



CALIFORNIA ASSOCIATION OF COUNCILS OF GOVERNMENTS

"Diversity and Unity"

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
- 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

COG DIRECTORS ASSOCIATION OF CALIFORNIA MEETING (10:30 – 12:30)

&

REGIONAL CALTRANS COORDINATION COMMITTEE MEETING (1:00 – 3:00)

MONDAY, January 24, 2005

**Caltrans Headquarters
1120 N Street, Suite #2116
Sacramento**

Note: Change of Schedule

(The meeting of the COG Directors Association of California begins at 10:30 a.m. and goes until 12:30 p.m. and is followed by lunch. The meeting of the Regional Caltrans Coordination Committee begins at 1:00 p.m. and ends at 3:00 p.m.)

This agenda is the agenda for the COG Directors meeting and also serves as the preliminary agenda for the Caltrans Regional Coordination Committee Meeting.

The cost for attending this meeting is \$20 for lunch and materials.

AGENDA

1. Welcome and Introductions - Nick Papadakis, Chair
2. Approval of Minutes from November 2004 Meeting
3. Governor's Budget Overview - (30 minutes)

Action

Attached are the explanatory pages for the Governor's budget proposals from Business Transportation and Housing. The centerpiece is a proposed Constitutional Amendment known as the Budget Control Act that would prohibit suspension of Proposition 42 (except for natural disasters or acts of terrorism) commencing in the year 2007-08. The budget proposes suspension of Proposition 42 for the budget year 05-06 that would be structured as a loan. As part of the Budget Control Act, there would be an obligation to pay off all pre-existing borrowing over a 15-year period. This presumably

would be funds that could be programmed as a reliable source of future funding.

The budget gives hints but no details about other proposals to assist in expediting project development and delivery and innovative financing involving public private partnerships.

It is possible that by the time of this January 24th meeting there will be additional details on these proposals that the administration may be prepared to discuss with us, but there is no additional information available at this time as of this writing (January 11th) nor could Secretary McPeak nor Caltrans Director Kempton give any information at the briefings they held on January 10th when the Governor released the budget.

Similarly, the budget proposes to increase housing production and it proposes a series of regulatory proposals. The only specific proposal is that there would be changes to the California Environmental Quality Act and local governments would each be required to plan for their population growth and job growth, whichever is higher. This presumably would eliminate the regional housing needs assessment process if enacted through legislation that is certain to be controversial. (The 05-06 budget also proposes to suspend the regional housing needs mandate.)

Our preliminary review of the rest of the Governor's budget did not reveal any other major items of importance to CALCOG members. If we identify additional proposals between now and the meeting, we will provide additional information.

What position should CALCOG take on the Governor's budget proposals?

What questions should be asked of Caltrans officials?

Existing CALCOG policy calls for us to support the protection of Proposition 42 - the proposals to expedite project development delivery and public private financing, but to oppose the suspension of Prop. 42 in the 05-06 year. There is also a concern about the linkage with the broader Budget Control Act and its features, which also protect Proposition 98 but call for automatic across-the-board budget cuts (in language not yet developed) if the budget is not enacted by June 30th each year.

Action 4. Rescue California Proposal - (20 minutes)

The Rescue California Proposal also has as its centerpiece the protection of Proposition 42 and the prohibition against future loans or suspension.

One of the ways in which it differs from the Governor's proposal is that it is a stand-alone proposal and not tied to other issues.

It also differs in that it creates constitutional status for the California Transportation Commission and provides that a substantial portion of project development delivery responsibility will be shifted from Caltrans to the CTC.

This stands in contrast from the California Performance Review Report and some of the Governor's preliminary recommendations, which would eliminate the CTC (as well as the High Speed Rail Commission).

Clearly, it is far easier to get a Constitutional Amendment approved if it is supported by the Governor. In addition, the legislative process avoids the cost of the signature-gathering process. On the other hand, there is no certainty that an agreement between the Governor and the Legislature can develop a proposal that would be supportable by regional transportation agencies and the voters.

CALCOG staff recommends that CALCOG support the Rescue California proposal and that members suggest technical improvements to the language while at the same time supporting the development of a legislative proposal.

Comments and positions of member agencies?

Are there other actions we should take?

Action 5. CALCOG Growth Legislation - (20 minutes)

Attached is the current outline of CALCOG Growth Legislation. The only changes since approved by COG Directors in November is clarification that regional transportation plans would also be required to include these policies that are being made applicable to other state and federal infrastructure. Between now and the time of the meeting, CALCOG staff will be working to identify an appropriate legislator to introduce a spot bill to keep this proposal moving forward.

It has been presented informally to a group of state officials, local government representatives and public interest groups with favorable conceptual response. It was also presented to Senator Torlakson and his staff, who made the suggestion that transportation be made clearly

part of it since none of the current regional planning efforts have the effect of requiring transportation projects to be consistent with the identified areas for infill and resource protection.

Action 6. Planning Programming and Monitoring Legislation - (20 minutes)

This is a reintroduction of last year's AB 2456 Spitzer that reflects a version drafted by CTC staff. There have been concerns about the way these formulas play out and whether there are winners and losers compared to the amounts of funds that were available for agencies under the previous PPM formula, which is based upon the STIP formula.

Accordingly, CALCOG is working with OCTA to develop only a spot bill at this time so that all member agencies can be involved in assuring that the formulas play out in a way that is fair to all parts of the state.

Are there specific concerns or suggestions on this legislation at this time?

By the time of the January 24th meeting, we hope to have identified a legislative author for this proposal.

Action 7. Regional Housing Needs Assessment Reimbursement - (10 minutes)

While the Business Transportation and Housing Agency is proposing major changes in housing and possible elimination of regional housing needs assessment that would make this a moot point, the 2004-05 state budget directs the Commission on State Mandates to reconsider the reimbursability of the existing mandate. The 2004-05 budget trailer bill enacted legislation purporting to authorize COGs to charge fees to cities and for cities to pass those fees on to developers.

The attached Legal Brief prepared by attorneys for SCAG and concurred in by other regional agency attorneys and CALCOG points out that this is inconsistent with the law under which COGs are created (as joint powers authorities) and the existing law governing mandate reimbursements.

Senator Ducheny and the State Department of Finance have written letters supporting the fee authority approach and claiming that COGs should not be reimbursed. In addition to local government, the California Building Industry Association has written a legal brief that supports our position in opposition to fees. The arguments are virtually identical to those prepared by SCAG on behalf of regional agencies.

This item is scheduled for action by the Commission on State Mandates for March - about the same time that the Legislature will be holding hearings on the state budget and initial hearings on proposed policy legislation.

- Discussion 8. Federal Transportation Reauthorization - Departure of John Ferrera - (15 minutes)

Assistant Secretary for Business Transportation and Housing Agency, John Ferrera, has announced that he is leaving the agency to go to work for Assemblymember Dario Frommer. He will be part of the Speaker's leadership team on transportation and head all of Mr. Frommer's staff efforts as majority leader. However, he will no longer be in a position to coordinate and lead California's efforts on federal transportation reauthorization.

We are hoping that Mr. Ferrera will still join us one last time at our meeting on January 24th to give us a chance to express appreciation for all of the work he has done over the last few years, as well as guidance on how we move forward in his absence and with the renewed focus and possible swift enactment of reauthorization in 2005.

In addition, we will ask Caltrans staff to give us an update on the latest and encourage regional agencies to weigh in with any new information.

- Information 9. Meeting with Washington Representatives, Wednesday, March 9th - (5 minutes)

At our November meeting, it was concluded that the date on which the most CALCOG member agencies would have delegations in Washington D.C. was the week of March 7th. Accordingly, in conjunction with the reception being planned by several member agencies on the evening of March 9th, that would be the day that CALCOG staff would schedule a meeting between our delegations in Washington D.C. and the Washington lobbyists that represent all of us, as well as the Governor's Washington, D.C. staff and hopefully Secretary McPeak.

- Discussion 10. Regional Development Impact Fees - Debbie Hale, Transportation Agency for Monterey County - (10 minutes)

The Transportation Agency for Monterey County is considering legislation to specifically authorize regional agencies to impose developer fees. This would be an alternative to the process that some agencies have already been using, which is to make the imposition of developer fees a condition of accessing regional funds so that local

governments have a strong incentive to adopt a regional development fee themselves and directly collect it and pass the funds on to the regional agency.

CALCOG did a survey of member agencies identifying what actions have been taken with regard to regional impact fees (attached).

- Action 11. New Legislation - SB 44 (Kehoe) General Plans: Air Quality Element - (5 minutes)

Existing law requires general plans within the San Joaquin Valley to include a general plan element to address air quality issues. This bill would make it a statewide requirement.

Do any agencies have a position on this legislation?

It is probably too early and staff recommends that this legislation be carried forward to the March meeting. We assume that the League of California Cities and the California State Association of Counties will oppose this legislation. New mandatory elements to the general plan have in the past been defeated because of the significant cost involved. This bill could add an additional vehicle registration fee to pay for it.

- Discussion 12. Housing Assistance for Employees - Debbie Hale, Transportation Agency for Monterey County - (5 minutes)

TAMC wants to know if other agencies have provided special funding to attract or retain employees in high housing cost areas.

- Action 13. Regional Issues Forum - April 13-15, Monterey - (5 minutes)

Agenda concepts for Regional Issues Forum:

Wednesday evening, April 13th - dinner in honor of recently retired/departed executive directors of member agencies - Linda Wilshusen, Santa Cruz County Transportation Commission; Gene Leong, Association of Bay Area Governments; Mary Tuttle, Sacramento Area Council of Governments; and Gary Dickson, Stanislaus Area Association of Governments.

Thursday morning, April 14th - Transportation financing Proposition 42 protection and innovative financing - comparison of different proposals, strategies and development of best approaches to maximize value and support.

Thursday afternoon, April 14th - Housing reform - changes to regional housing needs assessment, housing finance, local government

housing needs - possible ballot initiative being proposed by Housing California to provide permanent source of funding for affordable housing, reforms to the California Environmental Quality Act to expedite housing approvals, smart growth, linkages between housing, transportation and land use.

Thursday evening - Reception

Friday morning - April 15th - CALCOG Business Meeting - Election of officers, positions on legislation.

Transportation Partnerships - Relationship with Caltrans, California Transportation Commission, Federal Highways, Federal Transit

Are there other topics that should be added to this agenda?

Are there suggested speakers for proposed topics?

14. Late Breaking Items
15. Special Items of Interest
16. Adjournment