Bill 32 (Pavley) was a notable legislative achievement in 2016, codifying a previous executive order that Governor Brown signed establishing a 2030 goal of reducing greenhouse gas (GHG) emissions to 40 percent below 1990 levels by 2030. This measure was one of the more hotly lobbied bills of the year, and it was co-joined to a measure (AB 197-E.Garcia) that increases legislative oversight of the Air Resources Board (ARB). While the bill does not explicitly extend the state's GHG Cap and Trade Program to meet the new 2030 target, its passage is widely seen as the major environmental victory of the year.

The Legislature enacted AB 1618 (Budget committee), the "No Place Like Home" bill, allowing revenue bonds to be issued backed by Proposition 63 (2004) income tax revenue from the Mental Health Services Fund to provide supportive housing primarily for the homeless.

The Legislature enacted AB 516 (Mullin), supported by MTC, establishing a temporary license plate program so that every vehicle will receive a uniquely identifiable plate number when they purchase or lease a new car. The absence of temporary license plates in California is a safety hazard and results in about \$20 millions in uncollected toll revenue every year statewide. The DMV has several years to work with car dealers to get the program up and running; it will go into effect no later than January 2019.

Some Losses

Despite passage of AB 1618, this was a disappointing year for affordable housing funding. The Governor's proposed "by right" reform effort failed, and with it any hope for securing additional state funding for affordable housing.

The Governor also signed a number of bills that were related to SB 32, but were not supported by our agencies: AB 1550 (Gomez) and AB 2722 (Burke), which further restrict the use of Cap and Trade (C&T) funds to census tracts designated as "disadvantaged communities" (DACs) by the

CalEnviroScreen (CES). MTC, BAAQMD and ABAG had taken an “oppose unless amended” position on AB 1550, seeking amendments that would have broadened the definition of a DAC to include low-income census tracts (defined as tracts with a median income at or below 80% of the statewide median).

Under AB 1550:

- 25% of C&T funds must now be spent on projects located inside CES-defined census tracts.
- 5% must be spent on projects that benefit low income households or to projects that are located in and benefit individuals living in low income communities (defined as census tracts below 80% statewide median or HUD definition, which accounts for cost of living)
- 5% to projects that are outside the boundaries of, but within ½ mile of CES tracts that benefit low income *households* or to projects located in low-income *communities* that are outside the boundaries of, but within ½ mile of a CES tract.

AB 2722 creates the new Transformative Climate Communities Program which receives \$140 million in Cap and Trade funds (appropriated by a budget trailer bill, AB 1613) with a requirement that projects must provide a benefit to CES-defined DACs.

To Be Determined

The biggest disappointment to MTC was the lack of any progress on transportation funding, despite a special session being called by the Governor and multiple proposals having been introduced. However, there is a remote possibility that special session legislation, including SB x1-1 (Beall) and AB x1-26 (Frazier) could still be acted upon this year as the First Extraordinary Session doesn't officially conclude until the end of November 2016.

Still awaiting approval by the Governor are the following:

- SB 1069 (Wieckowski), a bill designed to make it easier for homeowners to add a second-unit, referred to as an “accessory dwelling unit” to their property by prohibiting the imposition of parking standards, under certain circumstances, awaits signature. MTC has a support position on this bill.
- SB 1128 (Glazer), a bill co-sponsored by MTC and BAAQMD which eliminates the sunset on the Bay Area's Regional Commuter Benefit Program
- SB 824 (Beall), a bill that would improve the Low Carbon Transit Operations Program, a C&T funded program, by making it more flexible and allowing operators to reserve and swap funds.
- SB 773 (Allen), a bill that requires a study on motor vehicle registration fraud and failure to register vehicles. The bill was supported by both of our agencies due to the revenue, as well as air quality implications of failure to register (and conduct smog check) on vehicles.
- SB 1383 (Lara), a bill that codifies major reduction targets for short-lived climate pollutants (methane, hydrofluorcarbons, and black carbon). It was supported by BAAQMD after the author took amendments to address some problematic DAC language.