

**SOLANO  
City-County Coordinating Council  
Special Meeting**

MEMBERS

Jack Batchelor  
Chair  
*City of Dixon*

Linda J. Seifert  
Vice Chair  
*Supervisor, District 2*

Elizabeth Patterson  
*City of Benicia*

Harry Price  
*City of Fairfield*

Jan Vick  
*City of Rio Vista*

Pete Sanchez  
*City of Suisun City*

Steve Hardy  
*City of Vacaville*

Osby Davis  
*City of Vallejo*

Barbara Kondylis  
*Supervisor District 1*

Michael Reagan  
*Supervisor District 5*

Jim Sperring  
*Supervisor District 3*

John Vasquez  
*Supervisor District 4*

SUPPORT STAFF:

Birgitta Corsello  
*Solano County  
Administrator's Office*

Michelle Heppner  
*Solano County  
Administrator's Office*

Daryl Halls  
*Solano Transportation  
Authority*

Sean Quinn  
*City of Fairfield*

**AGENDA**

**May 10, 2012**

Solano County Water Agency – Berryessa Room  
810 Vaca Valley Parkway, Suite 203  
Vacaville, CA 95688

**7:00 P.M. Meeting**

*(CCCC Meeting will begin immediately following the  
Solano County Water Agency meeting)*

**PURPOSE STATEMENT – City County Coordinating Council**

“To discuss, coordinate, and resolve City/County issues including but not necessarily limited to land use, planning, duplication of services/improving efficiencies, as well as other agreed to topics of regional importance, to respond effectively to the actions of other levels of government, including the State and Federal government, to sponsor or support legislation at the State and Federal level that is of regional importance, and to sponsor or support regional activities that further the purpose of the Solano City-County Coordinating Council.”

*Time set forth on agenda is an estimate. Items may be heard before or after the times designated.*

**ITEM**

**AGENCY/STAFF**

**I. CALL TO ORDER (7:00 p.m.)**

**II. APPROVAL OF AGENDA (7:00 p.m.)**

**III. OPPORTUNITY FOR PUBLIC COMMENT (7:05 p.m.)**

Pursuant to the Brown Act, each public agency must provide the public with an opportunity to speak on any matter within the subject matter of the jurisdiction of the agency and which is not on the agency's agenda for that meeting. Comments are limited to no more than 5 minutes per speaker. By law, no action may be taken on any item raised during public comment period although informational answers to questions may be given and matter may be referred to staff for placement on future agenda.

This agenda shall be made available upon request in alternative formats to persons with a disability, as required by the Americans with Disabilities Act of 1990 (42U.S.C.Sec12132) and the Ralph M. Brown Act (Cal.Govt.Code Sec.54954.2) Persons requesting a disability-related modification or accommodation should contact Jodene Nolan, 675 Texas Street, Suite 6500, Fairfield CA 94533 (707.784.6108) during regular business hours, at least 24 hours prior to the time of the meeting.

**IV. CONSENT CALENDAR**

a. Approval of Minutes for February 8, 2012  
(7:10 p.m.)

Chair Batchelor  
Action Item

**V. DISCUSSION CALENDAR**

1. Update Community Conversation Update on Mental Health and Realignment Issues  
(Oral Report)  
(7:15 p.m. – 7:30 p.m.)

Presenter: Chair Batchelor

2. June 5, 2012 Ballot Measures  
Legislative Update (Oral Report)  
(7:35 p.m. – 8:00 p.m.)

Action Item

Presenters: Michelle Heppner,  
Solano County and Paul Yoder,  
Shaw/Yoder/Antwih Inc.

3. Approval of a Delegation Agreement (DA) between ABAG and the Solano County  
Regional Housing Needs Allocation (RHNA) Subregion  
(8:00 p.m. – 8:20 p.m.)

Action Item

Presenter: Mathew Walsh,  
Solano County Resource  
Management

4. Update on One Bay Area Grant (OBAG)  
(8:20 p.m. – 8:40 p.m.)

Presenter: Robert Macaulay,  
Solano Transportation  
Authority

**VI. ANNOUNCEMENTS**

**VII. CCCC CLOSING COMMENTS**

**ADJOURNMENT:** The next regular meeting is proposed for August 9, 2012 at 7:00 p.m. at the Solano County Water Agency – Berryessa Room, 810 Vaca Valley Parkway, Suite 203, Vacaville, CA.

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**Update on June 5, 2012 Ballot Measures**

Michelle Heppner, Legislative, Intergovernmental, and Public Affairs Officer, Solano County

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**Proposition 28**

Proposition 28 makes changes to the terms and structure for a person to serve in the state legislature. Currently, legislatures may serve up to 14 years, including six years in Assembly and up to eight years in the State Senate. This measure will reduce the total amount of time a person may serve in the state legislature from 14 years to 12 years. It further allows a person to serve the total of 12 years either in the Assembly, the Senate, or a combination of both. New term limits will apply only to legislators first elected after the measure is passed. Legislators elected before the measure is passed continue to be subject to existing term limits. There is no direct fiscal effect on state or local governments.

A YES vote on this measure means: Future Members of the State Legislature could serve a total of 12 years in office—without regard to whether the years were served in the State Assembly or the State Senate. Legislators first elected on or before June 5, 2012 would continue to be restricted by existing term limits.

A NO vote on this measure means: Existing term limits for the Legislature would remain in place for current and future legislators. These limits allow a total of 14 years in office—including a maximum of six years in the State Assembly and eight years in the State Senate.

**Supporters**

The Los Angeles County Federation of Labor and the Los Angeles Chamber of Commerce are sponsoring the measure and have named their group "Californians for a Fresh Start."

Maria Elena Durazo, the executive secretary-treasurer of the Los Angeles County Federal of Labor [AFL-CIO](#), is leading the ballot proposition effort. She also led a lobbying campaign to exempt Majestic Realty, a donor to the term limits campaign, from environmental regulations that would otherwise have applied to its proposed stadium in the City of Industry.

The [official Voter Guide](#) arguments in favor of Proposition 28 were signed by:

- Jennifer A. Waggoner, president, [League of Women Voters of California](#)
- [Kathay Feng](#), executive director, [California Common Cause](#)
- Hank Lacayo, president, Congress of California Seniors

**Opponents**

- [Jon Fleischman](#)
- The [California Republican Party](#)

The [official Voter Guide](#) arguments against Proposition 28 were signed by:

- Philip Blumel, president, [U.S. Term Limits](#)
- Anita Anderson, vice-president, Parents in Charge Foundation
- [Lew Uhler](#), president, [National Tax Limitation Committee](#)

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## **Proposition 29**

Imposes additional five cent tax on each cigarette distributed (\$1.00 per pack), and an equivalent tax increase on other tobacco products, to fund cancer research and other specified purposes. Requires tax revenues be deposited into a special fund to finance research and research facilities focused on detecting, preventing, treating, and curing cancer, heart disease, emphysema, and other tobacco-related diseases, and to finance prevention programs. Creates nine-member committee charged with administering the fund. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: *Increase in new cigarette tax revenues of about \$855 million annually by 2011- 12, declining slightly annually thereafter, for various health research and tobacco-related programs. Increase of about \$45 million annually to existing health, natural resources, and research programs funded by existing tobacco taxes. Increase in state and local sales taxes of about \$32 million annually.*

### **Supporters**

A coalition, "Californians for a Cure", was formed to campaign in support of the measure. This campaign is co-chaired by two cancer survivors: the 7-time Tour de France winner Lance Armstrong, and retired President pro Tempore of the California State Senate, [Don Perata](#). Perata authored the measure.

The campaign's steering committee also includes the American Cancer Society, American Lung Association in California, American Heart Association, American Stroke Association, Lance Armstrong Foundation, Laura Ziskin (co-founder of Stand Up To Cancer), Campaign for Tobacco-Free Kids, and several surgeons and directors of California cancer research institutions including Nobel Laureate Dr Elizabeth Blackburn and Congressional Gold Medal Nominee Dr Balazs Bodai. [Tom Torlakson](#), the [California Superintendent of Public Instruction](#), is also a supporter.

### **Opponents**

- A coalition, [Californians Against Out-of-Control Taxes & Spending](#), was formed to oppose the measure.
- Tobacco companies R.J. Reynolds and Philip Morris oppose the measure.
- The [California Taxpayers Association](#), the [Howard Jarvis Taxpayers Association](#), [FreedomWorks](#) and [Americans for Prosperity](#) oppose Proposition 29.
- The [California Republican Party](#) voted to oppose Proposition 29.
- Grover Norquist of [Americans for Tax Reform](#).

A YES vote on this measure means: State excise taxes on cigarettes would increase by \$1 per pack to a total of \$1.87 per pack. These additional revenues would be dedicated to fund cancer and tobacco-related disease research and tobacco prevention and cessation programs.

A NO vote on this measure means: State excise taxes on cigarettes would remain at the current level of 87 cents per pack and would continue to be used for existing purposes, including childhood development programs and various health and tobacco prevention and cessation programs.

**Proposition 28**  
**Limits on Legislators' Terms in Office.**  
**Initiative Constitutional Amendment.**

**Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact**

**Fiscal Impact:** No direct fiscal effect on state or local governments.

**Yes/No Statement**

A **YES** vote on this measure means: Future Members of the State Legislature could serve a total of 12 years in office—without regard to whether the years were served in the State Assembly or the State Senate. Legislators first elected on or before June 5, 2012 would continue to be restricted by existing term limits.

A **NO** vote on this measure means: Existing term limits for the Legislature would remain in place for current and future legislators. These limits allow a total of 14 years in office—including a maximum of six years in the State Assembly and eight years in the State Senate.

**Background**

**Existing Legislative Term Limits.** Proposition 140, passed by the state's voters at the November 1990 election, changed the State Constitution to create term limits for Members of the California Legislature. The Legislature has two houses: the State Assembly and the State Senate. Currently, an individual's service generally is restricted to three two-year terms in the Assembly (a maximum of six years) and two four-year terms in the Senate (a maximum of eight years). This means that individuals generally cannot serve more than 14 years in the Legislature. An exception is when an individual serves additional time by finishing out less than one-half of the term of another person who left the Legislature (for example, due to resignation).

**Proposal**

This measure, a state constitutional amendment, makes changes to legislative term limits. Senators and Assembly Members who were first elected to the Legislature on or before the date of this election (June 5, 2012) would continue to be subject to the current legislative term limits in the Constitution. Future legislators—that is, legislators first elected after the date of this election—would be subject to the new term limits.

**Reduces Total Number of Years in the Legislature.** This measure reduces to 12 years the total number of years that a future legislator may serve in the Legislature during his or her lifetime.

**Increases Total Number of Years That Can Be Served in One House.** This measure allows future legislators to serve in either house of the Legislature for up to 12 years. Accordingly, an individual could be elected to up to six two-year terms in the Assembly or up to three four-year

terms in the Senate. This means that future legislators could serve for a longer period of time in a single house of the Legislature than is currently the case. Alternatively, an individual could be elected to serve in one house of the Legislature and then be elected to the other house, but his or her total service in the Legislature would be limited to no more than 12 years.

### **Fiscal Effects**

This measure would have no direct fiscal effect on state and local governments. By altering term limits for Members of the Legislature, however, it likely would change which individuals serve in the Assembly and the Senate at any given time. This different composition of the Assembly and the Senate might lead to different decisions being made than otherwise would be the case (for example, on legislation and the state budget). However, these decisions and any effect that they might have on state and local spending and revenues cannot be predicted.

**Proposition 29  
Imposes Additional Tax on Cigarettes for Cancer Research.  
Initiative Statute.**

**Summary of Legislative Analyst's Estimate of Net State and Local Government  
Fiscal Impact**

**Fiscal Impact:** Net increase in cigarette excise tax revenues of about \$735 million annually by 2013-14 for certain research and tobacco prevention and cessation programs. Other state and local revenue increases amounting to tens of millions of dollars annually.

**Yes/No Statement**

A **YES** vote on this measure means: State excise taxes on cigarettes would increase by \$1 per pack to a total of \$1.87 per pack. These additional revenues would be dedicated to fund cancer and tobacco-related disease research and tobacco prevention and cessation programs.

A **NO** vote on this measure means: State excise taxes on cigarettes would remain at the current level of 87 cents per pack and would continue to be used for existing purposes, including childhood development programs and various health and tobacco prevention and cessation programs.

**BACKGROUND**

**Tobacco Taxes**

*Existing State Excise Taxes.* Current state law imposes excise taxes on the distribution of cigarettes and other tobacco products, such as cigars and chewing tobacco. Tobacco excise taxes are paid by distributors who supply cigarettes and other tobacco products to retail stores. These taxes are typically passed on to consumers as higher cigarette and other tobacco product prices.

The state's cigarette excise tax is currently 87 cents per pack. Figure 1 describes the different components of the per-pack tax. As the figure shows, two voter-approved measures— Proposition 99 in 1988 and Proposition 10 in 1998—are responsible for generating the vast majority of tobacco excise tax revenues. As Figure 1 indicates, total state revenues from existing excise taxes on cigarettes and other tobacco products were just over \$900 million in 2010-11.

| Figure 1<br>Existing State Tobacco Excise Taxes   |                              |  |
|---|------------------------------|--|
| (Dollars in Millions)   |                              |  |
| Description   | Cents Per Pack of Cigarettes | Estimated 2010-11 Net Revenue <sup>a</sup> |
| <b>State General Fund:</b> Initially enacted by the Legislature in 1959 for general support of the state budget.  | 10¢                          | \$96                                       |
| <b>Proposition 99:</b> Enacted by the voters in 1988 for the purposes of supporting tobacco education and prevention efforts, tobacco-related disease research programs, health care services for low-income persons, and environmental protection and recreational resources. Some Proposition 99 revenues are used to support programs that also receive support from the state General Fund. | 25                           | 298 <sup>b</sup>                           |
| <b>Breast Cancer Fund:</b> Enacted by the Legislature in 1993 for the purposes of supporting breast cancer screening programs for uninsured women and research related to breast cancer.  | 2                            | 23   |
| <b>Proposition 10:</b> Enacted by the voters in 1998 for the purposes of supporting early childhood development programs.   | 50                           | 489 <sup>b</sup>                           |
| <b>Totals</b>   | <b>87¢</b>                   | <b>\$905<sup>c</sup></b>                   |

<sup>a</sup> Accounts for payments from Proposition 10 to other funds in order to maintain pre-Proposition 10 revenue levels.  
<sup>b</sup> Total includes excise tax revenue from other types of tobacco products, such as cigars and chewing tobacco.  
<sup>c</sup> Does not total due to rounding.

Revenues from existing excise taxes on other tobacco products support Propositions 10 and 99 purposes. Under current law, any increase in cigarette taxes automatically triggers an equivalent increase in excise taxes on other tobacco products, with the revenues going to support Proposition 99 purposes.

**Existing Federal Excise Tax.** The federal government also imposes an excise tax on cigarettes and other tobacco products. In 2009, this tax was increased by 62 cents per pack (to a total of \$1.01 per pack) to help fund the Children's Health Insurance Program, which provides subsidized health insurance coverage to children in low-income families.

**Existing State and Local Sales and Use Taxes.** Sales of cigarettes and other tobacco products are also subject to state and local sales and use taxes. These taxes are imposed on the retail price of a product, which includes excise taxes that have generally been passed along from distributors. The average retail price of a pack of cigarettes in California currently is over \$5. More than \$400 million in annual revenues from sales and use taxes on cigarettes and other tobacco products go to the state and local governments.

### Current Health Research and Tobacco Cessation Activities

Across the country, substantial amounts of money are spent on research related to cancer and tobacco-related diseases, such as heart disease. For example, the federal National Institutes of Health provide several billion dollars annually for grants and research in these areas. Private entities and nonprofits also provide funds for such research. In California, the University of



California (UC) is one of the primary recipients of these research dollars. In addition, UC uses some state funds for this purpose.

Tobacco prevention and cessation programs are currently conducted by public entities, health insurers, and various other organizations. For example, approximately \$50 million a year from Proposition 99 revenues is used to fund tobacco prevention and cessation programs in California.

## PROPOSAL

This measure increases excise taxes on the distribution of cigarettes and other tobacco products. It uses the additional revenues raised for research on cancer and tobacco-related diseases (such as heart disease and emphysema), as well as for other specified purposes. The major provisions of the measure are described below.

### New State Tobacco Tax Revenues

This measure increases—effective October 2012—the existing state excise tax on cigarettes by \$1 per pack. The total state excise tax, therefore, would be \$1.87 per pack. The measure also creates a one-time “floor tax” on the majority of cigarettes that are stored by businesses at the time the new excise tax is levied. Floor taxes are typically used to prevent businesses from avoiding taxes by stockpiling products before a tax goes into effect.

Existing state law requires the Board of Equalization (BOE) to annually set a tax on other tobacco products—such as cigars and chewing tobacco—at an amount equivalent to the tax on cigarettes. Accordingly, this measure would also result in a comparable increase in the excise tax on other tobacco products, with the revenues supporting Proposition 99 purposes.

### How New Cigarette Tax Revenues Would Be Spent

Revenues from the cigarette excise tax increase would be deposited in a new special fund, called the California Cancer Research Life Sciences Innovation Trust Fund. These revenues would be dedicated to the support of research on cancer and tobacco-related diseases, as well as for other specified purposes. After compensating existing tobacco tax program funds for any losses due to the imposition of the new tax (as described in the next section), the remaining money would be distributed among five funds:

- ***Hope 2010 Research Fund.*** Sixty percent of the funds would be used to provide grants and loans to support research on prevention, diagnosis, treatment, and potential cures for cancer and tobacco-related diseases. The measure states that all qualified researchers would have an equal opportunity to compete for these research funds.
- ***Hope 2010 Facilities Fund.*** Fifteen percent would be used to provide grants and loans to build and lease facilities and provide capital equipment for research on cancer and tobacco-related diseases.
- ***Hope 2010 Tobacco Prevention and Cessation Fund.*** Twenty percent would be used for tobacco prevention and cessation programs administered by the California Department of Public Health (DPH) and the California Department of Education.

- ***Hope 2010 Law Enforcement Fund.*** Three percent would be allocated to state agencies to support law enforcement efforts to reduce cigarette smuggling, tobacco tax evasion, and illegal sales of tobacco to minors, and to otherwise improve enforcement of existing law.
- ***Hope 2010 Committee Account.*** Two percent would be deposited into an account that would be used to pay the costs of administering the measure, most of which would likely be reimbursing BOE for tax collection costs.

***Backfill of Existing Tobacco Tax Programs.*** This measure requires the transfer of some revenues from the trust fund to “backfill,” or offset, all revenue losses that are likely to occur to existing state cigarette and tobacco taxes that directly result from the imposition of the additional tax. These revenue losses would occur mainly because an increase in the price of cigarettes and other tobacco products generally reduces consumption and results in more sales for which taxes are not collected, such as Internet purchases and purchases of out-of-state products. This, in turn, would reduce the amount of revenues collected through the existing state excise taxes described above. The amount of backfill payments needed to offset any loss of funding in these areas would be determined by BOE.

### **Committee Established to Administer Trust Fund**

The trust fund would be overseen by a newly created Cancer Research Citizen’s Oversight Committee. The committee would be composed of the following nine members:

- Four members appointed by the Governor, three of whom are directors of one of the ten designated cancer centers in California.
- Two members appointed by the Director of DPH, at least one of whom has been treated for a tobacco-related illness.
- Three chancellors from UC campuses that are members of the California Institute for Quantitative Biosciences Research. (Currently, three UC campuses—Santa Cruz, Berkeley, and San Francisco—are institute members.)

***Authority Granted to the Committee.*** The measure authorizes the committee to administer the trust fund. The funds would have to be expended solely for the purposes described in the act. The funds would be allocated by the committee. Thus, they would not be subject to appropriation by the Legislature. Furthermore, these funds could not be loaned to other state funds.

The measure gives the committee the authority to:

- Develop short- and long-term financial plans.
- Establish a process for soliciting, reviewing, and awarding grants and loans for researchers and facilities.
- Appoint a chief executive officer and other employees.
- Establish policies regarding intellectual property rights arising from research funded by this measure.

## Other Major Provisions

***Transfers Permitted From Facilities Fund.*** In the event the committee determines that there is a surplus in the Hope 2010 Facilities Fund, the measure would authorize the committee to transfer the surplus money to the Hope 2010 Research Fund, the Hope 2010 Tobacco Prevention and Cessation Fund, or the Hope 2010 Law Enforcement Fund.

***Accountability Measures.*** The measure requires the committee to issue an annual report to the public that includes information on its administrative expenses, the number and amount of grants provided, and a summary of research accomplishments. The committee would also be required to have an independent financial audit each year. The measure includes conflict-of-interest provisions that govern the conduct of committee members, and includes specific criminal penalties for anyone convicted for the misuse of trust fund monies.

## FISCAL EFFECTS

This measure would have a number of fiscal effects on state and local governments. The major impacts are discussed below.

### Impacts on State and Local Revenues

***Revenues Would Be Affected by Consumer Response.*** Our revenue estimates assume that the proposed excise tax increase would be passed along to consumers. In other words, we assume that the retail prices of cigarettes and other tobacco products would be raised to include the excise tax increase. This would result in various consumer responses. The price increase would result in consumers reducing the quantity of taxable tobacco products they consume. Consumers could also change the way they acquire tobacco products so that fewer transactions are taxed, such as through Internet purchases or purchases of out-of-state products. While we believe a reasonable projection of consumer response is incorporated into our revenue estimates, they are still subject to some uncertainty.

***New Cigarette Excise Tax Revenues.*** We estimate that the increase in cigarette excise taxes required by this measure would raise about \$615 million in 2012-13 (partial-year effect) and about \$810 million in 2013-14 (the first full-year impact). Our estimate of the allocation of new cigarette excise tax revenues in 2013-14 is shown in Figure 2. After backfilling losses in existing tobacco excise tax revenue (described in more detail below), the new cigarette excise tax would generate an estimated \$735 million in net revenue in 2013-14 for the purposes described in the measure. The cigarette excise tax increase would generate somewhat lower amounts of revenue each year thereafter, based on our projections of continued declining cigarette consumption.

| <b>Figure 2</b>   |                   |                                    |
|---|-------------------|------------------------------------|
| <b>How Estimated Revenue From New Cigarette Tax Would Be Allocated</b>                |                   |                                    |
| <i>(Dollars in Millions)</i>  |                   |                                    |
|   | <b>Allocation</b> | <b>2013-14 Funding (Full Year)</b> |
| <b>Estimated revenue from new cigarette tax</b>                                       |                   | <b>\$810</b>                       |
| Less backfill to Proposition 99, Proposition 10, General Fund, and Breast Cancer Fund | —                 | -75 <sup>a</sup>                   |
| <b>Estimated Net Revenue</b>  |                   | <b>\$735</b>                       |
| <b>Allocation of estimated net revenue</b>  |                   |                                    |
| Research Fund   | 60%               | \$441                              |
| Facilities Fund   | 15                | 110                                |
| Tobacco Prevention and Cessation Fund   | 20                | 147                                |
| Law Enforcement Fund  | 3                 | 22                                 |
| Committee Account   | 2                 | 15                                 |

<sup>a</sup> LAO estimate. Backfill amounts would be determined by the Board of Equalization.

**Effects on Existing Tobacco Excise Tax Revenues.** The decline in consumption of cigarettes and other tobacco products caused by this measure would reduce revenues from the existing excise taxes that go to support Propositions 99 and 10 purposes, the General Fund, and the Breast Cancer Fund. The measure provides for the backfill of these losses from revenues raised by the new excise tax. We estimate that the amount of backfill funding needed to comply with this requirement would be about \$75 million annually, as shown in Figure 2.

As noted earlier, this measure would have an additional fiscal effect on excise taxes which go to support Proposition 99 purposes. Under current law, any cigarette tax increase triggers an automatic corresponding increase in the taxes on other tobacco products, with the additional revenues going to support Proposition 99 purposes. We estimate that the higher tax on other tobacco products would result in a full-year Proposition 99 revenue gain of about \$50 million, beginning in 2013-14.

**Effects on State and Local Sales and Use Tax Revenues.** Sales and use taxes are levied on a variety of products, including the retail price of tobacco products. The retail price usually includes the cost of all excise taxes. The higher retail price of tobacco products resulting from the new excise tax, therefore, would increase state and local revenue from the sales and use tax on tobacco products. This effect would be offset somewhat by several factors, including lower spending on other products subject to sales and use taxes. On net, we estimate an increase in revenue of about \$10 million to \$20 million annually.

**Effects on Excise Tax Collection.** As discussed above, the measure would deposit 3 percent of revenues from the new cigarette tax into a Law Enforcement Fund to support state law enforcement efforts. These funds would be used to support increased enforcement efforts to reduce tax evasion, counterfeiting, smuggling, and the unlicensed sales of cigarettes and other

tobacco products. The funds would also be used to support efforts to reduce sales of tobacco products to minors. These activities would have an unknown net impact on the amount of revenues collected through excise taxes.

### **Impact on State and Local Government Health Care Costs**

The state and local governments in California incur costs for providing (1) health care for low-income and uninsured persons and (2) health insurance coverage for state and local government employees and retirees. Consequently, changes in state law such as those made by this measure that affect the health of the general population—and low-income and uninsured persons and public employees in particular—would affect publicly funded health care costs.

For example, as discussed above, this measure would result in a decrease in the consumption of tobacco products. The use of tobacco products has been linked to various adverse health effects by federal health authorities and numerous scientific studies. Thus, this measure would reduce state and local government health care spending on tobacco-related diseases over the long term. This measure would have other fiscal effects that offset these cost savings. For example, the state and local governments would incur future costs for the provision of health care and social services that otherwise would not have occurred as a result of individuals who avoid tobacco-related diseases living longer. Thus, the net fiscal impact of this measure on state and local government costs is unknown.

**SB 1149 (DeSaulnier)  
As Amended – May 1, 2012**

**BAY AREA REGIONAL COMMISSION  
Fact Sheet**

**SUMMARY**

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SB 1149 reforms the regional governance process in the nine-county San Francisco Bay Area. To this end, the bill creates the Bay Area Regional Commission to coordinate regional planning and policy decisions dealing with transportation, housing, air quality, sustainable community strategies, economic development, and other regional issues.

In an effort to coordinate the planning activities of the four agencies, legislation was enacted in 2008 creating the Joint Policy Committee (JPC). Each of the four agencies has five appointments from their respective governing boards to the JPC. The appointees must be representatives of local governments.

**BACKGROUND**

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The San Francisco Bay Area is comprised of nine counties: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma.

The purpose of the JPC is to coordinate various regional planning documents, including the regional transportation plan prepared by MTC, BAAQMD's ozone attainment plan and clean air plan, ABAG's housing needs plan, and BCDC's San Francisco Bay Plan. The JPC is essentially an advisory agency. It has no enforcement authority and its membership is not independent of the organizations that appoint them.

It has four major regional institutions created between 1955 and 1970: the Metropolitan Transportation Commission (MTC), the San Francisco Bay Conservation and Development Commission (BCDC), the Bay Area Air Quality Management District (BAAQMD), and the Association of Bay Area Governments (ABAG).

**THIS BILL**

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Each agency has a unique responsibility. MTC is responsible for regional transportation planning, the programming and funding of major transportation projects, and through a subsidiary, the Bay Area Toll Authority, managing and establishing the tolls for the seven state-owned bay bridges. BCDC regulates the land uses of the bay shoreline. Federal and state air quality laws are implemented through regulation by BAAQMD. ABAG analyzes and forecast the region's population, provides advisory services on regional land use planning to MTC and other agencies, and allocates shares of the regional housing need to each city and county.

SB 1149 eliminates the JPC and replaces it with the Bay Area Regional Commission (BARC). BARC will be governed by a fifteen-member directly elected governing board. The elections for the nonpartisan board would be held in 2014 and the board members districts would be apportioned on the basis of population.

The governing boards of the existing four agencies are not abolished, but they will operate within a budgetary and policy framework established by BARC's board. The four agencies will function as divisions of BARC.

In an effort to achieve efficiencies the executive director of BARC will prepare a regional reorganization plan with the goal of eliminating

duplication and reducing overhead costs for personnel services, accounting activities, legal services, procurement, and other common functions. All cost savings will be directed to BARC's general fund.

SB 1149 requires the Commission to prepare a 20-year regional economic development strategy. The strategy is updated every four-years and its goals must be reflected in the regional plans. This is a new strategy. Currently, neither state nor federal law incorporates economic development into the regional planning process.

The goal of the economic development strategy is to ensure that the regional economy is capable of adapting to changes in technology, market demand, and direction of the national and international economy. The strategy must include recognition of unique environmental, social and cultural amenities that are found in and, in part, define the region.

BARC is required to adopt goals for integrating the regional planning policies of the four regional agencies with the economic development aspirations contained in the economic development strategy. The economic development plan will identify sectors of the economy characterized by under investment and limited employment opportunities, and recommend public and private investments that would enhance the probability of increasing employment opportunities.

In addition, BARC is required to ensure that all the regional plans are consistent with the Sustainable Communities Strategy and the regional economic development strategy.

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**OPPOSITION**

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None on File

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**FOR MORE INFORMATION**

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Art Bauer  
Senate Transportation and Housing Committee  
(916) 651-4121

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**STATUS**

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May 8<sup>th</sup> – Senate Transportation and Housing  
Committee Hearing

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**SUPPORT**

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None on File

## SB 1149 - Potential Impacts to Existing Seats

| Committee   | County     |            |                  | Solano Cities |           |             | Other    |
|---|------------|------------|------------------|---------------|-----------|-------------|----------|
|   | Kondylis   | Seifert    | Spering          | Batchelor     | Price     | Sanchez     | Lunstrom |
| <b>NATIONAL</b>                                   |            |            |                  |               |           |             |          |
|   | District 1 | District 2 | District 3       | Dixon         | Fairfield | Suisun City | Larkspur |
| ABAG Executive Board                              | Primary    | Alternate  |                  | Primary       | Primary   |             |          |
| ABAG General Assembly                             | Primary    | Alternate  |                  |               |           |             |          |
| Management Facility Allocation Committee          | Primary    |            |                  |               |           | Primary     |          |
| ABAG Regional Planning Committee                  |            | Primary    |                  |               | Primary   |             |          |
| Bay Area Air Quality Management District (BAAQMD) |            |            | Primary          |               |           |             |          |
| BAAQMD Sub Committees                             |            |            | Primary          |               |           |             |          |
| Bay Conservation & Development Commission (BCDC)  |            |            |                  |               |           | Alternate   | Primary  |
| Metropolitan Transportation Commission (MTC)      |            |            | Primary (Suisun) |               |           |             |          |



**SOLANO  
City-County Coordinating Council  
Staff Report**

**Meeting of:** May 10, 2012

**Agency/Staff:** Matt Walsh, Solano County

**Title /Subject:** Approval of a Delegation Agreement (DA) between ABAG and the Solano County Regional Housing Needs Allocation (RHNA) Subregion

**Background/Discussion:**

Under State Housing Element law, the Regional Housing Needs Allocation (RHNA) process is the procedure for allocating a “fair share” of housing units, in all income categories, to each city and county in California, including the Bay Area. Under State law, the Association of Bay Area Governments (ABAG) is responsible for formulating the methodology and allocating the housing units to each jurisdiction. The RHNA planning period has historically addressed a 7 year planning period, however, as referenced below, the next RHNA cycle will be for an 8 year planning period.

For comparative purposes, in the 1999 – 2006 RHNA cycle, the combined total of Solano County agency’s allocations was 18,681 housing units. For the 2007 – 2014 cycle, Solano County was allocated a combined total of 12,985 housing units. It is anticipated that the allocation for the upcoming RHNA period will be lower since it relies heavily on locating housing near Priority Development Areas that include transit hubs and employment centers of which the inner Bay Area and San Jose have the majority.

Also as provided for under State law, contiguous cities and counties may choose to come together and form a subregion. Under the RHNA process, a subregion is allocated a total number of units, and the subregion itself must develop its own internal methodology for distributing those units among its agencies. The methodology must comply with both California housing law and with the Sustainable Communities Strategy (SCS) which promotes the development of housing in employment and transit based areas. Once the allocation is final, each agency must then update its Housing Element to incorporate those units into its next planning period for the years 2015 – 2022.

In February and March of 2011, Solano County and each of its cities passed resolutions to form and participate in a Solano Subregion. Solano is one of three counties in the Bay Area electing to utilize a subregional approach. The others are Napa County and San Mateo County. Formation of a subregion allows for more local control and coordination among the County and each of its cities in the allocation process.

The Subregional process includes the requirement for each subregion to enter into a DA with ABAG prior to ABAG allocating units to the subregion and other agencies. The DA is in the form of a memorandum of understanding and is attached as Attachment 1. The primary intent of the DA is to commit the subregion to carrying out the housing allocation responsibilities as outlined in State law (Gov. Code Sect. 65584.03). Key aspects of the DA include:

- The DA is not enforceable by either party and is more of a “good faith agreement”.
- The DA allows any member agency to withdraw from the Subregion and be given a housing allocation based on the regional methodology. The deadline for an agency to withdraw from the subregion is the last day of the allocation appeal period, currently set for January 11, 2013.
- The Subregion’s allocated share of regional growth is based on a ratio between its total housing unit growth and the region’s total housing unit growth for the years 2015 – 2022 in the “Jobs-Housing Connection Scenario” in the SCS.

The executed DA is due to ABAG no later than May 16, 2012, and ABAG is expected to release a draft subregional allocation on May 17, 2012 for review and comment. The final draft regional methodology will be adopted by the ABAG Executive Board on July 19, 2012 with release of the allocation on July 20, 2012. The current RHNA and SCS schedule is attached to the DA.

**Recommendation:** Approve the Delegation Agreement (DA), authorize the Chair to sign the DA, and direct staff to submit an executed copy to ABAG.

## MEMORANDUM OF UNDERSTANDING

### DELEGATION OF SUBRHNA RESPONSIBILITIES TO THE SOLANO COUNTY SUBREGION

The following local governments (Attachment A) that have formed a “subregion” (Subregion) as described in Government Code Section 65584.03 (all subsequent references to the Government Code will be “Govt C.”) and the Association of Bay Area Governments (ABAG) which is the “council of governments” for the San Francisco Bay Area as described in Govt C. Section 65582(b) enter into this Memorandum of Understanding (MOU) based on the following common understanding:

- A. The Housing Element Law (Govt C. Sections 65580 – 65589.8, inclusive) provides for a regional housing need allocation process (RHNA) described in Govt C. Sections 65584 – 65584.05, inclusive.
- B. For the fifth revision of RHNA, Govt C. Section 65584.03 provides that certain combinations of local governments may form a subregion to perform RHNA for themselves (SubRHNA).
- C. The statute:
  - (1) has explicit directions to ABAG and the Subregion on how to conduct RHNA and SubRHNA;
  - (2) explicitly describes some of the discretion granted ABAG and the Subregion in choosing processes and outcomes for RHNA and SubRHNA;
  - (3) leaves some patent (known) ambiguities as to how RHNA and SubRHNA are to be conducted; and
  - (4) may also leave some latent (unknown) ambiguities.
- D. The current schedule for the fifth revision of the RHNA for the San Francisco Bay Region is set forth in Attachment B. The schedule in Attachment B may be modified only after written notice to each subregion and only after the agreement of any subregion adversely affected by the proposed change.

ABAG and the Subregion agree to undertake their respective implementation of RHNA and SubRHNA under this Delegation Agreement (Agreement) in the following manner:

#### 1. Formation of Subregion

The Subregion has submitted to ABAG resolutions adopted by the governing bodies of each local government in the subregion authorizing the local government’s participation in the Subregion for the purpose of carrying out SubRHNA.

#### 2. Data Collection and Development

The RHNA Law requires ABAG to conduct a data survey ABAG will provide the Subregion with the data it collects and develops. Subregion acknowledges that ABAG does not have the resources to reformat or retabulate data at the subregional level or otherwise manipulate the data at the Subregion’s request.

### 3. Regional Housing Need Determination: Subregional Share

The California Department of Housing and Community Development (HCD) has released the regional housing need (RHND) on February 24, 2012 (See Attachment B for the current schedule for RHNA and SCS activities). As soon as practical after receipt of the RHND from HCD, ABAG will notify the Subregion of the RHND.

ABAG will determine each subregion's share of the RHND in two (2) steps:

- a. The Subregion's share of total dwelling units in the RHND will be the ratio between the Subregion's total housing unit growth and the region's total housing unit growth for the period from 2014 to 2022 as reflected in the "Jobs-Housing Connection Scenario" schedule to be adopted by ABAG in May 2012 as part of the "Sustainable Communities Strategy" to be included in the Regional Transportation Plan. The precise method for allocating total housing units to the subregions will be released for comment by the ABAG Executive Board on May 17, 2012. A public hearing on the allocation to subregions will be included as part of the public hearing scheduled at the ABAG Regional Planning Committee meeting of June 6, 2012. Final adoption of the allocation to subregions is scheduled to occur at the ABAG Executive Board meeting of July 19, 2012.
- b. The method for allocating the Subregion's share of RHND by income will be the same method that is used for allocating the region's share of the RHND by income in ABAG's final RHNA methodology scheduled for adoption by the ABAG Executive Board on July 19, 2012.

### 4. Release of Initial Draft Allocations

ABAG will issue initial draft allocations, including allocations for each of the local governments that are members of the Subregion (Draft Default Allocations), no later than July 20, 2012 and will close the period for local jurisdictions to request a revision effective September 18, 2012.

### 5. Possible Default and Dissolution of Subregion

- a. If prior to ABAG's deadline for requests for revisions (currently set for September 18, 2012) any member of the Subregion notifies ABAG in writing that it is withdrawing from the Subregion, then the withdrawing member will participate in the RHNA using their Draft Default Allocations subject to the timelines and procedures applicable to the other jurisdictions in the region, including but not limited to those governing requests for revisions under Govt C. Section 65584.05(b).
- b. If prior to ABAG's deadline for appeals (currently set for January 11, 2013), any member of the Subregion notifies ABAG in writing that it is withdrawing from the Subregion, then the withdrawing member will participate in the RHNA using their Draft Default Allocations subject to the timelines and procedures applicable to the other jurisdictions in the region, including but not limited to those governing appeals under Govt C. Section 65584.05(d).
- c. Members of a subregion may not withdraw from the Subregion after ABAG's deadline for appeals.

6. Final Allocations

- a. ABAG will issue the final RHNA, including allocations for each of the local governments that are members of the Subregion (Final Default Allocations) on the same date as it issues final allocations for the region (currently scheduled for April 12, 2013). ABAG is currently scheduled to conduct a public hearing on, and adopt, the Final RHNA on May 16, 2013.
- b. The Subregion will adopt its final SubRHNA by February 1, 2013 pursuant to a resolution containing consistency findings that meet the requirements of Govt. C. Section 65584.04(i)(3) and transmit the final SubRHNA and a certified copy of the resolution to ABAG for inclusion in the final RHNA.
- c. ABAG will either accept the final SubRHNA and the consistency findings made in the SubRHNA resolution or notify the Subregion of the flaws in the consistency findings. If the latter occurs, ABAG and the Subregion will meet and agree an approach that will meet the requirements in Govt C. Section 65584.04(i)(3).

7. Amendments to and Enforcement of this Agreement and Liability

- a. ABAG and the Subregion are each undertaking the responsibility to conduct a State mandated process (RHNA and SubRHNA, respectively) for the benefit of their respective members. This Agreement memorializes what each party understands is the cooperation and coordination needed for each to carry out its RHNA or SubRHNA responsibilities at the time this Agreement is executed. Changes in exigent circumstances or the RHNA Law may cause a party to conclude that this Agreement should be amended. All amendments to this Agreement must be in writing and executed by the original signatories, or their designees.
- b. If the parties cannot agree on changes to this Agreement or if one or both parties believe the other is in breach of this Agreement, the parties agree that none of them will seek any legal or equitable remedy, including, but not limited to specific performance, petition for a writ or direct or consequential damages.
- c. None of the parties to this Agreement assumes any responsibility for the acts or omissions of any other party. None of the parties to this Agreement intends to create any third party beneficiaries of this Agreement.

8. Validity

- a. Each party hereby represents to the other(s) that the signatory to this Agreement has the requisite authority to execute this Agreement on their behalf. The other party(ies) are entitled to rely on such representation regardless of whatever information it may have to the contrary.
- b. The following are the Contact Persons for ABAG and the Subregion with respect to any issues arising out of this Agreement, including but not limited to receipt of notices, the responses to notices or questions or representations regarding the status of ABAG or the Subregion or RHNA or SubRHNA. Each party is entitled to rely on the actions, or inaction, of the Contact Person as though given by ABAG or the Subregion.

|                  |                    |
|------------------|--------------------|
| ABAG Contact:    | Subregion Contact: |
| Name: _____      | Name: _____        |
| Address: _____   | Address: _____     |
| City: _____      | City: _____        |
| State/Zip: _____ | State/Zip: _____   |
| Telephone: _____ | Telephone: _____   |

ASSOCIATION OF BAY AREA GOVERNMENTS SUBREGION


By \_\_\_\_\_  
Ezra Rapport, Executive Director

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

APPROVED AS TO FORM AND CONTENT:

APPROVED AS TO FORM AND CONTENT:

By \_\_\_\_\_  
Kenneth K. Moy, Legal Counsel

By   
Name: James W. Laughlin  
Title: Deputy County Counsel

## **Attachment A: Jurisdictions that Have Formed a Subregion**

### **Napa County**

American Canyon

Calistoga

Napa

St. Helena

Yountville

Unincorporated Napa County

### **San Mateo County**

Atherton

Belmont

Brisbane

Burlingame

Colma

Daly City

East Palo Alto

Foster City

Half Moon Bay

Hillsborough

Menlo Park

Millbrae

Pacifica

Portola Valley

Redwood City

San Bruno

San Carlos

San Mateo

South San Francisco

Woodside

Unincorporated San Mateo County

### **Solano County**

Benicia

Dixon

Fairfield

Rio Vista

Suisun City

Vacaville

Vallejo

Unincorporated Solano County

## 2014-2022 RHNA / SCS Schedule

This schedule aligns the milestones for the RHNA with those of the SCS/RTP. The dates for each milestone take statutory requirements for public comment, local government response, etc. into account.

|    |  | ABAG RHNA Milestones      | SubRHNA Milestones | SCS/RTP Milestones |
|----|--|---------------------------|--------------------|--------------------|
| 1  | Subregions Form  |                           | Mar. 2011          |                    |
| 2  | Present SCS Alternative Scenario Concepts for Initial Review   |                           |                    | June 10, 2011      |
| 3  | Release Block Grant Concept  |                           |                    | July 2011          |
| 4  | Review RHNA Methodology Concepts at ABAG Executive Board   | Sept. 2011                |                    |                    |
| 5  | Transportation Project Assessment to MTC Planning Committee  |                           |                    | Oct./Nov. 2011     |
| 6  | Release SCS Alternative Scenario Results for Public Review   |                           |                    | Dec. 2011          |
| 7  | County Public Workshops  |                           |                    | Jan. 2012          |
| 8  | Dept. of Housing and Community Development (HCD) Issues RHND <sup>1</sup>  | Feb. 24, 2012             |                    |                    |
| 9  | Release Draft SCS Jobs-Housing Connection Scenario & OneBayArea Grant Proposal   |                           |                    | Mar. 2012          |
| 10 | Release Preliminary Draft RHNA Method  | Mar. 2012                 |                    |                    |
| 11 | MTC and ABAG Adopt SCS Jobs-Housing Connection Scenario & OneBayArea Grant   |                           |                    | May 2012           |
| 12 | EIR Kick-Off (Scoping) Public Meeting  |                           |                    | May 2012           |
| 13 | ABAG Releases Draft Method and Assigns Preliminary Subregional Shares <sup>2</sup><br><i>Action to be taken by ABAG Executive Board</i>    | May 17, 2012              |                    |                    |
| 14 | Public hearing on Draft Method and Preliminary Subregional Shares at ABAG Regional Planning Committee <sup>3</sup>                         | June 6, 2012              |                    |                    |
| 15 | ABAG Adopts Final Method<br><i>Action to be taken by ABAG Executive Board</i>  | July 19, 2012             |                    |                    |
| 16 | ABAG Releases Draft Allocation <sup>4</sup><br><i>Action to be taken by ABAG Executive Board</i>   | July 20, 2012             |                    |                    |
| 17 | Deadline for Local Requests for Revisions to Draft Allocation <sup>5</sup>   | Sept. 18, 2012            |                    |                    |
| 18 | Release Draft SCS/RTP and Draft EIR  |                           |                    | Nov. 2012          |
| 19 | Release Draft Air Quality Conformity Analysis  |                           |                    | Jan. 2013          |
| 20 | ABAG Responds to Requests for Revisions <sup>6</sup>   | By Nov. 15, 2012          |                    |                    |
| 21 | Deadline for Local Appeals to Draft Allocation   | Jan. 11, 2013             |                    |                    |
| 22 | Respond to Comments on Draft SCS/RTP EIR and Air Quality Conformity Analysis   |                           |                    | Feb. 2013          |
| 23 | Public Hearing on Local Appeals of ABAG Response to Revision Requests <sup>7</sup>   | Between Feb. 20 -25, 2013 |                    |                    |
| 24 | Deadline for Subregions to Submit Final Allocation and Resolution of Consistency with the SCS to ABAG for Review and Possible Consultation |                           | Feb. 1, 2013       |                    |
| 25 | ABAG Issues Final Allocation <sup>8</sup>  | April 12, 2013            |                    |                    |
| 26 | Adopt RTP/SCS, Certify EIR, Make Conformity Determination  |                           |                    | April 2013         |
| 27 | ABAG Adopts Final Allocation at Public Hearing <sup>9</sup><br><i>Action to be taken by ABAG Executive Board</i>                           | May 16, 2013              |                    |                    |
| 28 | Local Governments Adopt Housing Element Revision   | Oct. 2014                 |                    |                    |

<sup>1</sup> The date for HCD to determine the RHND has been set at this date by mutual agreement between ABAG and HCD.

<sup>2</sup> The survey of local governments regarding the statutory RHNA factors must be conducted within the 6 months prior to this date. GC §65584.04(b)

<sup>3</sup> GC §65584.04(h) requires a public hearing and 60-day comment period on the draft method.

<sup>4</sup> There is no statutory requirement that there be a gap between adoption of the final method and issuance of the draft RHNA.

<sup>5</sup> Local jurisdictions have 60 days to review allocation and request revisions. GC §65584.05(b)

<sup>6</sup> ABAG has up to 60 days to respond to requests for revisions, may be compressed. GC §65584.05(c)

<sup>7</sup> A hearing must take place no earlier than 40 days and no more than 45 days after the deadline to file appeals. GC §65584.05(e)

<sup>8</sup> Must occur within 45 days after completion of appeal process. Could be compressed to 0 days. GC §65584.05(f)

<sup>9</sup> Must occur within 45 days of issuance of final allocation. No minimum interval required. GC §65584.05(h)





DATE: May 4, 2012  
TO: 4Cs  
FROM: Robert Macaulay, STA Director of Planning  
RE: Update on OneBayArea Grant (OBAG) Update

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**Background:**

The Regional Transportation Plan (RTP) is the long-range transportation plan for the 9-county Bay Area. It is prepared every 4 years by the Metropolitan Transportation Commission (MTC). The RTP sets out a 25-year vision for the region's transportation system, establishes goals and milestones for achieving that vision, and lists projects that are designed to help meet those goals.

Senate Bill (SB) 375 is a measure designed to help implement the state's goals for reduction of Greenhouse Gas (GHG) emissions from cars and light trucks, and coordinate regional land use and transportation planning. SB 375 requires the development of Sustainable Community Strategies (SCS) that act as the land use element of the RTP. The SCS and RTP must result in projected reductions of GHG emissions to levels set by the state, and accommodate all of the projected growth in housing for the time period of the RTP/SCS. The Bay Area SCS is being developed by the Association of Bay Area Governments (ABAG) and MTC, with input from other regional agencies.

In late December 2011, MTC released a preview of updated the guidelines for the OneBayArea Grant (OBAG) program. OBAG will combine funds for local streets and roads maintenance, Transportation for Livable Communities (TLC), regional bicycle network and Congestion Management Agency (CMA) Planning activities. The draft OBAG program proposes to direct \$16 million to Solano County for the three year federal Cycle 2 funding. Safe Routes to Schools (SR2S) is eligible for OBAG funding, but will also be receiving funds that are specifically allocated to SR2S.

On April 4<sup>th</sup>, MTC staff released additional proposed amendments to the OBAG guidelines. Those amendments are included in the MTC memo provided as Attachment A. One of the most significant changes is the proposal to add one year to the OBAG cycle, and to increase the funding for the CMAs. For STA, the funding would increase from \$16 million over 3 years to \$20 million over 4 years.

At its meeting of April 11, 2012, the STA Board adopted the Existing Commitments and Local Streets and Roads (LS&R) set-aside at 60% of remaining OBAG funds. The estimated LS&R funds would be approximately \$8.3 million, and approximately \$5.5 million would be available for projects and programs.

**Discussion:**

MTC is proposing a number of restrictions on OBAG funds. Those restrictions are listed below. MTC is considering requiring projects that are requesting listing in the current Transportation Improvement Plan (TIP) to meet these requirements before TIP listing.

- Project Locations in Priority Development Areas (PDAs). For the four North Bay counties including Solano, 50% of the OBAG funds must be spent on projects that are in or directly connect to PDAs. This includes LS&R maintenance funds. There are 11 designated PDAs in Solano County and 1 proposed PDA.
- Complete Streets. MTC staff has proposed requiring local jurisdictions to adopt an ordinance in October 2012, in order to implement the Complete Street Act of 2008. No Solano County jurisdiction meets this requirement at this time.
- Housing Element Certification. This requires each local jurisdiction to have a housing element that is certified by the State Department of Housing and Community Development. All Solano County local jurisdictions, except the City of Benicia, currently meet this requirement.
- Development by each CMA of a PDA Growth Strategy, with detailed requirement for inventorying infrastructure needs and growth policies, with an emphasis on policies that support or restrict the development of low income housing.

The Bay Area CMAs have asked MTC to make adjustments to the draft OBAG guidelines. Those adjustments are:

- Allow until July 1, 2013, for jurisdictions to adopt a Complete Streets strategy, in the form of a General Plan amendment, Ordinance or other enforceable action.
- Change the PDA Growth Strategy into a PDA Transportation Investment Strategy.
- Allow jurisdictions until the end of the 4-year OBAG cycle to develop a PDA strategy. The current proposal to require 50% of OBAG funds to be spent in PDAs is an adequate short-term requirement to obtain PDA-focused investments. The results of this PDA-focused spending can be measured and reported upon at the end of the OBAG cycle.
- Work with the CMAs and local jurisdictions to finalize the PDA Transportation Investment Strategy for inclusion in the next RTP.
- Allow projects that already meet the intent of the OBAG program to be advanced now. Several of the CMAs have projects ready now that meet the intent of the OBAG program and the funding requirements of STP/CMAQ funds, and should be allowed to move forward now, and not be held up by policies that will take time to develop. This should include allowing projects that meet the OBAG intent to move forward even if a jurisdiction does not currently meet the OBAG requirements

STA has asked each jurisdiction and advisory committee to identify its priority projects and submit detailed information by May 4, 2012. The schedule for review of the Solano OBAG projects review is as follows:

|         |  |
|---------|--|
| May 15  | Solano PDWG Review of Solano OBAG Project Deliverability         |
| May 23  | MTC Adoption of OBAG Guidelines                                  |
| May 30  | TAC Recommends Draft Solano OBAG Projects and Program Funding    |
| June 13 | STA Board reviews Draft Solano OBAG Projects and Program Funding |
| June 20 | TAC Recommends Final Solano OBAG Project and Program Funding     |
| July 11 | STA Board Adoption of Solano OBAG Project and Program Funding    |