



Memorandum

TO: TRANSPORTATION AND ENVIRONMENT COMMITTEE

FROM: Betsy Shotwell
Roxanne Miller

SUBJECT: REPORT ON KEY LEGISLATIVE ITEMS

DATE: March 18, 2009

Approved

Date

3/25/09

RECOMMENDATION

Accept the staff memorandum and attached 2009 State Legislative Bill Matrix dated March 18, 2009, concerning pending State legislation in the transportation, aviation, environmental, and utilities City Service Areas.

BACKGROUND

Included in the Transportation and Environment Committee work plan for 2009 is the request for a legislative update to be brought forward to the committee by the City Manager's Office of Intergovernmental Relations.

ANALYSIS

The following is a brief update of legislative matters concerning transportation and the environment.

2009 Mineta San José International Airport Federal Legislative/Funding Update and Status Report

Federal Funding for the Airport Checked Baggage Explosive Detection Systems for Terminals A and B – In December 2008 the City and the Transportation Security Administration (TSA) concluded negotiations for federal funding of the Airport's checked baggage explosive detection system (EDS) for Terminal A. In November 2008 the City submitted a request for TSA to fund the \$29 million Terminal B checked baggage explosive system as part of its FY 09-10 annual budget. As the pre-construction preparation work has proceeded on Terminal B, in March 2009, the City was informed that the Terminal B project was not selected for inclusion in the annual TSA annual budget. However, the recently passed

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American Recovery and Reinvestment Act of 2009 (ARRA) provided the TSA with an additional \$1 billion for the purchase and installation of explosive detection systems and checkpoint technology. As a result of: 1) the additional funding; 2) the project's state of readiness; and 3) representations by the Mayor directly to TSA leadership, TSA has advised the City that San José is one of seventeen airports nationwide being considered for possible funding from a \$700 million in stimulus funding to be dedicated to the purchase of explosive detection systems. (TSA will dedicate the remaining \$300 million to the purchase and installation of checkpoint technology.) At this time the City has updated and resubmitted its original application for funding for submission to TSA and TSA has provided the City with a draft Other Transaction Agreement (OTA) for review. Staff anticipates discussions with TSA to finalize an agreement in the near future. Staff is therefore cautiously optimistic that the Terminal B project may be funded. If the project is funded, the checked baggage explosive detection systems in Terminals A and B will be among the most advanced in the nation.

Increase in Passenger Facility Charges and the Airport Improvement Program – City staff continues to closely monitor the progress of the Federal Aviation Administration (FAA) Reauthorization Bill primarily because of its impact on the Airport's passenger facility charge (PFC) rates and the Airport Improvement Program (AIP). An increase in the current PFC ceiling of \$4.50 is part of the FAA reauthorization legislation that contains several important components. PFCs are locally raised revenue used to address locally-identified airport priorities. In FY 07-08 the Airport realized about \$21 million in PFC revenue. AIP funding is used to fund Airport capital projects.

The reauthorization bill was initiated by a Bush administration proposal in 2007. The Bush Administration's proposal originally called for increasing the PFC ceiling from \$4.50 to \$6. In September 2007 the House passed a version of the bill that called for a \$7.00 PFC ceiling and an increase of \$100 million a year in AIP funding. While the Senate version of the bill matched the House in proposed AIP funding increase, it contained no provision for raising the PFC. However, the Senate failed to get its bill to the Senate floor before the 110th Congress adjourned in 2008 and Congress has passed a series of continuing resolutions to keep the FAA operational. In February 2009, the House Transportation and Infrastructure Committee re-introduced and passed its version of the reauthorization bill. The 2009 House bill contained the same increase in PFCs (\$4.50 to \$7.00) and the same increase in AIP funding (\$100 million a year) that was proposed in the previous House bill. The Senate is not expected to take up the bill in committee until later this year. City staff will continue to closely watch the bill's progress and convey the City's concerns and positions to the Congressional delegation as appropriate.

The City, as well as many other airports and airport advocacy groups, continue to support raising the ceiling from \$4.50 to \$7.50. Increasing the PFC ceiling (which has not been raised since 2000) is critical to the Airport's development. Any increase in PFC revenues will allow the City to commit the maximum PFC funding into the remaining TAIP projects and to more rapidly pay down outstanding bond debt for past safety, security, operational and environmental improvement projects.

Voluntary Airport Low Emissions (VALE) Program Grant Secured – In February 2009, the Airport secured \$4.6 million in VALE funds for the purchase and installation of “pre-conditioned” air units that allow aircraft to circulate cooled air for their passengers comfort while eliminating the need for aircraft engines to idle while parked at the gate. This will result in lower emissions and a more efficient use of electrical power. The units will be installed at 13 gates in Terminal A. The use of the units will help reduce greenhouse gas emissions by 360 tons over 13 years. In addition, the VALE grant includes \$85,000 in incremental funding for the purchase of hybrid vehicles for the Airport.

Stimulus Funding Secured for Apron Project – The City secured \$6 million in stimulus funding for the five-gate apron area in front of the new terminal and new concourse. The current asphalt apron area is aged and will not be able to handle the stress of daily movements of larger, heavier planes. This project will replace the five-gate asphalt apron area in front of the new terminal and concourse with a concrete five-gate apron area. This project is one of the Airport’s highest priority projects. The stimulus funding grant will avoid significant passenger inconvenience and disruption to airline operations by eliminating the need to suspend gate operations in front of a brand new terminal and concourse to replace the deteriorating apron pavement in front of it – one gate at a time. The stimulus grant, combined with other AIP funding means the federal government will fund 100% of the \$12 million project.

Transportation

American Recovery and Reinvestment Act of 2009 – On February 17, 2009, President Barack Obama signed the American Recovery and Reinvestment Act of 2009 (ARRA). The \$789 billion package included: \$288 billion in tax cuts, \$144 billion in state and local fiscal relief, and \$357 billion for federal social and spending programs. The Act is intended to provide a stimulus to the United States in light of the downturn in the economy. A critical piece of the Act has been the transportation infrastructure component. It is felt by the Administration that spending on infrastructure will put jobs on the ground quickly and will provide a lasting benefit to the nation by providing long-term assets. The nine-county Bay Area is expecting approximately \$500 million in transportation funding to be made available to the region through the ARRA.

The Metropolitan Transportation Commission (MTC), which serves as the Metropolitan Planning Organization (MPO) for the nine counties of the Bay Area region has been routinely charged with the responsibility of distributing federal discretionary funds to local municipalities. At MTC’s February 25th Commission meeting, MTC staff recommended a \$490 million program utilizing the ARRA funds for adoption by the Commission. The approved list included:

Project	Proposed Regional Investment	Funding Program
Local Road Rehabilitation	\$122 million	Surface Transportation Program
Vasco Road Safety Improvements	\$10 million	Surface Transportation Program
North-Bay Safety Projects	\$3 million	Surface Transportation Program

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Freeway Performance Initiative	\$19 million	Surface Transportation Program
Transit Rehabilitation	\$273 million	Transit 5307/5309 Formula Funds
Oakland Airport Connector	\$70 million	Transit 5307/5309 Formula Funds
TOTAL	\$497 million	

Under this funding plan, the City of San Jose will receive \$12.7 million for pavement maintenance through from the Surface Transportation Program. MTC also recommending the adopted a Tier 2 program, which identifies projects that may be completed should any jurisdiction fail to meet the required timelines of the measure and additional funds become available. Should this occur the City of San Jose could receive an additional \$2.3 million in pavement maintenance funding and has the ability to manage a total \$40 million street maintenance rehabilitation program.

Also of interest to the City is:

- \$12 million for Ramp Meters on I-280 between I-880 and US 101;
- \$8 billion made available for High Speed Rail;
- \$47.2 million to VTA for the purchase Hybrid Buses;
- \$200,000 to VTA for Preventative Maintenance; and
- \$13.7 million to the County of Santa Clara and cities in the County excluding San Jose for pavement maintenance (for a total of \$26.4 million).

In addition to the funding cited above, the ARRA does include a competitive grants program (National Surface Transportation Program) where DOT and VTA staff will be pursuing additional funding for the completion of priority regional transportation improvements. These include:

- National Surface Transportation Program (Competitive Grants)
 - Funding for BART;
 - Funding for Extension of Capitol Light Rail to Eastridge; and
 - \$100 million for I-280/I-880/Stevens Creek Interchange Improvements.

Other opportunities to fund transportation improvements may exist through the Department of Energy for projects such as Clean Tech Streetlights.

Federal Surface Transportation Authorization – One of the major issues that will need to be addressed in the new Congress is the authorization of a new federal Surface Transportation Act. This measure would replace the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), which was signed by former President George W. Bush on August 10, 2005, and is set to expire on September 30, 2009. SAFETEA-LU authorized Federal surface transportation programs for highways, highway safety, and transit for a five-year period 2005-2009.

SAFETEA-LU guaranteed funding for highways, highway safety, and public transportation totaling \$244.1 billion, SAFETEA-LU represented the largest surface transportation investment in the Nation's history. According to the National Surface Transportation Policy and Revenue Study Commission the United States would need to invest at least \$225 billion annually for the

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next 50 years to upgrade the existing transportation system to a state of good repair and create a more advanced surface transportation system to sustain and ensure strong economic growth for the future. Current spending is less than 40 percent of the annual need.

As Congress begins discussions regarding the authorization of a new federal transportation spending bill, several stakeholder groups have begun to put forth authorization principles related to the new measure. These groups include California and other states, the American Association of State Highway and Transportation Officials (AASHTO) and major transit organizations. The state of California has adopted seven consensus principles on Federal Transportation Authorization for 2009. They are:

- Ensure the financial integrity of the Highway and Transit Trust Funds
- Rebuild and maintain transportation infrastructure in a good state of repair
- Establish goods movement as a national economic priority
- Enhance mobility through congestion relief within and between metropolitan areas
- Strengthen the federal commitment to safety and security, particularly with respect to rural roads and access
- Strengthen comprehensive environmental stewardship
- Streamline project delivery

City policy priority action is to influence the development of a new Federal transportation funding bill that supports the City's objectives related infrastructure condition, safety, multi-modal mobility, economic development and environmental sustainability. Key policy issues include: adequate and sustainable funding, focus on maintenance and safety, support for intercity transit (e.g., BART and High Speed Trains), delegated authority to local/regional level for local investments, and R&D support for new technology. In addition to the Council approved priority direction there are several additional specific areas related to a new bill that are of interest to DOT including:

- Authorize an increase in Federal Transportation Funding
- Develop new revenue sources
- Recommend a complete restructuring of the Federal Transportation Program
- Streamline the Number of Programs
- Emphasize System Maintenance; establish a "State of Good Repair"
- Increase Federal Investment in Transit, particularly High Speed Rail
- Increase Federal Investment in Alternative Modes
- Emphasize use of Technology to Increase Efficiency & Reduce Congestion
- Address Future Funding Dilemma: Gas Tax eroding as a result of advancing of Green Technologies, fuel economy and Increased Transit Use

The Department has also developed a list transportation priority projects to advocate for funding in the upcoming authorization process. The proposed transportation priority projects for regional funding include:

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Regional Transit Projects
BART to San Jose/Silicon Valley
Diridon Station Expansion
California High Speed Rail
Airport Area Automated Transit Network (ATN)
Regional Highway Projects
I-280/I-880/Stevens Creek Interchange Upgrade
San Jose Area Express Lane System
Local Projects
Local Street Pavement Maintenance
San Jose Area Bikeway System (includes trails)
Santa Clara/Alum Rock Bus Rapid Transit
Capitol Light Rail Extension to Eastridge
U.S. 101/Capitol/Yerba Buena Interchange Upgrade
San Carlos/Stevens Creek Bus Rapid Transit

Congress is scheduled to begin work on authorization during 2009. As the federal process moves forward, City staff will develop a set of principles to bring to the City Council for approval. These principles along with the 2009 Legislative Guidelines will be used to advocate for San Jose's priorities during the development of the program.

Environmental Services

The State Legislature has introduced approximately 300 bills relating to cleantech, sustainability, green jobs, energy efficiency and conservation, electricity delivery, renewable energy, and water recycling, quality and resources. There are also five bond measures under consideration in the State Legislature which address water supply reliability, delta sustainability, water system operational improvements, conservation and groundwater, water quality, watershed protection, and water use efficiency. They range in cost from \$9.8 billion to \$15 billion.

The Council has taken positions on two environmental bills to date: AB 46 (Blakeslee), which extends the grants and loans provided by the State Energy Conservation Assistance Account to January 1, 2015, and SB 26 (Simitian), which allows pharmacies to take back unused pharmaceuticals and sharps to prevent them from entering our waterways and landfills. A support position on SB 283 (Chesbro), creating the California Product Stewardship Act of 2009, will be considered by Council in April. It is anticipated that this Act, which incentivizes private industry to more fully consider end-of-life management while designing products, would be instrumental in helping the City achieve its zero waste goals.

American Recovery and Reinvestment Act of 2009 – ESD is currently reviewing a number of federal stimulus options, including those for waste water, potable water, energy, and economic workforce development. ESD has been coordinating internally to ensure that it maximizes a broad array of funding possibilities while minimizing pursuing similar funding sources. A number of ESD projects have been listed as "Tier 1" efforts on the City's Priority Project List. As such, ESD has also been coordinating with several other City departments to minimize pursuit of appropriated funds like CDBG.

The ARRA Energy Provisions of Relevance to San Jose – ARRA contains over \$37 billion in federal funding for energy efficiency, renewable energy and a host of other clean energy initiatives. These initiatives are also supported with about \$20 billion in energy-related tax credits, energy bonds and other favorable tax incentives.

The ARRA Water Provisions of Relevance to San Jose – ARRA contains over \$7 billion in federal funding for water and water related resources, natural resources conservation, watershed rehabilitation, and clean water and drinking water program initiatives. Specific grant and loan programs administered by several federal departments (Natural Resource Conservation Service, Bureau of Reclamation, Environmental Protection Agency) support these initiatives

Potential funding sources and opportunities for the City include:

SOURCE OF FUNDS	FUNDING AVAILABLE	OVERVIEW	OPPORTUNITIES FOR SAN JOSE
<p>Energy Efficiency and Conservation Block Grants.</p>	<p><i>Total Funding Available: \$3.2 billion— Estimated \$8M for San Jose.</i></p>	<p>Overview: The Energy Independence and Security Act (EISA; Pub. L. No. 110-140), signed into law on December 19, 2007, created the Energy Efficiency and Conservation Block Grant (EECBG) Program. The Program as established by EISA is for federal grants to units of local government, Indian tribes, and states to reduce energy use and fossil fuel emissions, and for improvements in energy efficiency. The Office of Energy Efficiency and Renewable Energy (EERE) of the US Department of Energy will likely administer the EECBG Program. Cities with a population of over 35,000 will apply for funds directly through the federal Department of Energy (DOE); Cities with populations of under 35,000 will get their funding through the California Energy Commission.</p>	<p><u>Opportunities being evaluated for San Jose:</u></p> <ul style="list-style-type: none"> • Energy Efficiency Retrofits for city facilities; • Programmable LED streetlights; • Solar Energy Systems on City facilities; • Loans for Affordable Housing Developers for energy efficiency/solar improvements (could also be funded through HUD programs); • Loans for homeless shelters for energy efficiency/solar improvements (could also be funded through HUD programs); • Weatherization programs for energy efficiency improvements for eligible low-to-moderate income residents that provide measures beyond the standard installations, such as energy star appliances.

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SOURCE OF FUNDS	FUNDING AVAILABLE	OVERVIEW	OPPORTUNITIES FOR SAN JOSE
Weatherization Assistance.	<i>Total Funding Available: \$5 billion.</i>	<p>Overview: Provides funding towards low-income weatherization programs through the federal Department of Energy.</p> <p>Under the federal Department of Energy weatherization program, weatherization services are cost-effective energy efficiency measures for existing residential and multifamily housing with low-income residents. It includes a wide variety of energy efficiency measures that encompass the building envelope, its heating and cooling systems, its electrical system, and electricity consuming appliances.</p> <p>Special Factors: Funds will be distributed to states through existing federal weatherization program formulas.</p>	<p><u>Opportunities for San Jose:</u></p> <ul style="list-style-type: none"> • Integrating and coordinating weatherization activities among CPUC/Utility, state and local programs to ensure a neighborhood based approach; • Expanding weatherization offerings through the use of EECBG funds.
Electricity Delivery and Energy Reliability.	<i>Total Funding Available: \$4.5 billion: \$100 million for worker training; \$80 million for resource and transmission needs assessment; and remaining funds to implement smart grid program.</i>	<p>Overview: Funding for research and development, pilot projects and matching funds for the Smart Grid Investment Program to modernize the electric grid, enhance security and reliability of energy infrastructure, and facilitate recovery from disruptions to the energy supply. \$100 million of the funds must be used for worker training.</p>	<p><u>Opportunities for San Jose:</u></p> <p>Development of worker training opportunities (San Jose's Work2Future program) in partnership with Utilities and others.</p>
Energy Efficiency and Renewable Energy Research, Development, Demonstration and Deployment.	<i>Total Funding Available: \$2.5 billion.</i>	<p>Overview:</p> <ul style="list-style-type: none"> • \$800 million for projects related to biomass; • \$400 million for geothermal activities and projects; and • \$1.3 billion for base program activities, such as research and demonstrations into additional renewable technologies. <p>How to Access Funding: Funding will be discretionary by the federal Department of Energy (DOE).</p>	<p><u>Opportunities for San Jose:</u></p> <p>Las Plumas Environmental Innovation Center, Digester rehabilitation and other projects related to the use of biomass (Energy to Waste Projects, etc.).</p>

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SOURCE OF FUNDS	FUNDING AVAILABLE	OVERVIEW	OPPORTUNITIES FOR SAN JOSE
<p>Water and Water Related Resources (Bureau of Reclamation).</p>	<p><i>Total Funding Available: \$1 billion.</i></p>	<p>Overview: To provide supplemental funding for water and water related resource activities and projects. Eligible applicants include state agencies, municipalities and water districts.</p> <p>Allocations will be based upon competitive grants/ allocations by cooperative agreements, with the decision maker being the US Bureau of Reclamation/Secretary of Interior.</p>	<p><u>Opportunities being evaluated for San Jose (25% match required for all but Water Efficiency Projects):</u></p> <ul style="list-style-type: none"> • South Bay Water Recycling Airport Extension; • South Bay Water Recycling - Advanced Water Treatment Facility; • South Bay Water Recycling – Milpitas Extension; • South Bay Water Recycling – Phase 1B Project; • South Bay Water Recycling – San Jose Extension; • South Bay Water Recycling – Santa Clara Extension; • South Bay Water Recycling – Santa Clara Central Park Extension; • Water Efficiency Projects.
<p>Watershed Rehabilitation Program (Natural Resources Conservation Service).</p>	<p><i>Total Funding Available: \$50 million.</i></p>	<p>Overview: To provide funding to rehabilitate aging flood control infrastructure. Eligible applicants include sponsoring local organizations of authorized watershed projects. The Natural Resource Conservation Service will administer loans for this program.</p>	<p><u>Opportunities being evaluated for San Jose:</u></p> <ul style="list-style-type: none"> • Storm Sewers and Storm Pump Station Rehabilitation
<p>Clean Water and Drinking Water Grant/Loan Program (Environmental Protection Agency).</p>	<p><i>Total Funding Available: \$6 billion.</i></p>	<p>Overview: Purpose: To provide supplemental funding for clean water grants and loans through the State’s existing Clean Water State Revolving Fund (CWSRF) and low interest loans/grants to assist public water systems through the Safe Drinking Water State Revolving Fund (SDWSRF). Eligible applicants include state Revolving Fund (SRF) programs, then State SRFs distribute funds to wastewater treatment facilities, local communities and interstate agencies. The allocation method will be based upon competitive grants and loans. These programs will be administered by the US EPA.</p>	<p><u>Opportunities being evaluated for San Jose:</u></p> <ul style="list-style-type: none"> • Sanitary Sewer Rehabilitation Project; • Storm Sewers and Storm; • Pump Station Rehabilitation; • Water Tank Rehabilitation; • WPCP Electrical Reliability Improvements; • Water Main Replacements; • Engine Generator Replacement; • Fuel Cell.

Other programs available to outside, private sector entities:

SOURCE OF FUNDS	FUNDING AVAILABLE	OVERVIEW	OPPORTUNITIES FOR SAN JOSE
<p>Assisted Housing Stability and Energy and Green Retrofit Programs.</p>	<p><i>Total Funding Available:</i> \$2.25 billion.</p>	<p>Overview: \$2 billion for project based rental assistance (e.g., "Section 8") for a 12-month period. In addition, \$250 million for grants or loans for energy retrofit and green investments in such assisted housing. Grants and loans will be made available through HUD's Office of Affordable Housing Preservation (OAHP) for eligible property owners to make energy and green retrofit investments in the property, to ensure the maintenance and preservation of the property, the continued operation and maintenance of energy efficiency technologies, and the timely expenditure of funds. Physical and financial analyses of the properties will be conducted to determine the size of each grant and loan. Incentives will be made available to participating owners. The terms of the grants or loans will include continued affordability agreements.</p> <p>Special Factors: Funds must be expended in two years. Projects funded with grants or loans must comply with federal prevailing wage laws (cited in the bill as subchapter IV of chapter 31 of title 40, United States Code).</p> <p>How to Access Funding: Housing assistance per formula, Energy and Green Retrofit per competitive grants and loans under process to be developed by HUD secretary.</p>	

PENDING STATE LEGISLATION

The 2009-10 State Legislative Session convened in Sacramento on December 1, 2008, and the deadline for bills to be introduced in the State Legislature was February 27, 2009. A total of 2,546 bills and constitutional amendments have been introduced. Proposed legislation included in the attached matrix reflects 2009 legislation in the areas of transportation, aviation, environment, and utilities. The next major bill deadline in the Legislature is May 1, which is the last day for policy committees to meet and report bills to fiscal committees of the Assembly and Senate. Bills that pass the fiscal committees need to be adopted by either the full Senate or Assembly and passed to the other house of the Legislature by June 5, working toward a September 11 deadline for final passage of bills before the interim recess of the 2009-10

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Legislative Session. The Governor will have until October 11 to sign or veto bills. Those bills signed into law will become effective January 1, 2010, unless otherwise specified.

The attached matrix includes 2009 pending State legislation relating to transportation and the environment. In cases where the City has taken a position, those positions are reflected. All introduced legislation is being reviewed by IGR and other City departments, and will be brought forward to the Rules Committee and the City Council for consideration and adoption of City positions. The following 2009 legislation is identified as a partial list of priority bills that will be of particular interest to San José this session:

Environmental Bills:

AB 46 (Blakeslee) – Energy Conservation Assistance.

Extends for an additional nine years, until January 1, 2020, the time that the CA Energy Commission may administer and deposit federal economic stimulus funds into the State Energy Conservation Assistance Account and the Local Jurisdiction Energy Assistance Account, for the purpose of providing grants and loans to local governments and public institutions to maximize energy use savings. (Fiscal, 2/3 vote)

Status: Assembly Committee on Utilities and Commerce.

Amended: 2/19/09.

City Position: Support.

AB 283 (Chesbro) – Solid Waste: Extended Producer Responsibility Program.

Establishes the California Product Stewardship Act of 2010, administered by the CA Integrated Waste Management Board by regulations adopted by July 1, 2011, to provide environmentally sound product stewardship protocols that encourage producers of solid waste to research alternatives during the product design and packaging phases to foster cradle-to-cradle producer responsibility and reduce the end-of-life environmental impacts of the product. Effective July 1, 2012, prohibits covered products from being sold or used for promotional purposes unless the producer submits a product stewardship plan to the board. (Fiscal)

Status: Assembly Committee on Natural Resources.

Amended: N/A.

SB 14 (Simitian) – CA Public Utilities Commission: Renewable Energy Resources: Rates.

Requires the State and utilities to procure 33% of its energy from clean, environmentally friendly renewable energy resources by 2020, replacing the current mandate of 20% by 2010. Clarifies that utilities are not obligated to procure renewable resources beyond their retail electricity needs, and that utilities may voluntarily exceed the 33% mandate. (Fiscal)

Status: Senate Committee on Appropriations.

Amended: 3/12/09.

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SB 26 (Simitian) – Home-Generated Pharmaceutical Waste.

Requires the State Board of Pharmacy to coordinate with other State agencies, local governments, drug manufacturers, and pharmacies to develop sustainable, efficient policies and programs to manage the disposal of unwanted or expired pharmaceutical drugs and devices.

Authorizes pharmacies to accept the return of home-generated pharmaceutical waste. (Fiscal)

Status: Senate Committees on Business, Professions and Economic Development, and Environmental Quality.

Amended: N/A.

City Position: Support.

SB 176 (Simitian) – Electricity: Charges: Charitable Organizations.

Deletes the repeal date of the law authorizing a nonprofit charitable organization to acquire electric commodity service through a direct transaction with an electric service provider, if electric commodity service is donate free of charge without compensation. (Nonfiscal)

Status: Senate Committee on Energy, Utilities and Communications. **Amended:** N/A.

SB 338 (Alquist) – CA Alternative Energy & Advanced Transportation Financing Authority.

Expands the "sales-lease-back" policy adopted for zero-emission vehicle manufacturers by CAEATFA to renewable energy technology manufacturers (solar, wind, fuel cell). (Nonfiscal)

Status: Pending referral to Senate committee.

Amended: N/A.

City Position: Sponsor.

SB 400 (Corbett) – Energy: Green Vehicles.

Provides that projects which develop, manufacture or improve vehicle technologies, such as advanced internal combustion engines with a 30% or better efficiency level over current market standard, are eligible for funding under the Alternative and Renewable Fuel and Vehicle Technology Program, administered by the CA Energy Commission. (Fiscal)

Status: Senate Committees on Transportation and Housing, and Environmental Quality.

Amended: N/A.

SB 699 (Alquist) – Sales and Use Tax: Manufacturing Equipment: Energy and Water Use.

Declares the intent of the Legislature to enact legislation that would exempt from sales and use tax, the sale and purchase of manufacturing equipment that reduces energy and water use, and increases energy efficiency and water recycling. (Nonfiscal)

Status: Pending referral to Senate committee.

Amended: N/A.

Transportation Bills:

AB 564 (Portantino) – Speed Traps: Local Street or Road.

Revises existing law relating to speed traps to provide that a local street or road is defined by the latest functional usage and federal-aid system maps, whether or not the maps have been submitted to the federal Highway Administration. (Nonfiscal)

Status: Assembly Committee on Transportation.

Amended: N/A.

AB 744 (Torrico) – Bay Area High-Occupancy Vehicle Network.

Authorizes the Bay Area Toll Authority to acquire, construct, administer, and operate a value pricing high-occupancy vehicle network program on state highways within the jurisdiction of the Metropolitan Transportation Commission, and authorizes capital expenditures to be funded from program revenues, revenue bonds, toll bridge revenue, and fees charged to single-occupant vehicles using high-occupancy vehicle lanes. (Nonfiscal)

Status: Pending referral to Assembly committee.

Amended: N/A.

AB 766 (Krekorian) – Vehicles: Speed Limits.

Allows a local authority to retain a *prima facie* speed limit on any street other than a state highway if the local authority makes a finding after a public hearing that a higher speed limit is not the most appropriate for the orderly movement of traffic upon the street and does not promote a safe environment for a neighborhood or pedestrians. (Nonfiscal)

Status: Pending referral to Assembly committee.

Amended: N/A.

AB 878 (Caballero) – Infrastructure Financing.

Provides a local governmental agency the authority and flexibility to enter into an agreement to utilize private and public financing to study, plan, design, construct, develop, finance, maintain, rebuild, improve, repair, or operate fee-producing infrastructure facilities and revenue-generating infrastructure projects. (Fiscal)

Status: Pending referral to Assembly committee.

Amended: N/A.

AB 20xxx (Bass) – Federal Transportation Economic Stimulus Funds.

As proposed to be amended, authorizes the expenditure of transportation funds under the Federal Transportation Economic Stimulus Act of 2009 with enactment of the American Recovery and Reinvestment Act of 2009. Appropriates \$2.569 billion and any additional funds to be available to the state for highway, transit, transportation, and rail infrastructure investments. Funding shall be distributed with 37.5% of funds available to the State Department of Transportation and allocated by the CA Transportation Commission, and 62.5% of the funds shall be made available to metropolitan planning organizations, county transportation commissions and regional transportation planning agencies (local entities) in accordance with the formula, provided projects meet the requirements of ARRA. At least 40% of the funds apportioned to local entities shall be available for suballocation by that entity to a city, county, or city and county for projects that meet the requirements of ARRA and as authorized by this chapter. (Fiscal)

Status: Senate Floor 3rd Reading.

Amended: 1/7/09.

City Position: Seeking Amendments.

ACA 15 (Arambula) – Local Government Transportation Projects: Special Tax.

Proposes an amendment to the Constitution to alternatively condition the imposition, extension or increase of a special tax by a local government for the purpose of providing funding for local transportation projects upon the approval of 55% of voters. (Nonfiscal)

Status: Pending referral to Assembly committee.

Amended: N/A.

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SB 165 (Lowenthal) – Federal Transportation Funds.

Makes legislative findings and declarations relative to additional federal funds to be made available to the state pursuant to federal economic stimulus legislation. (Nonfiscal)

Status: Pending referral to Assembly committee.

Amended: N/A.

SB 205 (Hancock) – Traffic Congestion.

Authorizes a countywide transportation planning agency, by a majority vote of the agency's board, to impose an annual fee of up to \$10 on motor vehicles registered within the county, subject to voter approval. The revenues would be used for traffic congestion programs that mitigate the impacts of motor vehicles on air and water quality, and programs that improve the business climate and natural environment. (Fiscal)

Status: Senate Committee on Transportation and Housing.

Amended: N/A.

SB 409 (Ducheny) – Department of Railroads.

Establishes the Department of Railroads in the Business, Transportation and Housing Agency. Transfers to the department responsibility for various railroad programs currently administered by other agencies. Provides that the department shall be the only state agency eligible to apply for and receive grant and loan funds from the federal government for intercity rail, high-speed rail or freight rail purposes. (Fiscal)

Status: Senate Committee on Transportation and Housing.

Amended: N/A.

SB 455 (Lowenthal) – High-Speed Rail Authority.

Requires the High-Speed Rail Authority to ensure that projects undertaken, including projects for acquisition of right-of-way, are consistent with specified criteria. (Fiscal)

Status: Senate Committee on Transportation and Housing.

Amended: N/A.

SB 518 (Lowenthal) – Vehicles: Parking Services and Fees.

Requires that state funds shall not be used to subsidize parking services for students, employees and other persons on district-owned or leased property. Authorizes a community college district to exempt specified students who receive financial assistance or who rideshare or carpool from paying parking fees. (Fiscal)

Status: Senate Committee on Transportation and Housing.

Amended: N/A.

SB 570 (Maldonado) – *Prima Facie* Speed Limits: Suburban Streets.

Permits a different speed limit to be determined by a local authority under procedures set forth in the Vehicle Code and requires that the different speed be indicated on the residential density posting. (Fiscal)

Status: Senate Committee on Transportation and Housing.

Amended: N/A.

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PUBLIC OUTREACH

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting.)**
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting.)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers.)**

This document will be posted on the City's website for the April 6, 2009, Transportation and Environment Committee where the Council and the public have the opportunity to comment.

EVALUATION AND FOLLOW-UP

The City Council will be informed as to the status of these measures as part of the regular Intergovernmental Relations legislative updates.

COORDINATION

This memo was coordinated with Aviation, the Environmental Services Department, the Department of Transportation, the City Attorney's Office, the City's Legislative Representative in Sacramento, and the City's Federal lobbyist firm of Patton Boggs, LLP.

POLICY ALIGNMENT

The measures and critical funding issues identified in the memorandum are based on the City of San José's 2009 Legislative Guidelines and Priorities adopted by the City Council on December 16, 2008, along with the Priority Ranking of the 2009 Legislative Priorities adopted by the City Council on February 3, 2009.

BUDGET REFERENCE

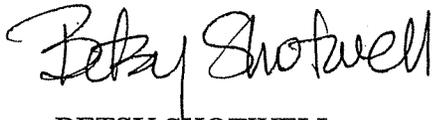
Not applicable.

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BETSY SHOTWELL

Director, Intergovernmental Relations



ROXANNE MILLER

Legislative Representative

For more information contact: Betsy Shotwell, Director of IGR at (408) 535-8270, or Roxanne Miller, Legislative Representative in San José's Sacramento office at (916) 443-3946.

Attachment: March 18, 2009, State Legislative Bill Matrix re: Transportation and Aviation and Environmental and Utility CSAs.