

***TRANSPORTATION TECHNICAL COMMITTEE/
POLICY ADVISORY COMMITTEE***

***ADMINISTRATIVE
ACTION/DISCUSSION ITEMS X. B.***



LEGISLATIVE UPDATE

SB: 406: Land Use – Environmental Quality

BACKGROUND

SB 406 (DeSaulnier) Land Use: Environmental Quality

This bill authorizes an additional fee of \$1 or \$2 on vehicle registration through an existing fee mechanism to be used for planning purposes related to SB 375 (Steinberg), Chapter 728, Statutes of 2008, and proposes new duties, membership, and funding for the Strategic Growth Council and the planning Advisory and Assistance Council.

The bill would require, upon the request of a municipal planning organization, as defined, a council of governments, as defined, or a county transportation commission and a subregional council of governments jointly preparing a subregional sustainable communities strategy, the Department of Motor Vehicles to increase the fee on motor vehicles within the district, or the surcharge on motor vehicles registered in those counties within the Sacramento district, as the case may be, by \$1 or \$2. The bill would require the department to transmit the additional fee revenue to the respective entity requesting the increase. The bill would authorize the additional fee amount to be authorized only if the metropolitan planning organization, the council of governments, or the county transportation commission and the subregional council of governments jointly preparing a subregional sustainable communities strategy adopts a resolution, as specified, authorizing the additional fee. The additional fee would be required to apply to an original vehicle registration occurring on or after 6 months following the adoption of the resolution, as specified, and to a renewal of registration with an expiration date on or after that 6-month period. The bill would require that all revenue received by the metropolitan planning organization, the council of governments, or a county transportation commission and a subregional council of governments jointly preparing a subregional sustainable communities strategy pursuant to the above provisions be used solely to develop a sustainable communities strategy or a regional blueprint plan to identify land use strategies to reduce the use of motor vehicles in its jurisdiction and to carry out applicable transportation-related activities necessary to implement the plan, in order to achieve a specified greenhouse gas emission reduction target. The bill would also require that the additional fee revenue that exceeds \$1 in specified jurisdictions be used to provide grants to cities, counties, cities and counties, and congestion management agencies for planning and projects related to the implementation of a regional blueprint plan, and 5% of all the revenue it receives from the first \$1 of the additional fee to be transmitted to the council for performance of specified functions.

Based on DMV estimates of vehicles registered in Fresno County for the period of January 1, through December 31, 2008; the number of vehicles registered were 623,032.

This bill:

1. Adds to the membership of PAAC, the following members:
 - A. Seven representatives of regional planning organizations.
 - B. One member of the State Air Resources Board (ARB).
 - C. One member of the California Transportation Commission (CTC).

- D. One member of the State Energy Resources Conservation and Development Commission.
 - E. One member appointed by the Speaker of the Assembly
 - F. One member appointed by the Senate Committee on Rules.
2. Provides that representatives on PAAC from regional planning organizations shall be selected by the Director of OPR as specified from:
- A. Nominees submitted by the regional planning organization and from the governing body of each of the following:
 - 1) The Southern California Association of Governments (SCAG).
 - 2) A member of the governing body for both the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG).
 - 3) The San Diego Association of Governments (SANDAG).
 - 4) The Sacramento Area Council of Governments (SACOG).
 - 5) The San Joaquin Valley Regional Policy Council (SJVRPC).
 - B. Nominees submitted by the California Association of Councils of Governments (CALCOG) from:
 - 1) A metropolitan planning organization (MPO) or council of governments (COG) that is not identified in 2. A. above.
 - 2) A regional transportation planning agency that is neither an MPO nor a COG. SB 406.
3. Adds new duties to the responsibility of PAAC, including:
- A. Working with SGC, regional agencies, and with cities and counties to facilitate the implementation of regional blueprint plans.
 - B. Developing and proposing recommendations to SGC, the Department of General Services (DGS), the State Allocation Board, the Department of Housing and Community Development (HCD), the Department of Transportation (Caltrans), CTC, and any other state agencies that affect land use, housing, or transportation in order to facilitate coordination between regional blueprint plans and state growth and infrastructure funding plans and programs that facilitate the implementation of regional blueprint plans.
 - C. Receiving reports, including, but not limited to, a copy of the five-year infrastructure plan.
 - D. Reporting to the Legislature on regional performance measures, evaluating the progress of each region of the state in improving results for residents in employment, environmental protection, education, housing, mobility, and other criteria as determined by PAAC.
4. Specifies that PAAC shall provide the Legislature with updates to the report specified in 3. D. above periodically, as the PAAC determines is required.

5. Provides that PAAC shall commence the functions enumerated in 3. and 4. above when sufficient funding, as determined by PAAC, exists from revenue transmitted to PAAC by MPOs, COGs, or county transportation commissions and subregional COGs jointly preparing SCS.
6. Requires the DMV, upon request by an MPO, COG, or county transportation commission and a subregional COG jointly preparing a subregional SCS, to increase certain fees on motor vehicle registration by one dollar or two dollars, on a vehicle registered to an owner with an address in its jurisdiction.
7. Requires the DMV to transmit the additional fee revenue to the MPO, COG or county transportation commission and subregional COG jointly preparing a subregional SCS that requested the fee increase.
8. Provides, in order to impose the additional fee, that the MPO, COG, or county transportation commission and subregional COG jointly preparing a subregional SCS, must adopt a resolution authorizing the additional fee amount.
9. Provides that a resolution by the MTC or ABAG to authorize the additional fee amount must be jointly adopted by resolution of both entities, and the revenue from the additional fee amount shall be divided in accordance with an agreement between these two entities.
10. Provides that a resolution by a county transportation commission or a subregional COG within the jurisdiction of the SCAG shall be jointly adopted by resolution of both entities, and the revenue from the additional fee amount shall be divided in accordance with an agreement between the two entities.
11. Provides that the additional fee shall be applied to an original vehicle registration occurring on or after six months following the adoption of the resolution by the MPO, COG, or a county transportation commission and a subregional COG jointly preparing an SCS, and to a renewal of registration with an expiration date on or after that six-month period.
12. Provides that all revenue received by the authorization of an additional fee amount shall be used solely to develop a SCS or a regional blueprint plan to identify land use strategies to reduce the use of motor vehicles in its jurisdiction and carry out applicable transportation-related activities necessary to implement the plan, and thereby achieve the greenhouse gas emission reduction target as specified in Government Code Section 65080, and to implement a SCS or regional blueprint plan that achieves the greenhouse gas emission reduction target.
13. Provides that if the additional fee exceeds one dollar, all amounts above one dollar in a jurisdiction with a population greater than 300,000 shall be used to provide grants to cities, counties, cities and counties, and congestion management agencies for planning and projects related to the implementation of a regional blueprint plan.
14. Provides that the entities shall transmit five percent of all revenue received from the first one dollar of the additional fee imposed to the PAAC for the performance of the new duties of the PAAC, as specified.
15. Allows the MPO, the COG, or a county transportation commission and a subregional COG jointly preparing a subregional SCS, pursuant to an agreement with the local AQMD that

has responsibility over the jurisdiction, to divide revenues received from the imposition of an additional fee jointly with the local AQMD.

16. Provides that all revenue received by the local AQMD shall be used to assist local and regional governments in reducing greenhouse gas (GHG) emissions, including, but not limited to, all of the following:

- A. Assistance in the development of a subregional SCS.
- B. Assistance in the development of local GHG emissions inventories.
- C. Assistance in the development of GHG emission reduction strategies in general plans.
- D. Development and assistance of California Environmental Quality Act (CEQA) guidelines and review of GHG emissions in CEQA analyses.
- E. Consultation and development of local climate action plans.
- F. Project specific consultation work to reduce GHG emissions from local transportation and land use decisions.

17. Adds, to several Health and Safety Code sections that allow for the imposition of fees on motor vehicle registration, language that specifies that if an MPO, COG, or a county transportation commission and a subregional COG jointly preparing and SCS authorizes an increase in the fee pursuant to provisions of this bill (Section 65083 of the Government Code), that the district shall not be subject to the conditions of the fee authorization contained in that code section.

18. Provides that an SCS and an alternative planning strategy (APS) shall both be considered to be a regional blueprint.

19. Adds a new duty for SGC to consult with and coordinate its recommendations with PAAC.

20. Requires the DMV, if requested by the Sacramento AQMD or the MPO which includes the Sacramento AQMD within its boundaries, to impose and collect a surcharge on the vehicle registration fee, not to exceed \$3, if the MPO authorizes the imposition of the fee pursuant to Section 65083 of the Government Code.

21. Requires that the DMV, if requested by an MPO, COG, or county transportation commission and a subregional COG jointly preparing an SCS, collect an additional fee of one dollar or two dollars and transmit that additional fee revenue to the requesting entity on a quarterly basis.

22. Requires the MPO, the COG, or the county transportation commission and the subregional COG jointly preparing a subregional SCS, to pay for the costs identified by DMV to administer the additional fee; and requires those entities to contract with the DMV to pay for the initial setup and programming costs identified by DMV.

23. Requires the initial setup and programming costs of the DMV to be reimbursed by the requesting entity from the additional fee revenues collected.
24. Requires the DMV, if requested by a county air pollution control district, AQMD, or unified or regional air pollution control district, and by a COG, MPO, or a transportation planning agency pursuant to provisions of this bill (Section 65083 of the Government Code), to collect fees relating to the provisions of this bill upon the registration or renewal of registration of any motor vehicle registered in the district, except those vehicles that are expressly exempted in statute from the payment of registration fees.
25. Provides, after deducting administrative costs, that the DMV shall distribute the revenues to the districts, MPOs, COGs, and transportation planning agencies based upon the amount of fees collected from motor vehicles registered within each district, COG, MPO, or transportation planning agency.
26. Specifies that the DMV may annually expend for its costs not more than the following percentages of the fees collected:
 - A. Five percent during the first year after the operative date the fee is imposed or increased.
 - B. Three percent during the second year after the operative date the fee is imposed or increased.
 - C. One percent during any subsequent year.
27. Makes other findings and declarations, and expresses the intent of the Legislature to update the duties and composition of the PAAC to assist in the state's land use planning processes by providing funding to support the development and implementation for regional blueprints and related planning.

Rationale for Support: Provides a permanent and necessary funding source for the regional and local planning required to successfully implement SB 375 through DMV fees. **Based on 2008 vehicle registration in Fresno County, an estimated \$623,032 could be raised in a one year period based on a \$1 fee collected, or \$1,246,064 based on a \$2 per vehicle fee.**

According to the Assembly Appropriations Committee, a one time programming/startup cost would be needed to go to DMV, in the amount of \$150,000. Additional minor ongoing costs would be necessary to administer the program, and one time costs reimbursed from the local agency first approving the fee. Subsequent agencies approving the fee would reimburse the first agency for start up costs on a pro-rata basis. Ongoing costs by DMV and local air boards for levying and distributing the fee would be deducted from fee proceeds. Fee revenues to local agencies of up to \$63 million annually would be allotted, if all agencies approved a two dollar increase. Of this maximum amount, \$1.5 million annually would be transferred to PAAC to fund its expanded operations.

Currently, the San Joaquin Valley's MPO's are requesting one-time funding through Prop 84, which will not be sufficient to complete the technical work necessary to address Blueprint and Sustainable Communities Strategy work. The administration and coordination of the SB 406

funding stream is facilitated by the 12 member PAAC, including a member from the San Joaquin Valley Regional Policy Council, who are in a position to advise the Strategic Growth Council on the best methods to accomplish reduction of traffic congestion and support affordable housing. Fees from DMV revenue are to be used for staffing and technical costs associated with compliance of SB 375 to identify strategies to address greenhouse gas issues, and more efficient land use patterns.

Opposition: No formal public opposition by MPO's has been initiated as there is an understanding that AB 32 and SB 375 are state mandated, and a funding source must be identified in order to carry out the necessary work to meet the requirements that will be forthcoming from the Planning Advisory and Assistance Council (PAAC). The only philosophical argument addressed primarily by San Diego Association of Governments, and Southern California Association of Governments has been that an increase in vehicle fees puts additional burden on the cost of vehicle ownership in California, an unpopular public policy in the current economic environment.

MEMORANDUM

DATE: October 29, 2009
TO: Policy Advisory Committee
COG Policy Board
FROM: Todd Sobrado, Planner
SUBJECT: Regional Clearinghouse Consent Calendar

RECOMMENDATION: Per Board procedure, unless an item is pulled from the Consent Calendar, tacit authorization is given for staff to forward any comment(s) received, or any Committee/Board comment(s) generated as a result of this informational item, to the appropriate agency. It is understood that if in the event any item should be pulled from the consent calendar, discussion and comment by the Committee members and the public will be taken.

DISCUSSION: The Regional Clearinghouse is a process of informing local agencies of federal grant requests, providing an opportunity to comment, and potentially avoid duplication of effort. Clearinghouse items are brought before the Policy Advisory Committee (PAC) and, if appropriate, the Transportation Technical Committee (TTC) for review and comment. Any resulting TTC/PAC comments, and any comments received from other agencies as a result of the Clearinghouse notification process, are noted on a monthly report brought forward to the Fresno COG Policy Board.

COG Policy Board action would be to authorize staff to forward any comments received or any Board comments to the State Clearinghouse and other appropriate agencies. The applicants have been notified of this meeting. While participation by the agency is optional, they have been personally requested to attend the Policy Board meeting in case there should be any questions. It should be noted that if in the event any of these items should be pulled from the consent calendar, that discussion and comment by the Committee/Board members and the public will be taken. *Project Notification and Review Reports* describing these projects are attached.

FUNDING: Proposed funding levels are as shown below:

Applicant	Federal Funds	Other/ Applicant Funds	Total Funds
Southern California Presbyterian Homes - US Dept of Housing 2009 Section 202 Supportive Housing for the Elderly Grant	\$10,695,924	\$425,000	\$11,120,924
City of Fresno - US Department of Commerce: Economic Development Administration, Public Works and Economic Development Program	\$2,400,000	\$2,950,000	\$5,350,000

