



Meeting of October 22, 2021

TO: Gerald Cochran, Chair, Governmental Affairs and Public Information Committee
Barbara Pahre, President, Board of Directors
Denis J. Mulligan, General Manager

FR: Platinum Advisors, LLC

RE: STATE UPDATE FROM THE DISTRICT'S LEGISLATIVE ADVOCATES, PLATINUM ADVISORS, LLC

The End: A little after 9:00 p.m. on September 10th both the Senate and Assembly adjourned session for the year and are not scheduled to return to the Capitol until January 3, 2022. The Governor had until October 10th to sign or veto all bills sent to his desk; however, he finished the task at hand a day early.

This end of session was far less exciting than in prior years, partially because of the 72-hour in print rule, and partially because some issues were punted to next year, including high-speed rail funding. A high-profile proposal from Assemblywoman Buffy Wicks (D-Oakland) mandating employee vaccinations and requiring proof of vaccination in indoor public places such as restaurants and movie theaters was also quickly shelved.

Another Special Election: San Francisco Mayor London Breed has selected Assemblyman David Chiu to be the San Francisco's next City Attorney. With this appointment, Assemblyman Chiu is expected to resign from his Assembly seat on October 31st. Governor Newsom will then have 14 days to declare a special election to fill this vacancy, and the special election must occur within 126-140 days after the Governor calls for the special election. This will likely occur between March 22 and April 12th. It's looking to be a crowded ballot, so if a runoff is needed, it will likely be combined with the June 7th primary election. With the special election occurring during an election year, it will require all candidates to run in both special and general elections.

The departure of Assemblyman Chiu leaves in limbo two measures we have been closely following. This includes AB 550 that would create a pilot program to test the use of automated speed enforcement systems. The other bill is AB 629 that aimed to enact numerous changes to improve transit coordination and regional oversight of transit operations in the Bay Area. It is unclear if other legislators will pick up the baton and introduce legislation next year to move these proposals forward.

Fiscal Outlook: The Legislative Analyst's Office released its fiscal outlook report, and the future remains bright. The LAO's projections estimate another healthy budget surplus in the range of \$5 billion-\$25 billion in the coming budget year. As usual, the LAO tempers this outlook by stressing income volatility, particularly with respect to the stock market and capital gains, is always a risk.

However, the Department of Finance's monthly revenue reports already show that revenue for the first three months of the fiscal year is already \$4.78 billion above projections.

To Be Continued: The May Revision included \$9.6 billion in General Fund dollars and bond funds for transportation programs listed below, as well as \$1.4 billion for zero emission trucks and buses that was included in the Climate package, for a total investment of \$11 billion. SB 129, the budget bill junior enacted in July, included the funding for the zero emission trucks and buses; however, the General Fund appropriations for the transportation programs were contingent on provisional language whereby the funds would revert to the General Fund if legislation were not enacted by October 10th specifying how the funds would be allocated. SB 129 did not include the \$4.2 billion appropriation for high-speed rail, and it did not include \$407 million for the Zero Emission Rail and Transit Equipment Program.

Since an agreement was not reached on appropriating \$4.2 billion in bond funds to the High-Speed Rail Authority, negotiations on allocating the other transportation funds came to a halt. As a result, the General Fund dollars for the proposed transportation expenditures will now revert to the General Fund. While this is disappointing, all is not lost. The goal is for negotiations to continue with the expectation of enacting legislation when the Legislature returns in January. In his veto message for AB 604 (Daly) and AB 1147 (Friedman), Governor Newsom stated, "*I look forward to re-engaging with the Legislature to finalize and pass a comprehensive transportation package early next year that invests in a wide variety of critically-necessary projects*" While hopefully just a delay, the following appropriations are now on hold:

- *Los Angeles Olympics* – \$1 billion General Fund to deliver critical projects in time for the 2028 Olympic Games. These funds would be allocated through the Transit and Intercity Rail Capital Program (TIRCP), eligible projects must be in the Southern California region and related to the transportation needs for hosting the 2028 Olympic Games.
- *Priority Transit and Rail Projects* – \$1 billion General Fund for transit and rail projects statewide that improve rail and transit connectivity between state and regional/ local services. These funds would also be competitively allocated through TIRCP.
- *Active Transportation* – \$500 million General Fund to advance projects that increase the proportion of trips accomplished by walking and biking, increase the safety and mobility of non-motorized users. The intent of this allocation is to fund the list of projects already submitted and scored through the CTC's Active Transportation Program. While the CTC requested \$2 billion for active transportation projects, this significant investment was considered sufficient at this time.
- *High Priority Grade Separations and Grade Crossing Improvements* – \$500 million General Fund to support critical safety improvements throughout the state. These funds would be allocated through a competitive grant program for both freight and intercity rail related projects.
- *High-Speed Rail* – \$4.2 billion Proposition 1A funds to complete high-speed rail construction in the Central Valley, advance work to launch service between Merced and Bakersfield, advance planning, and project design for the entire project, and leverage potential federal funds.
- *State Highway Rehabilitation and Local Roads and Bridges* – \$2 billion (\$1.1 billion special funds through 2028, and \$968 million federal funds) to support the advancement of priority State Highway Operation and Protection Program (SHOPP) projects, Interregional

Transportation Improvement Program (ITIP) projects, and local road and bridge investments. The source of the \$1.1 billion is interest income from the State Highway Account and other accounts.

- *Zero-Emission Rail and Transit Equipment Purchases and Infrastructure* – \$407 million (\$100 million General Fund, \$280 million Public Transportation Account (PTA), and \$27 million federal funds) to demonstrate and purchase or lease state-of-the-art clean bus and rail equipment and infrastructure that eliminate fossil fuel emissions and increase intercity rail and intercity bus frequencies. This funding proposal was rejected by the Legislature, but remains part of the ongoing negotiations.

Budget: As expected, cobbling together the final pieces of the 2021-22 budget took until the final week of session. On the last day to amend bills, 15 new budget trailer bills and another budget bill junior appropriation bill were amended and ultimately approved. The Governor has since signed each of these measures into law. The following is a summary of the trailer bills that may be of interest. Let us know if you would like a more detailed breakdown:

SB 170 – Budget Bill Junior – SB 170 makes numerous appropriations related to health, education, wildfire funding, climate resiliency programs, drought, and agriculture. Among the numerous provisions in this bill include the following:

- Appropriates \$988 million (\$758 million General Fund and \$230 million Greenhouse Gas Reduction Fund (GGRF)) in 2021-22 for wildfire prevention and resiliency programs.
- Appropriates \$855 million (\$730 million General Fund and \$125 million special fund) in 2021-22 for the water resilience package.
- Provides \$369.2 million General fund in 2021-22 the Climate Resilience Package. The Climate Resilience Package includes an additional \$2.09 billion in 2022-23 and \$1.23 billion in 2023-24, totaling \$3.69 billion over three fiscal years.
- Appropriates an additional \$850 million in greenhouse gas reduction fund revenue. This is part of the discretionary spending plan for auction revenue, and this is in addition to \$684 million appropriated in the June budget for a total of \$1.53 billion in 2021-22.
- \$1 million is appropriated to CalSTA for Highway 37 climate adaptation.

SB 155 – Public Resources Trailer Bill – SB 155 makes several statutory changes to implement appropriations made in the budget related to environment and natural resources. Among the changes in this bill are the following:

- Provides for the extension of eligibility for the existing fuel cell net energy metering tariff that electrical corporations have filed with the PUC from December 31, 2021, to December 31, 2023.
- Renames the Alternative and Renewable Fuels and Vehicle Technology program the Clean Transportation program and allows native tribes to compete for funding.
- Appropriates, continuously, \$200 million Greenhouse Gas Reduction Fund annually until 2028-29 for healthy forest and fire prevention programs and projects
- Exempts, until January 1, 2025, from CEQA projects that conserve, restore, protect, or enhance, and assist in the recovery of California native fish and wildlife, habitat upon which they depend or that restore or provide habitat for California native fish and wildlife.
- Makes available, upon appropriation by the Legislature in the annual Budget act, \$350 million in 2022-23 and \$150 million in 2023-24 to the State Conservancy for grants or

expenditures for the protection and restoration of coastal and ocean resources from the impacts of sea level rise and other impacts of climate change

- Requires the Department of Parks and Recreation to determine the best use of land known as “Alameda-Tesla Expansion Area,” which is currently part of the Carnegie State Vehicular Recreation Area and prohibits this land from being designated as a state vehicular recreation area.

SB 163 – Workforce Development – SB 162 implements the Community Economic Resilience Fund(CERF) Program, which is funded with \$600 million in federal Coronavirus Fiscal Recovery Funds.

The CERF Program will be administered by the Workforce Services Branch at the Employment Development Department and will provide financial support to establish highroad transition collaboratives to design region and industry specific economic recovery and transition strategies. The program will provide planning grants on a competitive basis to each region. The plans must address economic diversification, industry planning, workforce development and safety net programs, and must prioritize high-quality jobs and equitable access to them, while emphasizing the development of sustainable industries. The program will also provide competitive grants to implement the plans. Grant recipients must align with regional workforce needs by linking with high road training partnerships or high road construction career training programs.

AB 174 – Vehicles/Transportation – AB 174 primarily makes changes related to the Department of Motor Vehicles such as alternative procedures for driver’s license renewals, fingerprint verification, and electronic reporting of vehicle fleet insurance. The bill does not contain any provisions related to Caltrans or CalSTA.

AB 175 – Housing Items – AB 175 makes numerous clean-up changes to previously enacted housing measures. In particular, AB 175 makes technical amendments to the Regional Early Action Program (REAP) of 2021. The changes to the REAP program include specifying that a grant recipient shall obligate funds no later June 30, 2024, and expend funds no later than June 30, 2026. Additionally, this bill extends from June 30, 2025, to June 30, 2026, the timeline for submitting a final report for a grant recipient.

Legislation: Attached is a matrix of bills of interest to the District that we actively monitored this year. All “two-year” bills must be out of their house of origin by the end of January to remain active.

Bill	Subject	Status	Position
<p><u>AB 43</u> (Friedman D) Traffic safety.</p>	<p>AB 43 would implement some of the findings of the Vision Zero Task Force to reduce pedestrian and bicyclists’ fatalities by allowing local governments greater flexibility in setting speed limits. AB 43 authorizes a speed limit to be set at a level other than the speed limit determined by 85th percentile traffic survey in the following areas:</p> <ul style="list-style-type: none"> • Requires traffic surveyors to take into account the presence of vulnerable groups, including children, seniors, the unhoused and persons with disabilities when setting speed limits; • Permits speed limits to be set as low as 15 MPH. • Allows a speed limit to be reduced an additional 5 MPH below the traffic survey speed on streets with high injuries and fatalities, and • Provides for greater flexibility in setting school speed limits, business activity district speed limits, and senior zone limits. 	<p>Signed Into Law</p>	<p>WATCH</p>
<p><u>AB 361</u> (Rivas, Robert D) Open meetings: local agencies: teleconferences</p>	<p>AB 361 creates an alternative process for local agencies to hold teleconference meetings under emergency conditions. With the executive order that currently allows for remote meetings by legislative bodies set to expire, AB 361 will be amended to include an urgency clause. With ongoing COVID pandemic concerns, once AB 361 is signed into law a local entity can vote to conduct remote meeting as long a state emergency has been declared. AB 361 currently specifies how a local agency may elect to conduct remote meetings and it specifies how public participation must be provided.</p>	<p>Signed Into Law</p>	<p>WATCH</p>
<p><u>AB 455</u> (Wicks D) Bay Bridge Fast Forward Program.</p>	<p>AB 455 would allow the Bay Area Toll Authority in consultation with Caltrans to designate a transit only lane on the Bay Bridge.</p>	<p>SENATE TRANSP Two-Year Bill</p>	<p>WATCH</p>

Bill	Subject	Status	Position
	<p>Substantial amendments were proposed aimed at accelerating the implementation of projects improving public transit access to the bridge. Given the extent of the changes and the need for additional time to work with the committee on refining the changes, it was decided to hold AB 455 in Senate Transportation. This will provide the time necessary to develop a comprehensive corridor solution.</p>		
<p>AB 476 (Mullin D) Department of Transportation: state highways: transit bus pilot program.</p>	<p>AB 476 is sponsored by the California Transit Association and would create a bus on shoulder pilot program.</p> <p>Although a two-year bill, AB 476 was amended at the end of session to establish a process to allow transit buses to operate on highway shoulders.</p> <p>As amended, the bill authorizes Caltrans to work with CalSTA, the Highway Patrol, local transportation entities, and transit operators to develop guidelines by January 1, 2024, that allow for the safe operation of transit buses on shoulders. The guidelines shall specify minimum highway widths, establish a speed limit that shall not exceed 35 mph, or 15 mph above the prevailing traffic speed, and establish protocols for transit vehicles to yield to emergency, maintenance, and disabled vehicles.</p> <p>Although the bill does not contain a sunset date, a report on any bus on shoulder operations must be submitted two years after operations have commenced.</p>	<p>ASSEMBLY TRANSP</p> <p>Two-Year Bill</p>	<p>SUPPORT</p>
<p>AB 550 (Chiu D) Vehicles: speed safety system pilot program.</p>	<p>AB 550 establishes a five-year pilot program to give local transportation authorities in the Cities of San Jose, Oakland, Los Angeles, two unspecified southern California cities, and the City and County of San Francisco the authority to install automated speed safety systems.</p> <p>AB 550 specifies the conditions where an automated system can be placed, limits the amount of the citation, specifies that the citation shall count as a point on a license,</p>	<p>ASSEMBLY APPR</p> <p>Held on Suspense</p> <p>Two-Year Bill</p>	<p>WATCH</p>

Bill	Subject	Status	Position
	<p>and specifies how the proceeds from citation can be spent. In addition, the bill states that the system shall not continue to operate on any given street if within the first 18 months of installation of a system, specified conditions related to a reduction in violations are not met.</p>		
<p><u>AB 629</u> (Chiu D) San Francisco Bay area: public transportation.</p>	<p>AB 629 contains an outline of a proposal to improve transit coordination in the Bay Area. In short, the provisions in AB 629 generally outline the need for reports on work already underway, such as wayfinding, fare integration, and real-time route information. The controversial content will likely not arise until this measure reaches the Senate and when the recommendations made by the Task Force are complete.</p>	<p>ASSEMBLY APPR Suspense File Two-Year Bill</p>	<p>WATCH</p>
<p><u>AB 917</u> (Bloom D) Vehicles: video imaging of parking violations.</p>	<p>Existing law authorizes AC Transit and SFMTA to utilize forward facing cameras for enforcing illegally parked vehicles in bus only lanes. AC Transit’s authority sunsets on December 30, 2021. SFMTA’s authority is permanent.</p> <p>While AB 917 was easily approved by the Assembly, the Senate took a more critical eye. AB 917 was approved by Senate Transportation and Senate Judiciary, but substantial amendments were taken</p> <p>In the Senate Transportation Committee amendments were taken to address impacts to low-income individuals. These amendments clarify existing practice to allow those reviewing the video evidence to decline to issue a ticket if evidence shows a “hardship” such as vehicle that does not operate. In addition, language was added to authorize the administrative hearing officer to reduce or eliminate a fine if the individual is found to be indigent.</p> <p>In the Senate Judiciary Committee, the chair expressed concerns about the broad application of the bill to any transit operator, and the need to provide additional warning</p>	<p>Signed Into Law</p>	<p>WATCH</p>

Bill	Subject	Status	Position
	<p>tickets To address this concern, AB 917 was amended to require 60 days of warning tickets, instead of the current 30-day period. More significantly, the bill was amended to include a sunset date. With the sunset date, the authority to use these cameras would end on January 1, 2027, with a status report due by January 1, 2025.</p> <p>AB 917 is a collaborative effort in partnership with the California Transit Association and LAMTA and AC Transit to repeal AC Transit’s sunset date, authorize all transit operators to utilize this video enforcement technology, and allow the use of video enforcement for vehicles illegally parked at bus stops.</p>		
<p><u>AB 984</u> (Rivas, Luz D) Vehicle identification and registration: alternative devices.</p>	<p>AB 984 would require the Department of Motor Vehicles (DMV) to establish a program authorizing an entity to issue devices as alternatives to the conventional license plates, stickers, tabs, and registration cards, subject to approval of the California Highway Patrol (CHP).</p>	<p>SENATE FLOOR – Inactive File Two-Year Bill</p>	<p>WATCH</p>
<p><u>AB 1401</u> (Friedman D) Residential and commercial development: parking requirements.</p>	<p>As amended, AB 1401 prohibits local governments in counties with a population of 600,000 or more from imposing or enforcing a minimum automobile parking requirement for residential, commercial, and other developments if the parcel is located within one-half mile walking distance of a “major transit stop.”</p> <p>In counties with a population less than 600,000, any city within that county with a population of 75,000 or more is also prohibited from imposing parking minimums on development within one-quarter mile of a major transit stop.</p> <p>As “Major transit stop” is defined in the bill to be a site containing any of the following:</p> <ul style="list-style-type: none"> (a) An existing rail or bus rapid transit station. (b) A ferry terminal served by either a bus or rail transit service. (c) The intersection of two or more major bus routes with a frequency of 	<p>SENATE APPR – Suspense File</p>	<p>WATCH</p>

Bill	Subject	Status	Position
	<p>service interval of 15 minutes or less during the morning and afternoon peak commute periods.</p> <p>AB 1401 also adds to the major transit stop definition; a major transit stop that is included in a regional transportation plan. Prior versions of the bill also included “high quality transit corridors,” but this reference has been removed.</p>		
<p><u>SB 210</u> (Wiener D) Automated license plate recognition systems: use of data</p>	<p>SB 210 would require automated license plate recognition system (ALPR) operators and end-users to conduct annual audits to review ALPR searches and require most public ALPR operators and end-users to destroy all ALPR data within 24 hours that does not match information on a “hot list.” It also would require the Department of Justice (DOJ) to make available model ALPR policies and issues guidance to local law enforcement agencies, as specified.</p>	<p>SENATE APPR – Suspense File</p>	<p>WATCH</p>
<p><u>SB 623</u> (Newman D) Electronic toll and transit fare collection systems</p>	<p>This bill makes numerous amendments to the laws related the use of personally identifiable information (PII) for the purposes of an electronic toll collection system (ETCS) or an electronic transit fare collection system (ETFCS), specifies that many of these amendments are declarative of existing law.</p>	<p>SENATE JUD Two-Year Bill</p>	<p>SUPPORT</p>

THIS PAGE INTENTIONALLY LEFT BLANK