



# MEMO

**To:** ACCMA and ACTIA Board Members

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**Re:** Summaries of Key Discussion Topics for December 11 Board Retreat

The following summaries are intended to provide an overview of legislation and funding sources that will be discussed in more detail during the Board Retreat. Summaries are provided for Assembly Bill 32, Senate Bill 375, Measure B, and the Vehicle Registration Fee (SB 83).

## **ASSEMBLY BILL 32 AND SENATE BILL 375: CALIFORNIA'S LEGAL FRAMEWORK FOR THE REGULATION OF CLIMATE CHANGE**

### **OVERVIEW OF ASSEMBLY BILL 32**

Assembly Bill 32 (AB 32), which was signed into law on September 27, 2006, is the first comprehensive program of regulatory and market mechanisms designed to achieve quantifiable, cost-effective reductions of greenhouse gas (GHG) emissions. AB 32 makes the California Air Resources Board (CARB) responsible for monitoring and reducing GHG emissions.

AB 32 requires that by 2020, the state's greenhouse gas emissions be reduced to 1990 levels, an approximately 15 percent reduction from "current" levels. This reduction will be accomplished through an enforceable statewide cap on global warming emissions that will be phased in beginning in 2012. In order to effectively implement the cap, AB 32 directs CARB to develop appropriate regulations and establish a mandatory reporting system to track and monitor greenhouse gas emissions levels. In addition, California Executive Order S-3-05 requires an 80 percent reduction of greenhouse gases from 1990 levels by 2050.

AB 32 requires that CARB use the following principles to implement the cap:

- Distribute benefits and costs equitably.
- Ensure that there are no direct, indirect, or cumulative increases in air pollution in local communities.

- Protect entities that have reduced their emissions through actions prior to the regulatory mandate.
- Allow for coordination with other states and countries to reduce emissions.

Reduction of GHG emissions is dependent on developing new ways of approaching emissions sources such as buildings, energy use, waste and transportation. Transportation measures focus on reducing vehicle miles traveled (VMT) through land use patterns that allow for use of non-motorized transportation modes and transit, which will be essential to achieving the Governor's 2050 target. Senate Bill 375 was developed in support of this effort to change the way land use and transportation planning and funding decisions are conducted.

### **OVERVIEW OF SENATE BILL 375**

Senate Bill 375 (SB 375), which was signed into law on September 30, 2008, is the nation's first law designed to control greenhouse gas emissions by requiring land use and transportation to be integrally linked. SB 375 requires development of emission reducing targets for which regions can plan, integrates disjointed planning activities, and provides incentives for local governments and developers to follow new growth patterns. It also directly links transportation funding with land use decisions. SB 375 enhances the California Air Resources Board's ability to reach AB 32 goals.

SB 375 requires each county in California to offset carbon emissions through the creation of countywide or Metropolitan Planning Organization-wide plans focused on improving the efficiency of land use and transportation patterns. For urban or large counties, the bill directs the preparation of sustainable communities strategies to reduce greenhouse gas emissions associated with global climate change. For smaller counties, the bill requires changes to the Regional Transportation Planning (RTP) process, and potentially changes to the Housing Element process, to accomplish similar changes to those achieved by large counties.

SB 375 primarily addresses three issues:

- 1) By 2010, requires CARB to set regional GHG reduction targets. Each of California's 18 Metropolitan Planning Organizations (MPOs) would have to develop plans to achieve those targets.
- 2) As part of their RTP, each MPO would be required to prepare a financially constrained sustainable communities strategy to outline how the region would achieve their regional GHG reduction target. If the MPO were able to determine they could not meet their regional target, the MPO would prepare a financially unconstrained alternative planning strategy, which would not be part of the RTP.
- 3) Specific residential and mixed-use developments and transit projects would be exempt from a number of California Environmental Quality Act (CEQA) requirements. These projects would have to be consistent with either the sustainable communities strategy or the alternative planning strategy. This provision was included to make infill developments more attractive to developers rather than development in open space and on the urban periphery.

## **IMPACT OF LEGISLATION ON REGIONAL TRANSPORTATION PLANNING**

Regional Transportation Plans will now need to determine efficient growth patterns, improve mass transportation systems, coordinate the land use planning of all applicable agencies, and the most practical ways to reduce vehicle emissions.

Additionally, the RTP must include a sustainable communities strategy (SCS). The SCS is a blueprint for development within that region, designed to reduce GHG emissions from cars and light trucks, which identifies the general location of various land uses and focuses on identifying areas for locating regional housing needs and the transportation network. Land-use plans must be integrated with the transportation network and with transportation measures and policies. This will require local government to work closely with regional agencies.

As mentioned previously, CARB, in consultation with each MPO, must set GHG emissions reduction targets for the car and light truck sector in each region. Targets must be set by September 30, 2010, and updated every eight years. The MPO must quantify the reduction in GHG emissions projected to be achieved by the SCS and determine if the target reduction level will be met. If it will not be met, the MPO must prepare an alternative planning strategy showing how additional reductions will be achieved to meet the target. Although the MPO prepares the SCS, CARB reviews the strategy to confirm that it will meet the region's target.

The legislation states that SCS documents do not regulate land use and are not subject to state approval. General plans prepared by cities and counties need not be consistent with the region's SCS. However, in order to receive state funding, transportation projects and programs must be consistent with the SCS.

The regional housing needs allocation (RHNA), undertaken as part of the housing element update process, and the next RTP must be completed simultaneously and must be in synch with the SCS. This means that the assessment of the region's housing needs and all transportation planning must be coordinated. After the RTP is adopted, local governments will have 18 months to adopt their housing elements and three years to adopt zoning measures to implement their housing elements.

In response to the new regulatory framework, public agencies responsible for transportation projects and programs, such as ACCMA and ACTIA, will need to work collaboratively with regional agencies and local jurisdictions to help make system-wide improvements in order to meet the targets for emissions reduction under AB 32 and SB 375.

## **IMPACT OF LEGISLATION ON ALAMEDA COUNTY AND CITIES**

In order to demonstrate compliance with AB 32, city and county general plans must now include mitigation for local government's impacts to climate change. A widely accepted mitigation tool is a Climate Action Plan, which many of Alameda County's jurisdictions have already developed and adopted. Such plans identify targets for greenhouse gas reductions from all sectors, consistent with AB 32, and also include policy direction for transportation and land use decisions, encouraging the development of transit-oriented development, pedestrian and bicycle infrastructure, expanded transit services, and infill and densification of land uses.

## **ALAMEDA COUNTY MEASURE B**

Measure B, Alameda County's half-cent transportation sales tax, was originally approved in 1986 and is administered by the Alameda County Transportation Authority (ACTA). The 1986 Measure B transportation sales tax is no longer collected, but it generated over \$1 billion for Alameda County transportation improvements. This funding was allocated for capital projects and programs, including transit, special transit operations for seniors and people with disabilities, and local street maintenance for Alameda County and its cities. Some of the capital projects are still being implemented.

Voters reauthorized the half-cent transportation sales tax in November 2000. The Alameda County Transportation Improvement Authority (ACTIA) was created to deliver the new projects and programs. The 2000 Measure B transportation sales tax is a 20-year program, expiring in March of 2022. It was anticipated to generate over \$3 billion by 2022; however, due to the economic downturn, this estimate is now closer to \$2 billion, and sinking.

Of the 2000 Measure B revenues, 60 percent are used for operations, maintenance, and improvements to essential transportation services and facilities. ACTIA allocates funding to local jurisdictions (cities, County, transit agencies, and paratransit providers in Alameda County) for mass transit, including express buses and transit center development funds, local street and road improvements, bicycle and pedestrian safety improvements, special transportation for seniors and people with disabilities, and a small amount for Transit Oriented Development as follows:

- Local Transportation, including Streets and Roads (22.34% of the net revenues)
- Mass Transit, including Express Bus Services (21.92% of the net revenues)
- Special Transportation for Seniors and People with Disabilities (10.45% of the net revenues)
- Bicycle and Pedestrian Safety (5.00% of the net revenues)
- Transit Center Development (0.19% of the net revenues)

Some measure B program funds are allocated through competitive grants and as matching funds for other grants.

The remaining 40 percent of 2000 Measure B funds are allocated to capital projects. Each area of Alameda County received significant funding for large transportation projects; the approximate \$740 million of Measure B investments in each area of Alameda County are anticipated to leverage an additional \$2.8 billion, resulting in \$3.5 billion in transportation improvements in Alameda County.

The 2000 Measure B capital projects are:

- 1 Altamont Commuter Express Rail
- 2 BART Warm Springs Extension
- 3 BART Oakland Airport Connector
- 4 Downtown Oakland Streetscape Improvement
- 5 Fruitvale Transit Village – 5A/5B
- 6 Union City Intermodal Station
- 7A Telegraph Avenue Corridor Bus Rapid Transit
- 7B San Pablo Avenue Corridor Rapid Bus

- 7C Telegraph Avenue Corridor Rapid Bus
- 8 I-680 Sunol Express Lanes
- 9 Iron Horse Transit Route
- 10 I-880/Broadway-Janckson Interchange Improvement
- 11 I-880/Washington Avenue Interchange Improvement
- 12 I-580/Castro Valley Interchange Improvement
- 13 Lewelling/East Lewelling Boulevard Widening
- 14A I-580 WB Auxiliary Lanes (Fallon Road to Tassajara Road)
- 14B I-580 WB Auxiliary Lane (Airway Boulevard to Fallon Road)
- 14C I-580 EB Auxiliary Lane (El Charro Road to Airway Boulevard)
- 15 Route 92/Clawiter – Whitesell Interchange and Reliever Route
- 16 Oakland Local Streets Rehabilitation
- 17A Hesperian Boulevard/Lewelling Boulevard Intersection Improvement – Stage 1
- 17B Hesperian Boulevard/Lewelling Boulevard Intersection Improvement – Stage 2
- 18A Westgate Parkway Extension – Stage 1
- 18B Westgate Parkway Extension – Stage 2
- 19 East 14th Street/Hesperian Boulevard/150th Street Improvement
- 20 Newark Local Streets
- 21 I-238 Widening
- 22 I-680/I-880 Cross Connector Studies
- 23 Isabel Avenue Route 84/I-580 Interchange
- 24 Route 84 Expressway
- 25 Dumbarton Rail Corridor
- 26 I-580 Corridor/BART to Livermore Studies
- 27A Vasco Road Safety Improvements
- 27B I-80 Integrated Corridor Mobility Study

Measure B projects depend on a variety of local, state, and federal funds in order to be completed.

## VEHICLE REGISTRATION FEE (SENATE BILL 83)

On October 11, 2009, Governor Arnold Schwarzenegger signed Senate Bill 83 (Hancock) – Vehicle Registration Fee for transportation. The bill authorizes countywide transportation planning agencies to propose to the voters an annual fee of up to \$10 on motor vehicles registered within the county for transportation programs and projects. The bill requires simple majority voter approval of the measure. The bill also requires that the fees collected be used only to pay for programs and projects bearing a relationship or benefit to the owners of motor vehicles paying the fee and are consistent with a regional transportation plan, and requires the agency's board to make a specified finding of fact in that regard. The bill requires the governing board of the countywide transportation planning agency to adopt an expenditure plan regarding the use of the collected fees.

Supporters of SB 83 included Alameda County Congestion Management Agency (source), Alameda-Contra Costa Transportation District, Alameda County Transportation Improvement Authority, East Bay Municipal Utilities District, Santa Clara Valley Transportation Authority, Santa Cruz Regional Transportation Commission, TransForm, and Transportation Authority of Marin. Opposition to SB 83 included AAA for Northern California, Automobile Club of Southern California, and Howard Jarvis Taxpayers Association.

SB 83 defines a "countywide transportation planning agency" as a congestion management agency created pursuant to specific California codes. Thus, SB 83 would authorize ACCMA, if the Board and the voters of Alameda County approved, to impose an annual \$10 fee on motor vehicles in the county to fund specified projects.

It was the intent of the Legislature to establish a program that allows countywide transportation planning agencies or their counterparts to address congestion through transportation services and improvements, mitigate the impacts of motor vehicles on air and water quality, and improve the business climate and natural environment.

The fee could be used for, but is not limited to, the following:

- A. **Providing matching funds** for funding made available for transportation programs and projects from state general obligation bonds.
- B. **Creating or sustaining congestion mitigation programs and projects**, including, but not limited to, programs and projects identified in an adopted congestion management program or county transportation plan; projects and programs to manage congestion, including, for example, high-occupancy vehicle or high-occupancy toll lanes; improved transit services through the use of technology and bicycle and pedestrian improvements; improved signal coordination, traveler information systems, highway operational improvements, and local street and road rehabilitation; and transit service expansion.
- C. **Creating or sustaining pollution mitigation programs and projects**, including, but not limited to, programs and projects carried out by a congestion management agency, a regional water quality control board, an air pollution control district, an air quality management district,

or another public agency that is carrying out the adopted plan of a congestion management agency, a regional water quality control board, an air pollution control district, or an air quality management district.

At its December 3, 2009 meeting, the ACCMA Board initiated a process to develop an expenditure plan for SB 83, with a target date for the November 2010 ballot. A public outreach effort and a public poll would help test the support for various fee amounts and for types of programs and projects to be included in the expenditure plan. ACCMA released a Request for Proposals for Public Outreach and Polling Assistance, the submittal deadline for which just recently closed on November 30, 2009. ACCMA formed a Steering Committee to oversee polling, development of an expenditure plan, preparation of a nexus analysis, and public outreach meetings.

There are roughly 1 million registered vehicles in Alameda County; voter approval of the vehicle registration fee would create a significant funding stream.

Many other transportation planning agencies, including San Francisco County Transportation Authority, Transportation Authority of Marin (TAM) and Orange County Transportation Authority (OCTA), are also considering placing a vehicle registration fee before the voters pursuant to SB 83.