

# Smith, Watts & Hartmann, LLC.

Consulting and Governmental Relations

February 1, 2019

## MEMORANDUM

TO: CONTRA COSTA COUNTY: TRANSPORTATION, WATER, AND INFRASTRUCTURE COMMITTEE

FROM: MARK WATTS

SUBJECT: REPORT FOR FEBRUARY TWIC MEETING

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### Governor Newsom

#### ***Key Staff appointments***

Governor Newsom has announced several key leadership appointments including, Ann O'Leary as Chief of Staff and Lindsey Cobia serving as Deputy Chief of Staff. Additionally, Ana J. Matosantos as Cabinet Secretary, Jason Elliott as Chief Deputy Cabinet Secretary for Executive Branch Operations, and Angie Wei as Chief Deputy Cabinet Secretary for Policy Development.

#### ***State Budget***

The proposed state budget introduced on January 10<sup>th</sup> includes a \$144 billion general fund, marking a 4 percent increase over the \$138 billion spending plan former Gov. Jerry Brown signed in June.

This year's total budget — including money for special fund expenditures — exceeds \$209 billion. Much of the increased spending would go to one-time projects.

The Governor has indicated that his administration is preparing for a recession and are developing plans to continue setting aside money in reserves. State budget reserves currently amount to a projected \$16 billion that could help the state in the face of a recession. The Legislative Analyst's Office projects the state will have an additional \$14.8 billion surplus that the Legislature and Governor could use on practically anything

#### Transportation Budget Proposals

The Governor proposes to continue the implementation of the SB 1, the Road Repair and Accountability Act, which provides stable, long-term funding for both state and local transportation infrastructure.

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SB 1 provides an average of \$5.4 billion per year over the next ten years for state and local transportation projects:

To this end, the Budget provides \$4.8 billion in new SB 1 funding:

- \$1.2 billion is available to all 479 cities and 58 counties for local road repairs,
- \$1.2 billion for the repair and maintenance of the state highway system.
- \$400 million is to be available to repair and maintain the state's bridges and culverts,
- \$307 million is available to improve trade corridors,
- \$250 million is available to increase throughput on congested commute corridors.
- \$458 million for local transit operations and \$386 million for capital improvements for transit, commuter, and intercity rail.

SB 1 also provides annual funding for other local transportation priorities, including:

- \$200 million for Local Partnership projects,
- \$100 million for Active Transportation Program (ATP) projects
- \$25 million for expansion of freeway service patrols, and
- \$25 million in local planning grants.

### Infrastructure

The Governor indicated his administration would release a Five-Year Infrastructure Plan to spell out the state's priorities for investments in the state's infrastructure later this year.

### Linking Housing to Transportation funds

Finally, in spite of the good news on SB 1 appropriations, the governor seeks to withhold SB 1 allocations to cities and counties that do not achieve their housing (RHNA) goals). His budget document calls for formation of a stakeholder working group to address this concept.

### Cap and Trade

The budget proposes a \$1 billion Cap and Trade Expenditure Plan, separate from the 60% continuously appropriated directly to specified programs such as Affordable Housing and Sustainable Communities (AHSC). This new plan is targeting support programs that reduce or sequester greenhouse gases, including programs that benefit disadvantaged and low-income communities, and support training and apprenticeships necessary to transition the state's workforce to a low carbon economy.

### ***Legislature***

In the intervening period since the Legislature reconvened in December 2018, legislators have introduced nearly 500 bills, including several constitutional amendments.

*SB 137 (Dodd)* - This bill reduces duplicative federal transportation permitting and environmental review by expanding the State's existing program to exchange federal surface transportation revenues for state transportation revenues.

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The Self-Help County Coalition and CSAC are supporting this measure. Staff recommends that the Authority consider a Support position, too.

*AB 252 (Daly)* – This bill would permanently allow Caltrans to assume the role of the US Department of Transportation for NEPA decision making on projects within California. The Self-Help counties are strongly supporting this program extension and staff recommends the Authority consider a Support position, too.

*Other notable bills introduced so far include the following:*

1. SB 127 by Senator Scott Wiener which would require the creation of a division of active transportation within CalTrans; also, it would require the department's asset management plan used for the SHOPP to establish performance measures for pedestrian and bicycle facilities for each project; finally, the bill would require including bicycle, pedestrian, and transit facilities in many SHOPP projects.
2. SB 128 by Senator Jim Beall which would provide that bonds may be sold under an enhanced infrastructure financing district (EIFD) without a vote of the public. Current law requires such bonds to have approval by a 55% majority of voters within the district before they can be sold.
3. AB 185 by Assemblymembers Tim Grayson and Sabrina Cervantes which would add the Department of Housing and Community Development (HCD) to meetings between the Air Resources Board (CARB) and the California Transportation Commission (CTC) currently required to be held twice a year.