

ATTACHMENT - 5



# CALIFORNIA ASSOCIATION OF COUNCILS OF GOVERNMENTS

December 14, 2005

The Honorable Don Perata  
President pro Tempore of the Senate  
State Capitol Room 205  
Sacramento, CA 95814

**RE: Proposed Amendments to your SB 1024**

Dear Senator Perata,

The California Association of Councils of Governments represents California's regional planning agencies including all of the agencies which would be preparing so-called regional growth plans as referred to in your legislation and other reports.

We strongly support this bond measure and offer two types of proposed amendments in order to enable to work much better not only in addressing key infrastructure and resource protection needs but in building local support to effectively implement and further develop the regional growth plans that our member agencies have been developing. The amendments are submitted in concept form at this time. We are working on specific language for the regional growth plan amendments.

We also are concerned about the impact of placing this bond measure on the ballot in November 2006 – when there are likely to be a dozen or so county sales tax measures for transportation on the ballot – whose combined value is tens of billions of dollars – commensurate with the value of this bond measure. Some preliminary polling suggested that this type of state bond measure could hurt the chances of passage for local sales tax measures for transportation. However, it is also conceivable that there are ways to draft this bond proposal and those sales tax measures where they act in concert and help each other's chances of passage. We do not have specific recommendations on that issue at this time but bring it to your attention as an important factor that must be taken into account, since we won't make any progress in reducing unmet needs, if the passage of this measure causes some of those to fail.

**MEMBER AGENCIES**

- Association of Bay Area Governments
- Association of Monterey Bay Area Governments
- Butte County Association of Governments
- Calaveras Council of Governments
- Contra Costa Transportation Authority
- Council of Fresno County Governments
- Council of San Benito County Governments
- El Dorado County Transportation Commission
- Humboldt County Association of Governments
- Kern Council of Governments
- Kings County Association of Governments
- Los Angeles County Metropolitan Transportation Authority
- Madera County Transportation Commission
- Mendocino Council of Governments
- Merced County Association of Governments
- Metropolitan Transportation Commission
- Orange County Transportation Authority
- Placer County Transportation Planning Agency
- Riverside County Transportation Commission
- Sacramento Area Council of Governments
- San Bernardino Associated Governments
- San Diego Association of Governments
- San Joaquin Council of Governments
- San Luis Obispo Council of Governments
- Santa Barbara County Association of Governments
- Santa Cruz County Regional Transportation Commission
- Shasta County Regional Transportation Planning Agency
- Southern California Association of Governments
- Stanislaus Council of Governments
- Transportation Agency for Monterey County
- Tulare County Association of Governments
- Ventura County Transportation Commission
- Western Riverside Council of Governments

**CONSTITUTIONAL MEMBERS**

- California State Association of Counties
- League of California Cities

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### Infrastructure Funding

1. The amount of **total funds allocated to core transportation programs such as Proposition 42 and the State Transportation Improvement Program need to be substantially increased.** We are under funding by 1/3 the amounts needed for maintenance and operation of the state highway system and for local streets and roads, even after dedicating 100% of the state gas tax receipts to those purposes. While we support all of the other transportation purposes in the legislation, those should be in addition to a much more substantial amount for development of new projects and for maintenance and operations of state and local road and transit systems.
2. To the extent that the measure is expanded beyond reasonable General Obligation Bond levels and becomes partially a revenue bond there is a need for **new user fee revenues** such as indexing the gas tax, goods movement related fees, vehicle registration fees or some other form of revenue to support transportation beyond current funding. We are **opposed to using Proposition 42 revenues** or other current funds such as the existing gas tax. Such funding is simply borrowing from the future and while it helps to advance projects, it is revenue already counted on and does nothing to address our unfunded needs.

### Regional Growth Plans

1. Definition of regional growth plan – The bill does not at this time have a definition. The definition must be **consistent with the work already being done by our member agencies** and that builds upon the transportation elements of it contained in the guidelines prepared by the Department of Transportation for regional blueprints in order to access \$5 million in state funds in the 2005-06 budget. 16 of the 18 regional agencies eligible for that funding (the same agencies likely to be referenced in your legislation) are either already developing such plans or will be doing so with the receipt of those funds.

A definition that does not build upon what they are currently doing or which requires a level of effort or specific policies that is beyond what can be achieved would have the opposite of its intended effect and would result in only a small portion of the state being able to participate in a program that needs to be statewide.

2. Since all of these plans **build upon the regional transportation plan**, the schedule for development and amending these plans should reference the transportation planning law and have the updates occur every four years in areas with air quality problems and every five years in other parts of the state. (The federal law was recently amended to change from three and four year cycles to four and five. There is a consensus to amend state law to be consistent.)



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3. **Consistent also with the transportation planning and programming process, all of the funds that are related to regional growth plans should be combined into a single spending program that is submitted to the state concurrently with each transportation improvement program.** This means that the following six programs in your bill should be combined into a single fund:
- A. \$100 million transportation environmental enhancement and mitigation.
  - B. \$425 million affordable housing incentive infrastructure grants.
  - C. \$75 million local government planning and environmental grants.
  - D. \$200 million habitat conservation grants.
  - E. \$425 million infill incentive grants.
  - F. \$275 million transit oriented development.

These six categories would be eligible categories for expenditures in each region which would prepare a spending plan listing specific projects. Consistent with the way regional spending plans are developed for transportation, **75% of the funds should be allocated by formula** to all of the regional growth planning agencies and to the transportation planning agency in the rural areas which are not developing regional growth plans. These areas represent approximately 5% of the state's population and approximately 20 rural counties. They should also be offered the opportunity to receive a formula allocation and to prepare a rural growth plan (with criteria and details to be developed) at their option. Alternatively, these areas may simply be able to pledge their share of funds or bank them in order to compete for a portion of the remaining 25%. **5% of the total funds should be set aside only for these rural areas** and be allocated on a competitive basis to these counties. Their small share of the 75% allocation can be pledged as match if they do not develop a rural growth plan.

**The remaining 20% should be available as competitive grants to all of the regional planning agencies for projects of statewide significance and as incentives for regional performance**

5. These plans are all being developed consistent with the principles of AB 857 – promoting infill – conserving resources and promoting efficient growth in newly urbanized areas.



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"Diversity and Unity"

In addition, there should be **performance measures** established mutually by the regions and the state to demonstrate that the plans are reducing per capita vehicle trips and vehicle miles traveled and related air emissions and increasing affordable housing opportunities, economic development and resource protection. However, it should be up to each region to develop the criteria for each category of funding in accordance with state and regional plans but **not specific rules that have the potential of making only a few communities eligible such as those in the affordable housing incentive grants**

6. Similar to transportation planning, the regional growth plans which would be adopted by the regional agencies must be **consistent with any current plan (adopted in the past four years) of the State**, such as the state transportation plan, the state housing plan or the environmental goals and policy report.

While there would be review and comment by affected state agencies **consistent with state and federal law for transportation plans, there is no state approval required for each regional plan.**

Also, consistent with transportation planning and programming and process, all projects, whether selected by the regions as part of the 75% share or by the state as part of the 25% share, must be consistent with the applicable regional growth plan.

7. **Some of the money in each region must go to each of those six listed purposes, but each region should make its own determination of how much of its allocated funds goes to each category above certain minimums to ensure that there is a reasonable effort in each area.** However, the relative needs will vary among the regions and therefore the funding levels need to be flexible.

We appreciate your leadership in presenting this proposal. It will be our highest legislative priority for the year. We are committed to working closely with you, the administration, other legislators, staff and all other key stakeholders to fashion the best possible proposal.

Sincerely,

Rusty Selix  
Executive Director