



February 23, 2023

To: James Corless, Executive Director, Sacramento Area Council of Governments

From: Chris Lee, Partner, Politico Group
Kiana Valentine, Partner, Politico Group

Re: State Advocacy Report for February 2023

Politico Group is pleased to provide the following report to the Sacramento Area Council of Governments (SACOG) on recent state advocacy efforts, as well as developments on state legislation and budget matters of interest to SACOG.

AB 350 (Aguiar-Curry) Sustainable Communities Strategy (SCS) Update – SACOG-Sponsored Legislation

Assemblymember Aguiar-Curry introduced SACOG-sponsored [Assembly Bill 350](#) on January 31. The Assembly Rules Committee referred the bill to the Assembly Transportation Committee and the Assembly Natural Resources Committee. It is eligible to be heard as early as March 2, although the Transportation Committee is unlikely to meet before March 13 or March 27. SACOG delegation members Stephanie Nguyen and Josh Hoover serve on the Assembly Transportation and Natural Resources Committees, respectively.

Politico Group and SACOG Board Members and staff are working with partner groups and agencies to secure support for AB 350. To appear in the official Transportation Committee analysis, letters are due at noon one week before the hearing. Either March 6 (for a March 13 hearing) or March 20 (for a March 27 hearing).

As a reminder, AB 350 will facilitate greater interregional collaboration by aligning SACOG's next SCS update with those of MTC (November 2025) and SJCOG (August 2026) and ensure that future SCS updates will better align with its Megaregion partners. It will also provide SACOG more time to meaningfully collaborate and iterate with partner agencies and it will allow SACOG's RAISE grant work to inform the SCS update, particularly the additional robust outreach and engagement of under-resourced communities beyond what is currently planned and well beyond what is required by law. Specifically, the bill would:

- Change the deadline for SACOG's next regional transportation plan/SCS update and accompanying Environmental Impact Report from November 2023 to December 2025 and require ongoing four-year updates.
- Allow SACOG's current regional transportation plan/SCS to remain in effect for relevant purposes until December 2025; allowing for maintaining and meeting federal requirements.
- Allow SACOG to adopt and submit a metropolitan transportation plan to Caltrans and the Federal Highway Administration during the interim period to fulfill state and federal transportation planning requirements.

Legislative Updates

The deadline for bill introductions for 2023 fell on Friday, February 17. The Senate and Assembly collectively introduced over 2,600 bills—the most in over a decade. Well over a third of the bills are “spot bills” or intent bills, which make non-substantive changes or state the Legislature’s intent to address a topic and serve as placeholders until authors finalize their proposed bill language. Following our initial review, Politico Group has identified 135 measures, including spot bills, which may be of interest to SACOG. While it is still very early in the legislative session, key themes are already emerging that are relevant to SACOG. Those include a continued focus on regional transportation planning; climate and equity in transportation funding; planning for and building out robust and equitable access to electric vehicles; bond acts to support climate resiliency and infrastructure; and proposals to modernize open meetings laws.

Regional Transportation Planning and Climate

Politico Group’s last update discussed [AB 6](#) and [AB 7](#) by Assembly Transportation Committee Chair Laura Friedman. While both bills still merely include intent language, the Assemblymember has since convened a working group that largely consists of statewide associations representing local and regional government, homebuilders, the transportation construction industry and labor groups, and environmental and equity advocacy groups.

As you’ll recall, Assemblymember Friedman authored two of the more controversial transportation measures in 2022 ([AB 2237](#) and [AB 2438](#)), which were ultimately unsuccessful. AB 2237 endeavored to prohibit highway capacity projects and limit local sales tax measure flexibility to support projects that increased vehicle miles traveled (VMT). Opponents, including local government, pushed back on the measures blunt approach to prohibiting often necessary transportation project solutions as well as state intervention into locally developed and authorized tax measures.

While AB 6 and AB 7 include intent language suggesting a similar approach this year, many stakeholders at the initial gathering expressed broader viewpoints on the transportation-climate change problem as well as the solutions required to reduce transportation emissions more aggressively and successfully. Some stakeholders suggested that existing transportation revenue should be redirected to support other modes such as transit operations, which would reduce funding for local and state road maintenance, rehabilitation, and safety projects.

Assemblymember Friedman intends to create smaller groups of stakeholders to tackle key questions in the broader debate. Politico Group will continue to coordinate with CALCOG and other statewide associations who are participating in the workgroup to keep SACOG apprised of developments.

In addition to Assemblymember Friedman’s bills, there are several bills, including spot bills, related to regional transportation planning and SCSs, including two bills aiming to create statewide standards for modelling, and one that creates new housing approval processes with a link to regional sustainable communities strategies:

- [AB 821](#) (Grayson): Planning and zoning: development project application: sustainable communities strategies
- [AB 823](#) (Schiavo): Transportation planning: travel demand models

- [AB 1333](#) (Ward): Transportation: assistance to regional transportation planning agencies
- [AB 1335](#) (Zbur): Local government: transportation planning and land use: sustainable communities strategy
- [SB 617](#) (Newman): Public contracts: regional transportation agencies: design-build procurement
- [SB 670](#) (Allen): Transportation: vehicle miles traveled
- [SB 825](#) (Limón): Local government: regional transportation agencies: public broadband services

Transportation Equity & Clean Transportation

While many of the bill in this area are still in spot form, there is a continuing legislative interest in ensuring that transportation infrastructure investments are prioritized in or accessible to disadvantaged communities. Politico Group also expects the return of a bill from the Greenlining Institute that will require a specific set-aside of federal transportation funding in disadvantaged communities. Key bills include:

- [AB 287](#) (Garcia): California Global Warming Solutions Act of 2006: Greenhouse Gas Reduction Fund: competitive grant programs: funding objectives
- [AB 1525](#) (Bonta): Transportation finance: equity: vulnerable communities
- [SB 529](#) (Gonzalez): Electric vehicle sharing services: public housing facilities and affordable multifamily housing properties
- [SB 823](#) (Smallwood-Cuevas): Electrical corporations: Discounted Electric Vehicle Charging Payment Card Program

Bond Acts – Climate Resiliency, Housing, Water, Flood, etc.

Six legislators have introduced bond acts with the goal of providing state funding for a variety of projects in the natural resources and infrastructure space. In the prior two-year legislative session, there was extensive conversations in the Legislature about a climate-related bond act. Despite the broad range of topics included in the bond bills introduced this year, each of the topics are related to climate resiliency or adaptation.

Politico Group believes there's a good chance that the Legislature will coalesce around a multi-faceted climate-related bond act for the 2024 statewide ballot. Given the current state budget situation, such a measure may be the best opportunity this session to advance additional funding for SACOG priorities, especially Green Means Go. We will be actively monitoring the following measures and will work with SACOG staff to identify the best opportunities to engage:

- [AB 531](#) (Irwin): Veterans Housing and Homeless Prevention Bond Act of 2024.
- [AB 1567](#) (Garcia): Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2023
- [AB 1657](#) (Wicks): The Affordable Housing Bond Act of 2024
- [SB 638](#) (Eggman): Climate Resiliency and Flood Protection Bond Act of 2024
- [SB 834](#) (Portantino): California Family Home Construction and Homeownership Bond Act of 2023
- [SB 867](#) (Allen): Drought and Water Resilience, Wildfire and Forest Resilience, Coastal Resilience, Extreme Heat Mitigation, Biodiversity and Nature-Based Climate Solutions, Climate Smart Agriculture, and Park Creation and Outdoor Access Bond Act of 2023

Open Meetings Laws

Five legislators have introduced bills related to the Brown Act and remote participation by members of local government bodies and/or the public. Politico Group is coordinating with CALCOG and representatives of other public agency groups to monitor these bills and take a united approach, where possible. We will work with SACOG staff to determine the best opportunity and strategy for engaging on the following proposals:

- [AB 557](#) (Hart): Open meetings: local agencies: teleconferences (state of emergency)
- [AB 817](#) (Pacheco): Local government: open meetings (spot bill)
- [AB 1348](#) (Grayson): Local government: open meetings (spot bill)
- [SB 411](#) (Portantino): Open meetings: teleconferences: bodies with appointed membership
- [SB 537](#) (Becker): Open meetings: local agencies: teleconferences (spot bill)

State Budget Hearings Begin – Transit Funding Needs Highlighted

The budget season is underway, with upcoming hearings on the Governor's transportation proposals, including significant reductions for transit capital grants approved last year. The Legislature will also hold a joint transportation committee hearing on transit ridership and funding needs on February 27.

Transportation Budget Hearings

Budget Subcommittee hearings on transportation funding are scheduled for March 9 in the Senate and March 15 in the Assembly. Politico Group will monitor both hearings and work with SACOG to determine opportunities for engagement. In advance of the hearings, the Legislative Analyst's Office (LAO) has made the recommendations and findings on the Governor's transportation budget solutions:

- **Governor Proposes \$4 Billion in Multiyear Budget Solutions from Recent General Fund Augmentations to Transportation.** Overall, the Governor's budget would sustain \$8.7 billion, or 80 percent, of the \$10.9 billion in total augmentations planned for transportation programs from 2021-22 to 2025-26.
- **Governor Uses Three Strategies to Provide General Fund Relief.** Specifically: (1) \$2.2 billion in net reductions to local transit and active transportation program funding, (2) \$1.3 billion by delaying funding to a future year, and (3) \$500 million through reducing General Fund but backfilling it with funding from the State Highway Account.
- **Recommend Legislature Direct Administration Not to Prematurely Commit Funding.** In certain cases, departments are prematurely taking steps to commit funds that the Legislature has not yet authorized for specific local projects. In order to maintain the Legislature's options for solving the current budget problem, we recommend directing the administration to not solicit applications or award funds before spending authority is granted.
- **Recommend Legislature Adopt Package of Transportation Budget Solutions Based on Its Priorities and Identify Additional Options in Case They Are Needed.** In several cases, we find the Governor's proposals to be reasonable, but so too would alternative decisions the Legislature could make instead of or in addition to the Governor's selections. Given the potential for worsening fiscal conditions, we recommend identifying additional reductions.

The full LAO report is available online here: [The 2023-24 Budget: Proposed Budget Solutions in Transportation Programs \(ca.gov\)](#).

Joint Assembly & Senate Transportation Committee Hearing on Transit

The legislative transportation policy committees are holding a joint hearing on Monday, February 27 to discuss short- and long-term public transportation issues. It's entitled: "Short Term Crisis and Long-Term Transformation: How to Bring Back and Build Transit Ridership in California." Politico Group will be monitoring the hearing and will send SACOG a summary. In the meantime, you can review the [agenda](#) and the Committee's [background documents](#).

Contact

Email: Chris Lee (clee@politicogroup.com) or Kiana Valentine (kiana@politicogroup.com)

Phone: (916) 444-3770