

SENATE COMMITTEE ON TRANSPORTATION AND HOUSING

Senator Jim Beall, Chair

2017 - 2018 Regular

Bill No:	SB 137	Hearing Date:	4/25/2017
Author:	Allen		
Version:	1/12/2017	Introduced	
Urgency:	No	Fiscal:	Yes
Consultant:	Alison Hughes		

SUBJECT: Transit districts: ordinances.

DIGEST: This bill requires any ordinance passed by the Southern California Rapid Transit District to be published on their web site within 15 days after passage.

ANALYSIS:

Existing law:

- 1) Creates the Southern California Rapid Transit District (SCRTD) in and around the County of Los Angeles, with specified powers and duties relative to providing public transit service.
- 2) Requires an ordinance passed by the board of directors of the district to be published once within 15 days after passage in a newspaper of general circulation printed and published in the district.

This bill requires an ordinance to also be made available online on appropriate Internet Web sites within 15 days after passage.

COMMENTS:

- 1) *Purpose of the bill.* According to the author, “this bill modernizes the law to increase availability and provide more prominent access to ordinances passed by the Board of Directors of the Los Angeles County Metropolitan Transportation Authority.”
- 2) *Background of Los Angeles County Metropolitan Transit Authority (LACMTA).* LACMTA is the public transportation operating agency for the County of Los Angeles formed in 1993 out of a merger of the Southern California Rapid Transit District and the Los Angeles County Transportation Commission. It is

chartered under state law as a regional transportation planning agency. Metro directly operates bus, light rail, heavy rail, and bus rapid transit services. It provides funding and directs planning for commuter rail and freeway/expressway projects within Los Angeles County.

The agency develops and oversees transportation plans, policies, funding programs, and both short-term and long-range solutions that address the county's increasing mobility, accessibility, and environmental needs. The agency is also the primary transit provider for the City of Los Angeles providing the bulk of such services while the City of Los Angeles Department of Transportation operates a much smaller system of its own Commuter Express bus service to outlying suburbs in the city of Los Angeles and the Downtown Area Short Hop (DASH), mini-bus service in downtown and other neighborhoods in the city of Los Angeles.

- 3) *Greater public access.* Metro does appear to have at least some of its ordinances online, though finding this on their website was difficult, and these documents appear to be out of date (the most recent was from 2012). The committee reviewed the web sites of other transit districts and either was unable to locate any ordinances or similarly had difficulty locating them. **The author has agreed to expand this bill to require all transit districts with authority to pass ordinances to publish on their web sites within 15 days after passage in a manner that is accessible and easily navigable.**

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

POSITIONS: (Communicated to the committee before noon on Wednesday, April 19, 2017.)

SUPPORT:

None received.

OPPOSITION:

None received.

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SENATE COMMITTEE ON TRANSPORTATION AND HOUSING

Senator Jim Beall, Chair

2017 - 2018 Regular

Bill No: SB 150

Hearing Date: 4/25/2017

Author: Allen

Version: 4/6/2017

Urgency: No

Fiscal: Yes

Consultant: Erin Riches

SUBJECT: Regional transportation plans.

DIGEST: This bill establishes new requirements for setting regional greenhouse gas (GHG) emission reduction targets and requires the state Air Resources Board (ARB) to monitor regions' progress in attaining these targets.

ANALYSIS:

GHG emission reduction goals

Existing law (AB 32, Nunez and Pavley, Chapter 488, Statutes of 2006) requires ARB to determine the statewide GHG emissions level, approve a statewide GHG emissions limit that is equivalent to that level, to be achieved by 2020, and adopt GHG emissions reduction measures by regulation.

Executive Order B-30-2015, issued by the Governor in 2015, sets a target of reducing statewide GHG emissions to 80% below 1990 levels by 2050, and an interim statewide GHG emissions reduction target of 40% below 1990 levels by 2030.

Existing law (SB 32, Pavley, Chapter 249, Statutes of 2016) codifies the 2030 GHG emissions reduction target in Executive Order B-30-2015.

Regional transportation plans

Existing law requires each of California's 18 metropolitan planning organizations (MPOs) and 26 regional transportation planning agencies (RTPAs) to prepare a long-range (20-year) plan. This plan, known as the regional transportation plan (RTP), identifies the region's vision and goals and how to implement them. The RTP also supports the state's goals for transportation, environmental quality, economic growth, and social equity.

Sustainable communities' strategies (SCS)

Existing law (SB 375, Steinberg, Chapter 728, Statutes of 2008) aims to coordinate transportation and land use planning to help achieve the state's climate action goals. SB 375 requires ARB to set regional targets for GHG emissions reductions from passenger vehicle use. (According to the ARB, the transportation sector accounts for nearly 50% of GHG emissions in California.) In 2010, ARB established targets for 2020 and 2035 for each region at a percent reduction of passenger vehicle GHG emissions per person from 2005 levels. ARB will periodically review and update the targets as needed.

SB 375 also requires each MPO to prepare an SCS as part of its RTP. The SCS demonstrates how the region will meet its GHG emissions reduction targets through land use, housing, and transportation strategies. ARB must review the adopted SCS to confirm that it will indeed meet the regional GHG targets. If not, the MPO must prepare an alternative planning strategy, separate from the RTP.

This bill:

- 1) Adds to the factors ARB must consider when setting regional GHG emission reduction targets, any other economy-wide GHG emission reduction targets in state law or applicable by executive order, and any prospective measures it may take pursuant to SB 32.
- 2) Requires ARB, when updating regional GHG emission reduction targets, to make them consistent with the latest available climate science and to assess the portion of the state's overall climate targets that will need to be met by reductions in vehicle miles traveled (VMT).
- 3) Requires ARB, prior to updating regional GHG emission reduction targets, to hold at least two public workshops around the state to solicit stakeholder input.
- 4) Requires an MPO, when preparing an SCS, to include an appendix that outlines the region's transportation planning and programming activities, based on criteria developed with input from a broad range of stakeholders in order to prioritize transportation projects for programming that reduce criteria air pollutants and VMT, while maximizing co-benefits, public health, social equity, and conservation, consistent with the RTP, with projects to be listed in the appendix in the order of their ability to achieve those objectives.

- 5) Provides that the criteria in the appendix should include, but need not be limited to, a reduction in criteria air pollutants; a reduction in per capita carbon dioxide emissions from cars and light duty trucks by 2050; an increase in the average daily time spent walking or bicycling for transportation purposes; and a decrease in the share of low-income and lower middle-income residents' household income consumed by transportation and housing.
- 6) Requires an MPO, if it prepares an alternative planning strategy, to include an appendix consistent with the requirements of (4) and (5).
- 7) Requires ARB, beginning January 1, 2018, to monitor each MPO's SCS or alternative planning strategy and to prepare a progress report every four years for submission to the California Transportation Commission. Requires this monitoring to include an assessment of whether the MPO is on track to reduce regional VMT by 15% by 2050, and to achieve the GHG emission reduction targets established by ARB. Requires ARB to complete its initial assessment by March 1, 2018, and to complete future assessments every four years thereafter.

COMMENTS:

- 1) *Purpose.* The author states that transportation is the single largest contributor to GHG emissions. Yet, according to ARB, if every Californian drove 1.6 miles less per day, by 2030 we would reduce enough GHG emissions to meet our state's climate goals. Land use and transportation planning play an instrumental role in reducing how much we drive and in lessening the impacts we all face from climate change. This bill builds on and strengthens California's landmark land use planning law, SB 375, which aims to reduce VMT and improve land use planning. Specifically, this bill requires ARB to update regional GHG emission reduction targets to align with SB 32 and establishes a process for ARB to monitor and assess the MPOs' progress on VMT and other measures toward achieving their regional targets.
- 2) *Background. The 15% VMT target.* As currently written, this bill requires ARB to monitor each SCS or alternative planning strategy to assess whether the MPO is on track to reduce regional VMT by 15% by 2050. ARB's *Mobile Source Strategy*, updated in May 2016, looks at how the state can meet air quality standards, achieve GHG emission reduction targets, decrease health risk from transportation emissions, and reduce petroleum consumption over the next 15 years. For the light-duty sector, the plan assumes that most GHG reductions will come from new vehicle technologies (e.g., zero-emission vehicles) and

low-carbon fuels. The scenario also, however, assumes slower growth in light-duty VMT, which could be achieved through continued land use changes, emerging technologies such as autonomous vehicles, transportation system improvements that offer more mobility options, and emerging changes in travel behavior among millennials and others. The scenario assumes a 15% reduction in total light-duty VMT in 2015 as compared to baseline 2050 levels. This would translate into light-duty VMT growth of only 5% by 2030, compared to current growth rates of approximately 11%.

In January 2017, ARB released the *2017 Climate Change Scoping Plan Update: The Proposed Strategy*. The scoping plan, required by AB 32, describes the approach California will take to reduce GHGs, with the goal of reducing emissions to 1990 levels by 2020. The scoping plan must be updated every five years; the 2017 update brings GHG goals in line with SB 32. Appendix C of the update, released in January 2017, discusses the importance of reducing VMT, and outlines numerous strategies to help achieve VMT reductions, but does not cite a specific target.

- 5) *How feasible is a VMT reduction target?* Some stakeholders have expressed concerns that one of the most important factors affecting VMT is gas prices, which they cannot control. It is important to note that California currently has a target, set by Executive Order B-16-2012, of one million zero-emission vehicles (ZEVs) on California's roads by 2020 and 1.5 million by 2025. In general, the ZEV regulation requires that 15% of new car sales be ZEVs by 2025. With more and more people driving ZEVs, and thus not being affected by gas prices, VMT could conceivably go up in future years.
- 6) *Penalty removed.* The prior version of this bill provided that if ARB found that an MPO was not on track to meet its 2035 GHG emission reduction target, a county transportation commission would be limited in the number of projects it could nominate for State Transportation Improvement Program (STIP) funding. The Environmental Quality Committee, which heard this bill on April 5th, raised concerns that this provision could severely limit state funding for local projects. Further, MPOs do not track on a one-to-one basis to county transportation commissions. For example, if Los Angeles County was not on track to meet its 2035 GHG emission reduction target, its entire MPO (Southern California Association of Governments) would effectively be penalized. To address these concerns, the author accepted an amendment to remove this provision from this bill.
- 7) *Amendments.* The author and sponsors have been working with stakeholders and opponents and as a result will accept amendments to this bill as follows:

- a) *Updating the targets (“This bill” #2):* Currently, this bill requires ARB, when updating the regional GHG emission reduction targets, to make them consistent with the latest available climate science and to assess the portion of the state’s overall climate targets that will need to be met by VMT reductions. **The author will accept amendments to instead require ARB to update and revise the targets consistent with the scoping plan and an assessment of the portion of the state’s overall climate targets that is anticipated to be met by VMT reductions.**
 - b) *ARB public workshops (“This bill” #3):* Currently, this bill requires ARB, prior to updating the regional GHG emission reduction targets, to hold at least two public workshops around the state to solicit stakeholder input. **The author will accept amendments to clarify that that ARB shall hold at least two public workshops in different parts of the state.**
 - c) *Appendix (“This bill” #4-6):* Currently, this bill requires an MPO, when preparing an SCS or alternative planning strategy, to include an appendix as specified. **The author will accept amendments to remove the requirement to include an appendix.**
 - d) *Monitoring (“This bill” #7):* Currently, this bill requires ARB, beginning January 1, 2018, to monitor each MPO’s SCS or alternative planning strategy and to submit a progress report to the CTC every four years. It requires this monitoring to include an assessment of whether the MPO is on track to reduce regional VMT by 15% by 2050, and to achieve the GHG emission reduction targets established by ARB. It requires ARB to complete its initial assessment by March 1, 2018, and to complete future assessments every four years thereafter. **The author will accept amendments to instead (1) require ARB, beginning July 1, 2018, to provide an assessment of the most currently available and historical VMT based on data and reports from the state; (2) require ARB, by September 1, 2018, to prepare a report that assesses progress made by each MPO on a set of data-supported metrics that include, but are not limited to, changes in GHG, VMT, accessibility, public transit, active transportation, and land use; and (3) require ARB to complete future assessments every four years thereafter to align with the target setting.**
- 8) *Other opposition concerns.* The author and sponsors are still working with stakeholders on the following issues:

- a) *Executive orders* (“*This bill*” #1): As amended, this bill will still add to the factors ARB must consider when setting regional GHG emission reduction targets, any other economy-wide GHG emission reduction targets in state law or applicable by executive order, and any prospective measures it may take pursuant to SB 32. Opponents object to executive orders being included because they are “statements issued by governors as to how state agencies should comply with state statutes,” not actual statute. If the Legislature chooses, it can codify the contents of an executive order, as in SB 32. Opponents also request that the ‘economy-wide targets in state law’ provision be removed from this bill.
 - b) *VMT targets*. Although the author is amending this bill to remove the 15% VMT reduction requirement, the amended version still references ARB assessments of VMT in relation to GHG emission reduction targets. Opponents express continuing concerns about singling out VMT.
- 9) *Double referral*. This bill passed out of the Environmental Quality Committee on April 5th on a 5-2 vote.

RELATED LEGISLATION:

SB 32 (Pavley, Chapter 249, Statutes of 2016) — sets a target of reducing statewide GHG emissions to 80% below 1990 levels by 2050, and an interim statewide GHG emissions target of 40% below 1990 levels by 2030.

SB 375 (Steinberg, Chapter 728, Statutes of 2008) — aims to coordinate transportation and land use planning to help achieve the state’s climate action goals by requiring ARB to set regional targets for GHG emissions reductions from passenger vehicle use.

AB 32 (Nunez and Pavley, Chapter 488, Statutes of 2006) — requires ARB to determine the statewide GHG emissions level and approve a statewide GHG emissions limit that is equivalent to that level, to be achieved by 2020, and adopt GHG emissions reduction measures by regulation.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

POSITIONS: (Communicated to the committee before noon on Wednesday, April 19, 2017.)

SUPPORT:

ClimatePlan (co-sponsor)
Natural Resources Defense Council (co-sponsor)
TransForm (co-sponsor)
Bike San Gabriel Valley
California Bicycle Coalition
California League of Conservation Voters
California Walks
Catholic Charities of the Diocese of Stockton
Center for Biological Diversity
Center for Climate Change and Public Health
Coalition for Clean Air
COAST
Marin County Bicycle Coalition
Natural Parks Conservation Association
Nature Conservancy
Public Advocates
Safe Routes to School National Partnership
Santa Barbara Bicycle Coalition
Sequoia Riverlands Trust
Sierra Club California
Sunflower Alliance
Trust for Public Land
Voices for Progress Education Fund
350 Bay Area

OPPOSITION:

Associated General Contractors – California
Associated General Contractors – San Diego Chapter
California Association of Councils of Governments
California Association of Realtors
California Building Industry Association
California Business Properties Association
California Business Roundtable
California Chamber of Commerce

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SENATE COMMITTEE ON TRANSPORTATION AND HOUSING

Senator Jim Beall, Chair

2017 - 2018 Regular

Bill No: SB 264

Hearing Date: 4/25/2017

Author: Nguyen

Version: 4/4/2017

Urgency: No

Fiscal: Yes

Consultant: Manny Leon

SUBJECT: High-occupancy toll lanes: Interstate 405 Improvement Project high-occupancy toll lanes.

DIGEST: This bill requires excess toll revenue from the high-occupancy toll lanes (HOT) planned to be constructed on Interstate 405 (I-405) to be allocated in a specified manner.

ANALYSIS:

Existing law:

- 1) Provides that the State Department of Transportation (Caltrans) has full possession and control of the state highway system.
- 2) Authorizes a regional transportation agency or Caltrans to apply to the California Transportation Commission (CTC) to develop and operate high-occupancy toll (HOT) lanes or other toll facilities.
- 3) Requires certain excess revenue generated by the toll facility to be used in the corridor from which the revenue was generated pursuant to an expenditure plan developed by the sponsoring agency, as provided.
- 4) Creates the Orange County Transportation Authority (OCTA) which serves as the regional transportation planning agency and transit operator for Orange County.
- 5) At the local level, in 2006 Orange County voters passed Measure M (M2), a regional half-cent sales tax measure to provide funding for a number of highway, road, and transit improvement projects.

This bill:

- 1) Defines the corridor for the I-405 Improvement Project (Project) to be between State Route 73 and Interstate 605.
- 2) Requires OCTA to allocate excess toll revenues from the Project in the following manner:
 - a. 20 percent to OCTA
 - b. 70 percent to local agencies along the I-405 project corridor .
 - c. 10 percent to local agencies not along the I-405 project corridor.
- 3) Provides specific parameters on how excess toll revenues are to be spent, as specified.

COMMENTS:

- 1) *Author's statement.* According to the author, “this bill provides small but significant relief to communities directly impacted by the constriction of I-405 Improvement project. These impacted communities will endure traffic delays and detours made worse by the construction of the project forcing cities to use additional recourses for mitigation.”
- 2) *What are HOT Lanes?* High-occupancy toll (HOT) lanes are lanes where carpools can travel for free or at a reduced charge and other vehicles may travel upon payment of a higher charge, which varies based on congestion. An agency operating a HOT lane essentially sells excess capacity in undersubscribed high-occupancy vehicle lanes to single-occupant vehicle drivers by charging a toll. HOT lanes typically employ a pricing method known as value pricing or congestion pricing. Under this scheme, the amount of the toll varies in accordance with the level of congestion in that particular lane, such that as congestion increases, so too will the toll amount. As the price to use the lane goes up, fewer people presumably will choose to use it, thereby reducing demand for the facility and maintaining free-flow travel conditions. With this mechanism, an agency can ensure that operation of the toll facility does not undermine the intended benefits of promoting carpooling with access to the faster high-occupancy vehicle lane.

Transportation agencies have had an interest in HOT lanes for years, viewing them as a way to more efficiently use freeway capacity and to help fund expansion of high-occupancy vehicle or carpool lanes and transit service. Thus, HOT lanes are increasingly being implemented in metropolitan areas around the state and nation.

- 3) *Local vs. State control?* AB 194 Frazier (Chapter 687, Statutes of 2016) set the statutory framework to allow local transportation agencies to construct HOT lanes if certain conditions were met and the project received approval from the CTC. Prior to AB 194, aside from several demonstration programs, local transportation agencies typically had to receive legislative approval to construct HOT lanes in their respective regions. This resulted in local transportation agencies engaging in a prolonged process and exposed each individual project to policy issues that, many times, were not relevant to the specific project. This also resulted in a patchwork of statutes that lacked any consistent criteria relative to authorizing HOT lanes throughout the state. AB 194 remedied many of these issues by providing local agencies the opportunity develop a HOT lane project that would ultimately go through the CTC approval process. Furthermore, to ensure consistency, AB 194 also set forth specific eligibility criteria for the CTC to use in evaluating applications for toll facilities. The I-405 improvement project was submitted to the CTC by OCTA and approved under the AB 194 authority.

The provisions specified in this bill would unravel the process established in AB 194 by changing how certain toll revenues would be allocated for the I-405 project. The existing process currently requires a transportation agency to develop an expenditure plan for excess toll revenues that requires public input and comment. As a result, it is unclear why statutory direction is needed for the I-405 project when an expenditure plan would need to be approved by the OCTA Board of Directors, which represents the corridor identified in this bill.

- 4) *Premature proposal?* The I-405 project will be one of the most complex transportation projects in the nation. This project is estimated to cost \$1.9 billion and will add one general purpose lane in each direction and also add an additional lane in each direction that will combine with the existing high-occupancy vehicle lane to provide dual express lanes in each direction. The project also includes significant improvements to the local street network in the area of the project, including the replacement of 18 local street bridges that travel over I-405. With most of the I-405 project being funded through M2 revenue, OCTA is currently in the process of attempting to secure the remaining funding gap for the project through a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan from the federal government. The project is anticipated to break ground on construction sometime in 2018 with forecasted excess toll revenue (revenues after debt service and maintenance, repair, and administrative expenses) not expected to be available until 2028 at the earliest. As full funding for the project has not been secured, this proposal may be premature considering OCTA does not know the project's future financial

obligations (e.g. debt service, interest rates, etc.). Moreover, the provisions specified in this bill may impede OCTA's ongoing negotiations with bond creditors and the federal government by prematurely directing future revenues when the Authority is currently in the process of securing funding for the project.

RELATED LEGISLATION:

AB 194, Frazier (Chapter 687, Statutes of 2016) — extends indefinitely the California Transportation Commission's (CTC's) authority to authorize regional transportation agencies to develop and operate HOT lanes and expands the authority to include other toll facilities; adds similar authority for the CTC to authorize the California Department of Transportation (Caltrans) to develop toll facilities.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, April 19, 2017.)

SUPPORT:

None received.

OPPOSITION:

HNTB Corporation
Self-Help Counties Coalition
Professional Engineers in California Government

-- END --

SENATE COMMITTEE ON TRANSPORTATION AND HOUSING

Senator Jim Beall, Chair

2017 - 2018 Regular

Bill No:	SB 305	Hearing Date:	4/25/2017
Author:	Skinner		
Version:	3/29/2017 Amended		
Urgency:	No	Fiscal:	Yes
Consultant:	Alison Hughes		

SUBJECT: Housing: code compliance: low-interest loans.

DIGEST: This bill establishes the “Safe and Livable Housing Revolving Loan Fund” (Fund). Money shall be appropriated in the annual budget and available to the California Housing Finance Agency (CalHFA) to provide financing to local agencies to make low-interest loans to owners of eligible properties that are not in compliance with state and local building codes.

ANALYSIS:

Existing law:

- 1) Establishes the California Building Standards Commission (CBSC) within the Department of General Services, and requires any building standards adopted or proposed by state agencies to be submitted to, and approved by, the CBSC prior to codification into the California Building Standards Code.
- 2) Requires the CSBC to adopt, approve, codify, and publish building standards providing the minimum standards for the design and construction of state buildings, including buildings constructed by the Trustees of the California State University and, to the extent permitted by law, to buildings designed and constructed by the Regents of the University of California.
- 3) Requires the State Fire Marshal to develop building standards to implement the state’s fire and life safety policy, and transfers any responsibilities of the State Fire Marshal to adopt building standards through a formal rulemaking process to the CBSC.
- 4) Requires, under the State Housing Law, lists various conditions that, if they exist in a building containing dwelling units to an extent that there is a danger to health and safety to the public or occupants of the building, require the building be declared substandard. This includes, among other things, lack of, or

improper water closet, lavatory, or bathtub or shower, kitchen sink, or ventilating equipment; lack of adequate heating or hot and cold running water; general dilapidation or improper maintenance; dampness of habitable rooms; and infestation of insects, vermin, or rodents.

- 5) Authorizes CalHFA to make loans to housing sponsors for housing developments and to qualified mortgage lenders, among others.
- 6) Establishes several housing financing programs in the Department of Housing and Community Development (HCD), including:
 - a) Multifamily Housing Program, which funds the new construction, rehabilitation, and preservation of permanent and transitional rental homes for lower income households through loans to local governments, non-profit developers, and for-profit developers.
 - b) CalHome Program, which funds downpayment assistance, home rehabilitation, counseling, self-help mortgage assistance programs and technical assistance for self-help and shared housing through grants and loans.

This bill:

- 1) Establishes the “Safe and Livable Housing Revolving Loan Fund” (Fund). Money shall be appropriated in the annual budget and available to the California Housing Finance Agency (CalHFA) to provide financing to local agencies to make low-interest loans to owners of eligible buildings to pay for eligible costs if a locality makes one of the following findings:
 - a) The owner, to whom financing would be available, is unable to qualify for or could not afford financing for eligible costs from private lending institutions.
 - b) Absent the availability of funding from this bill, the eligible building would pose a health and safety risk to its occupants.
 - c) Absent the availability of funding from this bill, the costs of modifying the eligible building to meet reconstruction standards would cause severe and economic hardship to the business in the building.
- 2) Defines “eligible costs” as all costs, including costs of design, preparation, and inspection incurred in making structural or other modifications to an eligible building, which are required to meet reconstruction standards established by state or local building code, and including costs necessary to provide for the

reasonable safety of the exterior and interior of the eligible building and of interior fixtures and appurtenances.

- 3) Defines “eligible building” as a multifamily residential or live-work building existing on effective date of this section that is identified as a hazard to the safety of its residents due to noncompliance with state and local building code, including but not limited to:
 - a) Buildings that fail to meet seismic code.
 - b) Buildings that fail to meet fire code.
- 4) Prohibits financing, when combined with existing liens on the property, exceed 80% of the current appraised value of the property, as determined by an independent and certified appraiser, unless existing lienholders consent in writing to a higher loan-to-value ratio. Notice of the intention to provide financing to the owner of the property shall be given to existing lienholders of record not less than 30 days prior to any vote of the local agency authorizing the provision of financing to the owner of the property.

COMMENTS:

- 1) *Purpose of the bill.* According to the author, “in 2016, an Oakland warehouse, known as Ghost Ship caught fire killing 36 individuals. This illegal dwelling unit was home to roughly 20 to 25 of Oakland’s local artists. The impacts of the Ghost Ship fire tragedy revealed the true severity of California’s housing crisis. With the state’s poverty rate at 19.4%, there is simply not enough housing to accommodate our residents. Individuals cannot match California’s high cost of living, and reside in warehouses or live-work spaces that are not up to basic health and safety code and residential use. These illegal units lack basic living standards like electricity and plumbing, while owners do not have the money to restore existing properties. Tenants’ live in a constant fear of eviction from illegal warehouse units and live-work spaces. While property owners struggle with allowing residents either continue to live illegally or kick them out onto the streets.”
- 2) *California Building Standards Commission (CBSC) Background.* The California Building Standards Law established the CBSC and the process for adopting state building codes. Under this process, relevant state agencies propose amendments to model building codes, which the CBSC must then adopt, modify, or reject. For example, the Division of the State Architect is responsible for public schools, community colleges, and accessibility in public accommodations and public housing. The Office of the State Fire Marshal is

responsible for life and life safety for hotels, apartments, dwellings, and assembly and high-rise buildings. HCD is the relevant state agency for residential building codes, and the Office of Statewide Health Planning and Development is the relevant state agency for hospitals and clinics. Not all buildings fall under the jurisdiction of a relevant state agency. Most commercial, industrial, and manufacturing structures are considered “local buildings,” over which local governments may determine applicable building standards. The CBSC is responsible for developing building standards for state-owned buildings, including university and state college buildings, and for developing green building standards for most buildings except for housing, public schools, and hospitals.

Every three years, the CBSC adopts a new version of the CBC, known as the triennial update. The building codes apply to all building occupancies and related features and equipment throughout the state. The CBSC also sets requirements for structural, mechanical, electrical, and plumbing systems, and requires measures for energy conservation, green design, construction and maintenance, fire and life safety, and accessibility.

While the CBSC is responsible for developing standards for state buildings and local jurisdictions are responsible for developing standards for commercial structures, commercial builders often look to the CBC for further guidance, particularly when a jurisdiction is silent on an issue.

- 3) *The “Ghost Ship” Tragedy.* Initially constructed in 1930, the Ghost Ship was a two-story warehouse located in the Fruitvale neighborhood of the City of Oakland. It was purchased in 1988 by its current owner, who also owns an adjacent empty lot and two nearby properties. In 2013, the owner leased the warehouse to a lessee, who subleased to the space to other tenants – artists that lived and worked within the building – at rates significantly below the median Oakland rent. The Ghost Ship was also periodically used for events, including concerts. The parcel was zoned as a warehouse and neither residential or assembly uses were legally permitted by the city.

Records released by the City of Oakland show that the Oakland Building and Planning Department documented the 39 code enforcement inspections and 10 code enforcement complaints of the warehouse and the adjacent vacant lot between 2004 and 2016. Other city departments had also responded to calls at these addresses as well, including 19 calls to the Police Department and three emergency medical services calls to the Fire Department.

Late on the night of December 2, 2016, the Oakland Fire Department responded to a 9-1-1 call reporting a fire at the Ghost Ship. At the time of the fire, a concert was in progress on the second story of the Ghost Ship, attended by approximately 50 people. The fire resulted in the deaths of 36 individuals by smoke inhalation, the highest death toll for a structure fire in the U.S. in over 10 years.

- 4) *Eligible buildings.* The author's intent is to ensure that live-work buildings are eligible for funding for rehabilitation and upgrades under existing housing programs so that the funds may be distributed more expeditiously. A live-work unit is a dwelling or sleeping unit in which a portion of the space includes a nonresidential use that is operated by the tenant. One such live-work housing development is the Warehouse Artist Lofts, a mixed-use, mixed-income community for artists located in downtown Sacramento's Historic R Street District. The community includes 116 rental apartments, ranging from studios to three-bedroom units, and ground floor commercial/retail space. The lofts are a place for creative individuals and households to live, work, learn and collaborate with one another. The buildings and units include features specifically designed for Sacramento-area artists, and local artwork is on display throughout.

This bill would establish a loan fund to provide localities with low-interest loans to help property owners bring otherwise illegal buildings up to code. At least two programs known to the committee already provide funding to locals for rehabilitation and retrofitting, both administered by HCD, including CalHome and the Multifamily Housing Program. CalHFA, on the other hand, does not provide loans directly to local agencies.

While HCD believes that their existing programs could be utilized to finance live-work units, they were not able to confirm the technical requirements written in the program statutes and regulations by the time this analysis was written. The author has committed to work with HCD going forward to ensure these funds align with existing programs. **Given that HCD administers two housing programs that provide funding for rehabilitation, the author has agreed to amend the bill to provide the funding to HCD, instead of CalHFA.**

- 5) *Author's Amendments.* Neither the CalHome nor the Multifamily Housing Program have any funding in them. The author is proposing to amend this bill to provide HCD with \$20 million for the purposes of financing rehabilitation of multifamily residential or live-work building that are not up to code.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday,
April 19, 2017.)

SUPPORT:

City of Oakland (sponsor)

OPPOSITION:

None received.

-- END --

SENATE COMMITTEE ON TRANSPORTATION AND HOUSING

Senator Jim Beall, Chair

2017 - 2018 Regular

Bill No: SB 309

Hearing Date: 4/25/2017

Author: Jackson

Version: 2/13/2017

Urgency: No

Fiscal: Yes

Consultant: Randy Chinn

SUBJECT: License plates: Reproductive Freedom Fund.

DIGEST: This bill requires the Department of Health Care Services (HCS) to apply to the Department of Motor Vehicles (DMV) to sponsor a reproductive freedom license plate program, with the proceeds allocated to the Family Planning, Access, Care, and Treatment program (Family PACT) administered by HCS.

ANALYSIS:

Existing law provides for a specialized license plate program, under which the DMV may issue new special-interest license plates. Special-interest license plates may only be issued on behalf of state agencies and only provided that:

- 1) The license plate has “a design or contains a message that publicizes or promotes a state agency, or the official policy, mission, or work of a state agency.” The design shall also be confined to the left of and below the numerical series (i.e., no full-plate designs allowed).
- 2) The state agency submits 7,500 applications and accompanying fees to DMV for the license plate. The state agency has 12 months to collect these applications and fees, but it can extend that to a maximum of 24 months if it notifies and offers to refund fees to those who applied during the first 12 months. Once a plate is issued, DMV stops issuing that plate for the agency if the number of plates drops below 7,500.

In addition to the usual registration and license fees, DMV charges the following additional fees for specialized license plates: \$50 for the initial issuance, \$40 for annual renewal, and \$98 to personalize. DMV deducts its administrative costs from the revenues generated. The net revenues derived from a specialized license plate are then available upon appropriation for the sponsoring state agency to expend exclusively on projects and programs that promote the state agency’s official policy, mission, or work.

This bill:

- 1) Requires the HCS to apply to the DMV to sponsor a reproductive freedom license plate program, with the proceeds allocated to the Family PACT administered by HCS.
- 2) The Office of Family Planning (OFP) resides within HCS and is charged with making available to citizens of California who are of childbearing age comprehensive medical knowledge, assistance, and services related to the planning of families. OFP administers the Family PACT which provides comprehensive family planning services to eligible low income (under 200% of the federal poverty level) men and women. Family PACT serves 1.8 million men and women of childbearing age through a network of 2,200 public and private providers. Services include comprehensive education, assistance, and services relating to family planning; abortions are not covered.

COMMENTS:

- 1) *Author's Statement.* According to the author, reproductive health and family planning services have been identified by the federal government for funding reduction and even elimination. Family PACT providers represent a large portion of patients who go to reproductive health clinics and this funding is directly under threat. Currently the federal government matches California dollars in Family PACT 9 to 1. Federal defunding of Family PACT providers and health centers would significantly disadvantage patients across California, particularly members of underserved communities. This bill is an important step in establishing a mechanism to protect reproductive rights and health in California. This bill creates a tangible way for concerned individuals to further demonstrate support for the right of every woman to access safe, affordable, and quality care.
- 2) *History of special-interest license plates.* Historically, the Vehicle Code required the DMV to issue, upon legislative authorization, a special-interest license plate bearing a distinctive design or decal of a sponsoring organization to any vehicle owner that paid specified fees, provided that the sponsoring organization met certain conditions. These conditions included that the sponsor of a special-interest license plate had to collect 7,500 applications and fees for a special license plate in order to pay DMV's costs of creating a new plate, which are approximately \$375,000 or 7,500 applications times the \$50 fee.

In 2004, a federal court decision, *Women's Resource Network v. Gourley, E.D. Cal 2004, F.Supp.2d, 2004 U.S. Dist.*, invalidated the provisions of the Vehicle

Code described above. In the *Gourley* decision, the court declared California's special-interest license plate statutes unconstitutional because they violated the First Amendment right to freedom of speech. The court specifically objected to the Legislature "picking and choosing" special license plates that private organizations propose, in essence promoting the message of some organizations while denying this right to others.

A recent decision by the United States Supreme Court has upended the *Gourley* decision. On June 18, 2015, the Court issued *Walker v. Texas Division, Sons of Confederate Veterans*, which concluded that license plates are government speech, not private speech. Therefore, the Legislature can direct a license plate to be available for any message because license plates are no longer a forum for private speech.

- 3) *Breaking New Ground*. California currently offers 14 specialty license plates, none of which are controversial: California Agriculture, Arts Council, California Museums, Collegiate, Environmental, Firefighters, Help Our Kids, Lake Tahoe Conservancy, Memorial, Pet Lovers, Veterans Organizations, Whale Tail (Coastal Commission), Yosemite Conservancy, and 60's Legacy. This bill will create the first plate to break with that history, offering a potentially controversial message. Perhaps this is inevitable, and indicative of these times. An example: Twenty eight states currently have "Choose Life" license plates, including Massachusetts, Florida, Texas, Maryland, Pennsylvania, Delaware and Ohio.
- 4) *Opposition*. Opponents are concerned that this bill puts the state in a one-sided role of promoting abortion. They believe that the state should have no role in encouraging abortions or other reproductive services.
- 5) *Outlook is poor*. The track record of specialty license plates reaching the 7,500 threshold is poor. Of the 12 legislatively sponsored plates approved this century, only two have met the threshold.
- 6) *Amendment*. Senator Stern and Assemblymember Garcia wish to be coauthors.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, April 19, 2017.)

SUPPORT:

NARAL Pro-Choice California (sponsor)
ACCESS Women's Health Justice
ACT for Women and Girls
American Nurses Association, California
Association of California Commissions on Women
Black Women for Wellness
Business and Professional Women of Nevada County
California Association of Nurse Practitioners
California Latinas for Reproductive Justice
California NOW
Courage Campaign
Essential Access Health
Feminist Majority Foundation
If/When/How
Jewish Community Relations Council
National Abortion Federation
National Asian Pacific Women's Forum
National Council of Jewish Women, California
Nevada County Citizens for Choice
Planned Parenthood Affiliates of California
Physicians for Reproductive Health
Religious Action Center for Reform Judaism
San Francisco Department of Public Health
San Francisco Mayor Edwin Lee
San Francisco Women's Political Committee
Voices for Progress Education Fund
West Hollywood City Councilmember Lindsey Horvath
Women's Community Clinic
Women's Health Specialists of California

OPPOSITION:

California Catholic Conference, Inc.
One individual

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SENATE COMMITTEE ON TRANSPORTATION AND HOUSING

Senator Jim Beall, Chair

2017 - 2018 Regular

Bill No: SB 400

Hearing Date: 4/25/2017

Author: Portantino

Version: 3/20/2017

Urgency: No

Fiscal: Yes

Consultant: Erin Riches

SUBJECT: Highways: victim memorial signs.

DIGEST: This bill expands the “Please Don’t Drink and Drive” Victims Memorial Sign Program to victims of non-driving-under-the-influence (DUI) accidents.

ANALYSIS:

Existing law establishes the “Please Don’t Drink and Drive” Victims Memorial Sign Program, which memorializes victims of DUI accidents, as follows:

- 1) Requires Caltrans to design, construct, place, and maintain, or cause to be designed, constructed, placed, and maintained, signs along state highways that read “Please Don’t Drink and Drive,” followed by “In Memory of (victim’s name)”
- 2) Requires Caltrans to adopt guidelines and follow any applicable federal limits or conditions on highway signage, including location and spacing. Provides that Caltrans may only place a sign at the location of the accident if it is safe and practical.
- 3) Allows a sign to memorialize more than one victim. Defines “victim” as a person who was killed in an accident in which the at-fault driver was convicted of second-degree murder, gross vehicular manslaughter while DUI, or in which the at-fault driver was DUI but died in the accident or was not prosecuted due to mental incompetence. Excludes from the definition of “victim,” the intoxicated driver.
- 4) Provides that Caltrans shall place the sign upon request of a family member of the deceased victim. Prohibits Caltrans from placing a sign if any member of the immediate family objects.

- 5) Allows Caltrans to charge the requesting party a fee to cover the department's costs. (This fee is currently \$1,000.)
- 6) Provides that the sign shall be posted for the sooner of seven years or until the date Caltrans determines that the condition of the sign has deteriorated to the point that it is no longer serviceable.

This bill expands the "Please Don't Drink and Drive" Victims Memorial Sign Program to also cover victims of non-DUI accidents, as follows:

- 1) Requires Caltrans to design, construct, place, and maintain, or cause to be designed, constructed, placed, and maintained, signs along state highways that read "Please Drive Safely" followed by "In Memory of (victim's name)."
- 2) Requires these signs to meet the requirements of the existing program, with the additional provision that the "Please Drive Safely" signs shall be limited to 24 per year throughout the state, with no more than two signs in each of Caltrans' 12 districts.
- 3) Defines "victim" as a person who was killed in a vehicular accident unrelated to drugs or alcohol.

COMMENTS:

- 1) *Purpose.* The author states that fatal accident sites on state highways often become unofficial memorials to the victims. Grieving family members often create memorials that include flowers, balloons, and stuffed animals. Caltrans, however, quickly removes these displays because it is unlawful to place such items along a highway. Memorial signs can both help families of victims through the grieving process and provide a legal manner in which to memorialize a lost loved one. In addition, these signs help bring home the point to all drivers that unsafe driving can be deadly. This bill will replicate the current DUI victim memorial program and create "Please Drive Safely" signs in memory of victims killed in accidents unrelated to drugs or alcohol.
- 2) *Who decides?* Although the current victim memorial sign program is unlimited, this bill limits the new signs to 24 per year, with no more than two in each Caltrans district. (This bill is virtually identical to a 2009 bill, vetoed by Governor Schwarzenegger, which limited the number of signs due to concerns about the large number of non-DUI accidents that occur each year and a

potential flood of applications to Caltrans.) This bill does not specify, however, how Caltrans might prioritize multiple requests. For example, should Caltrans accept requests on a first come, first served basis? Should it collect requests for a year and then choose from all requests submitted? What if several accidents occur at the same spot — should Caltrans construct multiple signs at the same location? In addition, since people apply to the appropriate Caltrans district office, Caltrans headquarters will need to have a process for tracking to make sure the 24-per-year limit is not exceeded. Moving forward, the author may wish to consider establishing some clarifying parameters for Caltrans in this bill.

- 3) *Who should be memorialized?* The current victim memorial sign program specifically excludes an intoxicated driver who caused a fatality, from being memorialized. As currently written, this bill defines a victim as “a person who was killed in a vehicular accident unrelated to drugs or alcohol.” This may be overly broad; for example, what if the person requested to be memorialized, was illegally texting while driving and caused the accident that killed himself or herself, and perhaps killed or seriously injured someone else? Should the state memorialize such behavior? Alternatively, what if the families of both the person who caused the accident, and the person who was a victim, request signs? Would both names be placed on the same sign? Would Caltrans have to construct separate signs? **To help address these concerns, the author will accept an amendment limiting eligibility for a memorial sign under the new program to a driver who was driving legally at the time of the fatal accident.**
- 4) *Impact of the current program.* AB 965 (Mountjoy, 2001), which established the original DUI victim memorial sign program, included a sunset of 2007 (subsequent legislation made the program permanent). In its report to the Legislature in 2006, Caltrans indicated that the number of alcohol-related fatalities in the 16 counties in which signs had been erected decreased from 789 in the three-year period prior to the program, to 710 during the first three years of the program. Caltrans noted that it could not ascertain whether the drop was related to the memorial sign program. Caltrans also stated that it had not observed a decrease in makeshift memorials. Despite such findings, Caltrans endorsed the permanent extension of the program citing benefits to victims’ families, local communities, and the state for very little cost and effort.
- 5) *How many signs?* In 2006, Caltrans reported that there were 29 signs in place under the DUI victim memorial program. Caltrans estimates that about five per year have been added since then, and beginning in 2010 Caltrans began removing signs that were worn out. Caltrans estimates that a total of 75 to 80

signs have been installed since the program began, with approximately 45 to 50 signs still in place. This bill would add 24 signs per year, a significant increase in the number of signs on state highways.

- 6) *Sunset provision.* AB 965 (Mountjoy, 2001), which established the current victim memorial sign program, included a sunset and required Caltrans to report to the Legislature the year before the sunset. **The author will accept amendments to establish a January 1, 2022 sunset on the new program, and to require Caltrans to report to the Legislature by January 1, 2021.**
- 7) *Trying again.* A virtually identical bill to this bill, AB 882 (Fuller, 2009), was vetoed by Governor Schwarzenegger in 2009. In his veto message, the Governor stated that:

“I am sympathetic to the desires of those who have lost loved ones in vehicle collisions. However, I am concerned that posting multiple signs on highways could lead to increased driver inattention and distraction. Furthermore, the increase in the number of memorial signs could draw attraction from friends and family members who may want to place flowers or other items at the location of the sign on the state highway. Stopping along the side of the highway to get out of a vehicle and pay tribute to a loved one would place surviving friends and family members in immediate danger of being hit by another vehicle traveling at highway speeds. For these reasons, I am unable to sign this bill.”

RELATED LEGISLATION:

AB 882 (Fuller, 2009) — would have allowed Caltrans to erect up to 24 signs per year, with no more than two signs in each Caltrans district, in memory of non-DUI accident victims to read “Please Drive Safely – In Memory of (victim’s name).” *This bill was vetoed by the Governor.*

AB 1781 (Mountjoy, Chapter 81, Statutes of 2006) — deleted the sunset on the memorial sign program for victims of accidents involving drunk driving or driving under the influence of drugs.

AB 965 (Mountjoy, Chapter 864, Statutes of 2001) — established a memorial sign program along state highways for victims of accidents involving drunk driving or driving under the influence of drugs, to sunset on January 1, 2007.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday,
April 19, 2017.)

SUPPORT:

None received.

OPPOSITION:

None received.

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SENATE COMMITTEE ON TRANSPORTATION AND HOUSING

Senator Jim Beall, Chair

2017 - 2018 Regular

Bill No: SB 405
Author: Mendoza
Version: 3/28/2017
Urgency: No
Consultant: Randy Chinn

Hearing Date: 4/25/2017

Fiscal: Yes

SUBJECT: Outdoor advertising displays: exemptions: City of Artesia.

DIGEST: This bill creates an exemption from specified provisions of the Outdoor Advertising Act (OAA) for new advertising displays within the City of Artesia located adjacent to SR 91.

ANALYSIS:

Existing law:

- 1) Establishes the OAA, which regulates the placement of advertising displays adjacent to and within specified distances of highways that are part of the national system of interstate, defense highways, and federal-aid highways.
- 2) Prohibits any advertising display from being placed or maintained on property adjacent to a section of a freeway that has been landscaped if the advertising display is designed to be viewed primarily by persons traveling on the main-traveled way of the landscaped freeway.
- 3) Provides for limited exemptions to the prohibition on advertising along system and landscaped freeways, including exemptions for signs advertising the property's sale or lease, signs designating the premises or its owner, and signs advertising goods or services manufactured or produced on the property itself.
- 4) Provides that the OAA generally does not apply to on premise advertising displays, which include those advertising the sale of the property upon which it is placed or that advertise the business conducted, services rendered, or goods produced or sold on the property. Local governments regulate on premise displays, except for certain safety requirements.
- 5) Allows a single advertising structure exemption for each of several cities, including an exemption for advertising on street furniture in San Francisco, several billboards situated on the grounds of the Oakland-Alameda County

Coliseum complex, and structures within the Mid-City Recovery Redevelopment Project Area within Los Angeles.

- 6) Requires the Department of Transportation (Caltrans) to assess penalties for a violation of the OAA, as specified. If an advertising display is placed or maintained in a location that does not conform to the relevant statutes or local ordinances, and is not removed within thirty days of written notice from the department or the city or the county with land use jurisdiction over the property upon which the advertising display is located, a penalty of \$10,000 plus \$100 for each day the advertising display is placed or maintained after the department sends written notice shall be assessed and the gross revenues received by the violator shall be disgorged. Caltrans may also request recovery of its legal costs.
- 7) Provides, by contractual agreement, for Caltrans to administer the federal Outdoor Advertising Control (OAC) program, which has restrictions similar to California's OAA program, including maximum sign size, sign spacing, location, illumination, and content. If the state fails to properly administer the federal program, the state shall lose 10% of its federal highway funding.

This bill creates an exemption from the permitting and certain other restrictions contained in the OAA for two new advertising displays within the City of Artesia located adjacent to SR 91 at the end of Roseton Avenue and near Pioneer Boulevard.

- 1) Requires the City of Artesia to develop an ordinance to provide for all of the following:
 - a) Maximum number of signs and total signage allowed
 - b) Maximum individual signage area
 - c) Minimum sign separation
 - d) Illumination restrictions
 - e) Illuminated sign hours of operation
- 2) Prohibits the advertising display from advertising products, goods, or services related to tobacco, firearms, or sexually explicit material.

If the display is a message center, which is a digital billboard that refreshes not more frequently than every four seconds, the owner shall make such display available for public service messages.

COMMENTS:

- 1) *Purpose.* According to the author, the purpose of this bill is to allow the City of Artesia to raise revenue through the construction and operation of two digital advertising displays that will promote businesses within the area.
- 2) *Where?* These two advertising displays are proposed to be located adjacent to SR 91 in the City of Artesia, one on each side of the highway within one-quarter of a mile of each other, near the Pioneer Boulevard underpass. This is a heavily travelled 12-lane freeway (6 lanes in each direction) with peak traffic of over 24,000 vehicles per hour.
- 3) *Creating a conflict.* This bill creates a conflict between the desire of the City of Artesia to raise funds and the responsibility of the state to ensure driver safety through the administration of state law and the federal OAC program. From the perspective of the city, billboard revenue will be maximized with more signs that attract the attention of drivers. From the perspective of the state, catchier signs distract drivers; will lead to more accidents and injury, particularly along a heavily traveled freeway with numerous merges, onramps and off-ramps. These concerns are heightened with electronic displays and message centers, which are advertising displays that can change as often as every four seconds. These displays can distract drivers in ways in which traditional billboards do not through the use of light by adjusting brightness, contrast, color and content.¹ *The author and committee may wish to consider adding a provision requiring Caltrans to review and approve any electronic displays or message centers to ensure they do not present a safety hazard for drivers.*
- 4) *Caltrans enforcement.* State law contains numerous billboard restrictions intended to prevent compromising driver safety and cluttering the freeway. These include restrictions on the sign size, location, and proximity to similar signs, lighting and content. Many of these provisions are similar to those contained in federal law, originally established in 1965 through the Lady Bird Johnson Highway Beautification Act. In 1968 Caltrans entered into a contractual agreement with the Federal Highway Administration (FHA) to implement and enforce the federal OAC program. The penalty for failure to enforce federal law is severe: 10 percent of federal highway funds with the potential to apply the penalty retroactively. To assure against any loss of federal funds, the Committee last year required AB 1373 (Santiago) to contain

¹ Effects of Outdoor Advertising Displays on Driver Safety, Preliminary Investigation by Caltrans Division of Research and Innovation; October 11, 2012.

specific language requiring preapproval of the advertising displays by Caltrans or the FHA. This bill contains similar language.

- 5) *Local control, state responsibility.* This bill allows Artesia to develop its own billboard regulations, while the state retains the responsibility for enforcing the specific provisions of the federal OAC program. This gives Artesia some flexibility, though that flexibility is constrained by the federal OAC that restricts billboard spacing, location, size, illumination, and content. The bill provides for Artesia to hold Caltrans harmless if the city fails to enforce compliance with the legislation.
- 6) *Promoting locally, not globally.* The stated purpose of the bill is to host off-site advertising to promote business located within the City of Artesia. *The author and committee may wish to amend the bill so that these billboards do not advertise products and services unrelated to the local community.*
- 7) *Opposition.* Opponents are concerned that this bill carves out a special exemption from established state policy. If granted, many more similar requests for exemption are inevitable. Last year the Legislature passed two such exemptions.
- 8) *Similar Measures.* The committee will consider three bills to establish exemptions from the Outdoor Advertising Act. This bill creates an exemption for new advertising displays. SB 744 (Hueso) and SB 459 (Portantino) create an exemption for a set of existing displays.
- 9) *Waiving committee policy.* This committee has a policy not to hear bills which create specific exemptions from the Outdoor Advertising Act. The committee will need to waive its policy to hear this bill.

RELATED LEGISLATION:

AB 1373 (Santiago, Chapter 853 of 2016) — creates an exception to the OAA in downtown Los Angeles provided the advertising displays are approved by either Caltrans or the FHA.

SB 1199 (Hall: Chapter 869 of 2016) – creates an exception to the OAA for two billboards in the City of Inglewood, provided that such billboards do not result in a reduction of federal funding.

SB 459 (Portantino, 2017) — creates an exception to the OAA for two existing billboards in the City of Upland provided the advertising displays are approved by either Caltrans or the FHA. This bill is pending in the Senate Transportation and Housing Committee.

SB 744 (Hueso, 2017) — creates an exception to the OAA for several existing billboards in the County of Imperial provided the advertising displays are approved by either Caltrans or the FHA. This bill is pending in the Senate Transportation and Housing Committee.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, April 19, 2017.)

SUPPORT:

City of Artesia

OPPOSITION:

California State Outdoor Advertising Association

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SENATE COMMITTEE ON TRANSPORTATION AND HOUSING

Senator Jim Beall, Chair

2017 - 2018 Regular

Bill No: SB 406

Hearing Date: 4/25/2017

Author: Leyva

Version: 3/23/2017

Urgency: No

Fiscal: Yes

Consultant: Erin Riches

SUBJECT: Vehicles: high-occupancy vehicle lanes: exceptions.

DIGEST: This bill allows blood transport vehicles to use high-occupancy vehicle (HOV) lanes, regardless of occupancy.

ANALYSIS:

HOV lanes

Existing law provides that an HOV lane, also known as a carpool lane, aims to promote and encourage ridesharing, thereby alleviating traffic congestion and improving air quality. Depending on the particular HOV lane, a vehicle must have a minimum of either two or three occupants in order to access the lane.

Existing federal law authorizes states to allow certain low-emission vehicles with a single occupant to use HOV lanes. If the vehicles cause a degradation of HOV lane operations, the state must limit or discontinue clean-air vehicle use of the lanes. Federal law deems that an HOV lane is degraded if vehicles operating in the lane fail to maintain a minimum average operating speed (generally 45 mph) during 90% of the time over a consecutive 180-day period during morning or evening weekday peak-hour periods. Pursuant to federal law, state law authorizes the state Department of Transportation (Caltrans), if it is able to attribute unacceptable congestion levels to clean vehicles, to ban them from HOV lanes.

HOV lane exemption for Clean Air Vehicles

Existing state law exempts certain clean, alternative-fuel vehicles from HOV lane occupancy requirements, so that a single-occupant vehicle may use an HOV lane if it displays a Clean Air Vehicle sticker. White stickers enable zero-emission vehicles (ZEVs) – 100% battery electric and hydrogen fuel cell, liquefied petroleum gas, and compressed natural gas – to access HOV lanes with a single occupant. Green stickers enable other “clean” vehicles – typically plug-in hybrids

– to access HOV lanes regardless of occupancy. To obtain a green or white sticker, an individual must complete an application through DMV and pay a fee of \$22. Both programs will expire on January 1, 2019. As of April 18th, the DMV had issued 137,265 white stickers and 112,669 green stickers.

Other HOV lane exemptions

Existing state law permits a motorcycle, mass transit vehicle, or paratransit vehicle that is clearly and identifiably marked on all sides of the vehicle with the name of the paratransit provider, to operate in an HOV lane unless specifically prohibited by a traffic control device. Mass transit supervisors' and maintenance vehicles may also access an HOV lane if used in response to an emergency or breakdown of a mass transit vehicle. Finally, authorized emergency vehicles may use HOV lanes if responding to an emergency.

Toll exemptions

Existing state law generally provides vehicles with Clean Air Vehicle stickers the same reduced-rate or free toll privileges given to carpools. State law also exempts authorized emergency vehicles from tolls, provided the vehicle is responding to or returning from an urgent or emergency response, or engaging in a fire station coverage assignment directly related to an emergency response.

This bill:

- 1) Requires the state Department of Motor Vehicles (DMV) to make available a unique decal, label, or other identifier (e.g., sticker) to identify a blood transport vehicle as eligible to access HOV lanes regardless of vehicle occupancy. Requires the DMV to provide for annual renewal and allows the DMV to charge a fee and renewal fee to cover its costs.
- 2) Defines a "blood transport vehicle" as a vehicle that transports blood between collection points and hospitals or storage centers.
- 3) Requires the DMV to include a summary of the provisions of this bill on each motor vehicle registration renewal notice, or on a separate insert if feasible without increasing printing and postage costs.
- 4) Requires the California Highway Patrol (CHP) and the DMV, in consultation with Caltrans, to design and specify the placement of the sticker on the blood transport vehicle. Requires each sticker to display a unique number, which shall be printed on or affixed to the vehicle registration.

- 5) Provides that a blood transport vehicle issued a sticker pursuant to this bill shall be granted a toll-free or reduced-rate passage in high-occupancy toll (HOT) lanes unless prohibited by federal law.
- 6) Provides that if the state Department of Transportation (Caltrans) determines that federal law does not authorize the state to implement this bill, the Caltrans director shall submit a notice of that determination to the Secretary of State.

COMMENTS:

- 1) *Purpose.* The author states that blood transport vehicles transport blood between collection points and hospitals or storage centers. In some instances, a “STAT” order from a hospital requires a blood product to arrive within 60 minutes or less. Similarly, an “ASAP” order must arrive within a specified amount of time, ranging from 90 minutes to three hours. Regions with high traffic can prevent blood transport vehicles from making timely and lifesaving deliveries. In critical cases, blood transport vehicles have had to request law enforcement assistance to ensure timely delivery. This bill will help blood transport vehicles deliver their blood product in a timely manner.
- 2) *Current status of HOV lanes.* According to Caltrans’ most recent HOV lane degradation report, submitted to the Federal Highway Administration in December 2016, approximately 62% of HOV lanes in California were degraded during the first half of 2015 and 67% during the second half of the year. Caltrans identifies key causes of HOV lane congestion as recurrent congestion on the state highway system; vehicles from HOV lanes merging into general-purpose lanes at the end of the HOV lane; “weaving conflicts” from drivers who attempt to enter or exit HOV lanes; and traffic disruptions due to severe weather or traffic incidents, both in and adjacent to HOV lanes. Caltrans states that it is not considering prohibitions on clean vehicles in HOV lanes.
- 3) *How many vehicles would this bill add to HOV lanes?* According to the American Red Cross, the sponsor of this bill, there are 185 Red Cross vehicles in California; in addition, the Blood Centers of California have four vans in Northern California and four vans in Southern California, though they do contract with other companies. The sponsor also indicates, however, that because these organizations are staffed largely by volunteers, blood is often transported in a personal vehicle. **To help address concerns about adding a significant number of vehicles to HOV lanes, the author will accept an**

amendment providing that a vehicle issued a sticker under this bill may only use an HOV lane during a blood delivery.

- 4) *How big a problem is this?* According to the sponsor, there are approximately 30 to 50 blood drives held throughout the state each day. For each, the blood must be transported from the blood drive location to a storage bank. Plasma must be frozen within eight hours; if a blood drive runs from 8am to noon, it would need to be processed and frozen within a few hours, which could be difficult if delivery is hampered by traffic congestion. In addition, blood must be transported from labs to hospitals, often on a rush basis. The two main labs are located in Pomona and Oakland, both of which are in heavy traffic congestion areas. A patient could potentially lose his or her life if the blood is not delivered on time.
- 5) *No sunset.* The Clean Air Vehicle Program, which allows green and white-stickered vehicles to drive in HOV lanes with a single occupant, will sunset on January 1, 2019. This bill does not include a sunset date.
- 6) *No tolls.* This bill includes a provision granting the same toll-free or reduced-rate passage to blood transport vehicles that currently exists for carpools and Clean Air Vehicles. Existing law also exempts emergency vehicles from tolls, but only when responding to or returning from an emergency. Moving forward, the author may wish to consider amending this bill to exempt blood transport vehicles from tolls only in emergency situations, in line with existing statute regarding emergency vehicles.

RELATED LEGISLATION:

AB 697 (Fong, 2015) — exempts privately owned emergency ambulances from requirements to pay tolls, under conditions similar to exemptions already granted for authorized emergency vehicles (e.g., when responding to or returning from an urgent or emergency call, engaging in an urgent or emergency response, or engaging in a fire station coverage assignment directly related to an emergency response). *This bill is in the Assembly Appropriations Committee.*

AB 497 (Block, 2009) — would have allowed physicians, when traveling in response to an emergency call, to access HOV lanes, regardless of occupancy. *This bill failed passage in the Senate Transportation and Housing Committee.*

AB 670 (B. Berryhill, 2009) — would have permitted a veteran or active duty member of the United States Armed Forces to use HOV lanes, regardless of occupancy. *This bill failed passage in the Assembly Transportation Committee.*

AB 254 (Jeffries, Chapter 425, Statutes of 2009) — exempted authorized emergency vehicles from requirements to pay tolls.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

POSITIONS: (Communicated to the committee before noon on Wednesday, April 19, 2017.)

SUPPORT:

American Red Cross (sponsor)
Blood Centers of California
Blood Centers of the Pacific
Blood Source
United Blood Services

OPPOSITION:

None received.

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SENATE COMMITTEE ON TRANSPORTATION AND HOUSING

Senator Jim Beall, Chair

2017 - 2018 Regular

Bill No: SB 459

Hearing Date: 4/25/2017

Author: Portantino

Version: 4/17/2017

Urgency: No

Fiscal: Yes

Consultant: Randy Chinn

SUBJECT: Outdoor advertising displays: City of Upland.

DIGEST: This bill exempts an existing advertising display in the City of Upland from the prohibition on locating advertising displays adjacent to landscaped freeways contained in the Outdoor Advertising Act (OAA).

ANALYSIS:

Existing law:

- 1) Establishes the OAA, which regulates the placement of advertising displays adjacent to and within specified distances of highways that are part of the national system of interstate, defense highways, and federal-aid highways.
- 2) Prohibits any advertising display from being placed or maintained on property adjacent to a section of a freeway that has been landscaped if the advertising display is designed to be viewed primarily by persons traveling on the main-traveled way of the landscaped freeway.
- 3) Provides for limited exemptions to the prohibition on advertising along system and landscaped freeways, including exemptions for signs advertising the property's sale or lease, signs designating the premises or its owner, and signs advertising goods or services manufactured or produced on the property itself.
- 4) Provides that the OAA generally does not apply to on premise advertising displays, which include those advertising the sale of the property upon which it is placed or that advertise the business conducted, services rendered, or goods produced or sold on the property. Local governments regulate on premise displays, except for certain safety requirements.
- 5) Allows a single advertising structure exemption for each of several cities, including an exemption for advertising on street furniture in San Francisco, several billboards situated on the grounds of the Oakland-Alameda County

Coliseum complex, and structures within the Mid-City Recovery Redevelopment Project Area within Los Angeles.

- 6) Requires the Department of Transportation (Caltrans) to assess penalties for a violation of the OAA, as specified. If an advertising display is placed or maintained in a location that does not conform to the relevant statutes or local ordinances, and is not removed within thirty days of written notice from the department or the city or the county with land use jurisdiction over the property upon which the advertising display is located, a penalty of \$10,000 plus \$100 for each day the advertising display is placed or maintained after the department sends written notice shall be assessed and the gross revenues received by the violator shall be disgorged. Caltrans may also request recovery of its legal costs.
- 7) Provides, by contractual agreement, for Caltrans to administer the federal Outdoor Advertising Control (OAC) program, which has restrictions similar to California's OAA program, including maximum sign size, sign spacing, location, illumination, and content. If the state fails to properly administer the federal program, the state shall lose 10% of its federal highway funding.

This bill:

- 1) Exempts an existing advertising display in the City of Upland adjacent to Interstate 210 and located at the Colonies Crossroads commercial business center from the prohibition on locating advertising displays adjacent to landscaped freeways contained in the OAA.
- 2) Prohibits the advertising display from advertising products, goods, or services related to tobacco, firearms, or sexually explicit material.
- 3) Requires that before the display is used for commercial advertising, either Caltrans or the Federal Highway Administration (FHA) must determine that the display will not cause a reduction in federal funds or is otherwise inconsistent with any federal law, regulation, or agreement between the state and a federal agency or department.

COMMENTS:

- 1) *Purpose.* According to the author, the purpose of this bill is to allow the use of two existing advertising displays, which are adjacent to Interstate 210 located at the Colonies Crossroads commercial business center on both sides of the

interstate, to host off-site advertising to promote business located within the City of Upland.

- 2) *Where.* In Upland Interstate 210 is relatively heavily travelled, with four lanes in each direction and about 12,000 vehicles during peak hours.
- 3) *Creating a conflict.* This bill creates a conflict between the desire of the City of Upland to raise awareness of local businesses and the responsibility of the state to ensure driver safety through the administration of state law and the federal OAC program. From the perspective of the city, billboard revenue will be maximized with more signs that attract the attention of drivers. From the perspective of the state, catchier signs distract drivers; will lead to more accidents and injury, particularly along a heavily traveled freeway with numerous merges, on- and off-ramps. Under this bill, Caltrans authority to enforce the safety of the signs is unaffected.
- 4) *Caltrans enforcement.* State law contains numerous billboard restrictions intended to prevent compromising driver safety and cluttering the freeway. These include restrictions on the sign size, location, and proximity to similar signs, lighting and content. Many of these provisions are similar to those contained in federal law, originally established in 1965 through the Lady Bird Johnson Highway Beautification Act. In 1968 Caltrans entered into a contractual agreement with the Federal Highway Administration (FHA) to implement and enforce the federal OAC program. The penalty for failure to enforce federal law is severe: 10 percent of federal highway funds with the potential to apply the penalty retroactively. To assure against any loss of federal funds, the Committee last year required AB 1373 (Santiago) to contain specific language requiring preapproval of the advertising displays by Caltrans or the Federal Highway Administration. This bill contains similar language.
- 5) *Promote local, not global.* The stated purpose of the bill is to promote economic activity for tourism and local businesses of the City of Upland. **The author and committee may wish to consider including that limitation into the bill so that these billboards do not advertise products and services unrelated to the local community.**
- 6) *Opposition.* Opponents are concerned that the bill carves out individual exemptions from state law, which will inevitably lead to many more requests in the future. Last year the Legislature passed two such exemptions.

- 7) *Similar Measures.* The committee will consider three bills to establish exemptions from the OAA. This bill creates an exemption for an existing set of displays, as does SB 744 (Hueso). SB 405 (Mendoza) creates an exemption for new advertising displays.
- 8) *Waiving committee policy.* This committee has a policy not to hear bills which create specific exemptions from the OAA. **The committee will need to waive its policy to hear this bill.**

RELATED LEGISLATION:

AB 1373 (Santiago, Chapter 853 of 2016) — creates an exception to the OAA in downtown Los Angeles provided the advertising displays are approved by either Caltrans or the FHA.

SB 1199 (Hall: Chapter 869 of 2016) – creates an exception to the OAA for two billboards in the City of Inglewood, provided that such billboards do not result in a reduction of federal funding.

SB 405 (Mendoza, 2017) — creates an exception to the OAA for new advertising displays in specified areas in the City of Artesia. *This bill is pending in the Senate Transportation and Housing Committee.*

SB 744 (Hueso, 2017) — creates an exception to the OAA for three existing advertising displays in Imperial County. *This bill is pending in the Senate Transportation and Housing Committee.*

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

POSITIONS: (Communicated to the committee before noon on Wednesday, April 19, 2017.)

SUPPORT:

City of Upland

OPPOSITION:

California State Outdoor Advertising Association

SENATE COMMITTEE ON TRANSPORTATION AND HOUSING

Senator Jim Beall, Chair

2017 - 2018 Regular

Bill No: SB 477

Hearing Date: 4/25/17

Author: Cannella

Version: 3/27/2017

Urgency: No

Fiscal: Yes

Consultant: Manny Leon

SUBJECT: Intercity rail corridors: extensions.

DIGEST: This bill authorizes a local joint powers authority operating intercity rail service to expand service beyond its statutorily defined corridor if specific conditions are met.

ANALYSIS:

Existing law:

- 1) Existing law authorizes the Department of Transportation (Caltrans) to contract with Amtrak for intercity rail passenger services and provides funding for these services from the Public Transportation Account.
- 2) Existing law authorizes the department, subject to approval of the Secretary of Transportation, to enter into an interagency transfer agreement under which a Joint Powers Authority (JPA) assumes responsibility for administering the state-funded intercity rail service in a particular corridor and associated feeder bus services. Currently, three local JPA's operate intercity rail service along three corridors within the state.
- 3) Existing law defines the boundaries of the three intercity rail corridors, and requires the preparation of an annual business plan for the corridor by each participating joint powers board.

This bill:

- 1) Allows an existing intercity rail agreement executed between a local JPA and the Secretary of Transportation to be amended to authorize the expansion of rail service beyond its statutorily defined boundaries, as specified.

- 2) Authorizes the proposed expansion of service to occur only if the following conditions are met:
 - a) The extension of the corridor and implementation of expanded intercity rail service is recommended and justified in the JPA's board approved business plan.
 - b) The amended intercity transfer agreement is approved by the Secretary of Transportation.
 - c) The JPA Board of Directors makes a determination that the proposed extension and service expansion will not jeopardize existing intercity rail service.

COMMENTS:

- 1) *Author's Statement.* According to the author, "California's three intercity rail corridors have statutorily defined boundaries, however, all three stop short of the County of Monterey. It is the intent of this legislation to permit Capitol Corridor to extend south of San Jose and San Diego-Los Angeles-San Luis Obispo (LOSSAN) to extend north of San Luis Obispo, while at the same time providing all three JPAs the flexibility to expand beyond their original boundaries without the requirement of future legislation, assuming that certain conditions are met."
- 2) *A shift to local control.* Prior to 2012, Caltrans Department of Rail managed and funded two of the three intercity rail services within the state — the Pacific Surfliner Line and the San Joaquin Line. The Capitol Corridor was, and still is, managed by a JPA that administers day to day operations within specified service boundaries. However, Caltrans remained responsible for issuing state transportation dollars to the Capitol Corridor to fund operations. During the 2012 legislative session, SB 1225 (Chapter 802, Statutes of 2012) and AB 1779 (Chapter 801, Statutes of 2012) authorized the transfer of responsibility of Pacific Surfliner and San Joaquin rail service to JPA managing agencies and, among other provisions, defined the service boundaries within each region. Presently, all three intercity passenger rail service lines are managed by local JPAs while Caltrans remains responsible for providing state funding for each intercity rail line.
- 3) *Is there a demand for expansion?* While there is expressed desire from various transportation entities throughout the state to expand intercity passenger rail service into their respective regions, expansion beyond the existing service

areas is in the conceptual or early planning stages at the very most. The author points to a number of emerging rail corridors including the Coachella Valley – San Geronimo pass and the San Jose – Salinas corridors as regions that would significantly benefit from expanded intercity rail service. This bill would provide the state’s three intercity rail agencies the opportunity to expand service beyond their statutorily defined boundaries if it’s determined beneficial to these agencies and the expansion is approved pursuant to the process identified in this bill.

RELATED LEGISLATION:

SB 1225 (Padilla, Chapter 802, Statutes of 2012) — authorizes an interagency transfer agreement to be entered into with a local JPA to provide intercity rail service in the LOSSAN Corridor if specific conditions are met.

AB 1779 (Galgiani, Chapter 801, Statutes of 2012) — authorizes an interagency transfer agreement to be entered into with a local JPA to provide intercity rail service in the San Joaquin Corridor if specific conditions are met.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, April 19, 2017.)

SUPPORT:

Transportation Agency for Monterey County (sponsor)
Central Valley Rail Working Group
City of Salinas
Coast Rail Coordinating Council
County of Monterey
San Joaquin Joint Powers Authority
San Joaquin Regional Rail Commission
San Joaquin Valley Partnership
San Joaquin Valley Regional Planning Agencies’ Directors’ Committee
San Luis Obispo Council of Governments

OPPOSITION:

None received.

END

SENATE COMMITTEE ON TRANSPORTATION AND HOUSING

Senator Jim Beall, Chair

2017 - 2018 Regular

Bill No: SB 480

Hearing Date: 4/25/2017

Author: Hueso

Version: 3/29/2017

Urgency: No

Fiscal: Yes

Consultant: Randy Chinn

SUBJECT: Bridge safety projects: State Highway Account: funding.

DIGEST: This bill requires that 1% of the Department of Transportation's (Caltrans) miscellaneous revenue shall be expended for feasibility, environmental, and engineering studies pertaining to bridge safety, with priority given to bridges providing transportation links over state and local parks.

ANALYSIS:

Existing law allows certain Caltrans miscellaneous revenues (including money derived from the sale of documents, charges for various services, condemnation deposits, rental of property, and other uses of money and property) to be transferred to the Transportation Debt Service Fund in the State Transportation Fund for payment of current year debt service on certain mass transportation bonds, offsetting debt service costs to the General Fund on an ongoing basis. These funds are not subject to protection under Article XIX of the Constitution.

This bill takes 1% of those funds and directs that funding to feasibility, environmental, and engineering studies pertaining to bridge safety, with priority given to bridges providing transportation links over state and local parks.

COMMENTS:

- 1) *Purpose.* The author introduced this bill because of a fatal accident on the Coronado Bridge: On October 15, 2016 a pickup truck flipped over the bridge barrier and landed on a crowded local park beneath the bridge, a National Historic Landmark known as Chicano Park. The accident killed 4 and injured 9. News reports indicated that the truck driver was legally drunk and speeding. The author is concerned that the bridge guard rails are too low, making the bridge unsafe.
- 2) *Funding Source.* The Caltrans miscellaneous revenue is about \$60 million annually.

- 3) *Focusing the Effort*. Rather than create a general program for considering bridge safety, **the author and committee may wish to consider a more focused way to address the author's concern:** Caltrans could be required to perform a cost/benefit analysis of higher bridge walls or higher bridge railings for the Coronado Bridge. This would be less costly and could be done more quickly. That analysis would then be the basis for a discussion of the merits and specifics of funding such a project.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, April 19, 2017.)

SUPPORT:

City of Coronado

OPPOSITION:

None received.

-- END --

SENATE COMMITTEE ON TRANSPORTATION AND HOUSING

Senator Jim Beall, Chair

2017 - 2018 Regular

Bill No: SB 578

Hearing Date: 4/25/2017

Author: Glazer

Version: 4/17/2017 Amended

Urgency: No

Fiscal: Yes

Consultant: Erin Riches

SUBJECT: Highways: Safety Enhancement-Double Fine Zone.

DIGEST: This bill reinstates the Safety Enhancement-Double Fine Zone (DFZ) on a segment of Vasco Road in Alameda and Contra Costa counties.

ANALYSIS:

Existing law:

- 1) Provides that fines for specified traffic offenses are doubled if they occur within a construction zone on a highway while work is being performed.
- 2) Provides that a state highway segment may be designated as a DFZ if:
 - a) The segment has a rate of total collisions per mile per year that is at least 1.5 times the statewide average for similar roadway types during the most recent three-year period for which data are available.
 - b) The segment has a rate of head-on collisions per mile per year that is at least 1.5 times the statewide average for similar roadway types during the most recent three-year period for which data are available.
 - c) The governing board of each city, or county with respect to an unincorporated area, in which the segment is located has indicated by resolution that it supports the designation.
 - d) An active public awareness effort to change driving behavior is ongoing by either the local agency with jurisdiction over the segment, or by another state or local entity.
 - e) Other traffic safety enhancements, including but not limited to increased enforcement and other roadway safety measures, are in place or are being implemented concurrent with the designation of the DFZ.
- 3) Requires the state Department of Transportation (Caltrans), every two years, in consultation with the California Highway Patrol (CHP), to certify that the DFZ

meets the above criteria. If the segment no longer meets the designation, Caltrans shall revoke the DFZ designation.

This bill:

- 1) Designates as a DFZ the segment of Vasco Road between the Interstate 580 junction in Alameda County and the Marsh Creek Road intersection in Contra Costa County, upon approval of resolutions by the board of supervisors for each county, until January 1, 2021.
- 2) Requires the two counties, in consultation with Caltrans, to jointly conduct an evaluation of the effectiveness of the DFZ and report the findings to the Assembly Transportation Committee and the Senate Transportation and Housing Committee one year prior to the termination of the DFZ. The report must include a recommendation on whether the DFZ should be reauthorized by the Legislature, as well as a comparative evaluation of the volume and speed of traffic, the number and severity of collisions, and the contributing factors that led to the collisions prior to and following the establishment of the DFZ.
- 3) Requires Caltrans or the appropriate local authority to place and maintain warning signs identifying the Vasco Road DFZ.
- 4) Requires Caltrans to adopt rules and regulations for the administration of the Vasco Road DFZ.

COMMENTS:

- 1) *Purpose.* The author states that prior to the designation of Vasco Road as a DFZ, there were a total of 123 injury-related collisions reported between 1997 and 2000. A large number — 41% — of these collisions were caused by speeding, while 33% were caused by right-of-way violations. A statutorily required report found that between 2010 and 2015, a total of 167 injury-related collisions were reported. Adjusting the data to reflect the increase in average daily traffic during that period, the data analysis in the report showed that speeding was a primary factor in just 31% of injury-related collisions, and right-of-way violations a factor in only 31% of injury-related collisions — a 24% and 6% reduction, respectively. In addition, speeds in the DFZ have remained relatively constant: 53.9 miles per hour in August 2008 versus 53.8 miles per hour in June 2016. The author states that the DFZ designation has been effective in reducing speed- and injury-related collisions.

- 2) *Background.* The purpose of a DFZ is to improve traffic safety and reduce traffic injuries and fatalities on roadways with particular safety problems by imposing significantly higher traffic fines as a deterrent. The base fine for unlawful passing overtaking, excessive speed, reckless driving, drunken driving, and other similar serious moving violations is doubled when committed in a DFZ. The first three DFZs were authorized on segments of Highway Routes 4, 37, and 74 by SB 414 (Thompson) of 1995. The designation of DFZs eventually expanded to a total of 15 throughout the state. As of last year, only one remained, a segment of Vasco Road in Contra Costa and Alameda counties. This DFZ, first designated by SB 3 (Torlakson) of 2003, expired on January 1, 2017.
- 3) *Are DFZs effective?* As part of the initial DFZ program, Caltrans was required to report to the Legislature by January 1, 2003 on the impact and effectiveness of the DFZs. A DFZ would be deemed successful if there were a “significant decrease in the number of accidents, traffic injuries, and fatalities in the project areas.” In its report, dated December 2002, Caltrans explained that, while some reductions in the number and severity of collisions did occur in some of the DFZs, the reductions were not statistically significant. Further, a number of uncontrolled variables, such as physical improvements to roadway segments, changes in enforcement levels, and the initiation of public awareness campaigns, made it virtually impossible to ascertain how much, if any, of the reductions in collisions could be attributed to the doubling of fines. Caltrans therefore concluded that the benefits of DFZs could not be proven. To help address these concerns, SB 3 (Torlakson) of 2003, which established the Vasco Road DFZ, also established conditions and criteria for establishing DFZs, including the requirement that the CHP concur with the designation.
- 4) *Committee policy.* The Transportation and Housing Committee’s policy on DFZs states that “The committee will not consider any measure which would designate a specified highway segment as a ‘Safety-Enhancement-Double Fine Zone’ unless the highway segment is subject to the designation process established in Section 97 of the Streets and Highways Code.” As noted above, that statute requires that the segment has a rate of total collisions per mile per year, and a rate of head-on collisions per mile per year, that is at least 1.5 times the statewide average for similar roadway types during the most recent three-year period for which data are available. **Caltrans is still working to determine whether this road segment meets the statutory criteria. If it does not meet the statutory criteria, committee policy dictates that this committee cannot hear this bill.**

- 5) *Slightly longer than prior DFZ.* The Vasco Road DFZ established by AB 348 extended from the Highway 580 junction in Alameda County to the Walnut Boulevard intersection in Contra Costa County. This bill would establish a DFZ from the Highway 580 junction in Alameda County to the Marsh Creek Road intersection in Contra Costa County. The new designation is approximately 1.1 miles longer than the prior designation. The author indicates that this change is due to the redesignation of the portion of Vasco Road between Walnut Boulevard and Marsh Creek Road from a state to a county road.

RELATED LEGISLATION:

AB 348 (Buchanan, Chapter 290, Statutes of 2011) — allowed, until January 1, 2017, the designation of a DFZ on a segment of Vasco Road in Alameda and Contra Costa counties.

SB 988 (Migden, Chapter 593, Statutes of 2006) — established general standards for designating a highway segment as an SAZ, and authorized SAZ designation for the Golden Gate Bridge.

SB 3 (Torlakson, Chapter 179, Statutes of 2006) — allowed, until January 1, 2010, the designation of a DFZ on a segment of Vasco Road in Alameda and Contra Costa counties.

SB 414 (Thompson, Chapter 841, Statutes of 1995) — established three DFZ pilot projects on portions of Highway Routes 4, 37, and 74 until January 1, 1998.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, April 19, 2017.)

SUPPORT:

Contra Costa County District 3 Supervisor Diane Burgis (sponsor)

OPPOSITION:

None received.

END

SENATE COMMITTEE ON TRANSPORTATION AND HOUSING

Senator Jim Beall, Chair

2017 - 2018 Regular

Bill No: SB 595

Hearing Date: 4/25/2017

Author: Beall

Version: 4/18/2017

Urgency: No

Fiscal: Yes

Consultant: Manny Leon

SUBJECT: Metropolitan Transportation Commission: toll bridge revenues.

DIGEST: This bill requires the City and County of San Francisco and the other eight Bay Area counties to conduct a special election to increase the toll rate charged on state-owned bridges within the region, as specified.

ANALYSIS:

Existing law:

- 1) Creates the Metropolitan Transportation Commission (MTC) as a regional agency in the nine county Bay Area with comprehensive regional transportation planning and other related responsibilities.
- 2) Creates the Bay Area Toll Authority (BATA) as a separate entity governed by the same governing board as the MTC and makes BATA responsible for the programming, administration, and allocation of toll revenues from the state-owned toll bridges in the Bay Area.
- 3) Authorizes BATA to increase the toll rates for certain purposes, including to meet its bond obligations, provide funding for certain costs associated with the Bay Area state-owned toll bridges, including for the seismic retrofit of those bridges, and provide funding to meet the requirements of certain voter-approved regional measures.
- 4) Provided for submission of two regional measures to the voters of seven Bay Area counties in 1988 and 2004 relative to specified increases in bridge auto tolls on the bay area state-owned toll bridges, subject to approval by a majority of the voters.
- 5) Identifies the seven state-owned bridges within MTC's geographic jurisdiction as:

- a) Antioch Bridge.
- b) Benicia-Martinez Bridge.
- c) Carquinez Bridge.
- d) Dumbarton Bridge.
- e) Richmond-San Rafael Bridge.
- f) San Mateo-Hayward Bridge.
- g) San Francisco-Oakland Bay Bridge.

This bill:

- 1) Makes legislative findings and declarations regarding Bay Area traffic congestion and the associated economic and quality of life impacts.
- 2) Provides that an unspecified toll rate shall not be increased on the seven Bay Area state owned bridges until the rate increase is voter-approved via a special election that is held by the nine Bay Area counties.
- 3) Provides that the revenues derived from the voter-approved toll increase are to be used to meet the funding obligations associated with an unspecified number of projects and transportation programs.
- 4) Further provides that any toll revenue from the voter-approved toll increase available after meeting the abovementioned funding obligations may be used for bridge rehabilitation and projects targeted at reducing vehicle congestion and improving mobility options for bridge corridors.
- 5) Requires the nine Bay Area counties to call a special election for the proposed toll increase to occur during an unspecified general election.

COMMENTS:

- 1) *Author's statement.* According to the author, “transportation infrastructure is key to supporting the San Francisco Bay Area’s strong economy and maintaining California’s leadership in high-tech and high-paying jobs. Traffic congestion on the region’s freeways, overcrowding on BART, Caltrain, ferries and buses in the toll bridge corridors is eroding the Bay Area’s quality of life,

access to jobs, cultural and educational opportunities, and undermining job creation and retention. The traffic chokepoints are especially acute in the corridors of the seven state-owned toll bridges that are critical east-west and north-south arteries that bind the Bay Area together.”

- 2) *SB 1*. Recently passed by the Legislature and awaiting the Governor’s signature, SB 1 (Beall) is a transportation funding package projected to bring in \$5.2 billion annually for road rehabilitation, transit improvement, and trade corridor enhancement projects. The historic passage of this transportation funding package was in response to the clear message that the state’s roads and highways and transit systems are in dire need of significant improvements and rehabilitation. This past winter season’s storms exacerbated this need by requiring the State Department of Transportation (Caltrans) to issue over \$800 million in emergency contracts for road repair.

Despite this new wave of transportation funding, the need is great. The last time transportation revenues were increased statewide was in 1994 and the last time Bay Area bridge tolls increased for specific improvement projects was in 2004. At the same time, over the last decade. The Bay Area has experienced significant increases in traffic volumes and population growth due to the economic boom associated with the tech industry. As a result the author notes, while “SB 1 will address the state’s *aging* pains, SB 595 will address the Bay Area’s *growing* pains.”

- 3) *RM1 and RM 2*. Regional Measures 1 and 2 (RM 1 and RM 2) received voter approval in 1988 and 2004 respectively. The most recent measure, enacted in 2003, RM 2 (SB 916, Perata, Chapter 715, Statutes of 2003) proposed to levy a \$1 toll increase to fund transit and roadway improvements in the bridge corridors. Specifically, RM 2 established a regional traffic relief plan to help finance highway, transit, bicycle and pedestrian projects in the bridge corridors and to provide operating funds for key transit services. RM 2 toll revenues have been allocated to a variety of bridge corridor projects including the construction of Interstate 580 high-occupancy vehicle lanes (HOV), Interstate 80 HOV lane construction in Contra Costa County, and also to support Bay Area transit. Both RM 1 and 2 toll charges are levied in perpetuity.

RM 3 proponents assert that with RM 1 and 2 projects either completed or under construction, it’s time for voters to consider a third regional measure for the Bay Area’s next generation of improvements.

- 4) *What are toll rates today?* Under the existing tolling structure, a motorist traveling over one of the seven Bay Area bridges typically pays \$5. The Bay

Bridge's tolling structure slightly varies due to a congestion pricing where a motorist will pay between \$4-\$6 depending on peak/non-peak travel times. Below is a breakdown of how each dollar is used:

- a) First Dollar — bridge operations and maintenance, Regional Measure 1 projects, transit capital and transit operations
 - b) Second Dollar — original toll bridge seismic retrofit program
 - c) Third Dollar — Regional Measure 2 investments
 - d) Fourth Dollar — toll bridge seismic retrofit program
 - e) Fifth Dollar — addition of Antioch and Dumbarton bridges to toll bridge seismic retrofit program
- 5) *Work in progress.* This bill sets up the statutory framework for RM 3 in a similar manner as was established in RM 2. However, this proposal remains a work in progress. This bill does not identify the proposed toll increase or the number of projects and/or programs that will qualify for funding with the new toll revenue if approved. Additionally, this bill does not specify which general election the RM 3 proposal would be placed on the ballot. As Bay Area stakeholders continue to work with the author to craft a toll levy and expenditure plan that sufficiently meets the Bay Area's transportation needs, the author notes these provisions will ultimately be included into the bill.

RELATED LEGISLATION:

SB 916 (Perata, Chapter 715, Statutes of 2003) — required eight Bay Area counties to conduct a special election for the approval of RM 2 — a \$1 toll increase for specific projects along the Bay Area bridge corridors.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, April 19, 2017.)

SUPPORT:

None received.

OPPOSITION:

None received.

-- END --

SENATE COMMITTEE ON TRANSPORTATION AND HOUSING

Senator Jim Beall, Chair

2017 - 2018 Regular

Bill No:	SB 673	Hearing Date:	4/25/2017
Author:	Newman		
Version:	2/17/2017		
Urgency:	No	Fiscal:	Yes
Consultant:	Randy Chinn		

SUBJECT: Pet Lover's specialized license plates.

DIGEST: This bill allocates the revenue raised from the sale of the Pet Lover's license plate to the Department of Food and Agriculture (Department). The Department is authorized to allocate those funds to a nonprofit organization for disbursal to qualifying spay and neuter facilities for the purpose of funding grants to providers of no- and low-cost animal sterilization purposes.

ANALYSIS:

Existing law:

- 1) Provides for a specialized license plate program, under which the Department of Motor Vehicles (DMV) may issue new special-interest license plates. A minimum of 7,500 applications and accompanying fees are required before the DMV will issue the plate.
- 2) Allocates the revenue from the Pet Lover's license plate to the Veterinary Medical Board (VMB) for disbursal to qualifying spay and neuter facilities.

This bill replaces the VMB with the Department of Food and Agriculture.

COMMENTS:

- 1) *Purpose.* According to the author, the over \$800,000 in revenues raised from the sale of the Pet Lover's License Plate has not been spent on its intended purpose, which is to provide no- or low-cost animal sterilization services. This bill authorizes the Department to administer the program and to delegate their disbursal authority through a non-profit organization to qualified spay and neuter facilities.

- 2) *Third Time's the Charm?* The initial attempts to use the VMB to disburse the Pet Lover's funding were first thwarted by concerns over the VMBs authority to utilize qualified non-profits to help disburse the funds. Legislation was passed in 2015 to clarify that VMB had that authority. In its January 2016 board meeting the VMB attempted to select a qualified non-profit but was advised that the nonprofit would need to be chosen through a competitive bid process. At its April 2016 board meeting, some members of the VMB noted potential conflict of interest issues had been raised regarding VMBs selection of the non-profit. The board directed its Executive Officer to seek to transfer the Pet Lover's license plate program to the Department, which this bill does.
- 3) *Finding a Good Home.* The Department may well be the most appropriate state agency to administer these funds as it currently runs a similar program. The Prevention of Animal Homelessness and Cruelty Fund is a tax check-off created in 2015 which is administered by the Department to support spay and neuter activities. As this bill progresses the author may wish to consider linking this funding to the Department's existing program, which should reduce administrative costs and put the funding to good use more quickly.

RELATED LEGISLATION:

AB 192 (Allen, Chapter 497 of 2015) — Authorized the VMB to utilize a non-profit to administer the Pet Lover's license plate funding.

AB 485 (Williams, Chapter 557 of 2015) — Authorized the Prevention of Animal Homelessness and Cruelty Fund tax check-off to the personal income tax return.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, April 19, 2017.)

SUPPORT:

Social Compassion in Legislation

OPPOSITION:

None received.

END

SENATE COMMITTEE ON TRANSPORTATION AND HOUSING

Senator Jim Beall, Chair

2017 - 2018 Regular

Bill No: SB 682

Hearing Date: 4/25/2017

Author: Nielsen

Version: 4/20/2017

Urgency: No

Fiscal: Yes

Consultant: Erin Riches

SUBJECT: Online voter registration.

DIGEST: This bill prohibits the state Department of Motor Vehicles (DMV) from transferring to the Secretary of State (SOS) any information relating to voter registration for an applicant who holds an AB 60 driver's license.

ANALYSIS:

AB 60 driver's licenses

Existing law (AB 60, Alejo, Chapter 524, Statutes of 2013) requires the DMV to issue an original driver's license to an individual who is unable to submit satisfactory proof of legal presence in the U.S. These applicants must meet all other qualifications for licensure and must provide satisfactory proof of identity and California residency. AB 60 specifies that a license issued under these provisions is valid only for driving privileges and cannot be used for identification or federal purposes. The DMV began issuing these licenses on January 2, 2015 and had issued approximately 850,000 through February 2017.

Voter eligibility

Existing law provides that in order to be eligible to vote in California, an individual must be a U.S. citizen; a resident of California; not in prison or on parole for the conviction of a felony; and at least 18 years old at the time of the next election.

California New Motor Voter Program

Existing law:

- 1) Allows an individual who is eligible to vote to submit a voter registration application electronically through the SOS website or at the DMV.

- 2) Requires the voter registration application to include an affirmation of the truth of the information in the application, and affirmative consent to the use of his or her signature from his or her driver's license or identification card for voter registration purposes. Also requires the application to include an affirmation that the applicant has met all voter eligibility requirements, including US citizenship.
- 3) Requires the DMV to electronically provide to the SOS the record of an individual who is issued an original or renewal of a driver's license or identification card, or who notifies the DMV of a change of address, if the proof the applicant is required to submit includes proof of U.S. citizenship. Requires the record to include name, address, age, electronic signature, and other voter registration information collected electronically by the DMV.
- 4) Requires the SOS, upon receipt of an electronic record from the DMV, to register the individual to vote unless he or she declined on the application to be registered; the record does not indicate that he or she has attested to meeting all voter eligibility requirements; or the SOS determines that the individual is ineligible to vote.
- 5) Provides that if an individual who is ineligible to vote, is erroneously registered to vote, the registration shall be presumed not to be the fault of the individual.

This bill prohibits the DMV from transferring to the SOS any information relating to voter registration for an applicant who received an AB 60 driver's license.

COMMENTS:

- 1) *Purpose.* The author states that this bill protects the integrity of the democratic process and California's voter rolls by addressing a crucial security flaw in California's online voter registration process that allows the SOS to approve the voter registration of ineligible noncitizens. With the passage of AB 60 in 2013, hundreds of thousands of undocumented residents have received noncitizen driver's licenses. This bill provides a safeguard, long overdue, against noncitizens being registered to vote by prohibiting the DMV from providing AB 60 license holder information to the SOS.
- 2) *Voter registration and AB 60 licenses.* Under the California New Motor Voter Program, established by AB 1461 (Gonzalez, 2015), an individual can register to vote at the DMV when he or she is applying for a driver's license, identification card, or renewal. The DMV then transmits the information

electronically to the SOS. Under AB 60 of 2013, an individual without legal presence in the US can obtain a driver's license, but this license only provides driving privileges; an AB 60 license holder is not eligible to vote because he or she is not a US citizen. The author notes that current DMV practices actively work to divert AB 60 license applicants from registering to vote, but argues that this diversion does not extend to the online voter registration system; it is possible that AB 60 license applicants or holders who are confused as to voter eligibility requirements could erroneously try to register to vote.

- 3) *Citizenship status may change.* Once an individual has provided documentation of his or her legal presence in the US to the DMV, he or she typically is not required to provide proof again during subsequent transactions with the DMV. As a result, it is plausible that an individual's citizenship status may change but the DMV will have no record of the change, for example, as when an individual uses a permanent resident card to prove legal presence when obtaining a driver's license, and then subsequently becomes a citizen.
- 4) *Opposition to prior version.* The prior version of this bill included two additional provisions: (1) a requirement for the DMV to provide to the SOS, by March 15, 2018, a list any AB 60 license holders whose information was provided to the SOS before January 1, 2018; and (2) a requirement for the SOS to revoke the voter registration of any AB 60 license holder, unless the SOS has been provided with reasonable proof of the individual's eligibility to vote. Writing in opposition to this bill, the American Civil Liberties Union of California and Disability Rights California request that these two provisions be removed. The two organizations argue that these provisions are not only unnecessary to protect the integrity of the state's online voter registration system, but violate federal law – the National Voter Registration Act (NVRA) – which outlines clear procedures for cancellation of an individual's voter registration. In response to such concerns, this bill was amended in the Elections and Constitutional Amendments Committee on April 20th to remove these two provisions.
- 5) *Is legislation needed?* As noted in the Elections and Constitutional Amendments Committee analysis, prohibiting the transfer of AB 60 licensee information to the SOS could be achieved administratively.
- 6) *Double referral.* This bill was approved by the Elections and Constitutional Amendments Committee on a 5-0 vote on April 18th.

RELATED LEGISLATION:

AB 2065 (Harper) and AB 2067 (Harper, 2016) — would have changed the California New Motor Voter Program from an opt-out to an opt-in program and would have provided that an individual may be registered to vote only if the DMV has a record of being provided a document proving that the individual is a citizen. *These bills failed passage in the Assembly Elections and Redistricting Committee.*

AB 1461 (Gonzalez, Chapter 729, Statutes of 2015) — established the California New Motor Voter Program.

AB 60 (Alejo, Chapter 524, Statutes of 2013) — requires the DMV to issue an original driver's license to an individual who is unable to submit satisfactory proof of legal presence in the U.S.

AB 397 (Yee, Chapter 561, Statutes of 2011) — permitted online voter registration to begin prior to the completion of a new statewide voter registration database, if certain conditions are met.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, April 19, 2017.)

SUPPORT:

Butte County Clerk-Recorder/Registrar of Voters Candace J. Grubbs (sponsor)
Election Integrity Project
Howard Jarvis Taxpayers Association

OPPOSITION:

American Civil Liberties Union of California
Disability Rights California

END

SENATE COMMITTEE ON TRANSPORTATION AND HOUSING

Senator Jim Beall, Chair

2017 - 2018 Regular

Bill No: SB 721

Hearing Date: 4/25/2017

Author: Hill

Version: 4/17/2017 Amended

Urgency: No

Fiscal: Yes

Consultant: Mikel Shybut

SUBJECT: Contractors: decks and balconies: inspection.

DIGEST: This bill requires the regular inspection by a licensed individual of specified building assemblies such as decks and balconies with load-bearing components such as jousts or posts in a building with three or more multifamily units.

ANALYSIS:

Existing law:

- 1) Permits any officer, employee, or agent of an enforcement agency to enter and inspect any building or premises whenever necessary to secure compliance with, or prevent a violation of, the building standards in the State Building Standards Code and other rules and regulations that they enforce.
- 2) Permits the owner, or authorized agent of an owner, to enter the building or premises whenever necessary to perform any work required pursuant to the State Building Standards Code and other rules and regulations.
- 3) Creates the California Building Standards Commission (BSC) under the Department of General Services. Provides that the BSC review the building standards of adopting state agencies and either approve, return with recommended changes, or reject the standards.
- 4) Provides that all construction or work for which a permit is required be subject to inspection by the designated enforcement agency.
- 5) Establishes that, if required, the inspection must be conducted after the structure is completed and ready for occupancy and requires structures of conventional or simple construction to be inspected at a single inspection.

- 6) Requires the enforcement agency to issue a Certificate of Occupancy for dwellings after the structure is completed for occupancy and any inspections required by the enforcing agency have been conducted and work approved.

This bill:

- 1) Requires an inspection of specified building assemblies such as balconies or decks that contain specified load-bearing components such as joists or posts in buildings with three or more multifamily dwelling units.
- 2) Requires the owner of the building to hire an inspector who is a licensed architect, civil engineer, structural engineer, or a certified construction inspector, building official, or other licensee approved by the Department of Consumer Affairs (DCA).
- 3) Provides that the purpose of the inspection is to verify that all building assemblies, including load-bearing components and their associated waterproofing elements, are in safe working condition and free from any hazardous condition caused by fungus, decay, or improper alteration to the extent that the safety of the public or the occupants is not endangered.
- 4) Requires, at minimum, each inspection to include:
 - a) Identification of each building assembly that constitutes a threat to the health or safety of the occupants
 - b) Assessment of the load-bearing components and the waterproofing elements of each building assembly
 - c) A representative sampling of building assembly components that are not directly visible but show no exterior damage
 - d) Evaluation of the load-bearing components and waterproofing elements that addresses the following:
 - i) Current condition of the building assembly
 - ii) Whether the current condition meets its load requirements
 - iii) Projected future performance and service life
 - iv) Recommendations for further inspections, if any
 - v) Recommendations for necessary repair/replacement
 - vi) An estimated cost of the repair/replacement
 - e) A written report stamped and signed by the inspector and presented to the owner of the building or owner designate within 45 days of completion, including photos and test results and indicating any

necessary emergency repairs.

- 5) Requires inspections be completed by January 1, 2022, or no later than five years after issuance of the certificate of occupancy for building permit applications submitted on or after February 1, 2017, unless already inspected within three years prior to January 1, 2018, and then by January 1 every five years after the initial inspection.
- 6) Requires that all permits for building assemblies that are in need of repair/replacement be obtained from the local jurisdiction and that all work be performed in compliance with the following:
 - a) The inspector's recommendations
 - b) Any manufacturer's specifications
 - c) The latest California Building Standards Code
 - d) All local jurisdictional requirements
- 7) Requires an owner to make emergency repairs immediately and requires, for non-emergency corrective work, an owner to apply for a permit within 60 days after receiving the inspection report and to make the repairs within 90 days of receiving the permit.
- 8) Requires an inspector to notify the enforcement agency if the owner does not make the repairs within 90 days, which will send a 30-day corrective notice to the owner, who, if not compliant with the 30-day notice, is required to pay \$200 per day until the repairs are completed.
- 9) Allows for the authorization of a building safety lien in the event of a civil penalty assessment, as specified and allows local enforcement agencies to recover inspection enforcement costs.
- 10) Requires the board of directors of a common interest development to conduct inspections of building assemblies that the homeowners association is obligated to maintain or repair in a similar manner as above but exempts an individual owner's separate interest in a planned development, as defined.
- 11) Requires inspections for condominium conversions for sale, as specified, with the report being provided to the Bureau of Real Estate and a final report provided to the local jurisdiction.

COMMENTS:

- 1) *Purpose.* According to the author, this bill is a follow up to SB 465 (Hill, 2016) which required the BSC to study recent balcony failures in the state and submit a report to the Legislature of findings and recommendations. That bill was a response to the Berkeley balcony collapse in 2015 that killed six and injured seven. In addition to the deadly Berkeley balcony collapse, a stairwell at an apartment building in the City of Folsom collapsed in 2015, killing a Cal Poly Masters student. The author states that both the Berkeley and Folsom collapses were caused by wood dry rot as a result of poor building maintenance. Current law does not require all local governments to inspect apartment and multi-dwelling structures or require inspections from other licensed entities. It's up to each city to decide if they want to inspect multi-family structures for maintenance and safety.

In January, 2017, the BSC required that contractors get sign-off from inspectors on the construction of new balconies before sealing them to ensure proper ventilation and quality. This bill requires that existing apartment and condominium buildings be inspected at least once every five years to ensure that balconies, stairwells, and other building assemblies with load-bearing components are safe and up to code. Building owners can hire a licensed entity to perform the inspection and proof of fixes will need to be submitted to the local jurisdiction.

- 2) *Background.* This measure is in response to the Berkeley balcony collapse on June 16, 2015. The balcony collapsed due to dry rotted joists, killing six young adults aged 21 to 22 and injuring seven others, mostly Irish citizens visiting on a summer exchange program. The incident occurred at the downtown Library Gardens apartment complex, located near the University of California, Berkeley campus. In the Contractors State License Board's (CSLB's) accusation against Segue, the contractor who worked on the Library Gardens apartment complex, the board alleges that floor joists installed on the balcony of the affected unit were not pressure treated and that instead of the plywood called for in the design plans, a thinner composite material was used. In addition, a subcontractor hired by Segue to waterproof the balcony did not install a membrane that would have made it waterproof. The work occurred between October 2005 and August 2006, during which time Berkeley received more than 38 inches of rain, causing the joists supporting the balcony to decay. This measure is intended to ensure that load-bearing components of building assemblies are safe.

- 3) *Berkeley's model.* On July 14, 2015 the Berkeley City Council unanimously passed Ordinance No.7,431-N.S. adding Section 601.4 to the Berkeley Housing Code requiring inspection of weather-exposed, exterior, elevated elements of buildings. The Ordinance requires inspection of exterior elevated elements (EEEs) such as balconies, decks, and stairs every three years, and it applies to temporary and permanent residences such as hotels and apartments. The EEE inspection program applies to all such buildings regardless of their original construction date. The Ordinance required the initial inspection within 6 months of the Ordinance passing and required inspections every three years thereafter. Writing in support of this bill, Berkeley Mayor Jesse Arreguin states that, upon inspection of buildings with EEEs, 402 buildings were identified as in need for repair work.
- 4) *Building on Berkeley.* Similarly to the Berkeley Ordinance, this bill would require regular inspections, but doesn't require an initial report until January 1, 2022, essentially allowing a 4 year notice, and subsequent reports every five years instead of three years. Also, Berkeley allows licensed general contractors and structural pest control licensees to perform the inspections. This bill was amended to specify that certain licensed professionals such as architects and civil engineers (also in Berkeley Ordinance) can perform inspections, unless otherwise approved by the DCA as qualified to perform the inspection. This bill also uses the broader term "building assemblies" instead of EEEs, which is defined to be inclusive of elevated exterior balconies, decks, porches, stairwells, etc.
- 5) *Unintentionally broad.* Prior to being amended on April 17th, this bill only addressed balconies and elevated walking surfaces that are both exposed to water and are six feet above grade. The current bill applies to building assemblies that include load-bearing components. This new language could result in a significant expansion beyond balconies and other elevated surfaces that are exposed to water, resulting in a significant workload burden on local jurisdictions. **The committee may wish to consider refocusing the language back to only requiring inspections for balconies and elevated walking surfaces that are above six feet from ground level and are exposed to water.**
- 6) *BSC emergency regulations.* On January 27, 2017 the BSC passed emergency regulations to address the safety of elevated elements exposed to water from rain, snow or irrigation. The regulations were modeled after a proposal by the International Code Council (ICC) to amend the International Building Code (IBC) and the International Existing Building Code (IBEC). For new construction, the IBC-modeled regulations require the inclusion of

manufacturer's installation instructions of the structure's impervious moisture barrier system in the construction documents and require the inspection and approval of this barrier before sealing. They also increase the minimum uniform load requirements for balconies and decks and require ventilation below balconies or elevated walking surfaces that are exposed to water. For existing buildings, the IEBC-modeled regulations require the maintenance of buildings and structures in safe and sanitary conditions. **The committee may wish to consider amending this bill to make it consistent with the CBC regulations, addressing only balconies or other elevated walking surfaces that are exposed to water have a structural framing protected by an impervious moisture barrier.**

- 7) *Intrusive sampling.* As part of the inspection, this bill allows inspectors to perform representative, intrusive sampling on components that are not directly visible, even if they show no exterior damage or deterioration, in a sufficient number of locations and to extrapolate that finding to all similar locations. This type of inspection may be more disruptive and costly than intended. **The committee may wish to consider whether intrusive sampling on existing buildings without exterior signs of damage or deterioration should be required.**
- 8) *Inspector liability.* This version of the bill requires the inspector to include in their report an expectation of future performance and projected service life of the structure. This projection may present a liability to the inspector should the structure not live up to the projection. **The committee may wish to consider whether an inspector should include a projected service life of the structure.**
- 9) *Back to balconies.* Prior to the April 17th amendments, this bill passed the Senate Business, Professions, and Economic Development Committee by a vote of 8-0. That version of the bill also received the support of the California Building Officials. This version contains amendments, as described above, that expand the scope of the inspections beyond balconies and elevated walkways exposed to rain and include requirements for inspection that may be costly and may introduce contractor liability concerns. **The committee may wish to consider the suggestions above to address some of these concerns and to return the bill to a focus on balcony safety.**

RELATED LEGISLATION:

SB 465 (Hill, 2016) — required the CA Building Standards Commission to study recent balcony failures in the state and submit a report to the Legislature of findings and recommendations

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

POSITIONS: (Communicated to the committee before noon on Wednesday, April 19, 2017.)

SUPPORT:

Consumer Attorneys of California
Center for Public Interest Law
City of Berkeley, Office of the Mayor

OPPOSITION:

California Apartment Association
California Association of Realtors
California Building Industry Association
California Building Officials
California Land Title Association

-- END --

SENATE COMMITTEE ON TRANSPORTATION AND HOUSING

Senator Jim Beall, Chair

2017 - 2018 Regular

Bill No: SB 744

Hearing Date: 4/25/2017

Author: Hueso

Version: 3/23/2017

Urgency: No

Fiscal: Yes

Consultant: Randy Chinn

SUBJECT: Outdoor advertising: exemption.

DIGEST: This bill exempts three existing advertising displays located near the intersection of Interstate 8 and SR 111 in the County of Imperial from specified restrictions in the Outdoor Advertising Act under specified conditions.

ANALYSIS:

Existing law:

- 1) Establishes the OAA, which regulates the placement of advertising displays adjacent to and within specified distances of highways that are part of the national system of interstate, defense highways, and federal-aid highways.
- 2) Prohibits any advertising display from being placed or maintained on property adjacent to a section of a freeway that has been landscaped if the advertising display is designed to be viewed primarily by persons traveling on the main-traveled way of the landscaped freeway.
- 3) Provides for limited exemptions to the prohibition on advertising along system and landscaped freeways, including exemptions for signs advertising the property's sale or lease, signs designating the premises or its owner, and signs advertising goods or services manufactured or produced on the property itself.
- 4) Provides that the OAA generally does not apply to on premise advertising displays, which include those advertising the sale of the property upon which it is placed or that advertise the business conducted, services rendered, or goods produced or sold on the property. Local governments regulate on premise displays, except for certain safety requirements.
- 5) Allows a single advertising structure exemption for each of several cities, including an exemption for advertising on street furniture in San Francisco, several billboards situated on the grounds of the Oakland-Alameda County

Coliseum complex, and structures within the Mid-City Recovery Redevelopment Project Area within Los Angeles.

- 6) Requires the Department of Transportation (Caltrans) to assess penalties for a violation of the OAA, as specified. If an advertising display is placed or maintained in a location that does not conform to the relevant statutes or local ordinances, and is not removed within thirty days of written notice from the department or the city or the county with land use jurisdiction over the property upon which the advertising display is located, a penalty of \$10,000 plus \$100 for each day the advertising display is placed or maintained after the department sends written notice shall be assessed and the gross revenues received by the violator shall be disgorged. Caltrans may also request recovery of its legal costs.
- 7) Provides, by contractual agreement, for Caltrans to administer the federal Outdoor Advertising Control (OAC) program, which has restrictions similar to California's OAA program, including maximum sign size, sign spacing, location, illumination, and content. If the state fails to properly administer the federal program, the state shall lose 10 percent of its federal highway funding.

This bill exempts three existing advertising displays located near the intersection of Interstate 8 and SR 111 in the County of Imperial from specified restrictions in the OAA under specified conditions:

- a) The display may not advertise products or services directed at an adult population, including, but not limited to, alcohol, tobacco, gambling, or sexually explicit material.
- b) The display must not cause a reduction in federal transportation funds, as determined by Caltrans or the Federal Highway Administration (FHA).

COMMENTS:

- 1) *Purpose.* According to the author, the purpose of this bill is to allow the use of the billboards to promote economic activity for tourism and local businesses of Imperial County.
- 2) *What/where/why.* This bill affects three billboards in a lightly populated rural area in Imperial County with light traffic. Three billboards were built in 1994 but because they were never permitted by Caltrans, they could not be used for commercial purposes. Billboards may only be constructed in areas zoned

commercial or industrial, which is not the case for these billboards. Also, billboards may generally only carry advertising related to a nearby business activity, of which there is little. The owner of these billboards has been cited for unlawful advertising in 2001 and 2007, though those violations were rescinded when the unlawful advertising copy was removed.

- 3) *Creating a conflict.* This bill creates a conflict between the desire of the County of Imperial to raise awareness of local businesses and the responsibility of the state to ensure driver safety through the administration of state law and the federal OAC program. From the perspective of the city, billboard revenue will be maximized with more signs that attract the attention of drivers. From the perspective of the state, catchier signs distract drivers; will lead to more accidents and injury, particularly along a heavily traveled freeway with numerous merges, on- and off-ramps. These concerns are muted in this case as the billboards are traditional, non-electronic displays located in an area with minimal traffic and uncomplicated traffic flow.
- 4) *Caltrans enforcement.* State law contains numerous billboard restrictions intended to prevent compromising driver safety and cluttering the freeway. These include restrictions on the sign size, location, and proximity to similar signs, lighting and content. Many of these provisions are similar to those contained in federal law, originally established in 1965 through the Lady Bird Johnson Highway Beautification Act. In 1968 Caltrans entered into a contractual agreement with the Federal Highway Administration (FHA) to implement and enforce the federal OAC program. While this bill exempts these billboards from portions of state law relating to outdoor advertising displays, it cannot waive enforcement of the federal OAC program. The penalty for failure to enforce federal law is severe: 10% of federal highway funds with the potential to apply the penalty retroactively. To assure against any loss of federal funds, the Committee last year required AB 1373 (Santiago) to contain specific language requiring preapproval of the advertising displays by Caltrans or the FHA. This bill contains similar language.
- 5) *Promote local, not global.* The stated purpose of the bill is to promote economic activity for tourism and local businesses of Imperial County. **The author and committee may wish to consider including that limitation into the bill so that these billboards do not advertise products and services unrelated to the local community.**
- 6) *Opposition.* Opponents are concerned that the bill carves out individual exemptions from state law, which will inevitably lead to many more requests in the future. Last year the Legislature passed two such exemptions.

- 6) *Similar Measures.* The committee will consider three bills to establish exemptions from the OAA. This bill creates an exemption for an existing set of displays, as does SB 459 (Portantino). SB 405 (Mendoza) creates an exemption for new advertising displays.
- 7) *Waiving committee policy.* This committee has a policy not to hear bills which create specific exemptions from the Outdoor Advertising Act. **The committee will need to waive its policy to hear this bill.**

RELATED LEGISLATION:

AB 1373 (Santiago: Chapter 853 of 2016) — creates an exception to the OAA in downtown Los Angeles provided the advertising displays are approved by either Caltrans or the FHA.

SB 1199 (Hall: Chapter 869 of 2016) — creates an exception to the OAA for two billboards in the City of Inglewood, provided that such billboards do not result in a reduction of federal funding.

SB 405 (Mendoza, 2017) — creates an exception to the OAA for new advertising displays in specified areas in the City of Artesia. *This bill is pending in the Senate Transportation and Housing Committee.*

SB 459 (Portantino, 2017) — creates an exception to the OAA for two existing billboards in the City of Upland provided the advertising displays are approved by either Caltrans or the FHA. *This bill is pending in the Senate Transportation and Housing Committee.*

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, April 19, 2017.)

SUPPORT:

None received.

OPPOSITION:

California State Outdoor Advertising Association

SENATE COMMITTEE ON TRANSPORTATION AND HOUSING

Senator Jim Beall, Chair

2017 - 2018 Regular

Bill No: SB 750

Hearing Date: 4/25/2017

Author: Hueso

Version: 4/17/2017

Urgency: No

Fiscal: Yes

Consultant: Randy Chinn

SUBJECT: Vehicles: Digital license plates.

DIGEST: This bill authorizes the use of digital license plates.

ANALYSIS:

Existing law:

- 1) Requires the Department of Motor Vehicles (DMV), upon registering a vehicle, to issue to the owner two license plates. The plates must be rectangular, 12 inches long and six inches wide, with letters and numbers with a minimum height of two and three-quarter inches, a minimum width of one and one-quarter inches, and a minimum spacing between characters of five-sixteenths of an inch.
- 2) Authorizes the DMV to establish a pilot program to evaluate the use of alternatives to license plates, registration cards, and stickers. The pilot program must be completed by January 1, 2019. A report on the pilot is required to be submitted to the Legislature by July 1, 2020.
- 3) Provides for a specialized license plate program, under which the DMV may issue new special-interest license plates subject to certain qualifications.

This bill:

- 1) Authorizes the use of digital license plates.
- 2) Authorizes specialized license plate designs.
- 3) Establishes specifications regarding the size of the display, size of the display of the registration number, and operation of the digital display.

- 4) Authorizes the DMV to contract with digital license plate providers to issue plates and process registration.

COMMENTS:

- 1) *Author's Purpose.* The author introduced this bill to expand the current DMV pilot program so that the DMV and its partners may further pilot and implement new technologies that can make the vehicle registration process more efficient and cost effective.
- 2) *New Bill.* This bill was recently amended and referred to the committee on Wednesday, April 19, 2017.
- 3) *New technologies.* The DMV registers the 33 million vehicles in the state annually, mailing paper registration cards and physical stickers which must be affixed to the license plate. The DMV is currently evaluating three technologies to potentially modernize this process in their pilot program: a digital license plate, an electronic vehicle registration card, and a vinyl license plate that can be molded to a bumper.
- 4) *What could go wrong?* A digital license plate is in effect a computer screen in the shape of a license plate. Because of the computing capability and wireless connectivity, these devices may be a great benefit to California motorists, lowering costs and making vehicle registration more convenient. When combined with location technology, it could help with toll collection; targeted advertising and helping companies keep track of their vehicles. But these technologies raise important privacy and cyber-security issues. Cost, reliability, visibility and compatibility with automated license plate readers are additional concerns. How the plates operate is also a concern: Can they carry advertising? Can they be turned off? What happens if the battery fails? There is an existing pilot program which includes these electronic license plates. Last year this program was extended for an additional two years. It seems premature and risky to authorize digital license plates without having the benefit of the experience of the newly extended pilot program. ***The author will offer amendments to make the bill provisions a part of the pilot program.***
- 5) *Custom Plates.* This bill also creates a new program for customized license plate designs. This is different from the existing special-interest plate program which offers several special plate designs for environmental issues or military service, as examples. It is also different from the personalized license plate program, where a vehicle owner can have a specific combination of letters,

numbers and selected symbols on their plate. Under the program specified in this bill, any design would be permitted if approved by the DMV, which could reject the design based on concerns about obscenity, promotion of alcohol or drugs, containing hateful or discriminatory images, or reflects poorly on the state.

This is problematic from a public safety perspective. License plates must be easily and quickly read by law enforcement. Have a virtually unlimited number of plate designs will be confusing to officers. In July 2015 the DMV issued a report on special interest license plates.¹ That report surveyed 400 law enforcement agencies. Of those responding, half indicated that the increase in different license plates affected their ability to recognize vehicle registration violations. The report made numerous recommendations to improve plate visibility, including a prohibition of full-plate graphics. Given the concerns of the DMV and law enforcement, **the author and committee may wish to delete the provisions of this bill dealing with customized plates.**

RELATED LEGISLATION:

SB 806 (Hueso, Chapter 569, Statutes of 2013) — authorizes the DMV to establish a pilot program to evaluate the use of alternatives to license plates, registration cards and stickers. The pilot program must be completed by January 1, 2017. A report on the pilot is required to be submitted to the Legislature by July 1, 2018.

SB 1399 (Hueso, Chapter 155, Statues of 2016) — extends the sunset on an existing pilot program for alternative license plates from January 1, 2017, to January 1, 2019.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

POSITIONS: (Communicated to the committee before noon on Wednesday, April 20, 2017.)

SUPPORT:

ReviverMX

¹ Senate Resolution 28, Report on Special Interest License Plates; California Department of Motor Vehicles; July 2015.

OPPOSITION:

None received.

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SENATE COMMITTEE ON TRANSPORTATION AND HOUSING

Senator Jim Beall, Chair

2017 - 2018 Regular

Bill No: SB 768

Hearing Date: 4/25/2017

Author: Allen

Version: 3/27/2017

Urgency: No

Fiscal: Yes

Consultant: Manny Leon

SUBJECT: Transportation projects: comprehensive development lease agreements.

DIGEST: This bill authorizes the use of public-private partnership (P3) agreements for transportation projects.

ANALYSIS:

Existing law:

- 1) Until January 1, 2017, granted the State Department of Transportation (Caltrans) and regional transportation agencies (RTPA), as defined, authority to enter into P3 agreements which are comprehensive development lease agreements with public or private entities, or consortia thereof, under the following conditions:
 - a) The California Transportation Commission must review and approve proposed P3 projects;
 - b) Proposed projects must be primarily designed to improve mobility, improve the operations or safety of the affected corridor, and provide quantifiable air quality benefits; and,
 - c) Proposed projects must also address known forecast demands.
- 2) Defines key terms. Transportation project means one or more of the following: planning, design, development, finance, construction, reconstruction, rehabilitation, improvement, acquisition, lease, operation, or maintenance of highway, Public Street, rail, or related facilities supplemental to existing facilities currently owned and operated by Caltrans or regional transportation agencies.

- 3) Prescribes the review and approval process for proposed P3 agreements.
- 4) For projects on the state highway system, requires Caltrans to be the responsible agency for performance of project development work, including the development of performance specifications, preliminary engineering, prebid services, environmental documents, and construction inspection services; authorizes Caltrans to do the work using in-house employees or contractors.
- 5) Requires P3 agreements to authorize the use of tolls and user fees.

This bill:

- 1) Provides Caltrans and RTPAs the authority to use public-private partnerships for transportation projects, as specified.
- 2) Makes technical nonsubstantive changes by correcting obsolete cross-references.

COMMENTS:

- 1) *Author's statement.* According to the author, "SB 768 permits regional transportation agencies and Caltrans to enter into an unlimited number of Public-Private Partnerships (P3s), with no restrictions on the number or type of projects that could be undertaken. Specifically, the bill deletes a restriction that forbids any P3 lease agreements authorized under existing statute from being entered into after January 1, 2017.

A Public-Private Partnership is a mutually beneficial collaboration between a public agency and the private sector. Through a carefully negotiated contractual arrangement, the skills and assets of each party are shared in delivering a service or facility for the use of the general public. Everyone shares in the risks and potential rewards by partnering to build, maintain and operate a service and/or facility.

A classic P3 transportation project is a toll road. Rather than Caltrans assuming all the costs and risks attached the project, it splits expenses with a private partner, who is typically also required to help build, maintain and operate the road for a specified period of time. In return, the private party gets a limited opportunity to make a reasonable return from the revenue collected by the toll road, thus justifying its investment. At the end of the partnership, the toll road is turned over to the public in a state of good repair, along with the risks and

revenue-generating opportunities posed by taking responsibility for its maintenance and operation.

Projects with the greatest likelihood of success are those high priority projects that are clearly defined and have a demonstrated public sector commitment. Projects delivered through a P3 must allocate the risks fairly between the parties, with each sector assuming the risks that they are best able to manage. The public agency usually assumes the project definition risk by undertaking the environmental clearance effort, assessing financial feasibility and garnering stakeholder and political commitment. The private sector can best assume the financial risk, such as project financing, construction and potentially facility management.”

- 2) *What are P3's?* P3's are typically used in transportation infrastructure projects such as highways, airports, railroads, bridges and tunnels. P3's are set up between a government agency and a private-sector company where the private entity is responsible for designing, completing, implementing and funding the project. Under a P3 project, procurement of two or more of the project phases are integrated. These project phases range from design and construction to operation and maintenance. Often a consortium of companies with different areas of expertise relating to the various phases is organized. This consortium determines how to complete the project. Additionally, P3 contracts typically have outcome-based specifications, meaning that the public sector owner specifies their requirements and the private sector partner determines the best way to meet them. Another key characteristic of P3's is that the payment structure is normally such that payments are made upon completion of a specific activity, milestone, or after the project is completed (e.g. toll revenues). For public agencies, one of the most attractive features of P3's is that these arrangements aim to distribute the financial, technical, and operational risk optimally between both the private and public sector partners.
- 3) *Previous P3 projects.* The state's first venture into P3s for transportation was with AB 680 (Baker), Chapter 107, Statutes of 1989, which authorized Caltrans to enter into P3 agreements for up to four projects. Caltrans built two projects under this authorization. The first project was ten miles of tolled express lanes in the median of the existing State Route (SR) 91 in Orange County and the subsequent project was SR 125 in San Diego County to connect the area near the Otay Mesa border crossing with the state highway system. For each project, Caltrans used a single contract with a private partner to design, construct, finance, operate, and maintain the facility.

In 2009, authority to enter into P3 agreements for transportation was expanded. Specifically, SBX2 4 (Cogdill), Chapter 2, Statutes of 2009, authorized Caltrans and regional transportation agencies to enter into an unlimited number of P3 agreements for a broad range of highway, road, and transit projects, through December 31, 2016. In January 2011, Caltrans entered into its first P3 under this new authority for the Presidio Parkway project, a 1.6-mile segment of SR 101 that connects the Golden Gate Bridge to city streets in San Francisco. This particular P3 requires the private partner to complete the second phase of the design and reconstruction of the southern approach to the Golden Gate Bridge and to operate and maintain the roadway for 30 years. In exchange, the state will make payments estimated to total roughly \$1.1 billion to the private partner over the life of the contract.

- 4) *Are P3's effective?* While proponents contend that P3s can be an effective project delivery tool, the projects that have been constructed and operated under P3 authority have been contentious. For example, the 91 Express Lanes in Orange County were ultimately purchased by the Orange County Transportation Authority (OCTA) in order to eliminate a non-compete provision that prohibited OCTA from making any corridor improvements along State Route 91. Additionally, the Presidio Parkway Project in San Francisco, the only P3 project constructed under SBX2 4, was challenged with cost increases and litigation. This litigation surrounded whether the Presidio Parkway Project was an authorized P3 project under SBX2 4 and also whether Caltrans employees were to be responsible to carry out various project delivery functions. The courts ruled in favor of the project which ultimately allowed the project to proceed.

However, the number of P3 projects that have been constructed and operated in the state has been minimal. Despite the challenges relative to these projects, employing P3 on such a small number projects does not provide an adequate sample size in determining the effectiveness of this project delivery method. With that, a number of RTPA's have expressed interest in reinstating P3 authority in order to ensure this project delivery tool is available for future transportation projects.

- 5) *Support.* Writing in support for the bill, the California Conference of Carpenters assert,

“Public-private partnerships (PPP) involve the investment of private funds in public infrastructure development. It is a form of project delivery that allows the best elements of private enterprise to be blended with public ownership of basic infrastructure development.

This funding process ensures reliability and frees-up public money which would otherwise be needed to build and maintain a project to instead be used for other needed projects. The operational and maintenance risk, ordinarily shouldered by the public sector, would be the responsibility of the private PPP team for the duration of the lease. In fact, Rte. 91 in Orange County, a PPP project, continues to provide income to the OCTA, on top of paying for its maintenance and operation costs.

Another important feature to PPP projects is the injection of private sector design innovation into California's transportation infrastructure. PPP teams include cutting edge design, engineering and construction firms that bring world-wide experience to large-scale infrastructure projects. SR 125 in San Diego County has been criticized as a PPP failure by some because there was a significant financial loss incurred by a private-sector financing partner in the project. In fact, SR 125 included an award-winning bridge design for a project that is fully built and currently providing a revenue stream that pays for the operation and maintenance of the project. Since the private sector absorbed the financial risk of SR 125, the public sector is now operating a project that literally pays for itself. While SR 125 was in long-term transportation planning in San Diego County it was not expected to be built for decades under normal project delivery because of public funding constraints."

- 6) *Opposition.* Writing in opposition to the bill, the Professional Engineers in California Government (PECG) assert,

"PECG opposes reauthorization of the P3 legislation unless the bill is amended to restore the requirement that the state perform construction. That requirement was nullified in the existing statutory language by a court decision in 2011. In 2013, the design-build statute was reauthorized in AB 401 (Daly). Corrective language to address the 2011 court decision was included in the bill to specifically mandate that the state perform construction inspection on design-build projects.

It is appropriate now to adopt identical corrective language in the P3 reauthorization to ensure that P3 projects are also inspected by the state. Failing to do so would allow the private design and construction concessionaire on a P3 to approve and inspect their own work. That is simply bad public policy.

PECG believes the role of inspection is a critical government function that is absolutely necessary on public works project. It is particularly critical on P3 projects, which are designed and constructed by the private sector for profit.”

RELATED LEGISLATION:

AB 1454 (Bloom) — is identical to this bill, authorizes the use of P3s for transportation projects. *This bill is set to be heard in the Assembly Transportation Committee on April 24, 2017.*

PREVIOUS LEGISLATION:

SBX2 4 (Cogdill, Chapter 2, Statutes of 2009) — authorized, until January 1, 2017, Caltrans and regional transportation agencies to enter into an unlimited number of P3 agreements. To date, only one project, the Presidio Parkway, has been approved under this authority.

AB 1467 (Nunez, Chapter 32, Statutes of 2006) — authorized, until January 1, 2012, Caltrans and regional transportation agencies to enter into P3 agreements for certain transportation projects.

AB 680 (Baker, Chapter 107, Statutes of 1989) — authorized Caltrans to enter into P3 agreements for up to four projects. Caltrans built two projects under this authorization.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, April 19, 2017.)

SUPPORT:

Associated General Contractors (AGC), California and San Diego chapters
California Conference of Carpenters
California State Council of Laborers

OPPOSITION:

American Federation of State, County, Municipal Employees (AFSCME), AFL-CIO
Professional Engineers in California Government (PECG)

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SENATE COMMITTEE ON TRANSPORTATION AND HOUSING

Senator Jim Beall, Chair

2017 - 2018 Regular

Bill No:	SB 810	Hearing Date:	4/25/2017
Author:	Committee on Transportation and Housing		
Version:	3/8/2017 Introduced		
Urgency:	No	Fiscal:	Yes
Consultant:	Mikel Shybut		

SUBJECT: Transportation: omnibus bill.

DIGEST: This bill makes non-controversial changes to sections of law relating to transportation.

ANALYSIS:

According to the Legislative Analyst's Office, the cost of producing a bill in 2001-2002 was \$17,890. By combining multiple matters into one bill, the Legislature can make minor changes to law in the most cost-effective manner.

Proposals included in this transportation omnibus bill must abide by the Committee policy on omnibus bills. The proponent of an item submits proposed language and provides background materials to the committee for the item to be described to legislative staff and stakeholders. Committee staff provides a summary of the items and the proposed statutory changes to all majority and minority consultants in both the Senate and Assembly, as well as all known or presumed interested parties. If an item encounters any opposition and the proponent cannot work out a solution with the opposition, the item is omitted from or amended out of the bill. Proposals in the bill must reflect a consensus and be without opposition from legislative members, agencies, and other stakeholders.

This bill makes non-controversial changes to sections of law relating to transportation. Specifically, the bill includes the following provisions, with the proponent of each provision noted in brackets:

- 1) Replace outdated code and fee references (Sections 1, 5). Sections 5204 and 14900.1 of the Vehicle Code both make references to Sections that no longer exist, Sections 5300 and 15250.6, respectively. Section 14900.1 also references an outdated license renewal fee. *This proposal corrects these references to refer to the new Sections that the old Sections were consolidated into, Sections*

5301 and 15255.1, and removes the outdated renewal fee, retaining only the current fee reference. [California Highway Patrol]

- 2) Radioactive materials transport: conforming to Federal regulations and definitions (Section 2). In 1993, AB 301 (Katz, Chapter 272, Statutes of 1993) was approved which created a testing and certification process for a Radioactive Materials Drivers Certificate. The certificate was developed for drivers who transport fissile and large quantities of radioactive materials. This section was enacted prior to the definition of Highway Route Control Quantities (HRCQ) and the certification requirements set forth in Title 49 (T49) of the Code of Federal Regulations (CFR), Section 397.101(e). The two items addressed in Vehicle Code Section 12524(a), fissile class III and large quantities, are both referring to what is now considered HRCQ by the Federal Government, the Department of California Highway Patrol and the industry. *This proposal would amend Vehicle Code Section 12524 to conform to Federal regulations and related definitions. [California Highway Patrol]*
- 3) Hazardous materials transport in agriculture: aligning state training with federal requirements (Section 3). Section 12804.2 permits a driver with a class C license to transport hazardous materials without a hazardous materials endorsement if the driver has completed specific training and the transportation of the hazardous materials is limited in scope to the immediate operations of the farm. Over the past few decades, there have been substantial changes to both federal and state hazardous material regulations. This proposal will ensure these drivers are trained to the same federal standard as drivers with a hazardous material endorsement and clarify the requirement for a class C license. *The proposed amendment would eliminate the need for drivers to attend multiple training courses covering the same topics. By modifying the hazardous material transportation training program requirements in Section 12524 VC the industry will receive all appropriate and required training, and it will be simpler to comply with training requirements. [California Highway Patrol]*
- 4) Seat belt infractions: corrected reference to earned citation point (Section 4). Subdivision (f) of Section 12810 of the Vehicle Code states that any traffic conviction involving the safe operation of a motor vehicle earns one violation point. Section 12810.2 intends to clarify that, despite subdivision (f), a seat belt infraction (Section 27315) does not earn a point. However, 12810.2 erroneously references subdivision (e) instead, which declares that a person who drives when their privilege is suspended or revoked for reckless driving (Section 14601) earns two points. *This proposal corrects the reference of*

12810.2 from subdivision (e) to subdivision (f). [Assembly Transportation Committee]

COMMENTS:

- 1) Purpose of this bill. The purpose of omnibus bills is to include technical and non-controversial changes to various committee-related statutes into one bill. This allows the legislature to make multiple, minor changes to statutes in one bill in a cost-effective manner. The Senate Committee on Transportation and Housing insists that its transportation omnibus bill be a consensus measure. If there is no consensus on a particular item, it cannot be included. There is no known opposition to any item in this bill.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

POSITIONS: (Communicated to the committee before noon on Wednesday, April 19, 2017.)

SUPPORT:

None received.

OPPOSITION:

None received.

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SENATE COMMITTEE ON TRANSPORTATION AND HOUSING

Senator Jim Beall, Chair

2017 - 2018 Regular

Bill No: SCR 8

Hearing Date: 4/25/2017

Author: Portantino

Version: 12/20/2016

Urgency: No

Fiscal: Yes

Consultant: Randy Chinn

SUBJECT: President Barack H. Obama Highway.

DIGEST: This resolution designates the portion of State Highway 134 from State Highway 2 to Interstate 210 in Los Angeles County as the President Barack H. Obama Highway.

ANALYSIS:

The committee has adopted a policy regarding the naming of state highways or structures. Under the policy, the committee will consider only those resolutions that meet all of the following criteria:

- 1) The person being honored must have provided extraordinary public service or some exemplary contribution to the public good and have a connection to the community where the highway or structure is located.
- 2) The person being honored must be deceased.
- 3) The naming must be done without cost to the state. Costs for signs and plaques must be paid by local or private sources.
- 4) The author or co-author of the resolution must represent the district in which the facility is located, and the resolution must identify the specific highway segment or structure being named.
- 5) The segment of highway being named must not exceed five miles in length.
- 6) The proposed designation must reflect a community consensus and be without local opposition.

- 7) The proposed designation may not supersede an existing designation unless the sponsor can document that a good faith effort has uncovered no opposition to rescinding the prior designation.

This resolution designates the portion of State Highway 134 from State Highway 2 to Interstate 210 in Los Angeles County as the President Barack H. Obama Highway. It requests that the Department of Transportation to erect appropriate signs upon receiving sufficient donations from non-state sources to covers the costs.

COMMENTS:

- 1) *Policy Waiver.* Because former President Obama is alive, the committee will have to waive the policy requiring honorees to be deceased.
- 2) *Purpose.* The author introduced this resolution to honor the service of President Barak H. Obama.
- 3) *Background on President Obama.* The 44th President of the United States, President Obama began his college education in California, attending Occidental College in Eagle Rock from 1979 to 1981. He lived in Pasadena during his sophomore.
- 4) President Obama's time in Occidental College played a major role in determining his future. He made his first political speech there on February 18, 1981, as part of a movement to persuade the Occidental Board of Trustees to divest the college of its investments in South Africa. President Obama left office with tremendous approval from across the country. His story is the American story — a middle class upbringing in a strong family, hard work and education as the means of getting ahead, and the conviction that a life so blessed should be lived in service to others.
- 5) In recognition of his contributions as a community activist, educator, and public servant, tens of schools, streets, and other facilities across the country have been named after President Obama, according to the author.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, April 19, 2017.)

SUPPORT:

American Federation of State, County and Municipal Employees, AFL-CIO

OPPOSITION:

None recieved.

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SENATE COMMITTEE ON TRANSPORTATION AND HOUSING

Senator Jim Beall, Chair

2017 - 2018 Regular

Bill No: SCR 25

Hearing Date: 4/25/2017

Author: Portantino

Version: 3/27/2017

Urgency: No

Fiscal: Yes

Consultant: Manny Leon

SUBJECT: State highways: Pasadena Armenian Genocide Memorial.

DIGEST: This bill request signs on Interstate 210 (I-210) directing motorists to the Pasadena Armenian Genocide Memorial.

ANALYSIS:

Existing law:

- 1) Assigns the State Department of Transportation (Caltrans) the responsibility to operate and maintain state highways. This includes the installation and maintenance of highway signs.

This bill:

- 1) Recounts the experience of the Armenian people living in the Ottoman Empire and notes that the lives of nearly 1,500,000 Armenians were lost in the genocide.
- 2) Notes that the Pasadena Armenian Genocide Memorial was unveiled in April 2015 in Memorial Park in the City of Pasadena to honor the martyrs of the Armenian Genocide and to all victims of crimes against humanity.
- 3) Further notes that 40 states, including California, have recognized the genocide.
- 4) Requests Caltrans to erect informational signs on the Fair Oaks Avenue exit of I-210 in the City of Pasadena, directing motorists to the Pasadena Armenian Genocide Memorial, consistent with the signing requirements for the state highway system and upon receiving donations from nonstate sources sufficient to cover the cost to erect those signs.

COMMENTS:

- 1) *Author's statement.* The Pasadena Armenian Genocide Monument is a site of religious and cultural commemorations by the Armenian community in southern California. Installing a freeway sign will help direct visitors to the memorial, raise awareness about the Armenian Genocide and serve as a reminder that fighting crimes against humanity is an ongoing process and requires our continuous attention.
- 2) *Memorial.* According to the text of the resolution, the Armenian people living in the Ottoman Empire in 1915 suffered what is known by historians as the "First Genocide of the Twentieth Century," and as the prototype of modern day mass killing. This began with the arrest, exile, and murder of hundreds of Armenian intellectuals, and business, political, and religious leaders, starting in 1915 through 1921. The Pasadena Armenian Genocide Memorial was erected in April 2015 in the northeast corner of Memorial Park in the City of Pasadena to honor the 1,500,000 Armenians who lost their life during this period.

RELATED LEGISLATION:

ACR 148 (Calderon, 2010) — requested Caltrans to erect informational signs on State Highway Route 60 in the County of Los Angeles directing motorists to the Armenian Genocide Martyrs Monument.

FISCAL EFFECT: Appropriation: Fiscal Com.: Yes Local:

POSITIONS: (Communicated to the committee before noon on Wednesday, April 19, 20017.)

SUPPORT:

Armenian Relief Society, Pasadena "Sosse" Chapter
Hamazkayin Armenian Educational and Cultural Society
Pasadena Armenian Genocide Memorial Committee

OPPOSITION:

None received.

END