AMENDED IN ASSEMBLY AUGUST 2, 2010

AMENDED IN SENATE MAY 13, 2010

AMENDED IN SENATE APRIL 26, 2010

AMENDED IN SENATE APRIL 13, 2010

AMENDED IN SENATE MARCH 24, 2010

# SENATE BILL No. 1445

**Introduced by Senator DeSaulnier**

February 19, 2010

An act to amend Section 65040.6 of, and to add and repeal Section 65080.6 of, the Government Code, to amend Section 75125 of the Public Resources Code, and to add and repeal Section 9250.20 of the Vehicle Code, relating to planning.

LEGISLATIVE COUNSEL'S DIGEST

SB 1445, as amended, DeSaulnier. Planning.

(1) Existing law creates the Strategic Growth Council consisting of the Director of State Planning and Research, the Secretary of the Natural Resources Agency, the Secretary for Environmental Protection, the Secretary of Business, Transportation and Housing, the Secretary of California Health and Human Services, and one public member appointed by the Governor. Existing law specifies the powers and duties of the council with respect to identification and review of activities and programs of member agencies that may be coordinated to improve certain planning and resource objectives and associated matters, including provision of financial assistance to support the planning and development of sustainable communities. Existing law requires the

council to report to the Legislature not later than July 1, 2010, and every year thereafter, on the financial assistance provided.

This bill would instead provide for an initial reporting date of July 1, 2012. The bill would require the council to coordinate certain of its activities with the Planning Advisory and Assistance Council.

(2) Existing law creates the Planning Advisory and Assistance Council in the Office of Planning and Research in the Governor's office, with a specified membership appointed by the Director of State Planning and Research consisting of representatives of cities, counties, each regional planning districts, and Indian tribes and bands, from persons nominated by those entities. Existing law requires the council to provide advice on certain planning matters, including the preparation of state long-range goals and policies, and evaluation of the planning functions of various state agencies.

This bill would delete the reference to regional planning districts and instead require 7 of the council's members to be appointed from the governing boards of specified regional planning organizations. The bill would also provide for the appointment of one member each from the California Transportation Commission, the State Air Resources Board, the State Energy Conservation and Development Commission, the Speaker of the Assembly, and the Senate Committee on Rules. The bill would expand the duties of the council by requiring it to work with the Strategic Growth Council and various regional and local agencies to facilitate the implementation of regional blueprint plans, and to develop and propose recommendations to the Strategic Growth Council and certain state agencies in order to facilitate coordination between regional blueprint plans, state growth and infrastructure plans, and programs that facilitate the implementation of regional blueprint plans. The bill would also require reports by the council to the Legislature on specified matters.

*This bill would provide that if the office is abolished, the council shall retain its duties and reside in the Strategic Growth Council whose chair shall assume the director's duties.*

(3) Existing law requires certain transportation planning activities by designated regional transportation planning agencies, including development of a regional transportation plan. Certain of these agencies are designated under federal law as metropolitan planning organizations. Existing law requires metropolitan planning organizations to adopt a sustainable communities strategy, subject to specified requirements, as part of a regional transportation plan, which is to be designed to achieve

certain targets established by the State Air Resources Board for the reduction of greenhouse gas emissions from automobiles and light trucks in the region.

This bill, until January 1, 2016, would increase the registration fee imposed by the state on the registration of each vehicle by $1, and require the Department of Motor Vehicles, after deducting its administrative costs, to deposit 1% of the net revenues from the fee increase into the Planning Advisory and Assistance Council Fund, which would be created by the bill, and to make those funds available to the Planning Advisory and Assistance Council, upon appropriation by the Legislature. The remaining net revenues would be distributed to designated transportation planning agencies based on the number of vehicles registered within the jurisdiction of each agency. The bill would require the transportation planning agencies to use the funds solely to develop and implement a sustainable communities strategy, a regional blueprint plan, or a rural transportation plan element in order to identify land use strategies to reduce the use of motor vehicles and to carry out transportation-related activities in the strategy, plan, or plan element and, in the case of an agency preparing a regional blueprint plan, to provide grants to cities, counties, and congestion management agencies for planning and projects related to implementation of the plan. The bill would also provide for sharing of available revenues between various agencies, as specified.

(4) The bill would also make legislative findings and declarations.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

SECTION 1. The Legislature finds and declares as follows:

(a) Uncoordinated and unplanned growth together with a lack of common goals to effect the public's interest in the conservation and wise use of our lands pose a threat to the environment, sustainable economic development, and the health, safety, and high quality of life enjoyed by residents of this state.

(b) The enactment of Senate Bill 375 of the 2007–08 Regular Session (Chapter 728 of the Statutes of 2008) and the establishment of requirements for regional transportation plans to address greenhouse gases can only be successfully implemented if regional and local governments have the tools they need to collaboratively plan for the type of growth that can achieve these goals, and if that collaborative planning is coordinated with the efforts of the Governor's Strategic Growth Council and other state agencies as required by the enactment of Senate Bill 732 of the 2007–08 Regular Session (Chapter 729 of the Statutes of 2008).

(c) The successful development of sustainable communities strategies as part of regional transportation plans and implementation of those strategies by the amendment of city and county general and specific plans will result in significantly reduced vehicle travel. The reduced travel will reduce greenhouse gas emissions and air pollution and provide environmental benefits that mitigate the adverse impacts associated with vehicle use. The resulting reduction in traffic congestion provides a user benefit to all vehicle owners which is at least equal in value to a fee of two dollars ($2) per vehicle annually.

(d) Cooperation between regional and local governments and air districts is essential to the achievement of the greenhouse gas emission reductions envisioned in regional transportation plans.

(e) Therefore, it is in the public interest that state residents, communities, local governments, air districts, and the private sector cooperate and coordinate with one another in comprehensive, sustainable land use planning.

(f) It is the intent of the Legislature to update the duties and composition of the Planning Advisory and Assistance Council to assist in the state's land use planning processes by providing funding to support the development and implementation for regional blueprints and related planning and to work with state agencies providing funding for resource protection and local infrastructure to facilitate coordination between state planning and funding decisions and regional blueprints.

SEC. 2. Section 65040.6 of the Government Code is amended to read:

65040.6. (a) The Planning Advisory and Assistance Council is hereby created within the office, the membership of which shall be as follows: three city representatives; three county representatives; seven representatives of regional planning organizations; one member of the State Air Resources Board; one member of the California Transportation Commission; one member of the State Energy Resources Conservation and Development Commission; one member appointed by the Speaker of the

Assembly; one member appointed by the Senate Committee on Rules; and one representative of Indian tribes and bands which have reservations or rancherias within California. The city and county representatives appointed pursuant to this subdivision shall be selected by the director from nominees submitted by the League of California Cities and by the California State Association of Counties. Representatives of regional planning organizations appointed pursuant to this subdivision shall be selected by the director from nominees submitted by the regional planning organizations set forth in paragraphs (1) to (5), inclusive, of subdivision (b) and from nominees submitted by the California Association of Councils of Governments for the representatives set forth in paragraphs (6) and (7) of subdivision (b). The representative of Indian tribes and bands shall be a member of one tribe or band, and shall be selected by the director.

Appointment to the advisory council shall be for a term of two years, provided that the members of the first council shall classify themselves by lot so that one-half shall serve an initial term of one year and one-half shall serve an initial term of two years. Vacancies shall be filled in the same manner provided for the original appointment.

(b) Seven of the council's members shall be from the governing body of each of the following:

(1) The Southern California Association of Governments.

(2) The Metropolitan Transportation Commission or the Association of Bay Area Governments. The person appointed to the council pursuant to this paragraph shall be a member of the governing body for both the Metropolitan Transportation Commission and the Association of Bay Area Governments.

(3) The San Diego Association of Governments.

(4) The Sacramento Area Council of Governments.

(5) The San Joaquin Valley Regional Policy Council.

(6) A metropolitan planning organization or council of governments that is not identified in paragraphs (1) to (5), inclusive.

(7) A regional transportation planning agency, as defined in Section 65080, that is neither a metropolitan planning organization nor a council of governments.

(c) The council shall provide such advice as may be necessary to assist the office in discharging the requirements of Sections 65040 to 65040.4, inclusive. In particular, the council shall:

(1) Assist the office in the preparation of the state long-range goals and policies, in the manner specified in subdivision (a) of Section 65040.

(2) Evaluate the planning functions of the various state agencies involved in planning, in the manner specified in subdivision (c) of Section 65040.

(3) Make appropriate decisions and provide such advice and assistance as may be required by federal statute or regulation in connection with any federal program administered by the office.

(4) Work with the Strategic Growth Council, created pursuant to Section 75121 of the Public Resources Code, regional agencies, such as metropolitan planning organizations or councils of governments, and with cities and counties to facilitate the implementation of regional blueprint plans.

(5) Develop and propose recommendations to the Strategic Growth Council, created pursuant to Section 75121 of the Public Resources Code, the Department of General Services, the State Allocation Board, the Department of Housing and Community Development, the Department of Transportation, the California Transportation Commission, *the California Environmental Protection Agency, the California Health and Human Services Agency, the California Natural Resources Agency,* and any other state agencies that affect land use, *environment, human health,* housing, or transportation in order to facilitate coordination between regional blueprint plans, state growth and infrastructure funding plans, and programs that facilitate the implementation of regional blueprint plans.

(6) Receive reports, including, but not limited to, a copy of the five-year infrastructure plan described in Section 13102.

(7) Report to the Legislature, in consultation and coordination with the Strategic Growth Council, created pursuant to Section 75121of the Public Resources Code, on the manner in which state agencies are implementing the requirements of Chapter 1016 of the Statutes of 2002.

(8) Report to the Legislature, *in consultation and coordination with the Strategic Growth Council,* on regional performance measures, evaluating the progress of each region of the state in

improving results for its residents in employment, environmental protection, education, housing, mobility, and other criteria as determined by the council. The council shall provide the Legislature with updates to the report periodically, as the council determines is required.

(d) The council shall meet on call of the director of the office, who shall convene at least two council meetings during each year.

(e) Council members shall serve without compensation, but they may be reimbursed for actual expenses incurred in connection with their duties.

*(f) If the office is abolished or otherwise eliminated, the council shall retain its duties and reside within the Strategic Growth Council whose chair shall assume the director's duties.*

SEC. 3. Section 65080.6 is added to the Government Code, to read:

65080.6. (a) All revenue received pursuant to Section 9250.20 of the Vehicle Code shall be used by the metropolitan planning organization, the council of governments, or a county transportation planning agency solely to develop and implement a sustainable communities strategy, a regional blueprint plan, or a rural transportation plan element that is consistent with the guidelines developed by the Department of Transportation for regional blueprints, in order to identify land use strategies to reduce the use of motor vehicles in its jurisdiction and carry out applicable transportation-related activities in the strategy, plan, or plan element, and thereby to achieve the greenhouse gas emission reduction target as specified in Section 65080, and to provide grants to cities, counties, cities and counties, and congestion management agencies for planning and projects related to the implementation of a regional blueprint plan.

(b) A metropolitan planning organization that is jointly preparing a sustainable communities strategy with a council of governments shall share all revenue it receives and expend that revenue in accordance with an agreement between the two agencies.

(c) The Southern California Association of Governments (SCAG) shall distribute a share of revenues received pursuant to Section 9250.20 of the Vehicle Code to a county transportation commission or subregional council of governments that has elected to prepare a subregional sustainable communities strategy pursuant to Section 65080. The share of each eligible agency shall be computed after deducting from total revenues available to SCAG pursuant to Section 9520.20 of the Vehicle Code the costs incurred by SCAG for preparing the regionwide sustainable communities strategy pursuant to Section 65080, and then, with respect to those remaining revenues, allocating the revenues based on the amount of fees collected from motor vehicles registered within the jurisdiction of each eligible agency.

(d) The metropolitan planning organization, the council of governments, or a county transportation commission and a subregional council of governments jointly preparing a subregional sustainable communities strategy, may, pursuant to an agreement with the local air quality management district that has responsibility over the jurisdiction, share revenues received pursuant to this section with the local air quality management district.

(e) All revenue received by the local air quality management district pursuant to subdivision (d) shall be used to assist local and regional governments in reducing greenhouse gas emissions. Appropriate assistance includes, but is not limited to, all of the following:

(1) Assistance in the development of a subregional sustainable communities strategy.

(2) Assistance in the development of local greenhouse gas emission inventories.

(3) Assistance in the development of greenhouse gas emission reduction strategies in general plans.

(4) Development of and assistance with CEQA guidelines and review of greenhouse gas emissions in CEQA analyses.

(5) Consultation and development of local climate action plans.

(6) Project-specific consultation work to reduce greenhouse gas emissions from local transportation and land use decisions.

(f) For purposes of this section, a sustainable communities strategy and an alternative planning strategy shall both be considered to be a regional blueprint plan.

(g) This section shall become inoperative on January 1, 2016, and, as of January 1, 2017, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2017, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 4. Section 75125 of the Public Resources Code is amended to read:

75125. The council shall do all of the following:

(a) Identify and review activities and funding programs of member state agencies that may be coordinated to improve air and water quality, improve natural resource protection, increase the availability of affordable housing, improve transportation, meet the goals of the California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code), encourage sustainable land use planning, and revitalize urban and community centers in a sustainable manner. At a minimum, the council shall review and comment on the five-year infrastructure plan developed pursuant to Article 2 (commencing with Section 13100) of Chapter 2 of Part 3 of Division 3 of the Government Code and the State Environmental Goals and Policy Report developed pursuant to Section 65041 of the Government Code.

(b) Recommend policies and investment strategies and priorities to the Governor, the Legislature, and to appropriate state agencies to encourage the development of sustainable communities, such as those communities that promote equity, strengthen the economy, protect the environment, and promote public health and safety, consistent with subdivisions (a) and (c) of Section 75065.

(c) Provide, fund, and distribute data and information to local governments and regional agencies that will assist in developing and planning sustainable communities.

(d) Manage and award grants and loans to support the planning and development of sustainable communities, pursuant to Sections 75127, 75128, and 75129. To implement this subdivision, the council may do all of the following:

(1) Develop guidelines for awarding financial assistance, including criteria for eligibility and additional consideration.

(2) Develop criteria for determining the amount of financial assistance to be awarded. The council shall award a revolving loan to an applicant for a planning project, unless the council determines that the applicant lacks the fiscal capacity to carry out the project without a grant. The council may establish criteria that would allow the applicant to illustrate an ongoing commitment of financial resources to ensure the completion of the proposed plan or project.

(3) Provide for payments of interest on loans made pursuant to this article. The rate of interest shall not exceed the rate earned by the Pooled Money Investment Board.

(4) Provide for the time period for repaying a loan made pursuant to this article.

(5) Provide for the recovery of funds from an applicant that fails to complete the project for which financial assistance was awarded. The council shall direct the Controller to recover funds by any available means.

(6) Provide technical assistance for application preparation.

(7) Designate a state agency or department to administer technical and financial assistance programs for the disbursing of grants and loans to support the planning and development of sustainable communities, pursuant to Sections 75127, 75128, and 75129.

(e) In making recommendations pursuant to subdivisions (a) and (b) and in providing data and information pursuant to subdivision (c), the council shall consult with and coordinate its recommendations with the Planning Advisory and Assistance Council created pursuant to Section 65040.6 of the Government Code.

(f) No later than July 1, 2012, and every year thereafter, provide a report to the Legislature that shall include, but is not limited to, all of the following:

(1) A list of applicants for financial assistance.

(2) Identification of which applications were approved.

(3) The amounts awarded for each approved application.

(4) The remaining balance of available funds.

(5) A report on the proposed or ongoing management of each funded project.

(6) Any additional minimum requirements and priorities for a project or plan proposed in a grant or loan application developed and adopted by the council pursuant to subdivision (c) of Section 75126.

SEC. 5. Section 9250.20 is added to the Vehicle Code, to read:

9250.20. (a) Effective July 1, 2011, the fee imposed by Section 9250 shall be increased by an additional one dollar ($1).

(b) After deducting its administrative costs, the department shall deposit 1 percent of the net revenues received from the additional fee imposed pursuant to this section into the Planning Advisory and Assistance Council Fund, which is hereby created in the State Treasury, and shall make the funds available to the Planning Advisory and Assistance Council, upon appropriation by the

Legislature, to perform the functions specified in subdivision (c) of Section 65040.6 of the Government Code.

(c) The department shall distribute the remaining revenues from the fee increase to metropolitan planning organizations, councils of governments outside of metropolitan planning organizations, and transportation planning agencies in areas outside of metropolitan planning organizations or councils of governments in accordance with Section 65080.6 of the Government Code, based upon the amount of fees collected from motor vehicles registered within each jurisdiction.

(d) This section shall become inoperative on January 1, 2016, and, as of January 1, 2017, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2017, deletes or extends the dates on which it becomes inoperative and is repealed.

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