

MEETING OF THE

LEGISLATIVE/COMMUNICATIONS AND MEMBERSHIP COMMITTEE

SOUTHERN CALIFORNIA



**ASSOCIATION of
GOVERNMENTS**

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Paula Lantz, Pomona

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Transportation
Keith Millhouse, Ventura County
Transportation Commission

Tuesday, January 15, 2013

8:30 a.m. -10:00 a.m.

SCAG Offices

818 West 7th Street, 12th Floor

Policy Committee Room B

Los Angeles, CA 90017

(213) 236-1800

Videoconference Available

San Bernardino SCAG Office

1170 W. 3rd Street, Suite 140

San Bernardino, CA 92418

Imperial County SCAG Office

1405 N. Imperial Avenue, Suite 1

El Centro, CA 92243

Teleconference Is Available

If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Ruby Moreno at (213) 236-1840 or via email moreno@scag.ca.gov

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Legislative/Communications and Membership Committee

January 2013

Larry McCallon, District 7

Judy Mitchell, District 40

Chair

Vice-Chair

Member

Barrows, Bruce

Becerra, Glen

Carroll, Stan

Clark, Margaret

Daigle, Leslie

Daniels, Gene

Finlay, Margaret

Martinez, Michele

Nelson, Shawn

O'Connor, Pam

Pettis, Greg

Viegas-Walker, Cheryl

Wapner, Alan

Representing

District 23

District 46

District 31

District 32

District 15

District 24

District 35

District 16

Orange County

District 41

District 2

District 1

SANBAG

Teleconference Locations

Hon. Margaret Finlay
2221 Rim Road
Duarte, CA 91008

Hon. Margaret Clark
Rosemead City Hall
8838 E. Valley Blvd.
Rosemead, CA 91770

Hon. Michele Martinez
300 W. 3rd Street
Santa Ana, CA 92701

Hon. Judy Mitchell
62 Hidden Valley Road
Rolling Hills Estates, CA 90274

Hon. Shawn Nelson
333 West Santa Ana Blvd, Fifth Floor
Santa Ana, CA 92701

Alan Wapner
OmniTrans
1700 W. Fifth Street
San Bernardino, CA 92411

Hon. Leslie Daigle
1111 Bayside Drive, Suite 222
Corona del Mar, CA 92625

LEGISLATIVE/COMMUNICATIONS & MEMBERSHIP COMMITTEE AGENDA JANUARY 15, 2013

The Legislative/Communications & Membership Committee may consider and act upon any of the items listed on the agenda regardless of whether they are listed as information or action items.

CALL TO ORDER & ROLL CALL

(Hon. Larry McCallon, Chair)

PUBLIC COMMENT PERIOD

Members of the public desiring to speak on items on the agenda, or items not on the agenda, but within the purview of the Committee, must fill out and present a Public Comment Card to the Assistant prior to speaking. Comments will be limited to three (3) minutes, per speaker provided that the Chair has the discretion to reduce this time limit based upon the number of speakers. The Chair may limit the total time for all comments to twenty (20) minutes.

REVIEW AND PRIORITIZE AGENDA ITEMS

CONSENT CALENDAR

1. Minutes of November 20, 2012 Meeting **Attachment 1**

ACTION ITEMS

2. SCAG Sponsorships & Memberships: **Attachment 4**
- Urban Land Institute Los Angeles Urban Marketplace (\$5,000);
 - California State University, Long Beach Regional Economic Forum (\$1,000);
 - Association of California Cities – Orange County 2013 Board of Directors Installation (\$500).
- (Darin Chidsey, Acting Director)*
3. 2013 State and Federal Legislative Priorities Update **Attachment 6**
(Darin Chidsey, Acting Director)
4. Bills to Support: **Attachment 9**
- AB 14 (Lowenthal, B.) – State Freight Plan;
 - SB 1 (Steinberg) – Sustainable Communities Investment Authority;
 - SB 33 (Wolk) – Infrastructure Financing Districts.
- (Darin Chidsey, Acting Director)*

LEGISLATIVE/COMMUNICATIONS & MEMBERSHIP COMMITTEE AGENDA JANUARY 15, 2013

INFORMATION/DISCUSSION ITEMS

- | | |
|---|--|
| 5. Voter Approval Thresholds for State and Local Revenue Measures and Consideration of “Life Cycle Costs” in Local Transportation Tax Measures
<i>(Darin Chidsey, Acting Director)</i> | Attachment 12 |
| 6. Federal and State Legislative Update
<i>(Sharon Neely, Chief Deputy Executive Director)</i> | To Be Sent Under Separate Cover |
| 7. Strategy, Policy & Public Affairs Update
<i>(Darin Chidsey, Acting Director)</i> | Oral Update |
| 8. California Legislative Matrix
<i>(Darin Chidsey, Acting Director)</i> | Attachment 15 |

FUTURE AGENDA ITEMS

Any Committee member or staff desiring to place items on a future agenda may make such a request.

ANNOUNCEMENTS

ADJOURNMENT

The next meeting of the Legislative/Communications & Membership Committee is scheduled for 8:30 a.m., Tuesday, February 19, 2013 at the SCAG Los Angeles office.

**LEGISLATIVE/COMMUNICATIONS & MEMBERSHIP COMMITTEE
of the
SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS**

**November 20, 2012
Minutes**

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN AND/OR DISCUSSIONS BY THE LEGISLATIVE/COMMUNICATIONS & MEMBERSHIP COMMITTEE. AUDIO OF THE ACTUAL MEETING IS AVAILABLE FOR LISTENING IN SCAG'S DOWNTOWN LOS ANGELES OFFICE.

The Legislative/Communications & Membership Committee held its November 20, 2012 meeting at SCAG's downtown Los Angeles Office.

Members Present

Hon. Bruce Barrows, District 23
 Hon. Glen Becerra, District 46
 Hon. Margaret Clark, District 32
 Hon. Gene Daniels, District 24
 Hon. Margaret Finlay, District 35
 Hon. Michele Martinez, District 16 (**Teleconference**)
 Hon. Larry McCallon, District 7 (**Teleconference**)
 Hon. Judy Mitchell, District 40 (**Teleconference**)
 Hon. Shawn Nelson, District 4 (**Teleconference**)
 Pam O'Connor, District 41 (**Teleconference**)
 Hon. Greg Pettis, District 2
 Hon. Alan Wapner, SANBAG (**Videoconference**)

CALL TO ORDER

The meeting was called to order by Councilmember Larry McCallon at 8:30 a.m. There was a quorum.

PUBLIC COMMENT PERIOD

There were no public comments.

CONSENT CALENDAR

1. Minutes of October 18, 2012 Meeting

A motion was made (Finlay) to approve the Consent Calendar. The motion was **SECONDED** (Daniels) and **APPROVED** by roll call vote (1 abstention – Mitchell)

ACTION ITEMS

2. SCAG Sponsorship

Darin Chidsey, Deputy Director, introduced the North American Green Trade Corridors Summit (NAFTANEXT) sponsorship item as an opportunity to bring SCAG's work to a national level. The focus of the summit is looking at areas where the NAFTA countries can work together to

Legislative/Communications & Membership Committee Minutes

ensure goods movement industry and border crossing is going to move forward in a clean and environmentally sound way, and at the same time guaranteeing that the economic impacts in job benefits associated with those industries are growing as well. Mr. Chidsey also noted the importance of the timing of the summit, since Congress passed MAP-21 as a two year bill, participation in this conference provides excellent positioning for SCAG to be a part of the national discussion affecting the next reauthorization bill, particularly with respect to clean freight and goods movement issues. The summit is scheduled for March 2014 and a \$15,000 local sponsorship will allow SCAG to be involved in program development and speakers selection.

A motion was made (Pettis) to recommend approval of the North American Green Trade Corridors Summit (NAFTANEXT). Motion was SECONDED (Finlay) and UNANIMOUSLY approved by roll call vote.

3. 2013 State and Federal Legislative Priorities

Sharon Neely, Chief Deputy Executive Director, provided a summary of staff-recommended legislative priorities, which reflect prior Regional Council Board approved action and direction. Ms. Neely emphasized these legislative principles would be reviewed by legislative leaders, the business community, and SCAG's partner agencies for additional input and feedback. With the additional contributions from the December 6, 2012 Economic Summit, Ms. Neely expressed confidence that the message carried forward in Sacramento for the new legislative session will reflect the comprehensive goals of the agency and its regional partners.

A motion was made (O'Connor) to recommend approval of the legislative priorities with additional suggestions from the LCMC which include Criminal Justice Realignment, Affordable Housing, and Community Redevelopment. Motion was SECONDED (Clark) and APPROVED by roll call vote (1 No – Nelson).

4. Federal and State Legislative November 6, 2012 Election Update

Sharon Neely, Chief Deputy Executive Director, briefed the Committee on several current federal issues. Firstly, Ms. Neely's continued participation with the MAP-21 Statewide working group will help determine resolution concerning a number of implementation issues by consensus of statewide stakeholders that will evolve into legislation for the next year. Secondly, with respect to the status quo funding level for FY13-14 under the current continuing resolution which expires March 31, Congress will need to act to either extend or replace the continuing resolution for the current fiscal year at a time of uncertainty concerning possible sequester cuts and congressional action to raise the federal debt ceiling, which could impact future funding including the possibility of additional transportation funding cuts. Additionally, Bill Shuster (R-PA) has been announced as the new Chairman of the U.S. House Transportation and Infrastructure Committee (T&I), and as Chair will be principally responsible for the direction of the reauthorization bill.

Ms. Neely also reported that the previously-approved Cap & Trade principles are being discussed for the purpose of allocating the funding for transportation. Hearings will be held in

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February and March of 2013. Lastly, Ms. Neely noted Speaker Perez's staff has held informal working group meetings, providing information, in the case of a new transportation funding bill.

5. Strategy, Policy & Public Affairs Update

Darin Chidsey, Deputy Director, updated the Committee on Executive Director Hasan Ikhata's meetings with the City Managers in the SCAG region over the last two months. Mr. Ikhata has been attending City Manager meetings throughout the region, which has provided an opportunity for him to recognize the needs of the cities and to explain SCAG's new initiatives. Mr. Ikhata is also hosting a meeting with the COG Executive Directors to discuss their working relationship at the local, subregional level and how best to achieve collaborative, consensus-based solutions to local and regional issues.

Mr. Chidsey also reported on two upcoming events; 1) Economic Summit held at the Bonaventure Hotel in downtown Los Angeles on Thursday, December 6, 2012; 2) CalEPA Workshop hosted at SCAG on Wednesday, December 12, 2012. Lastly, Mr. Chidsey announced that Councilmember Cheryl Viegas-Walker has accepted to be the Chair of the Host Committee for the 2013 General Assembly.

FUTURE AGENDA ITEMS

None.

ANNOUNCEMENTS

Councilmember Gene Daniels reported Gateway Cities Council of Governments sponsored a Job Creation and Economic Revitalization Program, which was a successful event.

ADJOURNMENT

The next regular meeting of the Legislative/Communications & Membership Committee is scheduled for 8:30 am – 10:00 am, Tuesday, December 18, 2012 at the SCAG Los Angeles office.

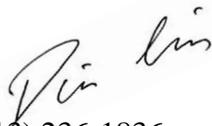
Reviewed by:



Darin Chidsey
Acting Director, Strategy, Policy & Public Affairs

REPORT

DATE: January 15, 2013

TO: Legislative/Communications & Membership Committee (LCMC) 

FROM: Darin Chidsey; Acting Director, Strategy, Policy & Public Affairs; (213) 236-1836;
chidsey@scag.ca.gov

SUBJECT: SCAG Sponsorships & Memberships

RECOMMENDED ACTION:

Approve.

EXECUTIVE SUMMARY:

Approve up to \$6,500 in sponsorships for: 1) Urban Land Institute Los Angeles Urban Marketplace (\$5,000); 2) California State University, Long Beach Regional Economic Forum (\$1,000); and 3) Association of California Cities – Orange Council 2013 Board of Directors Installation (\$500).

STRATEGIC PLAN:

This item supports SCAG's Strategic Plan: Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; and Goal 2: Obtain Regional Transportation Infrastructure Funding and Promote Legislative Solutions for Regional Planning Priorities.

BACKGROUND:

Urban Land Institute Los Angeles – Urban Marketplace (\$5,000)

The Urban Land Institute Los Angeles 13th Annual Urban Marketplace in April 2013 will bring together real estate industry professionals to learn best practices and solidify relations with key professionals and leaders at the forefront of revitalizing the inner city. The Urban Marketplace brings together Southern California cities and public agencies at a time when operating funds are limited and the need for smart growth and balanced has become an increasing priority.

The Urban Marketplace convenes leaders, planners and deal makers and provides opportunities to learn how deals are being structured, partnerships are forged and innovation is leveraged in this new economy. The event will include leader dialogue on the urban development challenges think tank series, 20+ intimate roundtable discussions on the most pressing topics facing the development industry, and exhibitor marketplace and networking.

SCAG staff is recommending a Silver Sponsorship in the amount of \$5,000, which will include the following benefits:

- One (1) quarter-page advertisement in the program;
- Six (6) complimentary registrations to the conference (value of \$540);
- Placement on all publicity and marketing;
- One (1) eight-foot table-top exhibit space

REPORT

California State University, Long Beach Regional Economic Forum (\$1,000)

California State University, Long Beach (CSULB) will be hosting their annual Regional Economic Forum (previously the Regional Economic Forecast) on April 26, 2013. For more than 20 years, the CSULB Forum has provided businesses, governments, and other organizations with insightful commentary about the economic trends that impact Southern California, one of the most important economic areas in the United States.

Funds raised will enable the Office of Economic Research in the Department of Economics at CSULB to continue to provide a clearer understanding of the economic issues that directly impact the region,

In line with the Southern California Economic Recovery & Job Creation Strategy, and continued economic analysis conducted by SCAG staff and consultants, SCAG staff recommends a Silver Level sponsorship in the amount of \$1,000, which includes:

- Eight (8) tickets (i.e., one table); and
- Program recognition at the Forum.

Association of California Cities – Orange County (\$500)

The Association of California Cities – Orange County (ACC-OC) will be holding their 2013 Board of Directors Installation on April 11, 2013 in Newport Beach, CA (event location TBD). The event brings together elected officials from the local, state, and federal levels; city management and staff; public agency staff; and Orange County's business community. The event will be attended by over 300 local, public, and private leaders.

SCAG staff is recommending a sponsorship at the Bronze Level (\$500), which includes:

- Complimentary attendance for one (1) guest;
- Recognition on event invitations;
- Company logo on event sponsor board;
- Company logo and recognition on the ACC-OC website; and
- Company logo and recognition in the ACC-OC newsletter, *The Hub*.

FISCAL IMPACT:

Up to \$6,500 (these funds are included in the approved FY13 budget).

ATTACHMENT: None.

REPORT

DATE: January 15, 2013

TO: Legislative/Communications & Membership Committee (LCMC)

FROM: Darin Chidsey, Acting Director, Strategy, Policy & Public Affairs, (213)-236-1836, chidsey@scag.ca.gov

SUBJECT: 2013 State Legislative Priorities Update

RECOMMENDED ACTION:

Recommend to the Regional Council that SCAG's top State legislative priorities for 2013 are Project Streamlining & Expediting, Financing, Economic Development & Community Reinvestment and Cap & Trade.

EXECUTIVE SUMMARY:

The Regional Council at its January 3, 2013 meeting adopted SCAG's 2013 State and Federal Legislative Priorities. The Regional Council directed that the Legislative/Communications & Membership Committee review and suggest to the Regional Council a select number of priorities that are the most critical and have the greatest potential to show progress in the 2013-2014 Legislative Session. These top priorities, Project Streamlining & Expediting, Financing, Economic Development & Community Reinvestment and Cap & Trade, will serve as the message points to state lawmakers at SCAG's Sacramento legislative reception and meetings with individual lawmakers and staff, which will be held in Sacramento February 19-21, 2013. Additionally, the Regional Council also discussed potential reform to the Regional Housing Needs Assessment process that may result in future legislative priorities.

STRATEGIC PLAN:

This item supports SCAG's Strategic Plan, Goal 2: Obtain Regional Transportation Infrastructure Funding and Promote Legislative Solutions for Regional Planning Priorities; Objective b) Identify and support legislative initiatives.

BACKGROUND:

The Regional Council requested that the Legislative/Communications & Membership Committee (LCMC) review the adopted legislative priorities and recommend a reduced number of priorities that would be presented to state lawmakers at the legislative reception and individual meetings SCAG will hold in Sacramento February 19-21, 2013. The Regional Council expressed its view that a select number of priorities that are the most critical and have the greatest potential to show progress in this legislative session would be a more effective means of communicating SCAG's advocacy objectives with state lawmakers.

Staff makes the following recommendations for LCMC consideration from among its previously recommended and adopted state legislative priorities.

- 1. Project Streamlining & Expediting:** Support legislation directed at California Environmental Quality Act (CEQA) modernization and process reform that expedites project delivery and the creation of jobs. For example, concurrent rather than consecutive environmental review, and expedited judicial review of challenges to environmental rulings.

There are a number of reasons this priority is offered for consideration. CEQA modernization and project acceleration outcomes consistently have been policy objectives approved by the Regional Council through the years and have been part of SCAG's legislative program for several years. SCAG has worked successfully with its partner organizations at the local and national level to include similar, consistent provisions regarding federal environmental review processes contained within the "Breaking Down Barriers" provisions developed by the Orange County Transportation Authority (OCTA) within the surface transportation authorization law, MAP-21 (Moving Ahead for Progress in the 21st Century), passed by Congress in 2012. At SCAG's December 2012 Economic Summit, prominent economists from throughout the SCAG region analyzed the impacts of accelerating project delivery, moving a 5-year tranche of the 2012–2035 RTP/SCS forward 5 years. This analysis concluded that approximately 300,000 jobs per year would be created or brought forward. Advancing five years of projects would result in a decrease in construction cost by \$1.25–1.95B (or 5–9% of construction cost).

At the state level, recently there have been public reports from both the legislative leadership and the Governor emphasizing pragmatic solutions that both encourage jobs as well as protect other aspects of public interest such as the environment, suggesting that the time may have come for modest CEQA modernization in this legislative session.

2. Financing, Economic Development & Community Reinvestment: Support legislation to expand use of innovative finance structures to create new opportunities for economic development, community reinvestment, and the development of transportation projects and infrastructure investment, including Public-Private Partnerships (P3s), Private Equity finance, and flexibility of local government to adopt alternate financing structures such as Infrastructure Financing Districts and local, targeted finance authorities.

In the 2011-2012 legislative session Redevelopment Agencies (RDA's) were eliminated. The measure was opposed by many local government entities throughout the state, including the League of California Cities, as well as the business community. The Regional Council adopted "oppose" positions to RDA elimination and directed that SCAG support alternative financing structures to give local government the tools and flexibility to locally address economic development in the wake of reduced and/or eliminated funding from the state. SCAG supported SB 214 (Wolk), which enhanced flexibility regarding establishment and use of Infrastructure Finance Districts by local government; SB 1156 (Steinberg), which provided an alternate mechanism to use tax increment finance by local government to fund development according to a plan incorporating land-use strategies that help implement sustainable communities strategies; and opposed outright AB 26x1 and AB 27x1, the measures that effectively eliminated RDAs.

This year, Senate President Pro Tempore Steinberg has introduced SB 1, which is identical to SB 1156 from last year that SCAG supported, the Legislature passed, and the Governor vetoed. Speaker Perez, too, has introduced AB 32, a bill that would increase the amount of a tax credit allowed under existing law of a qualified investment made into a community development financial institution for local economic development. Other bills proposing to increase flexibility and/or provide additional local financing tools for economic development are expected to be introduced this session. The League of California Cities, too, recently adopted the legislative advocacy recommendations of its Strategic Initiatives Task Force which included the expansion of community and economic development tools and funding options for city services as one of its top advocacy objectives of 2013. Likewise, there was significant support expressed by both state and local elected officials and business leaders at SCAG's December 2012 Economic Summit for enhanced local, community economic development and flexible, alternate finance structures to aid economic recovery at the local and regional level. This is clearly an issue that will receive the continued attention of

the legislature in the coming year and is essential to build and sustain the momentum necessary to achieve economic recovery in southern California.

3. **Cap & Trade:** Support legislation that ensures an equitable portion of revenues generated from the implementation of the Cap & Trade program are allocated to transportation improvements that result in the reduction of pollution and GHG emissions commensurate with the transportation sector's impact in causing these emissions.

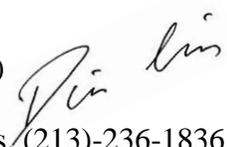
The Regional Council, following the recommendations of the LCMC, at its October 4, 2012 meeting adopted support of principles developed by a statewide transportation coalition of which SCAG is an active, participating member, for the use of Cap & Trade auction revenues. Auction of carbon emissions credits by the California Air Resources Board have been estimated by the Department of Finance to generate between \$660 million to \$3.3 billion in FY 2013, depending upon the settlement price of credits at auction. The first auction, held in November, generated approximately \$300 million; there are two more auctions to be held this fiscal year in February and May. The coalition principles are consistent with long-standing SCAG objectives to seek enhanced financing sources for transportation purposes throughout the region, and to seek and support funding to implement sustainable communities strategies mandated by SB 375. The principles also provide for flexibility at the regional and local level to develop the most cost effective ways to meet GHG reduction goals through transportation and land use investments; and specify that project-funding determinations be made at the regional level under established statewide criteria to encourage local innovation and flexibility. Cap & Trade revenue is the only new, additional source of funding known during this time of severe budgetary and fiscal constraint at the state level to finance these important projects.

Additionally, the Regional Council at its January 3 meeting discussed challenges identified by the Community, Economic and Human Development (CEHD) Committee with the Regional Housing Needs Assessment (RHNA) process and opportunities for reform. CEHD requested that RHNA reform be placed on the February 7 CEHD Committee agenda. Suggested opportunities for reform included addressing prior issues encountered by the RHNA Subcommittee and working with stakeholders such as building advocates, housing advocates, and the California Department of Housing and Community Development (HCD). In addition to the discussion at the CEHD, Linn Warren, HCD Director, presented to the Regional Council HCD's current activities to increase housing funding, streamlining of regulations and reduction of approval time for local community housing plan submissions. The Regional Council indicated that it would like to continue supporting HCD efforts to streamline and otherwise improve the RHNA and housing element update processes, as well as to secure sustainable funding to help local jurisdictions build needed units, including those for veterans, disabled persons, and the homeless. As a follow up to the adoption of the 5th Cycle RHNA Plan and HCD Director Warren's presentation to the Regional Council, SCAG staff will present to CEHD a recommended process for collaborating with HCD on RHNA reform. Such process, if approved by the CEHD and RC, may provide further need for potential legislative action or priority concerning RHNA reform and, if so, will be brought before the LCMC for consideration.

ATTACHMENT: None.

REPORT

DATE: January 15, 2013

TO: Legislative/Communications & Membership Committee (LCMC) 

FROM: Darin Chidsey, Acting Director, Strategy, Policy & Public Affairs, (213)-236-1836, chidsey@scag.ca.gov

SUBJECT: Support AB 14 (Lowenthal, B.) – State Freight Plan; SB 1 (Steinberg) – Sustainable Communities Investment Authority; SB 33 (Wolk) – Infrastructure Financing Districts

RECOMMENDED ACTION:

Support.

EXECUTIVE SUMMARY:

On January 3, the SCAG Regional Council adopted the agency's 2013 State & Federal Legislative Priorities. Pursuant to those priorities, SCAG staff has identified the following bills that have been introduced in either the California State Assembly or Senate in the 2013-2014 Legislation Session. Pursuant to past actions of both the Legislative/Communications & Membership Committee, as well as the Regional Council, SCAG staff is recommending a support position on the bills listed below.

STRATEGIC PLAN:

This item supports SCAG's Strategic Plan, Goal 2: Obtain Regional Transportation Infrastructure Funding and Promote Legislative Solutions for Regional Planning Priorities; Objective b) Identify and support legislative initiatives.

BACKGROUND:

On January 3, the SCAG Regional Council adopted the agency's 2013 State & Federal Legislative Priorities. Pursuant to those priorities, SCAG staff has identified the following bills that have been introduced in either the California State Assembly or Senate in the 2013-2014 Legislation Session. Pursuant to past actions of both the Legislative/Communications & Membership Committee, as well as the Regional Council, SCAG staff is recommending a support position on the bills listed below:

AB 14 (Lowenthal, B.) – State Freight Plan

Requires the Business, Transportation and Housing Agency to prepare a state freight plan with specified elements to govern the immediate and long-range planning activities and capital investments of the state with respect to the movement of freight. This bill would require the agency to establish a freight advisory committee with various responsibilities in that regard. The initial state freight plan would be submitted to the Legislature, the Governor, and certain state agencies by December 31, 2014, and updated every 5 years thereafter.

The current surface transportation authorization, MAP-21 (Moving Ahead for Progress in the 21st Century), requires the United States Department of Transportation (USDOT) to encourage each State to establish a freight advisory committee composed of a representative cross-section of public- and private-sector freight stakeholders. It also requires the USDOT to encourage each State to develop a comprehensive plan for its immediate and long-range freight-related planning and investment. AB 14 is consistent with the adopted priority supporting MAP-21 implementing legislation.

Both the League of California Cities and California State Association of Counties (CSAC) are currently maintaining a “watch” position.

SB 1 (Steinberg) – Sustainable Communities Investment Authority

Until 2011, the Community Redevelopment Law allowed local officials to set up redevelopment agencies (RDAs), prepare and adopt redevelopment plans, and finance redevelopment activities. Existing law, AB 26x1 (Blumenfeld, 2012) dissolved redevelopment agencies and community development agencies, as of February 1, 2012, and provides for the designation of successor agencies.

SB 1 would authorize cities and/or counties representing a Sustainable Communities Investment Area (Area), as described, to form a Sustainable Communities Investment Authority (Authority) to carry out the Community Redevelopment Law. The bill would require the Authority to adopt a Sustainable Communities Investment Plan (Plan) for an Area, and would authorize the Authority to include in that Plan a provision for the receipt of tax increment funds provided that certain economic development and planning requirements are met. The bill would authorize the legislative body of a city or county forming an Authority to dedicate any portion of its net available revenue, as defined, to the Authority through its Plan. The bill also provides that a Plan for an Area will terminate 40 years from the date of the first issuance of bond indebtedness by the Authority.

This bill provides that an Authority that collects tax increment revenues must dedicate no less than 20% of the allocated tax increment for affordable housing purposes. The bill would authorize the Authority to implement a local transaction and use tax (sales tax).

SB 1 is identical to the bill introduced in the previous legislative session by Senate President Pro Tempore Steinberg (SB 1156), which the LCMC voted to support at its May 2012 meeting; it is fully consistent with the adopted 2013 legislative priority supporting financing, economic development and community reinvestment.

SB 33 (Wolk) – Infrastructure Financing Districts

Existing law authorizes cities and counties to create an infrastructure financing district (IFD), adopt an infrastructure financing plan, and issue bonds (upon voter approval), for which only the district is liable to finance specified public facilities. Existing law also authorizes IFDs to fund infrastructure projects through tax increment financing, pursuant to the infrastructure financing, plan and agreement of affected taxing entities.

SB 33 would revise and recast the provisions governing IFDs. The bill would eliminate the requirement of voter approval for creation of the district and for bond issuance, and would authorize the legislative body of a city or county to create the district. The bill would instead authorize a newly created public financing authority, consisting of 5 members, 3 of whom are members of the city council or board of supervisors that established the district, and 2 of whom are members of the public, to adopt the infrastructure financing plan, subject to approval by the legislative body, and issue bonds by majority vote of the authority by resolution. The bill would authorize a public financing authority to enter into joint powers agreements with affected taxing entities with regard to non-taxing authority or powers only. The bill would authorize a district to finance specified actions and projects, and prohibit the district from providing financial assistance to a vehicle dealer or big box retailer. The bill would also create a public accountability committee to review the actions of the public financing authority.

REPORT

Current law requires that an infrastructure financing plan created by a legislative body include a date on which the district will cease to exist, which cannot be more than 30 years from the date on which the ordinance forming the district is adopted. This bill instead would specify that the date on which the district would cease to exist would not be more than 40 years from the date on which the public financing authority adopted the resolution adopting the infrastructure financing plan.

SB 33 is virtually identical to the bill introduced in the previous legislative session by Senator Wolk (SB 214), which the LCMC voted to support at its April 2011 meeting. It is consistent with adopted 2013 priority supporting financing, economic development and community reinvestment. The League of California Cities has worked with Senator Wolk on this bill, and currently maintains a “support” position.

ATTACHMENT: None.

REPORT

DATE: January 15, 2013

TO: Legislative/Communications & Membership Committee (LCMC) *Pin Lin*

FROM: Darin Chidsey, Acting Director, Strategy, Policy, and Public Affairs, (213)-236-1992, Chidsey@scag.ca.gov

SUBJECT: Voter Approval Thresholds for State and Local Revenue Measures and Consideration of “Life Cycle Costs” in Local Transportation Tax Measures

RECOMMENDATION:

For information only; no action required.

BACKGROUND:

This memorandum is submitted to provide further information to the Committee regarding current law with respect to voter and governing body approval thresholds for state and local tax and other revenue measures. As well as, to inform the committee of a request by Councilman James Johnson to consider operation and maintenance costs, also known as “Life Cycle Costs”, as part of future discussion of overall transportations project costs related to local transportation tax measures.

State and Local Revenue Approval Thresholds

Approval thresholds for state and local taxes; fees; general obligation and lease/revenue bonds; initiative debt and revenue proposals; and constitutional amendments affecting taxes or revenues are the result of various statutory authorities enacted over time, and are therefore complex and are not uniform.

The attached table provided from information available from the non-partisan California Legislative Analyst’s Office offers a concise summary of approval thresholds by the appropriate governing bodies and/or voters for most state and local taxes and other revenues.

Measure	Governing Body (Legislature, Bd. of Supr., City Council, etc.)	Voters
State Tax	2/3	-
State Fee	Majority	-
State General Obligation Bond	2/3	Majority
State Lease Revenue Bond	Majority	-
State Initiative Issuing Debt or Revenue	-	Majority
State Constitutional Amendment (Legislative)	2/3	Majority
Local Tax: Funds Used For General Purposes	2/3 ^a	Majority
Local Tax: Funds Used For Specific Purposes	Majority ^a	2/3
Local Tax: Property Assessment	Majority	Majority ^b
Local Fee	Majority ^c	
Local General Obligation Bond: K-14 Districts	2/3	55%

REPORT

Local General Obligation Bond: Cities, Counties & Special Districts	2/3	2/3
Other Local Debt	Majority	-
^a For most local agencies		
^b Votes weighted by assessment liability of affected property owners		
^c Fees on property (excluding water, sewer, refuse collection, gas, and electric fees) require voter approval.		

Source: 2013 CALFACTS, Legislative Analyst's Office

With respect to local taxes, Article XIIC of the California Constitution is the overriding statutory authority for voter approval of local taxes. Approval thresholds for state and local taxes, fees, bonds, and other revenues are generally either by 2/3's or majority approval of either/or the respective governing body and the voters of the jurisdiction proposing to impose. However, local school bond measures which meet certain conditions require only **55% majority**, pursuant to Proposition 39 passed in 2000 (Ca. Const. Article XIII A, Sec. 1, and Article XVI, Section 18). Local transportation measures, such as Measure R in Los Angeles County or Measure M in Orange County, require approval of a majority of the local governing body and 2/3's voter approval within the affected jurisdiction. Both the California Association of Councils of Government (CALCOG) and the League of California Cities supported ACA 23 from the last legislative session that would have lowered the voter approval threshold to 55% for local taxes providing funding for local transportation projects. CALCOG likely will address this year the issue of whether to expand support of the lowered threshold to other local tax measures. Similarly, the California State Association of Counties (CSAC) has maintained long-standing broad support generally for the lowering of voter approval thresholds for local tax measures and will address the issue of whether to support any specific bills that would lower specific or general voter thresholds for local revenue measures at its Executive Committee in mid-January and possible refer to its full Board in February.

Transportation Life-Cycle Costs

Councilman James Johnson (Long Beach) has requested that any future consideration of transportation project costs, including whether to adjust the voter approval threshold for local transportation tax measures, include life-cycle costs to ensure that locally funded transportation projects are adequately maintained over time, and cited a recent study by the American Public Works Association estimating that every \$1 invested in street maintenance saves \$6 in avoided costs from street repaving and reconstruction (Attached). Any such transportation tax measures would provide not only the construction costs for important projects but also provide transportation agencies the means to maintain them. When considering the gap that presently exists for operation and maintenance of existing infrastructure, transportation tax measures that do not include such costs would compound this problem by creating new infrastructure that incur ongoing costs without paying for them, further straining already insufficient operation and maintenance budgets.

ATTACHMENT:

1. Life-Cycle Costs

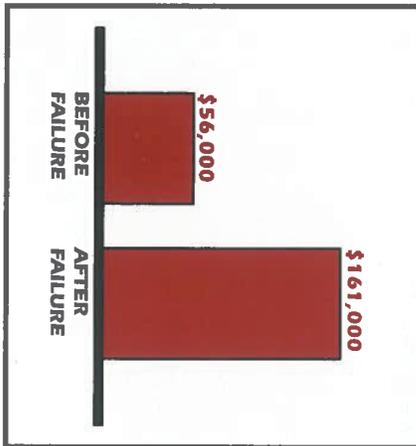
resurfacing before rapid deterioration begins extend the pavement life for a fraction of the cost of those who wait 'just a couple of years'... Ask why they waited and the universal answer is 'to save funds.'"

Deferring maintenance has been a popular solution during recent periods of revenue shortfall, and now local governments are facing the consequences. The street for which an overlay was deferred several years ago now needs a complete rehabilitation or reconstruction at five times the cost.

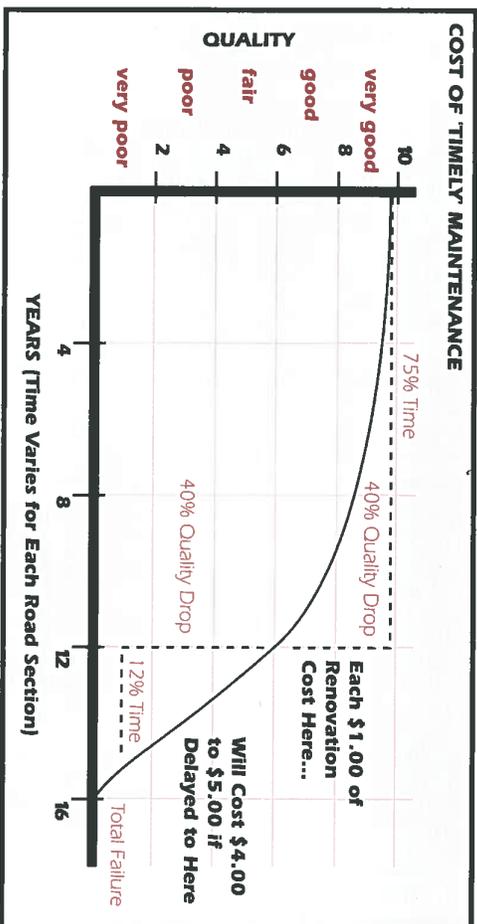
Research and field experience have repeatedly shown that over the long run maintaining good roads in good condition costs substantially less per year than allowing them to deteriorate to the point that major rehabilitation or reconstruction is required. The Michigan Department of Transportation recently issued a report that documented overall budget savings of \$6 for every \$1 spent performing timely preventive maintenance actions. Copies of this study and the MI DOT Highway Preventive Maintenance Program Guidelines can be obtained from APWA.

WHY? The cost of a rehabilitation effort in terms of time and materials is substantially higher than the cost of routine maintenance and timely resurfacing. In Lee County, Florida, it

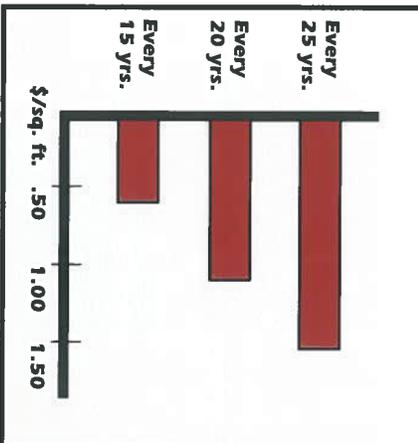
COMPARISON OF RECONSTRUCTION VS. OVERLAY (LEE COUNTY, FLORIDA)



costs \$175,660 to reconstruct one mile of 24-foot wide collector roadway and it costs \$34,860 to overlay the same type of roadway with 1.5 inches of asphalt concrete. In terms of materials and work effort an overlay placed before failure involves only the thickness of the overlay whereas after failure, reconstruction of the same roadway involves 12-inches of subbase material, 8-inches of base material and the thickness of the asphalt surface. Clearly, periodic maintenance of a good road is less expensive than reconstructing it. However, what about the cumulative cost of periodic maintenance? Won't several seal coats or overlays add up to the cost of a rehabilitation project? Fort Collins, Colorado, compared two maintenance strategies: one involved performing high quality maintenance coupled with "appropriately timed" overlays; the other involved deferring overlays several years



ANNUALIZED COST TO OVERLAY EVERY 15, 20, 25 YEARS



and then carrying out a major rehabilitation. Their analysis found the second strategy to be four times as expensive as the first. Another, more comprehensive study conducted by Thomas R. McDonald, a noted pavement maintenance consultant and

author found that the cumulative cost of a well maintained pavement over a 15 year design life was 3.4 times less than a non-maintained pavement.

In addition to being less costly, the periodic "upward bumps" in the appearance and ride quality of a well maintained pavement give the public a positive perception of the stewardship being exercised over public property.

Don't my driving costs go up on poor pavements?

YES! Poorly maintained roads mean direct out-of-pocket costs to you and every other vehicle owner. Motorists "pay" for poorly maintained pavements in damaged tires, more frequent front-end alignments, more frequent



SCAG California Legislative Matrix

January 2013

FINANCE	Income Taxes: Credits: Film	
AB 3	Bill Summary	Recent Activity
Author Bocanegra	Party D The Personal Income Tax Law and the Corporation Tax Law authorize various credits against the taxes imposed by those laws, including a credit against those taxes attributable to the production of a qualified motion picture in California, or, where the qualified motion picture has relocated to California or is an independent film, as provided. This bill would state the intent of the Legislature to enact legislation to expand or continue the California Film and Television Tax Credit Program.	Introduced on 12/03/2012.
Location Assembly		
Positions		
ENVIRONMENT	Alternative Fuel: Vehicle Technologies: Funding Program	
AB 8	Bill Summary	Recent Activity
Author Perea	Party D Provides the State Air Resources Board has no authority to enforce any element of its existing clean fuels outlet regulation or other regulation that requires or has the effect of requiring any person to construct, operate, or provide funding for the construction or operation of any publicly available hydrogen fueling station. Requires the public disclosure of the number of vehicles sold or leased. Requires grants and loans for a sufficient hydrogen fueling network. Extends a vehicle registration charge.	Introduced on 12/03/2012.
Location Assembly		
Positions		
ECONOMY	State Government: Economic Development	
AB 9	Bill Summary	Recent Activity
Author Holden	Party D Existing law provides for the establishment of various job training and economic development programs, administered by the Employment Development Department and other state agencies. This bill would declare the intent of the Legislature to enact legislation that promotes job and business growth and encourages economic development.	Introduced on 12/03/2012.
Location Assembly		
Positions		
TRANSPORTATION	State Freight Plan	
AB 14	Bill Summary	Recent Activity
Author Lowenthal, B.	Party D Requires the Business, Transportation and Housing Agency to prepare a state freight plan with specified elements to govern the immediate and long-range planning activities and capital investments of the state with respect to the movement of freight. Requires the agency to establish a freight advisory committee.	Introduced on 12/03/2012.
Location Assembly		
Positions		
FINANCE	Community Development Investment Tax Credits	
AB 32	Bill Summary	Recent Activity
Author Perez, J.	Party D Amends the Personal Income Tax Law and the Corporation Tax Law that provides a credit for a qualified investment made into a community development financial institution. Increases the limitation on the aggregate amount of qualified investments from \$10,000,000 per year to \$20,000,000 per year.	Introduced on 12/03/2012.
Location Assembly		
Positions		
ENVIRONMENT	Environmental Quality Act: Record of Proceedings	
AB 37	Bill Summary	Recent Activity
Author Perea	Party D Requires the lead agency, at the request of a project applicant, to, prepare a record of proceedings concurrently with the preparation of negative declarations, mitigated negative declarations, EIR's, or other environmental documents for specified projects.	Introduced on 12/03/2012.
Location Assembly		
Positions		

SCAG California Legislative Matrix

January 2013

GOVERNMENT Proposition 39: Implementation

AB 39

Author
Skinner
Location
Assembly
Positions

Party
D
Bill Summary
Requires the State Energy Resources Conservation and Development Commission to administer grants, no-interest loans, or other financial assistance to an eligible institution, defined as a public school, for the purpose of projects that create jobs by reducing energy demand and consumption at eligible institutions. Requires the computation and record of energy saved. Sets forth the project prioritization requirements for projects funded by the Jobs Creation Fund.

Recent Activity
Introduced on 12/03/2012.

ECONOMY

AB 53

Author
Perez, J.
Location
Assembly
Positions

Biennial California Economic Development Strategic Plan
Bill Summary
The Governor's Office of Business and Economic Development serves as the Governor's lead entity for economic strategy and the marketing of California on issues relating to business development, private sector investment, and economic growth. The office, among others, makes recommendations to the Governor and the Legislature regarding policies, programs, and actions to advance statewide economic goals. This bill would require the office to lead the preparation of a biennial California Economic Development Strategic Plan.

Recent Activity
Introduced on 01/07/2013.

TRANSPORTATION State Highway Route 86: Relinquishment

AB 62

Author
Hueso
Location
Assembly
Positions

Party
D
Bill Summary
Authorizes the State Transportation Commission to relinquish to the Cities of Brawley, El Centro, and Imperial and the County of Imperial specified portions of State Highway Route 86 under certain conditions. This bill would also redesignate a specified portion of State Highway Route 86 as a part of State Highway Route 78 following relinquishment. This bill would also state the intent of the Legislature that State Highway Route 86 should remain as a future state highway along a new, specified route.

Recent Activity
Introduced on 01/07/2013.

GOVERNMENT

SB 1

Author
Steinberg
Location
Senate
Positions

Sustainable Communities Investment Authority
Bill Summary
Authorizes certain public entities of a Sustainable Communities Investment Area to form a Sustainable Communities Investment Authority to carry out the Community Redevelopment Law. Provides for tax increment funding receipt under certain economic development and planning criteria. Establishes prequalification requirements for receipt of funding. Requires monitoring and enforcement of prevailing wage requirements within the area.

Recent Activity
Introduced on 12/03/2012.

ENVIRONMENT

SB 11

Author
Pavley
Location
Senate
Positions

Alternative Fuel: Vehicle Technologies: Funding Program
Bill Summary
Provides the State Air Resources Board has no authority to enforce any element of its existing clean fuels outlet regulation or other regulation that requires or has the effect of requiring any person to construct, operate, or provide funding for the construction or operation of any publicly available hydrogen fueling station. Requires the public disclosure of the number of vehicles sold or leased. Requires grants and loans for a sufficient hydrogen fueling network. Extends a vehicle registration charge.

Recent Activity
Introduced on 12/03/2012.

GOVERNMENT

SB 33

Author
Wolk
Location
Senate
Positions

Infrastructure Financing Districts: Voter Approval
Bill Summary
Revises provisions governing infrastructure financing districts. Eliminates the requirement of voter approval for creation of the district and for bond issuance, and authorizes the legislative body to create the district subject to specified procedures. Authorizes the creation of such district subject to specified procedures. Authorizes a district to finance specified actions and project. Prohibits the district from providing financial assistance to a vehicle dealer or big box retailer.

Recent Activity
Introduced on 12/03/2012.

SCAG California Legislative Matrix

January 2013

FINANCE
SB 36
Author Rubio
Location Senate
Positions

Safe, Clean, and Reliable Drinking Water Supply Act
Bill Summary
Party D
Declares the intent of the Legislature to amend the Safe, Clean, and Reliable Drinking Water Supply Act of 2012 for the purpose of reducing the amount of the bond.

Recent Activity
Introduced on 12/04/2012.

FINANCE
SB 40
Author Pavley
Location Senate
Positions

Safe, Clean, and Reliable Drinking Water Supply Act
Bill Summary
Party D
Declares the intent of the Legislature to amend the Safe, Clean, and Reliable Drinking Water Supply Act of 2012 for the purpose of reducing and potentially refocusing the bond.

Recent Activity
Introduced on 12/10/2012.

FINANCE
SCA 4
Author Liu
Location Senate
Positions

Local Government Transportation Project: Voter Approval
Bill Summary
Party D
Proposes an amendment to the Constitution to provide that the imposition, extension, or increase of a special tax by a local government for the purpose of providing funding for local transportation projects requires the approval of 55% of its voters voting on the proposition.

Recent Activity
Introduced on 12/03/2012.

FINANCE
SCA 6
Author DeSaulnier
Location Senate
Positions

Initiative Measures: Funding Source
Bill Summary
Party D
Proposes an amendment to the Constitution to prohibit an initiative measure that would result in a net increase in state or local government costs, from being submitted to the electors or having any effect unless and until the Legislative Analyst and the Director of Finance jointly determine that the initiative measure provides for additional revenues in an amount that meets or exceeds the net increase in costs.

Recent Activity
Introduced on 12/03/2012.

FINANCE
SCA 8
Author Corbett
Location Senate
Positions

Transportation Projects: Special Taxes: Voter Approval
Bill Summary
Party D
Provides that the imposition, extension, or increase of a special tax by a local government for the purpose of providing funding for transportation projects requires the approval of 55% of its voters voting on the proposition.

Recent Activity
Introduced on 12/14/2012.

FINANCE
SCA 9
Author Corbett
Location Senate
Positions

Local Government: Economic Development: Special Taxes
Bill Summary
Party D
Proposes an amendment to the Constitution to provide that the imposition, extension, or increase of a special tax by a local government for the purpose of providing funding for community and economic development projects requires the approval of a specified percentage of its voters voting on the proposition.

Recent Activity
Introduced on 12/18/2012.