

**ACTION MINUTES OF TULARE
CITY COUNCIL, CITY OF TULARE**

September 19, 2017

A regular session meeting of the City Council, City of Tulare was held on Tuesday, September 19, 2017, at 7:00 p.m., in the Tulare Public Library & Council Chambers, 491 North "M" Street.

COUNCIL PRESENT: Carlton Jones, Maritsa Castellanoz, Greg Nunley, Jose Sigala

COUNCIL ABSENT: David Macedo

STAFF PRESENT: Joe Carlini, Sarah Tobias, Willard Epps, Wes Hensley, Rob Hunt, Josh McDonnell, Michael Miller, Darlene Thompson, Trisha Whitfield, Roxanne Yoder

I. CALL TO ORDER REGULAR SESSION

Mayor Jones called the regular meeting to order at 7:04 p.m.

II. PLEDGE OF ALLEGIAND AND INVOCATION

Chris Soria led the Pledge of Allegiance and an invocation was given by Josh McDonnell.

III. CITIZEN COMMENTS

Mayor Jones requested those who wish to speak on matters not on the agenda within the jurisdiction of the Council, or to address or request a matter be pulled from the consent calendar to do so at this time. She further stated comments related to general business matters would be heard at the time that matter is addressed on the agenda.

There were no Citizen Comments.

IV. COMMUNICATIONS

There were no items for this section of the agenda.

V. CONSENT CALENDAR:

It was moved by Council Member Sigala, seconded by Vice Mayor Castellanoz, and unanimously carried 4 to 0 (Council Member Macedo absent) that the items on the Consent Calendar be approved as presented.

- (1) **Authorization to read ordinances by title only.**
- (2) **Approve minutes of September 5, 2017 regular meeting(s).**
- (3) **Authorize the City Manager or his designee to sign a contract amendment with Willdan Engineering of Fresno, CA in the amount of \$54,960 for additional design services on the EN0064 - 'E'. St. Improvements project between Bardsley Avenue and Rainier Court.**
- (4) **Adopt Resolution 17-41 to accept the Title VI Program for the City of Tulare transit service.**

VI. SCHEDULED CITIZEN OR GROUP PRESENTATIONS

There were no items for this section of the agenda.

VII. MAYOR'S REPORT

- (1) **Proclamation Recognizing Relay for Life of Tulare 2017.** Ashley Geary and Jessica Smith addressed the Council regarding Relay for Life of Tulare and thanked the City for their support. Mayor Jones presented a Proclamation in recognition of Relay for Life of Tulare 2017.

VIII. STUDENT REPORTS

- (1) **Introduction of new City Council Teens on Board Representatives, Wilmer Lazo (Tulare Union), Palwinder Dhillon (Tulare Union) and Lasha Nunez (Mission Oak).** Wilmar Lazo, Palwinder Dhillon and Lasha Nunez introduced themselves and reported on various school related activities.

IX. GENERAL BUSINESS

Comments related to General Business Items are limited to three minutes per speaker, for a maximum of 30 minutes per item, unless otherwise extended by the Council.

- (1) **Public Hearing:**
 - a. **Public Hearing to adopt Resolution 17-42 adopting a Mitigated Negative Declaration for General Plan Amendment No. 2017-02 and Zone Amendment No 720 and adopt Resolution 17-43 to approve General Plan Amendment No. 2017-02 providing for a change in land use designation on approximately 19.5 acres, located on the east side of Mooney Boulevard approximately 1,700 feet north of Tulare Avenue, from Community Commercial and Medium Density Residential to Low Density Residential, and pass-to-print Ordinance**

17-07 approving Zone Amendment No. 720, changing the existing zoning from the C-3 (Retail Commercial) and R-M-2 (Multi-Family Residential) zone districts to the R-1-6 (Single Family Residential, 6,000 square foot minimum lot size) zone district. Council Member Nunley declared a financial conflict and recused himself from discussions.

Contract Planner, Dawn Marple, provided a report for the Council's review and consideration. Mayor Jones opened the public hearing at 7:21 p.m. Shawn Day addressed the Council in support of the project. Unidentified speaker from Hanford addressed the Council regarding the project and if it complied with certain requirements. Community & Economic Development Director Josh McDonnell responded thereto. Chris Pimentel addressed the Council inquiring if there could be consideration to having a shared cost brick wall. The Applicant noted that they would work with the neighbors regarding that request. With no further comments, Mayor Jones closed the public hearing at 7:24 p.m.

Following discussion, it was moved by Council Member Sigala, seconded by Vice Mayor Castellanoz and carried 3 to 0 (Council Member Macedo absent, Council Member Nunley recused) to adopt Resolution 17-42, as presented; it was further moved by Council Member Sigala, seconded by Vice Mayor Castellanoz and carried 3 to 0 (Council Member Macedo absent, Council Member Nunley recused) to adopt Resolution 17-43, as presented; last, it was moved by Council Member Sigala, seconded by Vice Mayor Castellanoz and carried 3 to 0 (Council Member Macedo absent, Council Member Nunley recused) to pass-to-print Ordinance 17-07, as presented.

(2) City Manager:

a. Consideration for appointment three members to the City of Tulare Measure I Oversight Committee, one member to the Planning Commission and one member to the Board of Public Utilities.

Following discussion, it was moved by Mayor Jones, seconded by Vice Mayor Castellanoz and carried 3 to 1 (Council Member Sigala voting no, Council Member Macedo absent) to appoint Chris Soria to the Board of Public Utilities.

Following discussion, it was moved by Vice Mayor Castellanoz, seconded by Council Member Nunley, and carried 4 to 0 (Council Member Macedo absent) to appoint Joshua Cox to the Planning Commission. Mayor Jones requested that a reorganization of the Planning Commission be brought for consideration at the next meeting.

Following discussion, Mayor Jones selected Maria Grijalva as his seat's representative and Council Member Nunley selected Nic Ferreira as his

seat's representative to serve on the Measure I Oversight Committee. The fifth seat to be filled by Council Member Macedo will be agendaized for the next meeting.

- b. Consideration of a letter from the Tulare City Council to the Chairman of the State Audit Committee to perform a formal audit on the Tulare Local Healthcare District Hospital bonds and operations.** City Attorney Sarah Tobias advised Council if they should decide to draft a letter that the City Attorney's Office be included to ensure that the process, from a legal standpoint, is followed appropriately. Following a lengthy discussion and comments, it was moved by Council Member Nunley, seconded by Mayor Jones and carried 3 to 1 (Council Member Sigala voting no and Council Member Macedo absent) to continue this item to the next meeting to have a full Council consider the request.

Mayor Jones allowed the public to comment on the matter. Katie Wagner, Chris Soria, Alberto Aguilar and Jesse Salcido addressed the Council regarding this matter.

- c. Consideration of a letter from the Tulare City Council to local congress members urging their legislative support of Deferred Action for Childhood Arrivals (DACA) to ensure a permanent solution regarding the President's "wind down" of the program.** Jessica Macias Malcado, Pedro Hernandez, Jose Loza, Alex Chavez, Katie Wagner obo Donna Serna, Mario Magelino & Benny Corona, Katie Wagner, Omar (did not state last name), Sal Casarez, Ricardo Franco, Wilmer Lazo, Lasha Nunez, Andrea Kelly, and Paul Vargas addressed the Council in support of DACA. Following comments, it was moved by Council Member Sigala, seconded by Vice Mayor Castellanoz and carried 4 to 0 (Council Member Macedo absent) to approve the letter including addressing to Senator McCarthy.

X. COUNCIL/STAFF UPDATES, REPORTS OR ITEMS OF INTEREST – GC 54954.2(3)

XI. ADJOURN TO CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION(S):

Mayor Jones adjourned to closed session at 9:40 p.m.

- (a) 54956.8b Conference with Real Property Negotiators**
Property: Located in Tulare California at the South East Corner of East Alpine Avenue and Nelder Grove Street (Portion of APN 172-040-079)
Under Negotiation: Price, terms, conditions regarding disposition of property
Negotiating Parties: Joseph Carlini, Steve Bonville, Mike Miller, Darlene Thompson, Rob Hunt, Sarah Tobias

- (b) **54956.9(5) Conference with Legal Counsel – Anticipated Litigation**
Case name unspecified: Disclosure would jeopardize service of process or existing settlement negotiations

XII. RECONVENE FROM CLOSED SESSION

Mayor Jones reconvened from closed session at 10:15 p.m.

XIII. CLOSED SESSION REPORT (if any)

Mayor Jones advised there was no reportable action.

XIV. ADJOURN REGULAR MEETING

Mayor Jones adjourned the regular meeting at 10:15 p.m.

President of the Council and Ex-Officio
Mayor of the City of Tulare

ATTEST:

Chief Deputy City Clerk and Clerk of the
Council of the City of Tulare

AGENDA ITEM: Consent

**CITY OF TULARE
AGENDA ITEM TRANSMITTAL SHEET**

**Submitting Department: Community & Economic Development – Housing & CDBG
Division**

For Council Meeting of: October 3, 2017

Documents Attached: Ordinance Resolution Staff Report Other None

AGENDA ITEM:

Approve the proposed project budget worksheets to be submitted as an amendment to the PY 2017/18 Community Development Block Grant (CDBG) Annual Action Plan to add specific activities and projects and direct staff to send the 30 day notice for the public hearing to amend said plan.

***IS PUBLIC HEARING REQUIRED:* Yes No**

BACKGROUND/EXPLANATION:

On August 1, 2017, council approved the City of Tulare's PY 2017/18 CDBG Annual Action Plan. The adopted Plan is attached hereto for Council's reference.

Following Council's approval on August 1, 2017, staff continued to work with the public, other City departments and Non-Profit Organizations to identify additional activities and projects that may be accomplished utilizing CDBG funding. The key factor associated with the activities identified below is the timeliness with which they could be completed. Staff now submits the additionally identified CDBG eligible activities to Council for preliminary review and direction, prior to the setting of a public hearing to amend the PY 2017/18 CDBG Annual Action Plan, as follows:

Activity 1: Senior Center upgrades

Project will include but not be limited to ADA upgrades, interior/exterior paint, restroom upgrades, new carpeting, and new seating.

Proposed CDBG allocation: \$200,000

Activity 2: Real property acquisition – Bender Park

The Park is currently owned by the Tulare City school district. The purchase will allow for needed Park improvements such as ADA upgrades, new playground equipment, and an increase in lighting for public safety.

Proposed CDBG allocation: Will be based upon fair market value appraisal of property (approximately 10 acres of open space)

Activity 3: Sidewalk Improvements – “O” Street adjacent to Tulare County Fair Grounds

Project will include the installation of sidewalk along “O” Street and ADA upgrades to existing sidewalk adjacent to the Tulare County Fair Grounds.

Proposed CDBG allocation: \$200,000

Activity 4: Purchase of West Side Fire Station (#62) Fire Apparatus and Equipment

Purchase of a new fire apparatus, vehicle extraction equipment (Jaws of Life) and Emergency Medical Service (EMS) equipment to be housed strictly at Station 62 and which will serve residents in West Tulare.

Proposed CDBG allocation: \$620,000

Should Council approve the activities and projects set forth herein, staff will immediately publish a 30 day notice to set a public hearing for Council’s consideration and adoption of an amendment to the City’s PY 2017/18 CDBG Annual Action Plan to include such activities and projects.

STAFF RECOMMENDATION:

Approve the proposed project budget worksheets to be submitted as an amendment to the PY 2017/18 Community Development Block Grant (CDBG) Annual Action Plan to add specific activities and projects and direct staff to send the 30 day notice for the public hearing to amend said plan.

CITY ATTORNEY REVIEW/COMMENTS: Yes N/A

IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED: Yes No N/A

FUNDING SOURCE/ACCOUNT NUMBER: CDBG Entitlement Funds

Submitted by: Josh McDonnell

Title: Community Development Director

Date: September 25, 2017

City Manager Approval: _____

Attachments:

2017-18 City of Tulare Adopted CDBG Annual Action Plan
Project Budget Worksheets

FACILITIES MAINTENANCE PROJECT

PROJECT #
SENIOR CENTER REHAB/UPGRADES (CDBG)

PROJECT MANAGER: Steve Bonville/Rich Lujan

PROJECT DESCRIPTION & PURPOSE: ADA upgrades, interior/exterior paint, restroom upgrades, new carpeting, and new seating.

KEY POINTS: Compliance with the American Disabilities Act; Rehabilitation to an aged facility serving aging population in Tulare

PROJECT STATUS: Conceptual

PROJECTED START DATE: 11/1/2017

PROJECTED END DATE: 3/31/2018

FUTURE M & O: None

CRITERIA (1-8): Criteria 5: Project extends an existing City Program or function to meet the Council's vision and explicit direction.

Costs Description	Fiscal Year					Total	Unfunded
	2016/17	2017/18	2018/19	2019/20	2020/21		
001 - Conceptual	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	\$0.00
002 - Preliminary Design	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	\$0.00
003 - Environmental	\$0.00	\$2,500.00	\$0.00	\$0.00	\$0.00	\$2,500	\$0.00
004 - Final Design	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	\$0.00
005 - Construct/Impliment	\$0.00	\$197,500.00	\$0.00	\$0.00	\$0.00	\$197,500	\$0.00
006 - Close Out	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	\$0.00
Total Costs:	\$0.00	\$200,000.00	\$0.00	\$0.00	\$0.00	\$200,000	\$0.00
Funding Sources							
022 - Gas Tax	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	\$0.00
077 - CDBG	\$0.00	\$200,000.00	\$0.00	\$0.00	\$0.00	\$200,000	\$0.00
021 - Measure 'R' Local	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	\$0.00
010 - Water Bonds CIP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	\$0.00
615 - Sewer/Wastewater CIP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	\$0.00
647 - Surface Water CIP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	\$0.00
Total Funding:	\$0.00	\$200,000.00	\$0.00	\$0.00	\$0.00	\$200,000	\$0.00

FIRE DEPARTMENT CIP

PROJECT #
Purchase of Fire Apparatus/Equipment (CDBG)

PROJECT MANAGER: Luis Nevarez

PROJECT DESCRIPTION & PURPOSE: Purchase of new fire apparatus, vehicle extraction equipment and Emergency Service Equipment to be housed strictly at Station #62 to serve West Tulare residents.

KEY POINTS: Public Safety service to Low/Mod Area

PROJECT STATUS: Conceptual

PROJECTED START DATE: 11/1/2017

PROJECTED END DATE: 3/31/2018

FUTURE M & O: None

CRITERIA (1-8): Criteria 8: Project replaces a capital asset that could reduce or eliminate the City's ability to operate a core program at some future time if it is not replaced or repaired.

Costs Description	Fiscal Year					Total	Unfunded
	2016/17	2017/18	2018/19	2019/20	2020/21		
001 - Conceptual	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	\$0.00
002 - Preliminary Design	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	\$0.00
003 - Environmental	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	\$0.00
004 - Final Design	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	\$0.00
005 - Construct/Impliment	\$0.00	\$620,000.00	\$0.00	\$0.00	\$0.00	\$620,000	\$0.00
006 - Close Out	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	\$0.00
Total Costs:	\$0.00	\$620,000.00	\$0.00	\$0.00	\$0.00	\$620,000	\$0.00
Funding Sources							
022 - Gas Tax	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	\$0.00
077 - CDBG	\$0.00	\$620,000.00	\$0.00	\$0.00	\$0.00	\$620,000	\$0.00
021 - Measure 'R' Local	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	\$0.00
010 - Water Bonds CIP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	\$0.00
615 - Sewer/Wastewater CIP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	\$0.00
647 - Surface Water CIP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	\$0.00
Total Funding:	\$0.00	\$620,000.00	\$0.00	\$0.00	\$0.00	\$620,000	\$0.00

PROPERTY MANAGEMENT PROJECT

PROJECT #
Real Property Acquisition (CDBG)

PROJECT MANAGER: Steve Bonville/Rob Hunt

PROJECT DESCRIPTION & PURPOSE: Purchase of Bender Park from Tulare City School District to allow for future public facility improvements to the Park.

KEY POINTS: Compliance with the American Disabilities Act; service to Low/Moderate income area

PROJECT STATUS: Conceptual

PROJECTED START DATE: 11/1/2017

PROJECTED END DATE: 3/31/2018

FUTURE M & O: None

CRITERIA (1-8): Criteria 5: Project extends an existing City Program or function to meet the Council's vision and explicit direction.

Costs Description	Fiscal Year					Total	Unfunded
	2016/17	2017/18	2018/19	2019/20	2020/21		
001 - Conceptual	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	\$0.00
002 - Preliminary Design	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	\$0.00
003 - Environmental	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	\$0.00
004 - Final Design	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	\$0.00
005 - Construct/Impliment	\$0.00	\$500,000.00	\$0.00	\$0.00	\$0.00	\$500,000	\$0.00
006 - Close Out	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	\$0.00
Total Costs:	\$0.00	\$500,000.00	\$0.00	\$0.00	\$0.00	\$500,000	\$0.00
Funding Sources							
022 - Gas Tax	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	\$0.00
077 - CDBG	\$0.00	\$500,000.00	\$0.00	\$0.00	\$0.00	\$500,000	\$0.00
021 - Measure 'R' Local	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	\$0.00
010 - Water Bonds CIP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	\$0.00
615 - Sewer/Wastewater CIP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	\$0.00
647 - Surface Water CIP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	\$0.00
Total Funding:	\$0.00	\$500,000.00	\$0.00	\$0.00	\$0.00	\$500,000	\$0.00

TRANSPORTATION PROJECT

PROJECT #EN00XX	ACCT #:
O' St. Sidewalk Improvements	
(Capital)	
(Capital)	
District(s): 3	

PROJECT MANAGER: Nick Bartsch

PROJECT DESCRIPTION & PURPOSE:

Sidewalk improvement project on 'O' St. between Bardsley Avenue and Martin Luther King Jr. Avenue.

KEY POINTS:

Traffic safety; Relief from potential liability concerns; Compliance to the American Disabilities Act

PROJECT STATUS:

Adjacent 'O' St. pavement and utility improvements project approved by TMT on 9/23/16

PROJECTED START DATE:

10/1/2017

PROJECTED END DATE:

3/31/2017

FUTURE M & O:

(Additional Cost & Department Responsibility)

No additional Cost

CRITERIA (1-8):

Criteria 7: Project addresses regulatory, safety, or environmental requirements that could threaten in whole or in part the City's ability to operate a core program or function at some future time if not replaced or repaired.

Costs Description	Fiscal Year					Total	Unfunded
	2017/18	2018/19	2019/20	2020/21	2021/22		
001 - Conceptual	\$0	\$0	\$0	\$0	\$0	\$ -	\$ -
002 - Preliminary Design	\$0	\$0	\$0	\$0	\$0	\$ -	\$ -
003 - Environmental	\$0	\$0	\$0	\$0	\$0	\$0	\$ -
004 - Final Design	\$26,000	\$0	\$0	\$0	\$0	\$26,000	\$ -
005 - Construct/impliment	\$174,000	\$0	\$0	\$0	\$0	\$174,000	\$ -
006 - Close Out	\$0	\$0	\$0	\$0	\$0	\$ -	\$ -
Total Costs:	\$200,000	\$0	\$0	\$0	\$0	\$200,000	\$ -
Funding Sources							
077 - CDBG	\$200,000	\$0	\$0	\$0	\$0	\$200,000	\$ -
							\$ -
							\$ -
Total Funding:	\$200,000	\$0	\$0	\$0	\$0	\$200,000	\$ -

**2017-18 City of Tulare
Community Development Block Grant Action Plan
Proposed Funding and Program Summary August 1, 2017**

Revenue	2017-18 Projected Funding
2017 CDBG Entitlement Grant	\$616,163
Estimate Program Income	16,000
Rehab Loan Repayments	16,000
Total 2017-18 Projected Budget	
\$616,163	

Proposed Expenditures	Proposed 2017-18 Budget
Administration (\$600,163 + \$16,000) x .2 max = \$123,233) Administration and Planning (CY PI Est) Administration Program Asst	\$123,233
Public Services (\$600,163 + \$76,735) x .15 max = \$101,535) Final 7/12/17 (2016-17 PI)	\$101,535
<i>Graffiti Cleanup</i> 1000 \$40,800	
<i>Continuum of Care Homeless Alliance</i> 120 \$10,000	
HUD Annual Homeless Point in Time Assessment	
Project Homeless Connect	
<i>Family Services of Tulare County</i> 10 \$15,000	
SPC / SNAP Program Case Management	
<i>Community Assistance Program</i> 20 \$35,735 *	
* (Adjustable Funding based on prior year program income balance)	
Housing Development & Renovation	\$191,395
Housing Rehabilitation/ 1 \$61,099	
Code Enforcement Substandard/ 1 \$30,000	
First Time Home Buyer 1 \$100,296	
Public Facilities and Infrastructure	\$150,000
* Public Facility Const - Site Impvmts 1 \$150,000 or Public Facility Rehabilitation	
Economic Development	\$50,000
Job Creation & Retention 1 \$50,000	
Total Proposed CDBG Expenditures	
\$616,163	

* Indicated funding limitations dependent on revenue received

ORDINANCE 17-07

AN ORDINANCE OF THE CITY OF TULARE AMENDING THE ZONING MAP OF THE CITY BEING A PART OF THE SECTION 10.04.04 OF SAID CODE ZONE AMENDMENT NO. 720

WHEREAS, the Council of the City of Tulare finds that this application is necessary to achieve the objectives of the Zoning Title prescribed in Section 10.04.02 of the Tulare City Code; and ,

WHEREAS, the Council of the City of Tulare finds that this zone change is in conformance with the adopted General Plan for the City of Tulare; and,

WHEREAS, the Council of the City of Tulare finds that the request will not be detrimental to the public interest, health, safety, convenience or welfare of the City; and,

WHEREAS, the Council of the City of Tulare finds that a Mitigated Negative Declaration has been prepared in accordance with the California Environmental Quality Act;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF TULARE AS FOLLOWS, to wit:

SECTION 1: The Zoning Map of the City of Tulare as referred to in Section 10.24.05 of the City Code of the City of Tulare, and as enacted, being made a part of the Zoning title of said Code in Section 10.04.04; thereof, a property portion of said map, being attached hereto, is hereby amended as follows:

REZONING 19.5 acres of property from the C-3 (Retail Commercial) and R-M-2 (Multi-Family Residential) zone districts to the R-1-6 (Single Family Residential, 6,000 square foot minimum lot size) zone district (APNs 172-100-001, and 172-070-003) located at the east side of Mooney Boulevard between Tulare Avenue and Seminole Avenue; as set forth more specifically on said map.

SECTION 2: All ordinances and parts of ordinances in conflict herewith are hereby repealed.

SECTION 3: This Ordinance shall be in full force and effect thirty (30) days from and after its passage, adoption, and approval.

PASSED, APPROVED, AND ADOPTED this 19th day of September 2017.

President of the Council and Ex-Officio
Mayor of the City of Tulare

ATTEST:

Chief Deputy City Clerk and Clerk of the
Council of the City of Tulare

AGENDA ITEM:

**CITY OF TULARE
AGENDA ITEM TRANSMITTAL SHEET**

Submitting Department: Engineering

For Council Meeting of: October 3, 2017

Documents Attached: Ordinance Resolution Staff Report Other None

AGENDA ITEM:

Approve the final map and short-term deferred improvement agreement for phase 7 of the Pleasant Oak subdivision, and accept all easements and dedications offered to the City.

IS PUBLIC HEARING REQUIRED: Yes No

BACKGROUND/EXPLANATION:

Planning Commission Resolution No. 4431, approving the tentative map for phases 5, 6 & 7 of the Pleasant Oak subdivision, was adopted on June 21, 2004. The subdivision is located on the west side of West Street, north of Cross Avenue, and comprises approximately 20.26 acres to be subdivided into 58 single family and 22 multiple family lots.

Merced JJR Valley Estates, LLC, a Delaware limited liability company, is the subdivider for phase 7 of this subdivision, which consists of 6 single-family residential lots located northwest of the intersection of Olema Avenue and Hall Street. The final map for phase 7 of the Pleasant Oak subdivision has been prepared by Forester, Weber & Associates, and has been submitted to the City for approval. The Engineering Department has examined the final map and determined it is in compliance both with the previously approved tentative map and the Subdivision Map Act. A copy of the final map is attached.

All required public improvements have been completed, with the exception of the installation of one street light on Olema Avenue. The subdivider is working with Southern California Edison (SCE) to install the street light, once the subdivision final map has recorded, thereby establishing the required public utility easement for placement of SCE's facilities. A short-term deferred improvement agreement, with accompanying cash deposit, will be the instrument securing installation of the street light. A copy of the draft agreement is attached.

STAFF RECOMMENDATION:

Approve the final map and short-term deferred improvement agreement for phase 7 of the Pleasant Oak subdivision, and accept all easements and dedications offered to the City.

CITY ATTORNEY REVIEW/COMMENTS: Yes N/A

The short-term deferred improvement agreement was submitted to the City Attorney for review and approval.

IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED: Yes No N/A
(If yes, please submit required budget appropriation request)

FUNDING SOURCE/ACCOUNT NUMBER: N/A

Submitted by: Michael Miller

Title: City Engineer

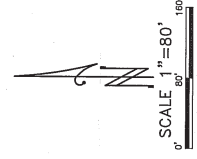
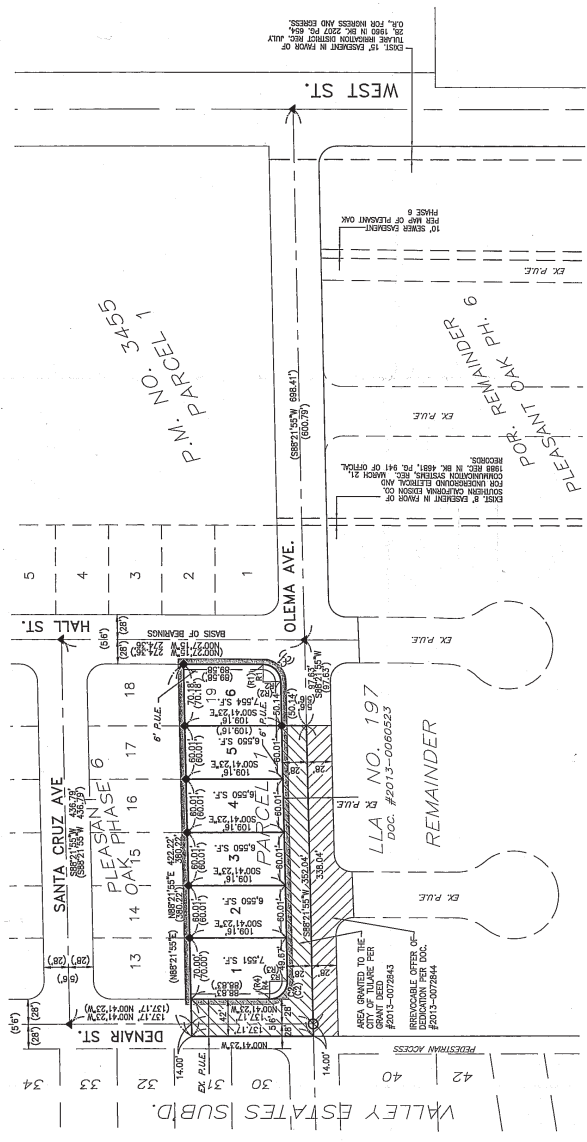
Date: September 25, 2017

City Manager Approval: _____

PLEASANT OAK NO. 7

BEING LOT 19 AND A PORTION OF THE REMAINDER OF PLEASANT OAK NO. 6 AS PER MAP RECORDED IN VOL. 43 OF MAPS AT THE CLERK'S OFFICE, SITUATED IN A PORTION OF THE SEC. 4, T.28S., R.24E., M.2M. IN THE CITY OF TULARE, COUNTY OF TULARE, STATE OF CALIFORNIA.

CURVE DATA	
CHORD BEING	ARC
1	100.00
2	100.00
3	100.00
4	100.00
5	100.00
6	100.00
7	100.00
8	100.00
9	100.00
10	100.00
11	100.00
12	100.00
13	100.00
14	100.00
15	100.00
16	100.00
17	100.00
18	100.00



- BASIS OF BEARINGS**
 The centerline of Hall St, taken as N 02°27'15" W as per map of Pleasant Oak No. 6, recorded in Vol. 43 of Maps at Pg. 9 T.C.R.
- LEGEND**
- ▲ 1/4" BRASS DISK FLUSH IN CONC. STAMPED PLS 4076 W/ 2 O/S
 - SET BRASS DISK IN CONC. STAMPED PLS 4076
 - ◆ FOUND 1/4" REBAR TAPPED PLS 4076
 - () SET 1/4" REBAR TAPPED PLS 4076 AT ALL LOT CORNERS
 - () RECORD REBAR CALLED IN REVISIONS TO PLEASANT OAK NO. 6 REC. IN VOL. 43 OF MAPS AT PG. 9 T.C.R.
 - PALE PUBLIC UTILITY EASEMENT
 - INDICATES SUBDIVISION BOUNDARY

RECORDING REQUESTED BY:

City of Tulare
411 East Kern Avenue
Tulare, CA 93274

WHEN RECORDED MAIL TO:

Same

**PURSUANT TO GOVERNMENT CODE SECTION 6103,
NO RECORDING FEE REQUIRED.**

**SHORT TERM DEFERRED
IMPROVEMENT AGREEMENT**

This Agreement, made and entered into this ____ day of _____, 20__ by and between **Merced JJR Valley Estates, LLC, a Delaware limited liability company**, hereinafter referred to as the "Owner," and the **City of Tulare**, a Municipal Corporation and Charter City, hereinafter referred to as the "City";

WITNESSETH:

WHEREAS, the OWNER has offered to the CITY , Tentative Final Map for Pleasant Oak No. 7, a subdivision map surveyed by Forester, Weber & Associates, L.L.C.; and

WHEREAS, as a condition of approval, a 9,500 lumen H.P.S.V. streetlight on a marbelite pole is required to be installed by OWNER on the east side of Denair Street; and

WHEREAS, the OWNER is requesting that the installation of the aforementioned streetlight be deferred for a period up to, but not exceeding, twelve (12) months from the date of this Agreement, to allow the subject subdivision map to record prior to completion of the required improvements; and

WHEREAS, the City Engineer has determined that the requested deferral is acceptable to the City, subject to the conditions of this Agreement.

NOW, THEREFORE, THE PARTIES AGREE as follows:

1. Construction of Improvements. The Developer hereby agrees to complete, or cause to be completed, the required installation of a 9,500 lumen H.P.S.V. streetlight (hereinafter "improvement") within twelve (12) months from the date of

this agreement. Said improvement shall be constructed in compliance with all applicable City Standards and Specifications, and shall be subject to the approval of the City Engineer. The Developer and/or his contract forces shall not commence any construction activities related to said improvement without first having obtained an encroachment permit from the City for construction of the same.

2. Security. The Developer shall provide to CITY, Security in the form of a Cash Deposit or Letter of Credit in the amount of \$5,000 for faithful performance of the improvement, prior to execution of this Agreement and subject to approval of the City Attorney. Failure of the OWNER to complete the improvement within the time limits set forth in Paragraph 1, above, shall entitle the CITY to make its own arrangements for construction of the improvements. The cost thereof, including all reasonable costs incurred by the CITY or City Engineer shall be deducted from the Security provided by OWNER and/or billed to OWNER, including all reasonable costs relating to causing the improvements to be constructed, the construction itself, and supervising of the construction. Should the OWNER complete the improvement in accordance with the terms of this Agreement, the provided Security shall be released to OWNER, upon City Council acceptance of the improvement as complete on behalf of CITY.
3. Term of Agreement. The term of this Agreement shall be the earliest of (i) completion of improvement by the OWNER, (ii) twelve (12) months from the date of this Agreement, or (iii) completion of the improvement by the City. Section 2 above shall survive the Term of Agreement and remain in full force and effect until such time that the terms and conditions of Section 2 have also been met and completed.
4. Notices. All notices or written demands to be given pursuant to this Agreement by either party shall be mailed by certified mail, return receipt requested, addressed as follows:

Developer: Merced JJR Valley Estates, LLC
222 North Garden Street, Suite 100
Visalia, CA 93292
(559) 732-2660

City: City of Tulare
Engineering Department
411 East Kern Avenue
Tulare, CA 93274
(559) 684-4207

Each party shall promptly notify the other in writing of any change in that party's mailing address.

5. Recordation of Agreement. Upon execution of this Agreement by the City and the Developer, this Agreement shall be recorded in the Office of the Tulare County Recorder. From and after the date of recordation, the terms and conditions of said Agreement shall be binding upon the heirs, executors, administrators, grantees, successors and assigns of the Developer until termination by recordation of a Notice of Completion issued by the City Engineer.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto as of the date first above written.

“City”

“Developer”

City of Tulare, California

**Merced JJR Valley Estates, LLC, a
Delaware limited liability company**

Michael W. Miller,
City Engineer

By: _____
Joseph A. Leal, President

Approved as to form:

City Attorney

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
)
County of Tulare)

On _____ before me, _____, Notary Public,
personally appeared _____ who proved to me on the basis of
satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or
the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

Signature _____ (SEAL)

RESOLUTION 17-_____

**A Resolution Accepting a Donation of an Urban Search and Rescue
(US&R) truck from The City of Clovis Fire Department**

WHEREAS, The City of Tulare is generally authorized to accept donations of real and personal property for the benefit of The City and its citizens; and,

WHEREAS, The City of Clovis Fire Department desires to donate to the City of Tulare Fire Department an Urban Search and Rescue truck; and,

WHEREAS, such a donation is being contributed to assist the City in establishment of condensing its current technical rescue equipment from truck and trailer to one single unit; and,

WHEREAS, The Tulare City Council finds that it is appropriate to accept said donation upon the terms and conditions offered; and,

WHEREAS, accepting and receiving the said donation will hereby declare our current US&R truck listed below to be surplus property of the city of Tulare.

Surplus Items

<i>Unit #</i>	<i>Year</i>	<i>Make</i>	<i>Model</i>
67	2003	Ford E450	Box/Van

NOW, THEREFORE, BE IT RESOLVED BY THE TULARE CITY COUNCIL as follows:

1. The gift by the City of Clovis Fire Department is accepted in order to establish and operate property for the betterment of the citizens of Tulare.
2. The City of Tulare Finance Department is hereby authorized to issue a receipt to the Donor acknowledging the receipt of the donation.

Mayor of the Tulare City Council

////

ATTEST:

STATE OF CALIFORNIA)
COUNTY OF TULARE) ss.
CITY OF TULARE)

I, Joseph Carlini, City Clerk of the City of Tulare, certify the foregoing is the full and true Resolution 17 -___ passed and adopted by the Council of the City of Tulare at a regular meeting held on October 3, 2017 by the following vote:

Aye(s) _____

Noe(s) _____ Abstention(s) _____

Dated:

JOSEPH CARLINI, CITY CLERK

By Roxanne Yoder, Chief Deputy

**CITY OF TULARE
SUMMARY TREASURER'S REPORT
SUMMARY OF ALL INVESTMENTS
AUGUST 31, 2017**

AGENDA ITEM Consent >

TYPE OF INVESTMENT	BOOK VALUE	MARKET VALUE	CURRENT YIELD	BOOK VALUE	
				% OF	TOTAL
UNRESTRICTED INVESTMENTS - SEE PAGE 2	97,471,737	96,709,420	1.456%	57.59%	
RESTRICTED INVESTMENTS - SEE PAGE 4	71,776,397	69,952,390	N/A	42.41%	
TOTAL INVESTMENTS	169,248,134	166,661,810	N/A	100.00%	

Note: The City's financial statements will report market values, not book values, at June 30 each year.

I certify that this report reflects all City investments and complies with the investment policy of the City of Tulare as approved by City Council. Furthermore, I certify that sufficient investment liquidity and anticipated revenues are available to meet the City's budgeted expenditures for the next six months.

Presented to the City Council on September 26, 2017. Presented to the Board of Public Utility Commissioners on September 26, 2017.

Respectfully submitted, Darlene J. Thompson 9-26-17
 Finance Director/Treasurer Date

CITY OF TULARE
SUMMARY TREASURER'S REPORT, CONTINUED
SUMMARY OF UNRESTRICTED INVESTMENTS
AUGUST 31, 2017

TYPE OF INVESTMENT	ISSUER OF INVESTMENT	DATES:		INTEREST RATES:		PAR VALUE	BOOK VALUE MARKET VALUE	UNREALIZED GAIN/(LOSS):		ESTIMATED EARNINGS: ANNUAL THIS MONTH	BOOK VALUE % OF U/I~
		ACQUISITION MATURITY	STATED CURRENT YIELD	THIS MONTH LAST MONTH	THIS MONTH LAST MONTH						
Petty Cash	N/A	N/A	N/A	N/A	N/A	6,825	6,825	N/A	N/A	N/A	0.01%
Checking Account - City	Wells Fargo Bank	N/A	N/A	N/A	N/A	1,970,074	1,970,074	N/A	N/A	N/A	2.02%
		On Demand	None			Balance per bank is \$2,097,180					
Local Agency Investment Fund (LAIF)	State of California	Various	N/A	N/A	N/A	31,000,000	30,967,161	(32,839)	(27,331)	336,040	31.80%
		On Demand	1.084%		*					28,003	
Certificate of Deposit	Various (See page 5)	Various	N/A	N/A	N/A	245,000		(369)		2,695	0.25%
	Investments in Safekeeping With BNY Western Trust Company	Various	1.100%			244,631		(498)		225	
Sub-Total						33,221,899	33,188,691	(33,208)	(27,829)	338,735	34.08%
			1.021%							28,228	
Fixed Income Investments	Various (See page 6-8)		N/A	N/A	N/A	64,249,838		(729,109)		1,069,056	65.92%
	Investments in Safekeeping With BNY Western Trust Company		1.680%			63,520,729		(948,599)		89,088	
TOTAL UNRESTRICTED INVESTMENTS						97,471,737	96,709,420	(762,317)	(976,428)	1,407,791	100.00%
			N/A							117,316	
			1.456%								

* LAIF market values are based on the most currently available amortized cost information - June, 2017: 0.998940671 ~ U/I = Unrestricted Investments

CITY OF TULARE
SUMMARY TREASURER'S REPORT, CONTINUED
SUMMARY OF RESTRICTED INVESTMENTS
AUGUST 31, 2017

TYPE OF INVESTMENT	ISSUER OF INVESTMENT	ACQUISITION DATE	MATURITY DATE	STATED INTEREST RATE	PAR VALUE	BOOK VALUE	MARKET VALUE	BALANCES	
								AS-OF DATE	DATE
Bond Funds (All are Managed by U.S. Bank Trust Except LAIF):									
	2008 Lease Revenue and Refunding Bonds (Account No. 120887000)								
	FA Prime Obl CL D Corp Trust	Various	On Demand	Various	N/A	1,071	1,071		08-31-17
	U S Bk Mmkt	Various	On Demand	Various Reserve Fund	N/A	1,169,504	1,169,504		08-31-17
						<u>1,170,575</u>	<u>1,170,575</u>		
	2009 Sewer Revenue Bonds (Account No. 133007000)								
	U S Bk Mmkt	Various	On Demand	Various	N/A	0	0		08-31-17
	Ge Funding Cap Mkt Svcs GIC	08-06-09	08-06-19	3.812% Reserve Fund	N/A	5,814,932	5,814,932		08-31-17
						<u>5,814,932</u>	<u>5,814,932</u>		
	2012 Sewer Revenue Refunding Bonds (Account No. 162033000)								
	U S Bk Mmkt	Various	On Demand	Various	N/A	309,897	309,897		08-31-17
	U S Bk Mmkt	Various	On Demand	Various Reserve Fund	N/A	923,821	923,821		08-31-17
						<u>1,233,718</u>	<u>1,233,718</u>		
	2013 Sewer Revenue Refunding Bonds (Account No. 203701000)								
	U S Bk Mmkt	Various	On Demand	Various	N/A	31,757	31,757		08-31-17
	Guarantee Invest. Cont.	08-01-13	11-15-22	2.310% Reserve Fund	N/A	2,745,127	2,745,127		08-31-17
						<u>2,776,884</u>	<u>2,776,884</u>		
	2015 Sewer Revenue Refunding Bonds (Account No. 2615940000)								
	U S Bk Mmkt	Various	On Demand	Various	N/A	67,431	67,431		08-31-17
	Investment Repurchase GIC	11-15-15	11-15-25	1.960% Reserve Fund	N/A	6,668,131	6,668,131		08-31-17
						<u>6,735,562</u>	<u>6,735,562</u>		
	2016 Sewer Revenue Refunding Bonds (Account No. 260)								
	Cash			Reserve Fund - 2009 Sewer Bonds		1,278,043	1,278,043		08-31-17
	Cash					4,072	4,072		08-31-17
	U S Treasuries	Various	11-15-16 to 11-15-15	.625% - 3.75% Reserve Fund - 2009 Sewer Bonds	N/A	52,720,408	52,178,516		08-31-17
						<u>54,002,523</u>	<u>52,178,516</u>		

- CONTINUED ON PAGE 4 -

**CITY OF TULARE
SUMMARY TREASURER'S REPORT, CONTINUED
SUMMARY OF RESTRICTED INVESTMENTS
AUGUST 31, 2017**

TYPE OF INVESTMENT	ISSUER OF INVESTMENT	ACQUISITION DATE	MATURITY DATE	STATED INTEREST RATE	PAR VALUE	BOOK VALUE	MARKET VALUE	BALANCES
								AS-OF DATE
Bond Funds (All are Managed by U.S. Bank Trust Except LAIF):								
2017 Successor Agency Tax Allocation Bonds - Series A & B (Account No. 24534600)								
U S Bk Mmkt	U.S. Bank Trust	Various	On Demand	Various	N/A	10,879	10,879	08-31-17
						10,879	10,879	
TOTAL BOND FUNDS						71,745,073	69,921,066	
Restricted Insurance Deposits Managed by Fiscal Agents:								
Employee Welfare Fund	(60) Various	N/A	N/A	Various	N/A	(2,627)	(2,627)	08-31-17
Workers' Comp. Fund	(61) Various	N/A	N/A	Various	N/A	0	0	06-30-16
General Insurance Fund	(62) Various	N/A	N/A	Various	N/A	33,951	33,951	06-30-16
				* Adjusted annually.		31,324	31,324	
TOTAL RESTRICTED INVESTMENTS				42.41%		71,776,397	69,952,390	

* NOTE: Reported as information is made available.

CITY OF TULARE
SUMMARY TREASURER'S REPORT, CONTINUED
CERTIFICATES OF DEPOSIT
AUGUST 31, 2017

INSTITUTION	CUSIP NUMBER	INTEREST RATES:		DATES:		BOOK VALUE	UNREALIZED GAIN/(LOSS)	ESTIMATED EARNING:
		STATED	CURRENT YIELD	ACQUISITION	INVESTED			
Goldman Sachs	36160YTT2	1.100%	1.100%	03/01/2013		245,000	(369)	2,695
				03/01/2018		244,631	(498)	229
						Per BNY WTC		
TOTAL CERTIFICATES OF DEPOSITS						245,000	(369)	2,695
All are in safekeeping with BNY Western Trust Company						244,631	(498)	229

CITY OF TULARE
SUMMARY TREASURER'S REPORT, CONTINUED
FIXED INCOME INVESTMENTS
AUGUST 31, 2017

TYPE OF FIXED INCOME INVESTMENT	CUSIP NUMBER	DATES:		INTEREST RATES:		PAR VALUE	BOOK VALUE	UNREALIZED GAIN/(LOSS):	ESTIMATED EARNINGS:
		ACQUISITION	MATURITY	STATED	CURRENT YIELD				
		THIS MONTH	LAST MONTH	THIS MONTH	THIS MONTH				
<u>U.S. GOVERNMENT AGENCY OBLIGATIONS</u>									
Federal Farm Credit Bks	3133ECB45	12-26-12	12-26-17	0.900%	0.900%	1,500,000	1,500,000	(180)	13,500
Federal Farm Credit Bks	3133ECCZ5	01-16-13	01-16-18	0.900%	0.900%	1,000,000	999,460	(540)	1,125
Federal Farm Credit Banks	3133ECNY6	05-08-13	05-08-18	0.950%	0.950%	2,000,000	2,000,000	(4,100)	9,000
Federal Home Ln Bks	3130A8MP5	07-13-16	10-13-20	1.375%	1.380%	1,500,000	1,500,000	(7,425)	750
Federal Home Ln Bks	3130A6MH7	10-28-15	10-28-20	1.720%	1.720%	2,000,000	1,998,680	(11,505)	19,000
Federal Nat'l Mortgage Assoc	3136G4AB9	09-30-16	12-30-20	1.500%	1.530%	1,500,000	1,500,000	(1,320)	1,583
Federal Farm Credit Banks	3133EGMP7	07-19-16	01-19-21	1.440%	1.460%	1,000,000	999,250	(7,380)	20,625
Federal Farm Credit Banks	3133EGKA2	07-06-16	07-06-21	1.500%	1.510%	2,500,000	2,473,750	(26,250)	1,719
Federal Home Ln Banks	3130ABS31	07-13-17	07-13-21	2.050%	2.050%	1,500,000	1,473,750	(31,530)	34,400
Federal Nat'l Mortgage Assoc	3136G3A70	07-27-16	07-27-21	1.500%	1.520%	1,000,000	998,750	(9,760)	2,867
Federal Nat'l Mortgage Assoc	3136G3G90	07-27-16	07-27-21	1.550%	1.570%	1,000,000	999,500	(24,750)	22,500
Federal Nat'l Mortgage Assoc	3136G3C78	07-28-16	07-28-21	1.550%	1.580%	1,000,000	999,250	(35,675)	1,875
Federal Nat'l Mortgage Assoc	3136G3I30	07-28-16	07-28-21	1.600%	1.640%	2,000,000	2,000,000	(11,830)	14,400

Per BNY WTC

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CITY OF TULARE
SUMMARY TREASURER'S REPORT, CONTINUED
FIXED INCOME INVESTMENTS, CONTINUED
AUGUST 31, 2017

TYPE OF FIXED INCOME INVESTMENT	CUSIP NUMBER	DATES:		INTEREST RATES:		PAR VALUE	BOOK VALUE	UNREALIZED		ESTIMATED	
		ACQUISITION	MATURITY	STATED	CURRENT YIELD			GAIN/(LOSS):			EARNINGS:
								THIS MONTH	LAST MONTH		
U.S. GOVERNMENT AGENCY OBLIGATIONS, CONTINUED											
Federal Nat'l Mortgage Assoc	3136G3R72	07-28-16		1.650%		2,000,000	2,000,000	(37,580)		33,000	
		07-28-21	C	1.680%			1,962,420	(46,660)		2,750	
Federal Nat'l Mortgage Assoc	3136G4EF6	10-28-16		1.500%		1,500,000	1,500,000	(20,310)		22,500	
		07-28-21	C	1.520%			1,479,690	(27,030)		1,875	
Federal Home Loan Mfg Corp	3134G94T1	08-24-16		1.550%		2,000,000	2,000,000	(27,280)		31,000	
		08-24-21	C	1.570%			1,972,720	(36,380)		2,583	
Federal Nat'l Mortgage Assoc	3136G3X26	08-24-16		1.500%		1,500,000	1,500,000	(36,210)		22,500	
		08-24-21	C	1.540%			1,463,790	(43,260)		1,875	
Federal Home Loan Mfg Corp	3134G9X44	08-25-16		1.625%		3,000,000	3,000,000	(73,260)		48,750	
		08-25-21	C	1.670%			2,926,740	(87,360)		4,063	
Federal Nat'l Mortgage Assoc	3136G3Y25	08-25-16		1.500%		1,500,000	1,500,000	(33,540)		22,500	
		08-25-21	C	1.530%			1,466,460	(40,560)		1,875	
Federal Home Loan Mfg Corp	3134GAEF7	09-29-16		1.650%		2,000,000	2,000,000	(6,100)		33,000	
		09-29-21	C	1.660%			1,993,900	(15,060)		2,750	
Federal Home Ln Bks	3130A9F89	09-30-16		1.625%		2,000,000	1,999,200	(18,620)		32,500	
		09-30-21	C	1.640%			1,980,580	(27,780)		2,708	
Federal Nat'l Mortgage Assoc	3136G4AH6	09-30-16		1.625%		2,000,000	2,000,000	(39,620)		32,500	
		09-30-21	C	1.660%			1,960,380	(49,060)		2,708	
Federal Nat'l Mortgage Assoc	3136G4CY7	09-30-16		1.500%		1,500,000	1,499,775	(31,035)		22,500	
		09-30-21	C	1.530%			1,468,740	(38,145)		1,875	
Federal Home Ln Banks	3130A9GS4	10-12-16		1.700%		1,500,000	1,500,000	(19,500)		25,500	
		10-12-21	C	1.720%			1,480,500	(26,475)		2,125	
Federal Home Ln Banks	3130A9KH3	10-12-16		1.580%		1,500,000	1,500,000	(35,265)		23,700	
		10-12-21	C	1.620%			1,464,735	(42,465)		1,975	

Per BNY WTC

CITY OF TULARE
SUMMARY TREASURER'S REPORT, CONTINUED
FIXED INCOME INVESTMENTS, CONTINUED
AUGUST 31, 2017

TYPE OF FIXED INCOME INVESTMENT	CUSIP NUMBER	DATES:		INTEREST RATES:		PAR VALUE	BOOK VALUE	MARKET VALUE	UNREALIZED GAIN/(LOSS):	ESTIMATED EARNINGS:
		ACQUISITION	MATURITY	STATED	CURRENT YIELD					
		THIS MONTH	LAST MONTH	THIS MONTH	THIS MONTH					
U.S. GOVERNMENT AGENCY OBLIGATIONS, CONTINUED										
Federal Nat'l Mortgage Assoc	3136G4AS2	10-13-16	10-13-21	C	1.650%	1.680%	2,255,000	2,210,757	(44,243)	37,208
Federal Nat'l Mortgage Assoc	3136G4ED1	10-25-16	10-25-21	C	1.580%	1.580%	1,500,000	1,472,415	(27,585)	23,250
Federal Home Ln Mtg Corp	3131GATC8	11-10-16	11-10-21	C	1.700%	1.730%	2,500,000	2,455,275	(44,725)	42,500
Federal Home Ln Mtg Corp	3134GAUB8	11-22-16	11-22-21	C	1.650%	1.680%	2,000,000	1,963,820	(36,180)	33,000
Federal Nat'l Mtg Corp	3136G4GM9	11-23-16	11-23-21	C	1.600%	1.630%	2,000,000	1,968,340	(31,660)	32,000
Federal Home Ln Mtg Corp	3134GAYV0	12-30-16	12-30-21	C	2.000%	2.000%	2,000,000	2,000,100	100	40,000
Federal Home Ln Mtg Corp	3134GBBW1	03-29-17	03-29-22	C	2.400%	2.400%	1,500,000	1,501,125	1,125	36,000
Federal Home Ln Mtg Corp	3134GBSU7	06-29-17	06-29-22	C	2.200%	2.200%	2,500,000	2,496,950	(3,050)	55,000
Federal Home Ln Mtg Corp	3134GBXU1	07-27-17	07-27-22	C	2.250%	2.250%	1,500,000	1,500,300	300	33,750
Federal Nat'l Mtg Assoc.	3136G4NQ2	08-23-17	08-23-22	C	2.000%	2.000%	1,500,000	1,497,015	(2,985)	2,813
Federal Home Ln Mtg Corp	3134GBXU1	08-24-17	08-24-22	C	0.022%	1.500%	1,500,000	1,500,090	90	30,000
Federal Farm Credit Bks	3133EHKT9	05-31-17	11-25-22	C	2.220%	2.230%	1,999,700	1,995,400	(4,300)	2,500
Government National Mortgage Association II Pool		01-24-94	09-20-22		8.500%	7.920%	N/A	913	4	32,250
							917	5	2,688	44,400
									(3,120)	3,700
TOTAL FIXED INCOME INVESTMENTS					N/A	1.680%	N/A	64,249,838	(729,109)	1,069,056
All are in safekeeping with BNY Western Trust Company								63,520,729	(948,599)	89,088

Per BNY WTC

**

All are in safekeeping with BNY Western Trust Company

~ U/I = Unrestricted Investments

**CITY OF TULARE
TREASURER'S EXECUTIVE SUMMARY
AUGUST 31, 2017**

CHANGES IN BALANCES AND YIELDS: CATEGORY	BOOK VALUE MARKET VALUE			AVERAGE STATED YIELD		
	AUGUST	JULY	CHANGE	AUGUST	JULY	CHANGE
Total Investments	169,248,134	169,689,080	(440,946)	N/A	N/A	N/A
	<u>166,661,810</u>	<u>168,036,019</u>	<u>(1,374,209)</u>			
	(2,586,324)	(1,653,061)	(933,263)			
Unrestricted Investments	97,471,737	96,712,252	759,485	1.456%	1.509%	-0.053%
	<u>96,709,420</u>	<u>95,727,954</u>	<u>981,466</u>			
	(762,317)	(984,298)	221,981			
Restricted Investments	71,776,397	72,976,828	(1,200,431)	N/A	N/A	N/A
	<u>69,952,390</u>	<u>72,308,065</u>	<u>(2,355,675)</u>			
	(1,824,007)	(668,763)	(1,155,244)			
Heritage Money Market (CalTrust)	0	0	0			N/A
	<u>0</u>	<u>0</u>	<u>0</u>			
	0	0	0			
Local Agency Investment Fund (LAIF)	31,000,000	25,800,000	5,200,000	1.084%	1.050%	0.034%
	<u>30,967,161</u>	<u>25,772,669</u>	<u>5,194,492</u>			
	(32,839)	(27,331)	(5,508)			
Certificates of Deposit	245,000	245,000	0	1.100%	1.100%	0.000%
	<u>244,631</u>	<u>244,502</u>	<u>129</u>			
	(369)	(498)	129			
Fixed Income Investments (Total)	64,249,838	68,750,980	(4,501,142)	1.680%	1.730%	-0.050%
	<u>63,520,729</u>	<u>67,794,511</u>	<u>(4,273,782)</u>			
	(729,109)	(956,469)	227,360			

TRANSACTIONS (BOOK VALUE): *

CATEGORY	PURCHASES		SALES / CALLS	
Certificates of Deposit			Certificates of Deposit	
		0		0
Fixed Income Investments			Fixed Income Investments	
Federal National Mtg Assoc., 2.00%	1,498,500		Government National Mortgage Assn. Pool	17
Federal Home Loan Banks, 2.15%	1,500,000		Federal Home Loan Banks, 2.07	2,500,000
			Federal National Mortgage Assoc., 2.25%	2,999,625
			Federal Home Loan Mtg Corp, 2.25%	2,000,000
		2,998,500		7,499,642

Net LAIF transactions are represented by the change in book value balance shown above. Changes in Restricted Investments are not shown.

CITY OF TULARE
INVESTMENTS BALANCE AND YIELD HISTORY FOR EIGHT MONTHS
AUGUST 31, 2017

BALANCES:	BOOK VALUE MARKET VALUE DIFFERENCE							
	JULY 2017	JUNE 2017	APRIL 2017	MARCH 2017	FEBRUARY 2017	JANUARY 2017	DECEMBER 2016	NOVEMBER 2016
CATEGORY								
Total Investments	169,689,080 168,036,019 (1,653,061)	172,647,313 169,920,771 (2,726,542)	173,546,735 171,745,614 (1,801,121)	168,261,938 166,119,513 (2,142,425)	167,127,349 164,996,879 (2,130,470)	166,153,927 163,949,427 (2,204,500)	156,029,554 153,719,924 (2,309,630)	149,594,046 147,473,148 (2,120,898)
Unrestricted Investments	96,712,252 95,727,954 (984,298)	96,712,252 95,727,954 (984,298)	101,193,880 100,128,132 (1,065,748)	94,963,016 93,578,147 (1,384,869)	95,460,972 94,118,059 (1,342,913)	89,963,550 88,559,922 (1,403,628)	87,650,149 86,185,325 (1,464,824)	81,325,958 80,011,764 (1,314,194)
Restricted Investments	72,976,828 72,308,065 (668,763)	72,976,828 72,308,065 (668,763)	72,262,855 71,617,482 (645,373)	73,298,922 72,541,366 (757,556)	71,666,377 70,878,820 (787,557)	76,190,377 75,389,505 (800,872)	68,379,405 67,334,599 (1,044,806)	68,268,088 67,461,384 (806,704)
Heritage Money Market (CalTrust)	0 0 0	0 0 0	16,039,745 16,039,745 0	16,032,154 16,032,154 0	16,026,304 16,026,304 0	16,020,117 16,020,117 0	16,020,117 16,020,117 0	16,010,941 16,010,941 0
Local Agency Investment Fund (LAIF)	25,800,000 25,772,669 (27,331)	25,800,000 25,772,669 (27,331)	22,525,918 22,507,356 (18,562)	14,500,000 14,488,051 (11,949)	14,500,000 14,491,645 (8,355)	12,000,000 11,993,086 (6,914)	12,500,000 12,492,798 (7,202)	10,700,000 10,703,275 3,275
Certificates of Deposit	245,000 244,502 (498)	245,000 244,502 (498)	2,695 244,215 241,520	245,000 243,793 (1,207)	245,000 243,422 (1,578)	245,000 245,138 138	245,000 244,657 (343)	245,000 243,586 (1,414)
Fixed Income Investments (Total)	68,750,980 67,794,511 (956,469)	68,750,980 67,794,511 (956,469)	61,464,670 60,418,260 (1,046,410)	63,464,696 62,092,983 (1,371,713)	61,462,094 60,129,114 (1,332,980)	59,962,117 58,565,265 (1,396,852)	57,962,139 56,504,860 (1,457,279)	53,748,822 52,432,767 (1,316,055)

AVERAGE STATED YIELDS:

Unrestricted Investments	1.509%	1.424%	1.211%	1.259%	1.180%	1.192%	1.172%	1.130%
Restricted Investments	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Heritage Money Market (CalTrust)	N/A	N/A	1.060%	1.030%	0.990%	0.930%	0.920%	0.880%
Local Agency Investment Fund (LAIF)	1.050%	0.978%	0.884%	0.821%	0.770%	0.751%	0.719%	0.678%
Certificates of Deposit	1.100%	1.110%	1.100%	1.110%	1.100%	1.100%	1.100%	1.100%
Fixed Income Investments (Total)	1.730%	1.710%	1.670%	1.700%	1.660%	1.640%	1.620%	1.580%

AGENDA ITEM:

**CITY OF TULARE
AGENDA ITEM TRANSMITTAL SHEET**

Submitting Department: Engineering

For Council Meeting of: October 3, 2017

Documents Attached: Ordinance Resolution Staff Report Other None

AGENDA ITEM:

Presentation by staff from the Tulare County Association of Governments regarding the 2018 Regional Transportation Plan (RTP) / Sustainable Communities Strategy (SCS) scenario development.

IS PUBLIC HEARING REQUIRED: Yes No

BACKGROUND/EXPLANATION:

The Regional Transportation Plan (RTP) is a 20-year planning document that TCAG updates at least once every four years. The RTP is the highest level and most comprehensive planning document prepared by TCAG. The 2018 RTP will outline transportation improvements and other related planning elements through the year 2042. Planned transportation improvements must be financially constrained, based on funding estimates, and performance measures should be defined. Elements of the RTP include: the Executive Summary, Policy Element, Action Element, Financial Element, Sustainable Communities Strategy, and a Valley-wide Chapter. There are also several associated documents and plans required such as Air Quality Conformity, the Regional Active Transportation Plan, the Regional Transit Plan, the Cross Valley Corridor Plan, and the Environmental Impact Report (EIR).

DISCUSSION:

As part of the Sustainable Communities Strategy (SCS) process, three growth scenarios are being developed to compare how different growth influences and policies can impact greenhouse gas emissions and the transportation system. The selected scenario will become the foundation of the SCS analysis that complements the RTP.

The three growth scenario alternatives will be presented to the public during the public outreach process, which includes tonight's presentation to City Council. All in attendance will be invited to participate in a survey that will seek to identify scenario preference, which will then be used with the remainder of the public input to inform the TCAG Board's decision on a preferred scenario later in the year. In addition to tonight's presentation to Council, TCAG staff will be conducting public outreach at the following locations:

- September 13-16: Tulare County Fair
- September 18: Tulare County Association of Governments Board Meeting
- October 2: Visalia City Council Meeting 7:00pm
- October 3: Tulare County Board of Supervisors Meeting 9:00am
- October 3: Porterville City Council Meeting 5:30pm
- October 5: Visalia Sales Yard (all day)

- October 6: Lindsay Farmer's Market (all evening)
- October 8: Cutler-Orosi Flea Market (all day)
- October 9: Woodlake City Council Meeting 6:30pm
- October 9: Pixley Town Council Meeting 7pm
- October 9: Farmersville City Council Meeting 6:00pm
- October 10: Dinuba City Council Meeting 6:30pm
- October 10: Lindsay City Council Meeting 6:00pm
- October 10: Exeter City Council Meeting 7:00pm

Under federal regulations, the RTP and its supporting documents must be final by July of 2018.

STAFF RECOMMENDATION:

Receive presentation by TCAG staff regarding the 2018 Regional Transportation Plan (RTP) / Sustainable Communities Strategy (SCS) scenario development. Provide an opportunity for Councilmembers and members of the public in attendance to provide input regarding the scenario development and selection of the preferred scenario.

CITY ATTORNEY REVIEW/COMMENTS: Yes N/A

IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED: Yes No N/A
 (If yes, please submit required budget appropriation request)

FUNDING SOURCE/ACCOUNT NUMBER: N/A

Submitted by: Michael Miller

Title: City Engineer

Date: September 25, 2017

City Manager Approval: _____

Trend Scenario



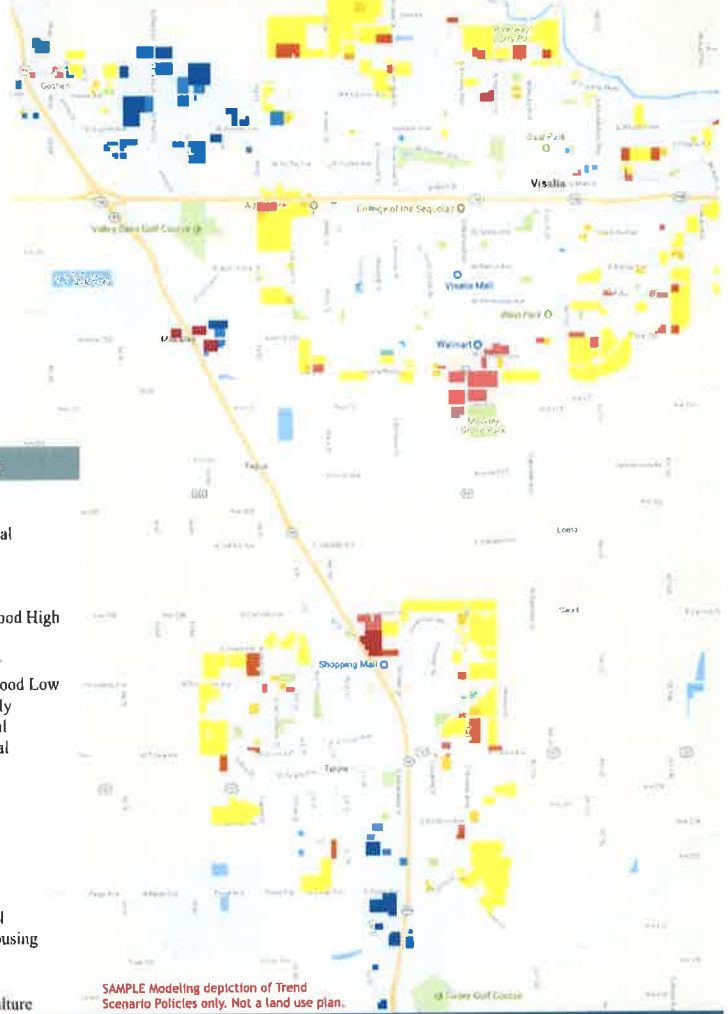
The **Trend** scenario shows a land use forecast based on designations from existing local agency general plans and linear trends in growth on a sub-regional basis. This means that the projected pattern of development will be generally consistent with the development pattern seen currently. It should be noted however that local general plans include policies that will move the Trend scenario to some extent away from a pure extrapolation of current development types and densities.

GHG Reductions
17.3 %
per Capita

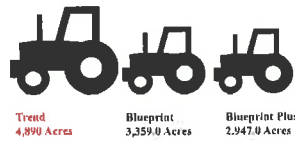
Urban Residential Density
4.9 Units/Acre



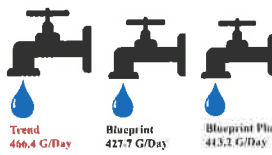
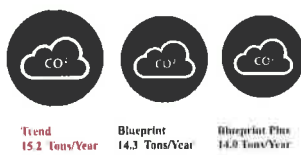
Symbol	Development Type
Dark Blue	Downtown
Dark Red	Downtown Residential
Red	Town Center
Orange	Town Neighborhood
Light Blue	Small Downtown
Yellow	Compact Neighborhood High
Light Green	Main Street
Light Blue	Mixed-Use Corridor
Light Green	Compact Neighborhood Low
Light Blue	Suburban Multifamily
Light Green	Suburban Residential
Light Blue	Large Lot Residential
Light Green	Mobile Homes
Light Blue	Office Park
Light Green	Public Office
Light Blue	Medical Office
Light Green	Hotel
Light Blue	Activity Center
Light Green	Regional Retail
Light Blue	Arterial Commercial
Light Green	Industrial & Warehousing
Light Blue	University District
Light Green	Lower Educational
Light Blue	Estate Home Agriculture



New Developed Acres Consumed	Prime Ag Land Consumed	Critical Habitat Land Consumed	Vehicle Miles Traveled per Household
------------------------------	------------------------	--------------------------------	--------------------------------------



CO2 Emissions per Household	Water Consumption per Household	Energy Use per Household	Transit Ridership
-----------------------------	---------------------------------	--------------------------	-------------------



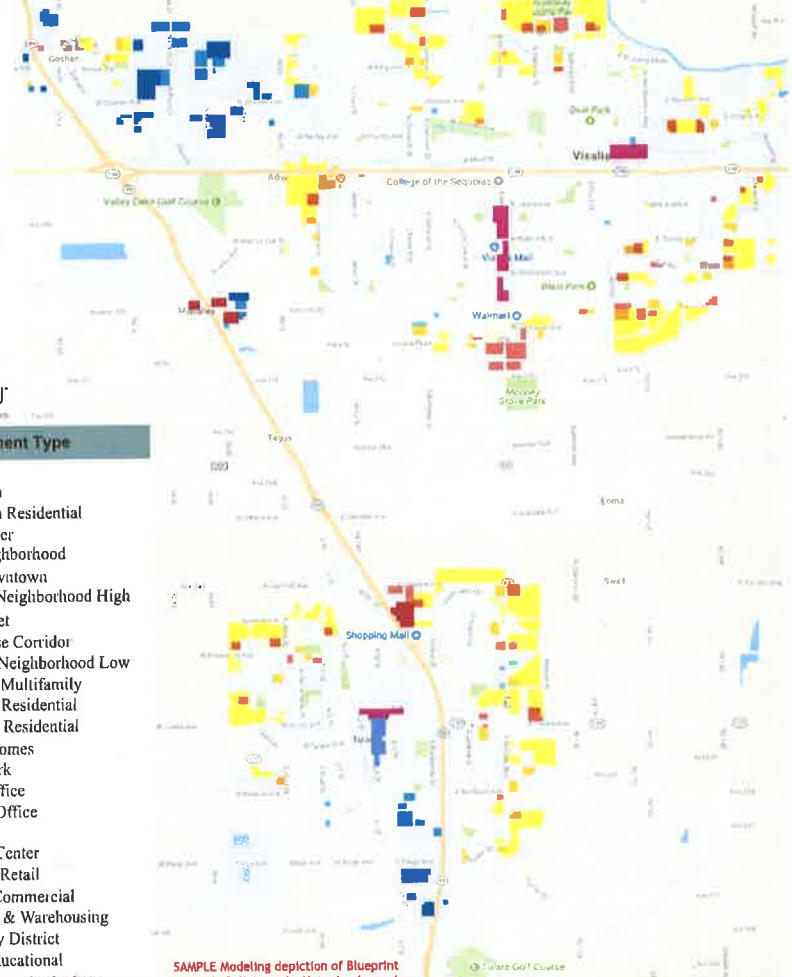
Blueprint Scenario



The **Blueprint** scenario is based on the application of the development principles adopted as part of the 2009 Tulare County Regional Blueprint. Primary among these principles is an objective of 25% higher overall density for new development compared to the Trend scenario and an increased emphasis on transit.

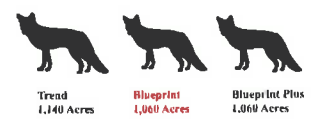
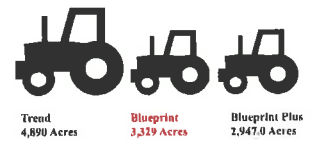
GHG Reductions
17.8 %
per Capita

Urban Residential Density
6.1 Units/Acre

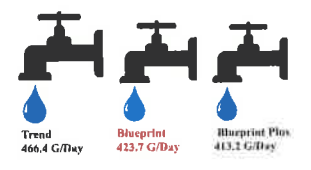
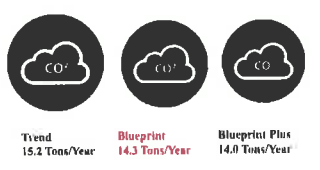


SAMPLE Modeling depiction of Blueprint Scenario Policies only. Not a land use plan.

New Developed Acres Consumed Prime Ag Land Consumed Critical Habitat Land Consumed Vehicle Miles Travel per Household



Energy Use per Household Water Consumption per Household CO2 Emissions per Household Transit Ridership



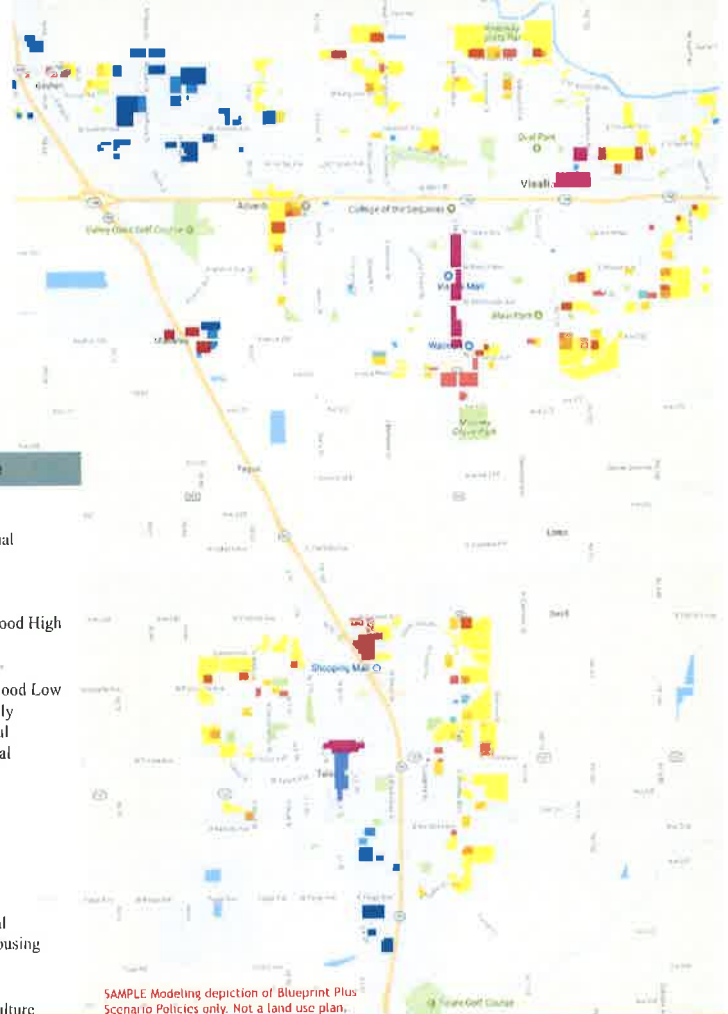
Blueprint Plus Scenario



The **Blueprint Plus** scenario was requested by the RTP Roundtable to explore the ramifications of a change in future development patterns more pronounced than that envisioned by the Regional Blueprint. **Blueprint Plus** has an objective of overall density of new development 5% higher than **Blueprint** (30% higher than **Trend**) and a maximum feasible emphasis on transit and active transportation modes.

GHG Reductions
18.0 %
per Capita

Urban Residential Density
6.5 Units/Acre



envision tomorrow
A Suite of Urban and Regional Planning Tools

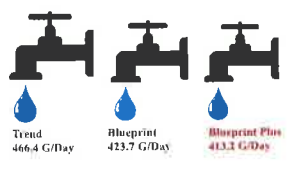
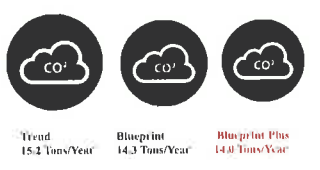
Symbol	Development Type
Dark Blue	Downtown
Blue	Downtown Residential
Light Blue	Town Center
Light Blue-Green	Town Neighborhood
Light Green	Small Downtown
Green	Compact Neighborhood High
Yellow-Green	Main Street
Yellow	Mixed-Use Corridor
Light Yellow	Compact Neighborhood Low
Yellow	Suburban Multifamily
Light Yellow-Green	Suburban Residential
Light Green	Large Lot Residential
Light Green	Mobile Homes
Light Green	Office Park
Light Green	Public Office
Light Green	Medical Office
Light Green	Hotel
Light Green	Activity Center
Light Green	Regional Retail
Light Green	Arterial Commercial
Light Green	Industrial & Warehousing
Light Green	University District
Light Green	Lower Educational
Light Green	Estate Home Agriculture

SAMPLE Modeling depiction of Blueprint Plus Scenario Policies only. Not a land use plan.

New Developed Acres Consumed **Prime Ag Land Consumed** **Critical Habitat Land Consumed** **Vehicle Miles Traveled per Household**



CO2 Emissions per Household **Water Consumption per Household** **Energy Use per Household** **Transit Ridership**





REGIONAL TRANSPORTATION PLAN

TULARE COUNTY ASSOCIATION OF GOVERNMENTS

ABOUT YOU:

What is your age?

- 0 - 17 years
- 18 - 34 years
- 35 - 65 years
- Over 65 years

How many people live in your home?

- One
- Two
- Three
- Four
- Five
- Six or more

What type of home do you live in?

- Single Family Detached
- Single Family Attached (Duplex, etc.)
- Apartment
- Mobile Home

How do you usually get around?

- Drive Alone
- Drive with others (carpool)
- Public Transit
- Bicycle
- Walking

ABOUT THE REGION

What is the most important priority for the Tulare County Region?

- Economy/Jobs
- Environment
- Ag Land Preservation
- Housing
- Infrastructure (water, power)
- Public Health
- Education
- Transportation

What is the second most important priority for the Tulare County Region?

- Economy/Jobs
- Environment
- Ag Land Preservation
- Housing
- Infrastructure (water, power)
- Public Health
- Education
- Transportation

What are the two biggest barriers to using public transit?

- Doesn't stop near my home.
- Doesn't go where I need.
- Doesn't come often enough.
- Doesn't run late enough.
- Not reliable.
- Too crowded.
- Not safe.
- Other

The RTP Should:	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Encourage more homes near jobs:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Encourage more jobs near homes:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Protect open space and farmland:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Encourage water saving development:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Include many transportation choices:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reduce air pollution:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reduce greenhouse gases:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Which RTP/SCS Development Scenario do you prefer?

- Trend
- Blueprint
- Blueprint Plus



PLAN DE TRANSPORTE REGIONAL

ASOCIACIÓN DE GOBIERNOS DEL CONDADO DE TULARE

SOBRE USTED:

¿Cuántos años tienes?

- 0 - 17 años
- 18 - 34 años
- 35 - 65 años
- más de 65 años

¿Cuántas personas viven en su hogar?

- uno
- dos
- tres
- cuatro
- cinco
- seis o más

¿Cuál es tu tipo de vivienda?

- Casa sola
- Unidades de viviendas múltiples (Duplex, etcetera.)
- Apartamento
- Casa móvil

Generalmente, ¿Cuál es su modo de transporte?

- Maneja solo
- Maneja con varias personas (carpool)
- Transporte público
- Bicicleta
- Caminar

SOBRE LA REGION

¿Cuál es la prioridad más importante del Condado de Tulare?

- | | |
|---|--------------------------------------|
| <input type="radio"/> Economía/empleo | <input type="radio"/> Medio ambiente |
| <input type="radio"/> Preservación de tierra de Ag | <input type="radio"/> Vivienda |
| <input type="radio"/> Infraestructura (agua, energía) | <input type="radio"/> Salud pública |
| <input type="radio"/> Educación | <input type="radio"/> Transporte |

¿Cuál es la segunda prioridad más importante del Condado de Tulare?

- | | |
|---|--------------------------------------|
| <input type="radio"/> Economía/empleo | <input type="radio"/> Medio ambiente |
| <input type="radio"/> Preservación de tierra de Ag | <input type="radio"/> Vivienda |
| <input type="radio"/> Infraestructura (agua, energía) | <input type="radio"/> Salud pública |
| <input type="radio"/> Educación | <input type="radio"/> Transporte |

¿Cuáles son los dos problemas más importantes del transporte público?

- | | |
|---|---|
| <input type="radio"/> No hay parada cerca de mi casa. | <input type="radio"/> No va donde yo voy. |
| <input type="radio"/> No llega con suficiente frecuencia. | <input type="radio"/> No corre lo suficiente tarde. |
| <input type="radio"/> No es confiable. | <input type="radio"/> Demasiado lleno de gente. |
| <input type="radio"/> No es seguro. | <input type="radio"/> Otros |

El RTP debe:	Muy de acuerdo	Estoy de acuerdo	Neutral	No esta de acuerdo	Muy en desacuerdo
Fomentar la construcción de casas cerca del trabajo:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Alentar a más puestos de trabajo cerca de las casas:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Proteger espacios abiertos y tierras de cultivo:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Apoyar el desarrollo de ahorro de agua:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Incluir más opciones de transporte:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reducir la contaminación atmosférica:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reducir los gases de invernadero:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

¿Qué escenario de desarrollo del RTP/SCS prefieres?

- Tendencia Blueprint Blueprint Mas

AGENDA ITEM:

**CITY OF TULARE, CA
AGENDA ITEM TRANSMITTAL SHEET**

Submitting Department: Engineering / Project Management

For Council Meeting of: October 3, 2017

Documents Attached: Ordinance Resolution Staff Report Other None

AGENDA ITEM:

Receive an update on Senate Bill No. 1 (SB 1) – Transportation Funding.

IS PUBLIC HEARING REQUIRED: Yes No

BACKGROUND/EXPLANATION:

Existing law provides various sources of funding for transportation purposes, including funding for the state highway system as well as local street and road systems. These funding sources include, among others, fuel excise taxes, commercial vehicle weight fees, local transactions and use taxes, and federal funds.

The 2016 California Statewide Local Streets and Roads Needs Assessment found that the condition of local streets and roads was “at risk,” meaning that without an infusion of new funding, the infrastructure was on its way to failure.

Senate Bill No. 1 (SB 1) was approved by the Governor on April 28, 2017 and filed with the Secretary of State on April 28, 2017. This bill created the Road Maintenance and Rehabilitation Program to address deferred maintenance on the state highway system and local street and road systems. The bill also provided for the deposit of various funds for the program in the Road Maintenance and Rehabilitation Account (RMRA), which the bill created in the State Transportation Fund. Attributable revenues include a \$0.12 per gallon increase in the motor vehicle fuel (gasoline) tax, a \$0.20 per gallon increase in the diesel excise tax, a portion of a new transportation improvement fee imposed under the Vehicle License Fee Law with a varying fee between \$25 and \$175 based on vehicle value and with an inflation adjustment, and a new \$100 annual vehicle registration fee applicable only to zero-emission vehicles model year 2020 and later. The fuel excise tax increases take effect on November 1, 2017, the transportation improvement fee takes effect on January 1, 2018, and the zero-emission vehicle registration fee takes effect on July 1, 2020.

SB 1 will generate over \$5 billion annually for state and local transportation improvements and includes numerous accountability and transparency measures. The revenue generated by SB 1 will annually set aside specified amounts for various State programs, but also specifically allocates funding for maintenance of the state highway system as well as local city and county road systems. Cities and counties will adopt project lists at the start of every fiscal year and provide year end reporting on completed projects. The bill authorizes a city or county to spend its apportionment of funds under the program on transportation priorities other than those allowable pursuant to the program, if the city’s or county’s average Pavement Condition Index

(PCI) meets or exceeds 80. In order to receive RMRA funds, cities and counties must meet a “maintenance of effort” (MOE) requirement to ensure that these new roads funds do not supplant existing levels of general revenue spending on streets and roads.

The City of Tulare currently has an average PCI of 56, according to the data provided by the City’s Pavement Management System. Additionally, the City’s calculated MOE is \$1,567,878 and was based on the specified average contribution of discretionary revenues on streets and roads during 2009-10, 2010-11 and 2011-12 fiscal years. The City’s approved Capital and Operating budgets account for this and meet this minimum requirement.

In the 2016/17 fiscal year, the City received \$1,169,069 through Gas Tax. However, with the implementation of SB 1, based on estimated anticipated revenues, the City of Tulare expects to receive \$1,818,837 during the 2017/18 fiscal year. Beginning in the 2018/19, with a full year of additional revenues, this amount is anticipated to increase to \$2,564,558, an increase of nearly \$1.4 million over the 2016/17 year revenues. With the City’s aggressive list of transportation and utility infrastructure projects, this additional funding has been budgeted and allocated to the City’s Capital Improvements Projects program. These funds will pay for the transportation related components of each project, including design and construction related expenses for street maintenance and rehabilitation, traffic safety, sidewalk, and eligible storm drainage improvements.

The California Transportation Commission (CTC) formally adopted the SB 1 Local Streets and Roads (LSR) Annual Reporting Guidelines on August 16, 2017. The guidelines outline the process for cities and counties to submit their project lists and expenditure reports to the CTC to establish eligibility for receiving SB 1 funds. Jurisdictions are required to submit publicly approved budgets that outline uses for SB 1 funds by October 16, 2017 to avoid forfeiting its share of SB 1 funding. The City of Tulare submitted its approved list of projects on September 20, 2017 and received confirmation of receipt by the CTC the following day. The City anticipates receiving these revenues in early 2018.

STAFF RECOMMENDATION:

Receive an update on Senate Bill No. 1 (SB 1) – Transportation Funding.

CITY ATTORNEY REVIEW/COMMENTS: Yes N/A

IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED: Yes No N/A

FUNDING SOURCE/ACCOUNT NUMBER:

N/A

Submitted by: Nick Bartsch

Title: Sr. Project Manager

Date: September 25, 2017

City Manager Approval: _____



SB-1 Transportation funding. (2017-2018)

SHARE THIS:



Date Published: 05/01/2017 02:00 PM

Senate Bill No. 1

CHAPTER 5

An act to amend Section 14526.5 of, to add Sections 14033, 14110, 14526.7, 14556.41, and 16321 to, to add Chapter 5 (commencing with Section 14460) to Part 5 of Division 3 of Title 2 of, to repeal Sections 63048.66, 63048.67, 63048.7, 63048.75, 63048.8, and 63048.85 of, and to repeal and add Section 63048.65 of, the Government Code, to add Section 43021 to the Health and Safety Code, to amend Section 99312.1 of, and to add Sections 99312.3, 99312.4, and 99314.9 to, the Public Utilities Code, to amend Sections 6051.8, 6201.8, 7360, 8352.4, 8352.5, 8352.6, and 60050 of, to add Sections 7361.2, 7653.2, 60050.2, and 60201.4 to, and to add Chapter 6 (commencing with Section 11050) to Part 5 of Division 2 of, the Revenue and Taxation Code, to amend Sections 2104, 2105, 2106, and 2107 of, to add Sections 2103.1 and 2192.4 to, to add Article 2.5 (commencing with Section 800) to Chapter 4 of Division 1 of, and to add Chapter 2 (commencing with Section 2030) and Chapter 8.5 (commencing with Section 2390) to Division 3 of, the Streets and Highways Code, and to amend Section 4156 of, and to add Sections 4000.15 and 9250.6 to, the Vehicle Code, relating to transportation, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 28, 2017. Filed with Secretary of State April 28, 2017.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1, Beall. Transportation funding.

(1) Existing law provides various sources of funding for transportation purposes, including funding for the state highway system and the local street and road system. These funding sources include, among others, fuel excise taxes, commercial vehicle weight fees, local transactions and use taxes, and federal funds. Existing law imposes certain registration fees on vehicles, with revenues from these fees deposited in the Motor Vehicle Account and used to fund the Department of Motor Vehicles and the Department of the California Highway Patrol. Existing law provides for the monthly transfer of excess balances in the Motor Vehicle Account to the State Highway Account.

This bill would create the Road Maintenance and Rehabilitation Program to address deferred maintenance on the state highway system and the local street and road system. The bill would require the California Transportation Commission to adopt performance criteria, consistent with a specified asset management plan, to ensure efficient use of certain funds available for the program. The bill would provide for the deposit of various funds for the program in the Road Maintenance and Rehabilitation Account, which the bill would create in the State Transportation Fund, including revenues attributable to a \$0.12 per gallon increase in the motor vehicle fuel (gasoline) tax imposed by the bill with an inflation adjustment, as provided, 50% of a \$0.20 per gallon increase in the diesel excise tax, with an inflation adjustment, as provided, a portion of a new transportation improvement fee imposed under the Vehicle License Fee Law with a varying fee between \$25 and \$175 based on vehicle value and with an inflation adjustment, as provided, and a new \$100 annual vehicle registration fee applicable only to

zero-emission vehicles model year 2020 and later, with an inflation adjustment, as provided. The bill would provide that the fuel excise tax increases take effect on November 1, 2017, the transportation improvement fee takes effect on January 1, 2018, and the zero-emission vehicle registration fee takes effect on July 1, 2020.

This bill would annually set aside \$200,000,000 of the funds available for the program to fund road maintenance and rehabilitation purposes in counties that have sought and received voter approval of taxes or that have imposed fees, including uniform developer fees, as defined, which taxes or fees are dedicated solely to transportation improvements. These funds would be continuously appropriated for allocation pursuant to guidelines to be developed by the California Transportation Commission in consultation with local agencies. The bill would require \$100,000,000 of the funds available for the program to be available annually for expenditure, upon appropriation by the Legislature, on the Active Transportation Program. The bill would require \$400,000,000 of the funds available for the program to be available annually for expenditure, upon appropriation by the Legislature, on state highway bridge and culvert maintenance and rehabilitation. The bill would require \$5,000,000 of the funds available for the program that are not restricted by Article XIX of the California Constitution to be appropriated each fiscal year to the California Workforce Development Board to assist local agencies to implement policies to promote preapprenticeship training programs to carry out specified projects funded by the account. The bill would require \$25,000,000 of the funds available for the program to be annually transferred to the State Highway Account for expenditure on the freeway service patrol program. The bill would require \$25,000,000 of the funds available for the program to be available annually for expenditure, upon appropriation by the Legislature, on local planning grants. The bill would authorize annual appropriations of \$5,000,000 and \$2,000,000 of the funds available for the program to the University of California and the California State University, respectively, for the purpose of conducting transportation research and transportation-related workforce education, training, and development, as specified. The bill would require the remaining funds available for the program to be allocated 50% for maintenance of the state highway system or to the state highway operation and protection program and 50% to cities and counties pursuant to a specified formula. The bill would impose various requirements on the department and agencies receiving these funds. The bill would authorize a city or county to spend its apportionment of funds under the program on transportation priorities other than those allowable pursuant to the program if the city's or county's average Pavement Condition Index meets or exceeds 80.

(2) Existing law creates the Department of Transportation within the Transportation Agency.

This bill would create the Independent Office of Audits and Investigations within the department, with specified powers and duties. The bill would provide for the Governor to appoint the director of the office for a 6-year term, subject to confirmation by the Senate, and would provide that the director, who would be known as the Inspector General, may not be removed from office during the term except for good cause. The bill would specify the duties and responsibilities of the Inspector General with respect to the department and local agencies receiving state and federal transportation funds through the department, and would require an annual report to the Legislature and Governor.

This bill would require the department to update the Highway Design Manual to incorporate the "complete streets" design concept by January 1, 2018. The bill would require the department to develop a plan by January 1, 2020, to increase by up to 100% the dollar value of contracts awarded to small businesses, disadvantaged business enterprises, and disabled veteran business enterprises, as specified.

(3) Existing law provides for loans of revenues from various transportation funds and accounts to the General Fund, with various repayment dates specified.

This bill would identify the amount of outstanding loans from certain transportation funds as \$706,000,000. The bill would require the Department of Finance to prepare a loan repayment schedule and would require the outstanding loans to be repaid pursuant to that schedule, as prescribed. The bill would appropriate funds for that purpose from the Budget Stabilization Account. The bill would require the repaid funds to be transferred, pursuant to a specified formula, to various state and local transportation purposes.

(4) The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Proposition 1B) created the Trade Corridors Improvement Fund and provided for allocation by the California Transportation Commission of \$2 billion in bond funds for infrastructure improvements on highway and rail corridors that have a high volume of freight movement and for specified categories of projects eligible to receive these funds.

This bill would deposit the revenues attributable to 50% of the \$0.20 per gallon increase in the diesel fuel excise tax imposed by the bill into the Trade Corridor Enhancement Account, to be expended on corridor-based freight projects nominated by local agencies and the state.

(5) Article XIX of the California Constitution requires gasoline excise tax revenues from motor vehicles traveling upon public streets and highways to be deposited in the Highway Users Tax Account, for allocation to city, county, and state transportation purposes. Existing law generally provides for statutory allocation of gasoline excise tax revenues attributable to other modes of transportation, including aviation, boats, agricultural vehicles, and off-highway vehicles, to particular accounts and funds for expenditure on purposes associated with those other modes, except that a specified portion of these gasoline excise tax revenues is deposited in the General Fund. Expenditure of the gasoline excise tax revenues attributable to those other modes is not restricted by Article XIX of the California Constitution.

This bill, commencing November 1, 2017, would transfer the gasoline excise tax revenues attributable to boats and off-highway vehicles from the new \$0.12 per gallon increase, and future inflation adjustments from that increase, to the State Parks and Recreation Fund, to be used for state parks, off-highway vehicle programs, or boating programs. The bill would allocate revenues from future inflation adjustments of the existing gasoline excise tax rate attributable to the nonhighway modes pursuant to existing law.

(6) Existing law, as of July 1, 2011, increases the sales and use tax on diesel and decreases the excise tax, as provided. Existing law requires the State Board of Equalization to annually modify both the gasoline and diesel excise tax rates on a going-forward basis so that the various changes in the taxes imposed on gasoline and diesel are revenue neutral.

This bill would eliminate, effective July 1, 2019, the annual rate adjustment to maintain revenue neutrality for the gasoline and diesel excise tax rates and would reimpose on that date the higher gasoline excise tax rate that was in effect on July 1, 2010, in addition to the increase in the rate described in (1) above that becomes effective on November 1, 2017.

Existing law, beyond the sales and use tax rate generally applicable, imposes an additional sales and use tax on diesel fuel at the rate of 1.75%, subject to certain exemptions, and provides for the net revenues collected from the additional tax to be transferred to the Public Transportation Account. Existing law continuously appropriates these and other revenues in the account to the Controller for allocation by formula to transportation agencies for public transit purposes under the State Transit Assistance Program. Existing law provides for appropriation of other revenues in the account to the Department of Transportation for various other transportation purposes, including intercity rail purposes.

This bill would increase the additional sales and use tax rate on diesel fuel by an additional 4%. The bill would continuously appropriate revenues attributable to the 3.5% rate increase to the Controller for allocation to transportation agencies for public transit purposes under the State Transit Assistance Program. The bill would require the revenues attributable to the remaining 0.5% rate increase to be continuously appropriated to the Transportation Agency for intercity rail and commuter rail purposes.

The bill would also allocate portions of the revenue from the new transportation improvement fee to the State Transit Assistance Program and to the Transit and Intercity Rail Capital Program. The bill would restrict expenditures of the fee revenues made available to the State Transit Assistance Program to transit capital purposes and certain transit services, and would require a recipient transit agency to comply with various requirements, as specified.

(7) Existing law provides for the state to receive certain compact assets, as defined, from designated tribal compacts relative to Indian gaming, and authorized the compact assets to be sold by the Infrastructure and Economic Development Bank to a special purpose trust in order to generate state revenues. Existing law designated certain of these revenues to be used to repay certain loans of transportation funds that were made to the General Fund.

This bill would delete the references to the special purpose trust and revise payments to various transportation accounts to be made from compact assets. The bill would repeal various other related provisions.

(8) Existing law creates the Traffic Congestion Relief Program and identifies various specific projects eligible to receive funding.

This bill would deem the Traffic Congestion Relief Program to be complete and final as of June 30, 2017, and would provide that projects without approved applications are no longer eligible for funding.

(9) Existing law requires the Department of Transportation to prepare a state highway operation and protection program every other year for the expenditure of transportation capital improvement funds for projects that are necessary to preserve and protect the state highway system, excluding projects that add new traffic lanes. The

program is required to be based on an asset management plan, as specified. Existing law requires the department to specify, for each project in the program the capital and support budget and projected delivery date for various components of the project. Existing law provides for the California Transportation Commission to review and adopt the program, and authorizes the commission to decline and adopt the program if it determines that the program is not sufficiently consistent with the asset management plan.

This bill would require the commission, as part of its review of the program, to hold at least one hearing in northern California and one hearing in southern California regarding the proposed program. The bill would require the department to submit any change to a programmed project as an amendment to the commission for its approval.

This bill, on and after July 1, 2017, would also require the commission to make an allocation of capital outlay support resources by project phase for each project in the program, and would require the department to submit a supplemental project allocation request to the commission for each project that experiences cost increases above the amounts in its allocation. The bill would require the commission to establish guidelines to provide exceptions to the requirement for a supplemental project allocation requirement that the commission determines are necessary to ensure that projects are not unnecessarily delayed.

(10) Existing law generally provides for transportation capital improvement projects to be nominated and programmed through the state highway operation and protection program, relative to state highway rehabilitation and similar projects, or through the state transportation improvement program, relative to capacity enhancements and other capital projects.

This bill would create the Solutions for Congested Corridors Program, with funding appropriated for the program from a portion of the new transportation improvement fee to be allocated by the California Transportation Commission to projects designed to achieve a balanced set of transportation, environmental, and community access improvements within highly congested travel corridors throughout the state and that are part of a comprehensive corridor plan. The bill would provide for regional transportation agencies and the Department of Transportation to nominate projects, with preference to be given to projects that demonstrate collaboration between the regional agencies and the department.

(11) The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment.

This bill would establish the Advance Mitigation Program in the Department of Transportation to enhance communications between the department and stakeholders to, among other things, protect natural resources and accelerate project delivery. The bill would require the department to set aside not less than \$30,000,000 annually for 4 years for the program from capital outlay revenues.

(12) Existing law imposes various limitations on emissions of air contaminants for the control of air pollution from vehicular and nonvehicular sources. Existing law generally designates the State Air Resources Board as the state agency with the primary responsibility for the control of vehicular air pollution.

This bill would prohibit, except as specified, the requiring of the retirement, replacement, retrofit, or repower of a self-propelled commercial motor vehicle during a specified period. The bill would require the state board to, by January 1, 2025, evaluate the impact of these provisions on state and local clean air efforts to meet state and local clean air goals, as provided.

(13) Existing law prohibits a person from driving, moving, or leaving standing upon a highway any motor vehicle, as defined, that has been registered in violation of provisions regulating vehicle emissions.

This bill, effective January 1, 2020, would require the Department of Motor Vehicles to confirm, prior to the initial registration or the transfer of ownership and registration of a diesel-fueled vehicle with a gross vehicle weight rating of more than 14,000 pounds, that the vehicle is compliant with, or exempt from, applicable air pollution control technology requirements, pursuant to specified provisions. The bill would require the department to refuse registration, or renewal or transfer of registration, for certain diesel-fueled vehicles, based on weight and model year, that are subject to specified provisions relating to the reduction of emissions of diesel particulate matter, oxides of nitrogen, and other criteria pollutants from in-use diesel-fueled vehicles. The bill would

authorize the department to allow registration, or renewal or transfer of registration, for any diesel-fueled vehicle that has been reported to the State Air Resources Board, and is using an approved exemption, or is compliant with applicable air pollution control technology requirements, pursuant to specified provisions.

Existing law authorizes the department, in its discretion, to issue a temporary permit to operate a vehicle when a payment of fees has been accepted in an amount to be determined by the department and paid to the department by the owner or other person in lawful possession of the vehicle.

This bill would additionally authorize the department to issue a temporary permit to operate a vehicle for which registration is otherwise required to be refused under the provisions of the bill, as prescribed.

(14) The bill would enact other related provisions.

(15) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3 Appropriation: yes Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. The Legislature finds and declares all of the following:

(a) Over the next 10 years, the state faces a \$59 billion shortfall to adequately maintain the existing state highway system in order to keep it in a basic state of good repair.

(b) Similarly, cities and counties face a \$78 billion shortfall over the next decade to adequately maintain the existing network of local streets and roads.

(c) Statewide taxes and fees dedicated to the maintenance of the system have not been increased in more than 20 years, with those revenues losing more than 55 percent of their purchasing power, while costs to maintain the system have steadily increased and much of the underlying infrastructure has aged past its expected useful life.

(d) California motorists are spending \$17 billion annually in extra maintenance and car repair bills, which is more than \$700 per driver, due to the state's poorly maintained roads.

(e) Failing to act now to address this growing problem means that more drastic measures will be required to maintain our system in the future, essentially passing the burden on to future generations instead of doing our job today.

(f) A funding program will help address a portion of the maintenance backlog on the state's road system and will stop the growth of the problem.

(g) Modestly increasing various fees can spread the cost of road repairs broadly to all users and beneficiaries of the road network without overburdening any one group.

(h) Improving the condition of the state's road system will have a positive impact on the economy as it lowers the transportation costs of doing business, reduces congestion impacts for employees, and protects property values in the state.

(i) The federal government estimates that increased spending on infrastructure creates more than 13,000 jobs per \$1 billion spent.

(j) Well-maintained roads benefit all users, not just drivers, as roads are used for all modes of transport, whether motor vehicles, transit, bicycles, or pedestrians.

(k) Well-maintained roads additionally provide significant health benefits and prevent injuries and death due to crashes caused by poorly maintained infrastructure.

(l) A comprehensive, reasonable transportation funding package will do all of the following:

(1) Ensure these transportation needs are addressed.

(2) Fairly distribute the economic impact of increased funding.

(3) Restore the gas tax rate previously reduced by the State Board of Equalization pursuant to the gas tax swap.

(4) Direct increased revenue to the state's highest transportation needs.

(m) This act presents a balance of new revenues and reasonable reforms to ensure efficiency, accountability, and performance from each dollar invested to improve California's transportation system. The revenues designated in this act are intended to address both state and local transportation infrastructure needs as follows:

(1) The revenues estimated to be available for allocation under the act to local agencies are estimated over the next 10 years to be as follows:

(A) Fifteen billion dollars (\$15,000,000,000) to local street and road maintenance.

(B) Seven billion five hundred million dollars (\$7,500,000,000) for transit operations and capital.

(C) Two billion dollars (\$2,000,000,000) for the local partnership program.

(D) One billion dollars (\$1,000,000,000) for the Active Transportation Program.

(E) Eight hundred twenty-five million dollars (\$825,000,000) for the regional share of the State Transportation Improvement Program.

(F) Two hundred fifty million dollars (\$250,000,000) for local planning grants.

(2) The revenues estimated to be available for allocation under the act to the state are estimated over the next 10 years to be as follows:

(A) Fifteen billion dollars (\$15,000,000,000) for state highway maintenance and rehabilitation.

(B) Four billion dollars (\$4,000,000,000) for highway bridge and culvert maintenance and rehabilitation.

(C) Three billion dollars (\$3,000,000,000) for high priority freight corridors.

(D) Two billion five hundred million dollars (\$2,500,000,000) for congested corridor relief.

(E) Eight hundred million dollars (\$800,000,000) for parks programs, off-highway vehicle programs, boating programs, and agricultural programs.

(F) Two hundred seventy-five million dollars (\$275,000,000) for the interregional share of the State Transportation Improvement Program.

(G) Two hundred fifty million dollars (\$250,000,000) for freeway service patrols.

(H) Seventy million dollars (\$70,000,000) for transportation research at the University of California and the California State University.

(n) It is the intent of the Legislature that the Department of Transportation meet the following preliminary performance outcomes for additional state highway investments by the end of 2027, in accordance with applicable state and federal standards:

(1) Not less than 98 percent of pavement on the state highway system in good or fair condition.

(2) Not less than 90 percent level of service achieved for maintenance of potholes, spalls, and cracks.

(3) Not less than 90 percent of culverts in good or fair condition.

(4) Not less than 90 percent of the transportation management system units in good condition.

(5) Fix not less than an additional 500 bridges.

(o) Further, it is the intent of the Legislature that the Department of Transportation leverage funding provided by this act for trade corridors and other highly congested travel corridors in order to obtain matching funds from federal and other sources to maximize improvements in the state's high-priority freight corridors and in the most congested commute corridors.

(p) Constitutionally protecting the funds raised by this act ensures that these funds are to be used only for transportation purposes necessary to repair roads and bridges, expand the economy, and protect natural resources.

(q) This act advances greenhouse gas reduction objectives and other environmental goals by focusing on "fix-it-first" projects, investments in transit and active transportation, and supporting Senate Bill 375 (Chapter 728, Statutes of 2008) and transportation plans.

SEC. 2. This act shall be known, and may be cited as, the Road Repair and Accountability Act of 2017.

SEC. 3. Section 14033 is added to the Government Code, to read:

14033. On or before January 1, 2018, the department shall update the Highway Design Manual to incorporate the "complete streets" design concept.

SEC. 4. Section 14110 is added to the Government Code, to read:

14110. Consistent with federal and state laws and regulations, including, but not limited to, the department's goal setting methodology as approved by the Federal Highway Administration, the department shall develop a plan by January 1, 2020, to increase by up to 100 percent the dollar value of contracts and procurements awarded to small businesses, disadvantaged business enterprises, and disabled veteran business enterprises. The plan shall include the use of targeted media, including minority and women business enterprises, to outreach to these businesses and shall be provided to the Legislature pursuant to Section 9795.

SEC. 5. Chapter 5 (commencing with Section 14460) is added to Part 5 of Division 3 of Title 2 of the Government Code, to read:

CHAPTER 5. Department of Transportation independent Office of Audits and Investigations

14460. (a) There is hereby created in the department the Independent Office of Audits and Investigations to ensure all of the following:

(1) The department, and external entities that receive state and federal transportation funds from the department, are spending those funds efficiently, effectively, economically, and in compliance with applicable state and federal requirements. Those external entities include, but are not limited to, private for profit and nonprofit organizations, local transportation agencies, and other local agencies that receive transportation funds either through a contract with the department or through an agreement or grant administered by the department.

(2) The department's programs are functioning consistent with applicable accounting standards and practices and are administered effectively, efficiently, and economically.

(3) The department's management is accomplishing departmental priorities, developing an annual audit plan, administering an effective enterprise risk management program, and is making efficient, effective, and financially responsible transportation decisions.

(4) The Secretary of Transportation, the Legislature, the California Transportation Commission, and the director and chief deputy director of the department are fully informed concerning fraud, improper activities, or other serious abuses or deficiencies relating to the expenditure of transportation funds or administration of department programs and operations.

(b) The Governor shall appoint the director of the Audits and Investigations Office, who shall serve a six-year term, have the title of Inspector General, and be subject to Senate confirmation. The Inspector General may not be removed from office during that term, except for good cause. The reasons for removal of the Inspector General shall be stated in writing and shall include the basis for removal. The writing shall be sent to the Secretary of the Senate and the Chief Clerk of the Assembly at the time of the removal and shall be deemed to be a public document.

(c) The Inspector General is vested with the full authority to exercise all responsibility for maintaining a full scope, independent, and objective audit and investigation program as prescribed by Sections 1237, 13885, 13886.5, 13887.5, and 13888, including, but not limited to, those activities described in Section 14461.

(d) Notwithstanding Section 13887, in order to achieve independence and objectivity pursuant to this section, the Independent Office of Audits and Investigation shall meet all of the following requirements:

(1) The Inspector General shall report all audit and confidential investigation findings and recommendations made under his or her jurisdiction to the Secretary of Transportation and the director and chief deputy director of the department on an ongoing and current basis.

(2) The Inspector General shall report at least annually, or upon request, to the Governor, the Legislature, and the California Transportation Commission with a summary of his or her investigation and audit findings and

recommendations. The summary shall be posted on the office's Internet Web site and shall otherwise be made available to the public upon its release to the Governor, commission, and Legislature. The summary shall include, but need not be limited to, significant problems discovered by the Inspector General and whether the Inspector General's recommendations relative to audits and investigations have been implemented by the affected units and programs of the department or affected external entities. The report shall be submitted to the Legislature in compliance with Section 9795.

14461. The Inspector General shall review policies, practices, and procedures and conduct audits and investigations of activities involving state transportation funds administered by the department in consultation with all affected units and programs of the department and external entities.

SEC. 6. Section 14526.5 of the Government Code is amended to read:

14526.5. (a) Based on the asset management plan prepared and approved pursuant to Section 14526.4, the department shall prepare a state highway operation and protection program for the expenditure of transportation funds for major capital improvements that are necessary to preserve and protect the state highway system. Projects included in the program shall be limited to improvements relative to the maintenance, safety, operation, and rehabilitation of state highways and bridges that do not add a new traffic lane to the system.

(b) The program shall include projects that are expected to be advertised prior to July 1 of the year following submission of the program, but which have not yet been funded. The program shall include those projects for which construction is to begin within four fiscal years, starting July 1 of the year following the year the program is submitted.

(c) (1) The department, at a minimum, shall specify, for each project in the state highway operation and protection program, the capital and support budget, as applicable, for each of the following project phases:

(A) Project approval and environmental documents, support only.

(B) Plans, specifications, and estimates, support only.

(C) Rights-of-way.

(D) Construction.

(2) The department shall specify, for each project in the state highway operation and protection program, a projected delivery date for each of the following components:

(A) Project approval and environmental document completion.

(B) Plans, specifications, and estimates completion.

(C) Right-of-way certification.

(D) Start of construction.

(d) The department shall submit its proposed program to the commission not later than January 31 of each even-numbered year. Prior to submitting its proposed program, the department shall make a draft of its proposed program available to transportation planning agencies for review and comment and shall include the comments in its submittal to the commission. The department shall provide the commission with detailed information for all programmed projects on cost, scope, schedule, and performance metrics as determined by the commission.

(e) The commission shall review the proposed program relative to its overall adequacy, consistency with the asset management plan prepared and approved pursuant to Section 14526.4 and funding priorities established in Section 167 of the Streets and Highways Code, the level of annual funding needed to implement the program, and the impact of those expenditures on the state transportation improvement program. The commission shall adopt the program and submit it to the Legislature and the Governor not later than April 1 of each even-numbered year. The commission may decline to adopt the program if the commission determines that the program is not sufficiently consistent with the asset management plan prepared and approved pursuant to Section 14526.4.

(f) As part of the commission's review of the program required pursuant to subdivision (a), the commission shall hold at least one hearing in northern California and one hearing in southern California regarding the proposed

program.

(g) On or after July 1, 2017, to provide sufficient and transparent oversight of the department's capital outlay support resources composed of both state staff and contractors, the commission shall be required to allocate the department's capital outlay support resources by project phase, including preconstruction. Through this action, the commission will provide public transparency for the department's budget estimates, increasing assurance that the annual budget forecast is reasonable. The commission shall develop guidelines, in consultation with the department, to implement this subdivision. Guidelines adopted by the commission to implement this subdivision shall be exempt from the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1).

(h) Beginning July 1, 2017, for a project that experiences increases in capital or support costs above the amounts in the commission's allocation pursuant to subdivision (g), the commission shall establish a threshold for requiring a supplemental project allocation. The commission's guidelines adopted pursuant to subdivision (g) shall also establish the threshold that the commission determines is necessary to ensure efficiency and may provide exceptions as necessary so that projects are not unnecessarily delayed.

(i) The department, for each project requiring a supplemental project allocation pursuant to subdivision (h), shall submit a request to the commission for its approval.

(j) Expenditures for these projects shall not be subject to Sections 188 and 188.8 of the Streets and Highways Code.

SEC. 7. Section 14526.7 is added to the Government Code, to read:

14526.7. (a) The department shall incorporate the performance targets in subdivision (n) of Section 1 of the act adding this section into the asset management plan adopted by the commission and targets adopted by the commission pursuant to Sections 14526.4 and 14526.5. The asset management plan shall also include targets adopted by the commission in consultation with the department for each asset class included in subdivision (n) of Section 1 of the act adding this section to measure the degree to which progress was made towards achieving the overall 2027 targets. Targets may be modified by the commission as needed to conform to federal regulation on performance measures and the completion of the department's asset management plan. Nothing in this section precludes the commission from adopting additional targets and performance measures pursuant to paragraph (1) of subdivision (c) of Section 14526.4.

(b) As specified by guidelines adopted by the commission, the department shall report to the commission on its progress toward meeting the targets and performance measures established for state highways pursuant to subdivision (n) of Section 1 of the act adding this section and paragraph (1) of subdivision (c) of Section 14526.4.

SEC. 8. Section 14556.41 is added to the Government Code, to read:

14556.41. As of June 30, 2017, projects in Section 14556.40 for the Traffic Congestion Relief Program shall be deemed complete and final, and funding levels shall be based on actual amounts requested by the designated lead applicant pursuant to Section 14556.12. Projects without approved applications in accordance with Section 14556.12 shall no longer be eligible for program funding. Traffic Congestion Relief Program savings shall be transferred to other transportation accounts for the purposes specified in Section 16321.

SEC. 9. Section 16321 is added to the Government Code, to read:

16321. The amount of outstanding loans made pursuant to Section 14556.8 is seven hundred six million dollars (\$706,000,000). This amount shall be repaid from the General Fund pursuant to subdivision (c) of Section 20 of Article XVI of the California Constitution no later than June 30, 2020, and upon repayment of this amount all loans authorized pursuant to Section 14556.8 and any associated interest shall be deemed repaid. The loans shall be repaid proportionately and in equal installments over three years. The Department of Finance shall prepare a loan repayment schedule, pursuant to which the outstanding loans shall be repaid by June 30, 2020, as follows:

(a) Two hundred fifty-six million dollars (\$256,000,000) for transfer to the Public Transportation Account, to be allocated as follows:

(1) Up to twenty million dollars (\$20,000,000) to local and regional agencies for climate change adaptation planning.

(2) The remainder to the Transit and Intercity Rail Capital Program as authorized in Part 2 (commencing with Section 75220) of Division 44 of the Public Resources Code.

(b) Two hundred twenty-five million dollars (\$225,000,000) for transfer to the State Highway Account, for the State Highway Operation and Protection Program.

(c) Two hundred twenty-five million dollars (\$225,000,000) is hereby continuously appropriated without regard to fiscal year to the Controller for apportionment to cities and counties for local streets and roads pursuant to the formula in paragraph (3) of subdivision (a) of Section 2103 of the Streets and Highways Code.

SEC. 10. Section 63048.65 of the Government Code is repealed.

SEC. 11. Section 63048.65 is added to the Government Code, to read:

63048.65. (a) Prior to July 1, 2015, three hundred twenty-one million dollars (\$321,000,000) of the one billion two hundred million dollars (\$1,200,000,000) of loans from the Traffic Congestion Relief Fund to the General Fund was repaid using tribal gaming compact revenues. In 2016, an additional one hundred seventy-three million dollars (\$173,000,000) was repaid from the General Fund.

(b) The remaining seven hundred six million dollars (\$706,000,000) of loans from the Traffic Congestion Relief Fund to the General Fund shall be repaid pursuant to Section 14556.8.

SEC. 12. Section 63048.66 of the Government Code is repealed.

SEC. 13. Section 63048.67 of the Government Code is repealed.

SEC. 14. Section 63048.7 of the Government Code is repealed.

SEC. 15. Section 63048.75 of the Government Code is repealed.

SEC. 16. Section 63048.8 of the Government Code is repealed.

SEC. 17. Section 63048.85 of the Government Code is repealed.

SEC. 18. Section 43021 is added to the Health and Safety Code, to read:

43021. (a) Except as provided in subdivision (b), the retirement, replacement, retrofit, or repower of a self-propelled commercial motor vehicle, as defined in Section 34601 of the Vehicle Code, shall not be required until the later of the following:

(1) Thirteen years from the model year the engine and emission control system are first certified for use in self-propelled commercial motor vehicles by the state board or other applicable state and federal agencies.

(2) When the vehicle reaches the earlier of either 800,000 vehicle miles traveled or 18 years from the model year the engine and emission control system are first certified for use in self-propelled commercial motor vehicles by the state board or other applicable state and federal agencies.

(b) This section does not apply to any of the following:

(1) Safety programs, including, but not limited to, those adopted pursuant to Section 34501 of the Vehicle Code.

(2) Voluntary incentive and grant programs, including, but not limited to, those that give preferential access to a facility to a particular vehicle or class of vehicles.

(3) Programs designed to address inspection of, tampering with, and maintenance of, emission control systems.

(4) Programs designed to address imminent health risks where evidence, unavailable at the time equipment is certified for use by the state board or other applicable state and federal agencies, is sufficient to show that immediate corrective action is necessary to prevent injury, illness, or death.

(c) This section only applies to laws or regulations adopted or amended after January 1, 2017.

(d) It is the intent of the Legislature for this section to provide owners of self-propelled commercial motor vehicles, as defined in subdivision (a), certainty about the useful life of engines certified by the state board and other applicable agencies to meet required environmental standards for sale in the state. This section is not meant to otherwise restrict the authority of the state board or districts.

(e) (1) The state board shall, by January 1, 2025, evaluate the impact of the provisions of this section on state and local clean air efforts to meet state and local clean air goals. The evaluation shall include a review of the following:

(A) Compliance with the truck and bus rule (Section 2025 of Title 13 of the California Code of Regulations).

(B) The benefits and impacts of measures enacted to improve local air quality impacts from stationary sources.

(C) State implementation plan compliance.

(2) As part of the study, the state board shall make recommendations to the Legislature on additional or different mechanisms for achieving those goals while recognizing the financial investments made by the effected entities. In developing the study, the state board shall take into account the report required in Section 38531 of the Health and Safety Code.

(3) The state board shall hold at least one public workshop prior to the completion of the study.

SEC. 19. Section 99312.1 of the Public Utilities Code is amended to read:

99312.1. (a) Revenues transferred to the Public Transportation Account pursuant to Sections 6051.8 and 6201.8 of the Revenue and Taxation Code for the State Transit Assistance Program are hereby continuously appropriated to the Controller for allocation as follows:

(1) Fifty percent for allocation to transportation planning agencies, county transportation commissions, and the San Diego Metropolitan Transit Development Board pursuant to Section 99314.

(2) Fifty percent for allocation to transportation agencies, county transportation commissions, and the San Diego Metropolitan Transit Development Board for purposes of Section 99313.

(b) For purposes of this chapter, the revenues allocated pursuant to this section shall be subject to the same requirements as revenues allocated pursuant to subdivisions (b) and (c), as applicable, of Section 99312.

(c) The revenues transferred to the Public Transportation Account for the State Transit Assistance Program that are attributable to subdivision (a) of Section 11053 of the Revenue and Taxation Code are hereby continuously appropriated to the Controller, and, upon allocation pursuant to Sections 99313 and 99314, shall only be expended on the following:

(1) Transit capital projects or services to maintain or repair a transit operator's existing transit vehicle fleet or existing transit facilities, including rehabilitation or modernization of existing vehicles or facilities.

(2) The design, acquisition, and construction of new vehicles or facilities that improve existing transit services.

(3) Transit services that complement local efforts for repair and improvement of local transportation infrastructure.

(d) (1) Prior to receiving an apportionment of funds pursuant to subdivision (c) from the Controller in a fiscal year, a recipient transit agency shall submit to the Department of Transportation a list of projects proposed to be funded with these funds. The list of projects proposed to be funded with these funds shall include a description and location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement. The project list shall not limit the flexibility of a recipient transit agency to fund projects in accordance with local needs and priorities so long as the projects are consistent with subdivision (c).

(2) The department shall report to the Controller the recipient transit agencies that have submitted a list of projects as described in this subdivision and that are therefore eligible to receive an apportionment of funds for the applicable fiscal year. The Controller, upon receipt of the report, shall apportion funds pursuant to Sections 99313 and 99314.

(e) For each fiscal year, each recipient transit agency receiving an apportionment of funds pursuant to subdivision (c) shall, upon expending those funds, submit documentation to the department that includes a

description and location of each completed project, the amount of funds expended on the project, the completion date, and the estimated useful life of the improvement.

(f) The audit of transit operator finances required pursuant to Section 99245 shall verify that the revenues identified in subdivision (c) have been expended in conformance with these specific requirements and all other generally applicable requirements.

SEC. 20. Section 99312.3 is added to the Public Utilities Code, to read:

99312.3. Revenues transferred to the Public Transportation Account pursuant to paragraph (2) of subdivision (c) of Section 6051.8 and paragraph (2) of subdivision (c) of Section 6201.8 of the Revenue and Taxation Code are hereby continuously appropriated to the Transportation Agency for distribution in the following manner:

(a) (1) Fifty percent of available annual revenues under this section shall be allocated by the Transportation Agency to the public agencies, including joint powers agencies, responsible for state-supported intercity rail services. A minimum of 25 percent of the funds available under this subdivision shall be allocated to each of the state's three intercity rail corridors that provide regularly scheduled intercity rail service.

(2) The Transportation Agency shall adopt guidelines governing the administration of the funds available under this subdivision, including provisions providing authority for loans of these funds by mutual agreement between intercity rail service corridors.

(b) (1) Fifty percent of available annual revenues under this section shall be allocated by the Transportation Agency to the public agencies, including joint powers agencies, responsible for commuter rail services. For the 2018–19 and 2019–20 fiscal years, 20 percent of the funds available under this subdivision shall be allocated to each of the state's five commuter rail service providers that provide regularly scheduled commuter rail service. Commencing July 1, 2020, the funds available under this subdivision shall be allocated based on guidelines and a distribution formula adopted by the Transportation Agency.

(2) On or before July 1, 2019, the Transportation Agency shall prepare a draft of the proposed guidelines and distribution formula and make them available for public comment. In preparing the proposed guidelines and distribution formula, the agency shall consult with the state's five commuter rail service providers. The final guidelines and distribution formula shall be adopted on or before January 1, 2020. The guidelines shall include, but need not be limited to, provisions providing authority for loans of these funds by mutual agreement between commuter rail service providers and providing for baseline allocations to each provider.

(c) The funds made available by this section may be used for operations and capital improvements.

SEC. 21. Section 99312.4 is added to the Public Utilities Code, to read:

99312.4. Revenues transferred to the Public Transportation Account pursuant to subdivision (a) of Section 11053 of the Revenue and Taxation Code for the Transit and Intercity Rail Capital Program (Part 2 (commencing with Section 75220) of Division 44 of the Public Resources Code) shall be available for appropriation to that program pursuant to the annual Budget Act.

SEC. 22. Section 99314.9 is added to the Public Utilities Code, to read:

99314.9. The Controller shall compute quarterly proposed allocations for State Transit Assistance Program funds available for allocation pursuant to Sections 99313 and 99314. The Controller shall publish the allocations for each eligible recipient agency, including one list applicable to revenues allocated pursuant to subdivision (c) of Section 99312.1 and another list for revenues allocated from all other revenues in the Public Transportation Account that are designated for the State Transit Assistance Program.

SEC. 23. Section 6051.8 of the Revenue and Taxation Code is amended to read:

6051.8. (a) Except as provided by Section 6357.3, in addition to the taxes imposed by this part, for the privilege of selling tangible personal property at retail a tax is hereby imposed upon all retailers at the rate of 1.75 percent of the gross receipts of any retailer from the sale of all diesel fuel, as defined in Section 60022.

(b) Except as provided by Section 6357.3, in addition to the taxes imposed by this part and by subdivision (a), commencing November 1, 2017, for the privilege of selling tangible personal property at retail a tax is hereby

imposed upon all retailers at the rate of 4 percent of the gross receipts of any retailer from the sale of all diesel fuel, as defined in Section 60022, sold at retail in this state.

(c) (1) Notwithstanding subdivision (b) of Section 7102, except as otherwise provided in paragraph (2), all of the revenues, less refunds, collected pursuant to this section shall be estimated by the State Board of Equalization, with the concurrence of the Department of Finance, and transferred quarterly to the Public Transportation Account in the State Transportation Fund for allocation under the State Transit Assistance Program pursuant to Section 99312.1 of the Public Utilities Code.

(2) The revenues, less refunds, attributable to a rate of 0.5 percent of the 4-percent increase in the rate pursuant to subdivision (b), amounting to one-eighth of revenues from the increase in the rate under that subdivision, shall be estimated by the State Board of Equalization, with the concurrence of the Department of Finance, and transferred quarterly to the Public Transportation Account in the State Transportation Fund for allocation by the Transportation Agency to intercity rail and commuter rail purposes pursuant to Section 99312.3 of the Public Utilities Code.

SEC. 24. Section 6201.8 of the Revenue and Taxation Code is amended to read:

6201.8. (a) Except as provided by Section 6357.3, in addition to the taxes imposed by this part, an excise tax is hereby imposed on the storage, use, or other consumption in this state of diesel fuel, as defined in Section 60022, at the rate of 1.75 percent of the sales price of the diesel fuel.

(b) Except as provided by Section 6357.3, in addition to the taxes imposed by this part and by subdivision (a), commencing November 1, 2017, an excise tax is hereby imposed on the storage, use, or other consumption in this state of diesel fuel, as defined in Section 60022, at the rate of 4 percent of the sales price of the diesel fuel.

(c) (1) Notwithstanding subdivision (b) of Section 7102, except as otherwise provided in paragraph (2), all of the revenues, less refunds, collected pursuant to this section shall be estimated by the State Board of Equalization, with the concurrence of the Department of Finance, and transferred quarterly to the Public Transportation Account in the State Transportation Fund for allocation pursuant to Section 99312.1 of the Public Utilities Code.

(2) The revenues, less refunds, attributable to a rate of 0.5 percent of the 4-percent increase in the rate pursuant to subdivision (b), amounting to one-eighth of revenues from the increase in the rate under that subdivision, shall be estimated by the State Board of Equalization, with the concurrence of the Department of Finance, and transferred quarterly to the Public Transportation Account in the State Transportation Fund for allocation by the Transportation Agency to intercity rail and commuter rail purposes pursuant to Section 99312.3 of the Public Utilities Code.

SEC. 25. Section 7360 of the Revenue and Taxation Code is amended to read:

7360. (a) (1) A tax of eighteen cents (\$0.18) is hereby imposed upon each gallon of fuel subject to the tax in Sections 7362, 7363, and 7364.

(2) If the federal fuel tax is reduced below the rate of nine cents (\$0.09) per gallon and federal financial allocations to this state for highway and exclusive public mass transit guideway purposes are reduced or eliminated correspondingly, the tax rate imposed by paragraph (1), on and after the date of the reduction, shall be recalculated by an amount so that the combined state rate under paragraph (1) and the federal tax rate per gallon equal twenty-seven cents (\$0.27).

(3) If any person or entity is exempt or partially exempt from the federal fuel tax at the time of a reduction, the person or entity shall continue to be so exempt under this section.

(b) (1) On and after July 1, 2010, in addition to the tax imposed by subdivision (a), a tax is hereby imposed upon each gallon of motor vehicle fuel, other than aviation gasoline, subject to the tax in Sections 7362, 7363, and 7364 in an amount equal to seventeen and three-tenths cents (\$0.173) per gallon.

(2) For the 2011–12 fiscal year and each fiscal year thereafter, the board shall, on or before March 1 of the fiscal year immediately preceding the applicable fiscal year, adjust the rate in paragraph (1) in that manner as to generate an amount of revenue that will equal the amount of revenue loss attributable to the exemption provided by Section 6357.7, based on estimates made by the board, and that rate shall be effective during the state's next fiscal year.

(3) In order to maintain revenue neutrality for each year, beginning with the rate adjustment on or before March 1, 2012, the adjustment under paragraph (2) shall also take into account the extent to which the actual amount of revenues derived pursuant to this subdivision and, as applicable, Section 7361.1, the revenue loss attributable to the exemption provided by Section 6357.7 resulted in a net revenue gain or loss for the fiscal year ending prior to the rate adjustment date on or before March 1.

(4) The intent of paragraphs (2) and (3) is to ensure that the act adding this subdivision and Section 6357.7 does not produce a net revenue gain in state taxes.

(5) Commencing July 1, 2019, the adjustments in paragraphs (2) and (3) shall cease, and the rate imposed by this subdivision shall be the rate in paragraph (1).

(c) On and after November 1, 2017, in addition to the taxes imposed by subdivisions (a) and (b), a tax is hereby imposed upon each gallon of motor vehicle fuel, other than aviation gasoline, subject to the tax in Sections 7362, 7363, and 7364, in an amount equal to twelve cents (\$0.12) per gallon.

(d) On July 1, 2020, and every July 1 thereafter, the board shall adjust the taxes imposed by subdivisions (a), (b), and (c), with the adjustment to apply to both to the base tax rates specified in those provisions and to any previous adjustment in rates made pursuant to this subdivision, by increasing the taxes by a percentage amount equal to the increase in the California Consumer Price Index, as calculated by the Department of Finance with the resulting taxes rounded to the nearest one-tenth of one cent (\$0.01). The first adjustment pursuant to this subdivision shall be a percentage amount equal to the increase in the California Consumer Price Index from November 1, 2017, to November 1, 2019. Subsequent annual adjustments shall cover subsequent 12 month periods. The incremental change shall be added to the associated rate for that year.

(e) Any increases to the taxes imposed under subdivisions (a), (b), and (c) that are enacted by legislation subsequent to July 1, 2017, shall be deemed to be changes to the base tax rates for purposes of the California Consumer Price Index calculation and adjustment performed pursuant to subdivision (d).

SEC. 26. Section 7361.2 is added to the Revenue and Taxation Code, to read:

7361.2. (a) For the privilege of storing, for the purpose of sale, each supplier, wholesaler, and retailer owning 1,000 or more gallons of tax-paid motor vehicle fuel on November 1, 2017, shall pay a storage tax, the rate of which shall be determined by the board pursuant to the difference in the rate of the tax on motor vehicle fuel in effect on October 31, 2017, and the rate in effect on November 1, 2017, on tax-paid motor vehicle fuel in storage according to the volumetric measure thereof.

(b) For purposes of this section:

(1) "Owning" means having title to the motor vehicle fuel.

(2) "Retailer" means any person who sells motor vehicle fuel in this state to a person who subsequently uses the motor vehicle fuel.

(3) "Storing" includes the ownership or possession of tax-paid motor vehicle fuel outside of the bulk transfer/terminal system, including the holding of tax-paid motor vehicle fuel for sale at wholesale or retail locations stored in a container of any kind, including railroad tank cars and trucks or trailer cargo tanks. "Storing" also includes tax-paid motor vehicle fuel purchased from and invoiced by the seller, and tax-paid motor vehicle fuel removed from a terminal or entered into by a supplier, prior to the date specified in subdivision (a) and in transit on that date.

(4) "Wholesaler" means any person who sells diesel fuel in this state for resale to a retailer or to a person who is not a retailer and subsequently uses the motor vehicle fuel.

SEC. 27. Section 7653.2 is added to the Revenue and Taxation Code, to read:

7653.2. On or before January 1, 2018, each person subject to the storage tax imposed under Section 7361.2 shall prepare and file with the board, in a form prescribed by the board, a return showing the total number of gallons of tax-paid motor vehicle fuel owned by the person on November 1, 2017, the amount of the storage tax, and any other information that the board deems necessary for the proper administration of this part. The return shall be accompanied by a remittance payable to the board in the amount of tax due.

SEC. 28. Section 8352.4 of the Revenue and Taxation Code is amended to read:

8352.4. (a) Subject to Sections 8352 and 8352.1, and except as otherwise provided in subdivision (b), there shall be transferred from the money deposited to the credit of the Motor Vehicle Fuel Account to the Harbors and Watercraft Revolving Fund, for expenditure in accordance with Division 1 (commencing with Section 30) of the Harbors and Navigation Code, the sum of six million six hundred thousand dollars (\$6,600,000) per annum, representing the amount of money in the Motor Vehicle Fuel Account attributable to taxes imposed on distributions of motor vehicle fuel used or usable in propelling vessels. The actual amount shall be calculated using the annual reports of registered boats prepared by the Department of Motor Vehicles for the United States Coast Guard and the formula and method of the December 1972 report prepared for this purpose and submitted to the Legislature on December 26, 1972, by the Director of Transportation. If the amount transferred during each fiscal year is in excess of the calculated amount, the excess shall be retransferred from the Harbors and Watercraft Revolving Fund to the Motor Vehicle Fuel Account. If the amount transferred is less than the amount calculated, the difference shall be transferred from the Motor Vehicle Fuel Account to the Harbors and Watercraft Revolving Fund. No adjustment shall be made if the computed difference is less than fifty thousand dollars (\$50,000), and the amount shall be adjusted to reflect any temporary or permanent increase or decrease that may be made in the rate under the Motor Vehicle Fuel Tax Law. Payments pursuant to this section shall be made prior to payments pursuant to Section 8352.2.

(b) (1) Commencing July 1, 2012, the revenues attributable to the taxes imposed pursuant to subdivision (b) of Section 7360 and otherwise to be deposited in the Harbors and Watercraft Revolving Fund pursuant to subdivision (a) shall instead be transferred to the General Fund.

(2) Commencing November 1, 2017, the revenues attributable to the taxes imposed pursuant to subdivision (c) of Section 7360, any adjustment pursuant to subdivision (d) of Section 7360, and Section 7361.2, and otherwise to be deposited in the Harbors and Watercraft Revolving Fund pursuant to subdivision (a), shall instead be transferred to the State Parks and Recreation Fund to be used for state parks, off-highway vehicle programs, or boating programs.

SEC. 29. Section 8352.5 of the Revenue and Taxation Code is amended to read:

8352.5. (a) (1) Subject to Sections 8352 and 8352.1, and except as otherwise provided in paragraph (1) of subdivision (b), there shall be transferred from the money deposited to the credit of the Motor Vehicle Fuel Account to the Department of Food and Agriculture Fund, during the second quarter of each fiscal year, an amount equal to the estimate contained in the most recent report prepared pursuant to this section.

(2) The amounts are not subject to Section 6357 with respect to the collection of sales and use taxes thereon, and represent the portion of receipts in the Motor Vehicle Fuel Account during a calendar year that were attributable to agricultural off-highway use of motor vehicle fuel which is subject to refund pursuant to Section 8101, less gross refunds allowed by the Controller during the fiscal year ending June 30 following the calendar year to persons entitled to refunds for agricultural off-highway use pursuant to Section 8101. Payments pursuant to this section shall be made prior to payments pursuant to Section 8352.2.

(b) (1) Commencing July 1, 2012, the revenues attributable to the taxes imposed pursuant to subdivision (b) of Section 7360 and otherwise to be deposited in the Department of Food and Agriculture Fund pursuant to subdivision (a) shall instead be transferred to the General Fund.

(2) Commencing November 1, 2017, the revenues attributable to the taxes imposed pursuant to subdivision (c) of Section 7360, as adjusted pursuant to subdivision (d) of Section 7360, and Section 7361.2 shall be deposited in the Department of Food and Agriculture Fund.

(c) On or before September 30, 2012, and on or before September 30 of each even-numbered year thereafter, the Director of Transportation and the Director of Food and Agriculture shall jointly prepare, or cause to be prepared, a report setting forth the current estimate of the amount of money in the Motor Vehicle Fuel Account attributable to agricultural off-highway use of motor vehicle fuel, which is subject to refund pursuant to Section 8101 less gross refunds allowed by the Controller to persons entitled to refunds for agricultural off-highway use pursuant to Section 8101; and they shall submit a copy of the report to the Legislature.

SEC. 30. Section 8352.6 of the Revenue and Taxation Code is amended to read:

8352.6. (a) (1) Subject to Section 8352.1, and except as otherwise provided in paragraphs (2) and (3), on the first day of every month, there shall be transferred from moneys deposited to the credit of the Motor Vehicle Fuel Account to the Off-Highway Vehicle Trust Fund created by Section 38225 of the Vehicle Code an amount

attributable to taxes imposed upon distributions of motor vehicle fuel used in the operation of motor vehicles off highway and for which a refund has not been claimed. Transfers made pursuant to this section shall be made prior to transfers pursuant to Section 8352.2.

(2) (A) Commencing July 1, 2012, the revenues attributable to the taxes imposed pursuant to subdivision (b) of Section 7360 and otherwise to be deposited in the Off-Highway Vehicle Trust Fund pursuant to paragraph (1) shall instead be transferred to the General Fund.

(B) Commencing November 1, 2017, the revenues attributable to the taxes imposed pursuant to subdivision (c) of Section 7360, any adjustment pursuant to subdivision (d) of Section 7360, and Section 7361.2, and otherwise to be deposited in the Off-Highway Vehicle Trust Fund pursuant to subdivision (a), shall instead be transferred to the State Parks and Recreation Fund to be used for state parks, off-highway vehicle programs, or boating programs.

(3) The Controller shall withhold eight hundred thirty-three thousand dollars (\$833,000) from the monthly transfer to the Off-Highway Vehicle Trust Fund pursuant to paragraph (1), and transfer that amount to the General Fund.

(b) The amount transferred to the Off-Highway Vehicle Trust Fund pursuant to paragraph (1) of subdivision (a), as a percentage of the Motor Vehicle Fuel Account, shall be equal to the percentage transferred in the 2006–07 fiscal year. Every five years, starting in the 2013–14 fiscal year, the percentage transferred may be adjusted by the Department of Transportation in cooperation with the Department of Parks and Recreation and the Department of Motor Vehicles. Adjustments shall be based on, but not limited to, the changes in the following factors since the 2006–07 fiscal year or the last adjustment, whichever is more recent:

(1) The number of vehicles registered as off-highway motor vehicles as required by Division 16.5 (commencing with Section 38000) of the Vehicle Code.

(2) The number of registered street-legal vehicles that are anticipated to be used off highway, including four-wheel drive vehicles, all-wheel drive vehicles, and dual-sport motorcycles.

(3) Attendance at the state vehicular recreation areas.

(4) Off-highway recreation use on federal lands as indicated by the United States Forest Service's National Visitor Use Monitoring and the United States Bureau of Land Management's Recreation Management Information System.

(c) It is the intent of the Legislature that transfers from the Motor Vehicle Fuel Account to the Off-Highway Vehicle Trust Fund should reflect the full range of motorized vehicle use off highway for both motorized recreation and motorized off-road access to other recreation opportunities. Therefore, the Legislature finds that the fuel tax baseline established in subdivision (b), attributable to off-highway estimates of use as of the 2006–07 fiscal year, accounts for the three categories of vehicles that have been found over the years to be users of fuel for off-highway motorized recreation or motorized access to nonmotorized recreational pursuits. These three categories are registered off-highway motorized vehicles, registered street-legal motorized vehicles used off highway, and unregistered off-highway motorized vehicles.

(d) It is the intent of the Legislature that the off-highway motor vehicle recreational use to be determined by the Department of Transportation pursuant to paragraph (2) of subdivision (b) be that usage by vehicles subject to registration under Division 3 (commencing with Section 4000) of the Vehicle Code, for recreation or the pursuit of recreation on surfaces where the use of vehicles registered under Division 16.5 (commencing with Section 38000) of the Vehicle Code may occur.

(e) In the 2014–15 fiscal year, the Department of Transportation, in consultation with the Department of Parks and Recreation and the Department of Motor Vehicles, shall undertake a study to determine the appropriate adjustment to the amount transferred pursuant to subdivision (b) and to update the estimate of the amount attributable to taxes imposed upon distributions of motor vehicle fuel used in the operation of motor vehicles off highway and for which a refund has not been claimed. The department shall provide a copy of this study to the Legislature no later than January 1, 2016.

SEC. 31. Chapter 6 (commencing with Section 11050) is added to Part 5 of Division 2 of the Revenue and Taxation Code, to read:

CHAPTER 6. Transportation Improvement Fee

11050. For purposes of this chapter, the following terms have the following meanings:

(a) "Transportation purposes" means both of the following:

(1) The research, planning, construction, improvement, maintenance, and operation of public streets and highways (and their related public facilities for nonmotorized traffic), including the mitigation of their environmental effects, the payment for property taken or damaged for the foregoing purposes, and the administrative costs necessarily incurred in the foregoing purposes.

(2) The research, planning, construction, improvement, maintenance, and operation of public transportation systems (and their related equipment and fixed facilities), including the mitigation of their environmental effects, the payment for property taken or damaged for the foregoing purposes, and the administrative costs necessarily incurred in the foregoing purposes.

(b) "Transportation improvement fee" means a supplemental charge added to the fee imposed pursuant to Chapter 2 (commencing with Section 10751).

(c) "Vehicle" means every vehicle that is subject to the fee in Chapter 2 (commencing with Section 10751), except the following:

(1) A commercial vehicle with an unladen weight of more than 10,000 pounds.

(2) A vehicle exempted pursuant to the Vehicle Code from the payment of registration fees.

(3) A vehicle for which a certificate of nonoperation has been filed with the Department of Motor Vehicles pursuant to Section 4604 of the Vehicle Code, during the period of time covered by the certificate.

(4) A vehicle described in Section 5004 of the Vehicle Code.

11051. (a) In addition to any other fee imposed on a vehicle by this code or the Vehicle Code, a transportation improvement fee is hereby imposed on each vehicle as defined in subdivision (b) of Section 11050 effective on January 1, 2018, or as soon after that date as the department is able to commence collection of the fee. The transportation improvement fee shall be in the amounts specified in Section 11052.

(b) The department shall collect the fee at the same time and in the same manner as the department collects the vehicle registration fee pursuant to Section 9250 of the Vehicle Code.

(c) The fee imposed pursuant to this chapter is imposed for the privilege of a resident of California to operate upon the public highways a vehicle or trailer coach, the registrant of which is subject to the fee under Chapter 2 (commencing with Section 10751).

(d) The revenues from the transportation improvement fee imposed by this chapter shall be available for expenditure only on transportation purposes as provided in Section 11053.

11052. (a) The annual amount of the transportation improvement fee shall be based on the market value of the vehicle, as determined by the department pursuant to Sections 10753, 10753.2, and 10753.5, using the following schedule:

(1) Vehicles with a vehicle market value range between zero dollars (\$0) and four thousand nine hundred ninety-nine dollars (\$4,999), a fee of twenty-five dollars (\$25).

(2) Vehicles with a vehicle market value range between five thousand dollars (\$5,000) and twenty-four thousand nine hundred ninety-nine dollars (\$24,999), a fee of fifty dollars (\$50).

(3) Vehicles with a vehicle market value range between twenty-five thousand dollars (\$25,000) and thirty-four thousand nine hundred ninety-nine dollars (\$34,999), a fee of one hundred dollars (\$100).

(4) Vehicles with a vehicle market value range between thirty-five thousand dollars (\$35,000) and fifty-nine thousand nine hundred ninety-nine dollars (\$59,999), a fee of one hundred fifty dollars (\$150).

(5) Vehicles with a vehicle market value range of sixty thousand dollars (\$60,000) and higher, a fee of one hundred seventy-five dollars (\$175).

(b) On January 1, 2020, and every January 1 thereafter, the department shall adjust the transportation improvement fee imposed under subdivision (a) by increasing the fee for each vehicle market range in an

amount equal to the increase in the California Consumer Price Index for the prior year, except the first adjustment shall cover the prior two years, as calculated by the Department of Finance, with amounts equal to or greater than fifty cents (\$0.50) rounded to the highest whole dollar. The incremental change shall be added to the associated fee rate for that year.

(c) Any changes to the transportation improvement fee imposed in subdivision (a) that are enacted by the Legislature subsequent to January 1, 2018, shall be deemed to be changes to the base fee for purposes of the California Consumer Price Index calculation and adjustment performed pursuant to subdivision (b).

11053. Revenues from the transportation improvement fee, after deduction of the department's administrative costs related to this chapter, shall be transferred by the department to the Controller for deposit as follows:

(a) Commencing with the 2017–18 fiscal year, three hundred fifty million dollars (\$350,000,000), plus an annual increase for inflation as determined in subdivision (b) of Section 11052 for this proportional share, shall annually be deposited into the Public Transportation Account. The Controller shall, each month, set aside one-twelfth of this amount, to accumulate a total of three hundred fifty million dollars (\$350,000,000) in each fiscal year or the appropriate adjusted amount. For each fiscal year commencing with the 2017–18 fiscal year, the annual Budget Act shall include an appropriation for 70 percent of these revenues to be allocated to the Transit and Intercity Rail Capital Program (Part 2 (commencing with Section 75220) of Division 44 of the Public Resources Code), pursuant to Section 99312.4 of the Public Utilities Code. The remaining 30 percent of these revenues shall be continuously appropriated to the Controller for allocation under the State Transit Assistance program, pursuant to subdivision (c) of Section 99312.1 of the Public Utilities Code.

(b) Commencing with the 2017–18 fiscal year, two hundred fifty million dollars (\$250,000,000) shall annually be deposited into the State Highway Account for appropriation by the annual Budget Act to the Congested Corridor Program created pursuant to Section 2391 of the Streets and Highways Code. The Controller shall, each month, set aside one-twelfth of this amount, to accumulate a total of two hundred fifty million dollars (\$250,000,000) in each fiscal year.

(c) The remaining revenues after the transfers made in subdivisions (a) and (b) shall be deposited into the Road Maintenance and Rehabilitation Account created pursuant to Section 2031 of the Streets and Highway Code.

SEC. 32. Section 60050 of the Revenue and Taxation Code is amended to read:

60050. (a) (1) A tax of sixteen cents (\$0.16) is hereby imposed upon each gallon of diesel fuel subject to the tax in Sections 60051, 60052, and 60058.

(2) If the federal fuel tax is reduced below the rate of fifteen cents (\$0.15) per gallon and federal financial allocations to this state for highway and exclusive public mass transit guideway purposes are reduced or eliminated correspondingly, the tax rate imposed by paragraph (1) shall be increased by an amount so that the combined state rate under paragraph (1) and the federal tax rate per gallon equal what it would have been in the absence of the federal reduction.

(3) If any person or entity is exempt or partially exempt from the federal fuel tax at the time of a reduction, the person or entity shall continue to be exempt under this section.

(b) On and after November 1, 2017, in addition to the tax imposed pursuant to subdivision (a), an additional tax of twenty cents (\$0.20) is hereby imposed upon each gallon of diesel fuel subject to the tax in Sections 60051, 60052, and 60058.

(c) On July 1, 2020, and every July 1 thereafter, the State Board of Equalization shall adjust the taxes imposed by subdivisions (a), and (b), with the adjustment to apply to both to the base tax rates specified in those provisions and to any previous adjustment in rates made pursuant to this subdivision, by increasing the taxes by a percentage amount equal to the increase in the California Consumer Price Index, as calculated by the Department of Finance with the resulting taxes rounded to the nearest one-tenth of one cent (\$0.01). The first adjustment pursuant to this subdivision shall be a percentage amount equal to the increase in the California Consumer Price Index from November 1, 2017, to November 1, 2019. Subsequent annual adjustments shall cover subsequent 12 month periods. The incremental change shall be added to the associated rate for that year.

(d) Any changes to the taxes imposed under this section that are enacted by legislation subsequent to July 1, 2017, shall be deemed to be changes to the base tax rates for purposes of the California Consumer Price Index calculation and adjustment performed pursuant to paragraph (1).

SEC. 33. Section 60050.2 is added to the Revenue and Taxation Code, to read:

60050.2. (a) For the privilege of storing, for the purpose of sale, each supplier, wholesaler, and retailer owning 1,000 or more gallons of tax-paid diesel fuel on November 1, 2017, shall pay a storage tax of twenty cents (\$0.20) per gallon of tax-paid diesel fuel in storage according to the volumetric measure thereof.

(b) For purposes of this section:

(1) "Owning" means having title to the diesel fuel.

(2) "Retailer" means any person who sells diesel fuel in this state to a person who subsequently uses the diesel fuel.

(3) "Storing" includes the ownership or possession of tax-paid diesel fuel outside of the bulk transfer/terminal system, including the holding of tax-paid diesel fuel for sale at wholesale or retail locations stored in a container of any kind, including railroad tank cars and trucks or trailer cargo tanks. "Storing" also includes tax-paid diesel fuel purchased from and invoiced by the seller, and tax-paid diesel fuel removed from a terminal or entered into by a supplier, prior to the date specified in subdivision (a) and in transit on that date.

(4) "Wholesaler" means any person who sells diesel fuel in this state for resale to a retailer or to a person who is not a retailer and subsequently uses the diesel fuel.

SEC. 34. Section 60201.4 is added to the Revenue and Taxation Code, to read:

60201.4. On or before January 1, 2018, each person subject to the storage tax imposed under Section 60050.2 shall prepare and file with the board, in a form prescribed by the board, a return showing the total number of gallons of tax-paid diesel fuel owned by the person on November 1, 2017, the amount of the storage tax, and any other information that the board deems necessary for the proper administration of this part. The return shall be accompanied by a remittance payable to the board in the amount of tax due.

SEC. 35. Article 2.5 (commencing with Section 800) is added to Chapter 4 of Division 1 of the Streets and Highways Code, to read:

Article 2.5. Advance Mitigation Program

800. (a) The Advance Mitigation Program is hereby created to enhance communications between the department and stakeholders to protect natural resources through project mitigation, to meet or exceed applicable environmental requirements, to accelerate project delivery, and to fully mitigate environmental impacts from transportation infrastructure projects. The department shall consult on all activities pursuant to this article with the Department of Fish and Wildlife, including activities pursuant to Chapter 9 (commencing with Section 1850) of Division 2 of the Fish and Game Code.

(b) Commencing with the 2017–18 fiscal year, and for a period of four years, the department shall set aside no less than thirty million dollars (\$30,000,000) annually for the Advance Mitigation Program from the annual appropriations for the State Transportation Improvement Program and the State Highway Operation and Protection Program for the planning and implementation of projects in the Advanced Mitigation Program.

(c) The annual Budget Act and subsequent legislation may establish additional provisions and requirements for the program.

SEC. 36. Chapter 2 (commencing with Section 2030) is added to Division 3 of the Streets and Highways Code, to read:

CHAPTER 2. Road Maintenance and Rehabilitation Program

2030. (a) The Road Maintenance and Rehabilitation Program is hereby created to address deferred maintenance on the state highway system and the local street and road system. Funds made available by the program shall be prioritized for expenditure on basic road maintenance and road rehabilitation projects, and on critical safety projects.

(b) (1) Funds made available by the program shall be used for projects that include, but are not limited to, the following:

(A) Road maintenance and rehabilitation.

(B) Safety projects.

(C) Railroad grade separations.

(D) Complete street components, including active transportation purposes, pedestrian and bicycle safety projects, transit facilities, and drainage and stormwater capture projects in conjunction with any other allowable project.

(E) Traffic control devices.

(2) Funds made available by the program may also be used to satisfy a match requirement in order to obtain state or federal funds for projects authorized by this subdivision.

(c) To the extent possible and cost effective, and where feasible, the department and cities and counties receiving funds under the program shall use advanced technologies and material recycling techniques that reduce the cost of maintaining and rehabilitating the streets and highways, and that exhibit reduced levels of greenhouse gas emissions through material choice and construction method.

(d) To the extent possible and cost effective, and where feasible, the department and cities and counties receiving funds under the program shall use advanced technologies and communications systems in transportation infrastructure that recognize and accommodate advanced automotive technologies that may include, but are not necessarily limited to, charging or fueling opportunities for zero-emission vehicles, and provision of infrastructure-to-vehicle communications for transitional or full autonomous vehicle systems.

(e) To the extent deemed cost effective, and where feasible, in the context of both the project scope and the risk level for the asset due to global climate change, the department and cities and counties receiving funds under the program shall include features in the projects funded by the program to better adapt the asset to withstand the negative effects of climate change and make the asset more resilient to impacts such as fires, floods, and sea level rise.

(f) To the extent beneficial, cost effective, and practicable in the context of facility type, right-of-way, project scope, and quality of nearby alternative facilities, and where feasible, the department and cities and counties receiving funds under the program shall incorporate complete street elements into projects funded by the program, including, but not limited to, elements that improve the quality of bicycle and pedestrian facilities and that improve safety for all users of transportation facilities.

(g) For purposes of funds directed to the State Highway Operation and Protection Program, the guidelines and reporting provisions shall be consistent with Section 14526.5 of the Government Code.

(h) Guidelines adopted by the commission to facilitate the allocation of funds in the account shall be exempt from the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

2031. The following revenues shall be deposited in the Road Maintenance and Rehabilitation Account, which is hereby created in the State Transportation Fund:

(a) Notwithstanding subdivision (b) of Section 2103 and pursuant to subdivision (a) of Section 2103.1, the portion of the revenues in the Highway Users Tax Account attributable to the increases in the motor vehicle fuel excise tax pursuant to subdivision (c) of Section 7360 of the Revenue and Taxation Code, as adjusted pursuant to subdivision (d) of that section.

(b) The revenues from the portion of the transportation improvement fee pursuant to subdivision (c) of Section 11053 of the Revenue and Taxation Code.

(c) The revenues from the increase in the vehicle registration fee pursuant to Section 9250.6 of the Vehicle Code, as adjusted pursuant to subdivision (b) of that section.

(d) Notwithstanding subdivision (b) of Section 2103 and pursuant to paragraph (2) of subdivision (b) of Section 2103.1, one-half of the revenues attributable to the increase in the diesel fuel excise tax pursuant to subdivisions (b) and (c) of Section 60050 of the Revenue and Taxation Code.

(e) Any other revenues designated for the program.

2031.5. For each fiscal year, the annual Budget Act shall contain an appropriation from the Road Maintenance and Rehabilitation Account for the costs of administering this chapter.

2032. (a) (1) After deducting the amounts appropriated in the annual Budget Act, as provided in Section 2031.5, two hundred million dollars (\$200,000,000) of the remaining revenues deposited in the Road Maintenance and Rehabilitation Account shall be set aside annually for counties that have sought and received voter approval of taxes or that have imposed fees, including uniform developer fees as defined by subdivision (b) of Section 8879.67 of the Government Code, which taxes or fees are dedicated solely to transportation improvements. The Controller shall each month set aside one-twelfth of this amount, to accumulate a total of two hundred million dollars (\$200,000,000) in each fiscal year.

(2) Eligible projects under this subdivision shall include, but not are limited to, sound walls for a freeway that was built prior to 1987 without sound walls and with or without high occupancy vehicle lanes if the completion of the sound walls has been deferred due to lack of available funding for at least 20 years and a noise barrier scope summary report has been completed within the last 20 years.

(3) Notwithstanding Section 13340 of the Government Code, the funds available under this subdivision in each fiscal year are hereby continuously appropriated for allocation to each eligible county and each city in the county for road maintenance and rehabilitation purposes pursuant to Section 2033.

(b) After deducting the amounts appropriated in the annual Budget Act pursuant to Section 2031.5 and the amount allocated in subdivision (a), beginning in the 2017–18 fiscal year, one hundred million dollars (\$100,000,000) of the remaining revenues shall be available annually for expenditure, upon appropriation by the Legislature, on the Active Transportation Program created pursuant to Chapter 8 (commencing with Section 2380) of Division 3 to be allocated by the California Transportation Commission pursuant to Section 2381. The Controller shall each month set aside one-twelfth of this amount, to accumulate a total of one hundred million dollars (\$100,000,000) in each fiscal year.

(c) After deducting the amounts appropriated in the annual Budget Act pursuant to Section 2031.5 and the amounts allocated in subdivisions (a) and (b), beginning in the 2017–18 fiscal year, four hundred million dollars (\$400,000,000) of the remaining revenues shall be available annually for expenditure, upon appropriation by the Legislature, by the department for bridge and culvert maintenance and rehabilitation. The Controller shall each month set aside one-twelfth of this amount, to accumulate a total of four hundred million dollars (\$400,000,000) in each fiscal year.

(d) After deducting the amounts appropriated in the annual Budget Act pursuant to Section 2031.5 and the amounts allocated in subdivisions (a), (b), and (c), beginning in the 2017–18 fiscal year, twenty-five million dollars (\$25,000,000) of the remaining revenues shall be transferred annually to the State Highway Account for expenditure, upon appropriation by the Legislature, to supplement the freeway service patrol program. The Controller shall each month set aside one-twelfth of this amount, to accumulate a total of twenty-five million dollars (\$25,000,000) in each fiscal year.

(e) After deducting the amounts appropriated in the annual Budget Act pursuant to Section 2031.5 and the amounts allocated in subdivisions (a), (b), (c), and (d), in the 2017–18, 2018–19, 2019–20, 2020–21, and 2021–22 fiscal years, from revenues in the Road Maintenance and Rehabilitation Account that are not subject to Article XIX of the California Constitution, five million dollars (\$5,000,000) shall be appropriated in each fiscal year to the California Workforce Development Board to assist local agencies to implement policies to promote preapprenticeship training programs to carry out the projects that are funded by the account pursuant to Section 2038. Funds appropriated pursuant to this subdivision in the Budget Act but remaining unexpended at the end of each applicable fiscal year shall be reappropriated for the same purposes in the following year's Budget Act, but all funds appropriated or reappropriated pursuant to this subdivision in the Budget Act shall be liquidated no later than June 30, 2027.

(f) After deducting the amounts appropriated in the annual Budget Act pursuant to Section 2031.5 and the amounts allocated in subdivisions (a), (b), (c), (d), and (e), beginning in the 2017–18 fiscal year, twenty-five million dollars (\$25,000,000) of the remaining revenues shall be available annually for expenditure, upon appropriation by the Legislature, by the department for local planning grants, as described in Section 2033.5. The Controller shall each month set aside one-twelfth of this amount, to accumulate a total of twenty-five million dollars (\$25,000,000) in each fiscal year.

(g) After deducting the amounts appropriated in the annual Budget Act pursuant to Section 2031.5 and the amounts allocated in subdivisions (a), (b), (c), (d), (e), and (f), beginning in the 2017–18 fiscal year and each

fiscal year thereafter, from the remaining revenues, five million dollars (\$5,000,000) shall be available, upon appropriation, to the University of California for the purpose of conducting transportation research and two million dollars (\$2,000,000) shall be available, upon appropriation, to the California State University for the purpose of conducting transportation research and transportation-related workforce education, training, and development. Prior to the start of each fiscal year, the Secretary of Transportation and the chairs of the Assembly Committee on Transportation and the Senate Committee on Transportation and Housing may set out a recommended priority list of research components to be addressed in the upcoming fiscal year.

(h) Notwithstanding Section 13340 of the Government Code, the balance of the revenues deposited in the Road Maintenance and Rehabilitation Account are hereby continuously appropriated as follows:

(1) Fifty percent for allocation to the department for maintenance of the state highway system or for purposes of the state highway operation and protection program.

(2) Fifty percent for apportionment to cities and counties by the Controller pursuant to the formula in clauses (i) and (ii) of subparagraph (C) of paragraph (3) of subdivision (a) of Section 2103 for the purposes authorized by this chapter.

2032.5. (a) It is the intent of the Legislature that the Department of Transportation and local governments are held accountable for the efficient investment of public funds to maintain the public highways, streets, and roads, and are accountable to the people through performance goals that are tracked and reported.

(b) The department shall annually report to the commission relative to the expenditures made with funds received pursuant to subdivision (c) of, and paragraph (1) of subdivision (g) of, Section 2032, and the progress made and achievement of the performance goals outlined in subdivision (n) of Section 1 of the act adding this section.

(c) For each fiscal year in which the department receives an allocation of funds described in subdivision (b), the department shall submit documentation to the commission that includes a description and the location of each completed project, the amount of funds expended on the project, the completion date, and the project's estimated useful life. Annually, the commission shall evaluate the effectiveness of the department in reducing deferred maintenance and improving road conditions on the state highway system, as demonstrated by the progress made by the goals set forth in subdivision (n) of Section 1 of the act enacting this section. The commission may make recommendations for improvement and may withhold future project allocations if it determines program funds are not being appropriately spent. The commission shall annually include any findings in its annual report to the Legislature pursuant to Section 14535 of the Government Code.

(d) The department shall implement efficiency measures with the goal to generate at least one hundred million dollars (\$100,000,000) per year in savings to invest in maintenance and rehabilitation of the state highway system. These savings shall be reported to the commission.

2033. (a) On or before January 1, 2018, the commission, in cooperation with the department, transportation planning agencies, county transportation commissions, and other local agencies, shall develop guidelines for the allocation of funds pursuant to subdivision (a) of Section 2032.

(b) The guidelines shall be the complete and full statement of the policy, standards, and criteria that the commission intends to use to determine how these funds will be allocated.

(c) The commission may amend the adopted guidelines after conducting at least one public hearing.

2033.5. The department, from funds made available pursuant to subdivision (f) of Section 2032, shall allocate local planning grants to encourage local and regional planning that furthers state goals, including, but not limited to, the goals and best practices cited in the regional transportation guidelines adopted by the commission pursuant to Sections 14522 to 14522.3, inclusive, of the Government Code. The department shall develop a grant guide and shall consult with the State Air Resources Board, the Governor's Office of Planning and Research, and the Department of Housing and Community Development in the development of the grant guide, and shall provide status reports as it administers these funds. The grant guide shall be exempt from the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

2034. (a) (1) Prior to receiving an apportionment of funds under the program pursuant to paragraph (2) of subdivision (h) of Section 2032 from the Controller in a fiscal year, an eligible city or county shall submit to the

commission a list of projects proposed to be funded with these funds pursuant to an adopted city or county budget. All projects proposed to receive funding shall be included in a city or county budget that is adopted by the applicable city council or county board of supervisors at a regular public meeting. The list of projects proposed to be funded with these funds shall include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement. The project list shall not limit the flexibility of an eligible city or county to fund projects in accordance with local needs and priorities so long as the projects are consistent with subdivision (b) of Section 2030.

(2) The commission shall report to the Controller the cities and counties that have submitted a list of projects as described in this subdivision and that are therefore eligible to receive an apportionment of funds under the program for the applicable fiscal year. The Controller, upon receipt of the report, shall apportion funds to eligible cities and counties.

(b) For each fiscal year, each city or county receiving an apportionment of funds shall, upon expending program funds, submit documentation to the commission that includes a description and location of each completed project, the amount of funds expended on the project, the completion date, and the estimated useful life of the improvement.

2036. (a) Cities and counties shall maintain their existing commitment of local funds for street, road, and highway purposes in order to remain eligible for an allocation or apportionment of funds pursuant to Section 2032.

(b) In order to receive an allocation or apportionment pursuant to Section 2032, the city or county shall annually expend from its general fund for street, road, and highway purposes an amount not less than the annual average of its expenditures from its general fund during the 2009–10, 2010–11, and 2011–12 fiscal years, as reported to the Controller pursuant to Section 2151. For purposes of this subdivision, in calculating a city's or county's annual general fund expenditures and its average general fund expenditures for the 2009–10, 2010–11, and 2011–12 fiscal years, any unrestricted funds that the city or county may expend at its discretion, including vehicle in-lieu tax revenues and revenues from fines and forfeitures, expended for street, road, and highway purposes shall be considered expenditures from the general fund. One-time allocations that have been expended for street and highway purposes, but which may not be available on an ongoing basis, including revenue provided under the Teeter Plan Bond Law of 1994 (Chapter 6.6 (commencing with Section 54773) of Part 1 of Division 2 of Title 5 of the Government Code), may not be considered when calculating a city's or county's annual general fund expenditures.

(c) For any city incorporated after July 1, 2009, the Controller shall calculate an annual average expenditure for the period between July 1, 2009, and December 31, 2015, inclusive, that the city was incorporated.

(d) For purposes of subdivision (b), the Controller may request fiscal data from cities and counties in addition to data provided pursuant to Section 2151, for the 2009–10, 2010–11, and 2011–12 fiscal years. Each city and county shall furnish the data to the Controller not later than 120 days after receiving the request. The Controller may withhold payment to cities and counties that do not comply with the request for information or that provide incomplete data.

(e) The Controller may perform audits to ensure compliance with subdivision (b) when deemed necessary. Any city or county that has not complied with subdivision (b) shall reimburse the state for the funds it received during that fiscal year. Any funds withheld or returned as a result of a failure to comply with subdivision (b) shall be reapportioned to the other counties and cities whose expenditures are in compliance.

(f) If a city or county fails to comply with the requirements of subdivision (b) in a particular fiscal year, the city or county may expend during that fiscal year and the following fiscal year a total amount that is not less than the total amount required to be expended for those fiscal years for purposes of complying with subdivision (b).

2037. A city or county may spend its apportionment of funds under the program on transportation priorities other than those allowable pursuant to this chapter if the city's or county's average Pavement Condition Index meets or exceeds 80.

2038. The California Workforce Development Board shall develop guidelines for public agencies receiving Road Maintenance and Rehabilitation Account funds to participate in, invest in, or partner with, new or existing preapprenticeship training programs established pursuant to subdivision (e) of Section 14230 of the Unemployment Insurance Code. The department and local agencies that receive Road Maintenance and Rehabilitation Account funds pursuant to this chapter shall, not later than July 1, 2023, follow the guidelines set forth by the board. The board shall also establish a preapprenticeship development and training grant program,

beginning January 1, 2019, pursuant to subdivision (e) of Section 14230 of the Unemployment Insurance Code. Local public agencies that receive Road Maintenance and Rehabilitation Account funds pursuant to this chapter are eligible to compete for such grants and may apply in partnership with other agencies and entities, including those with existing preapprenticeship programs. Successful grant applicants shall, to the extent feasible:

(a) Follow the multicraft core curriculum implemented by the State Department of Education for its pilot project with the California Partnership Academies and by the California Workforce Development Board and local boards.

(b) Include a plan for outreach to and retention of women participants in the preapprenticeship program to help increase the representation of women in the building and construction trades.

(c) Include a plan for outreach to and retention of minority participants and underrepresented subgroups in the preapprenticeship program to help increase their representation in the building and construction trades.

(d) Include a plan for outreach to and retention of disadvantaged youth participants in the preapprenticeship program to help increase their employment opportunities in the building and construction trades.

(e) Include a plan for outreach to individuals in the local labor market area and to formerly incarcerated individuals to provide pathways to employment and training.

(f) Coordinate with local state-approved apprenticeship programs, local building trade councils, and to the extent possible the California Conservation Corps and certified community conservation corps, so individuals who have completed these programs have a pathway to continued employment.

SEC. 37. Section 2103.1 is added to the Streets and Highways Code, to read:

2103.1. (a) Notwithstanding subdivision (b) of Section 2103, the portion of revenues in the Highway Users Tax Account attributable to the increases in the motor vehicle fuel excise tax pursuant to subdivision (c) of Section 7360 of the Revenue and Taxation Code, as adjusted pursuant to subdivision (d) of that section, shall be transferred to the Road Maintenance and Rehabilitation Account pursuant to Section 2031.

(b) Notwithstanding subdivision (b) of Section 2103, the portion of revenues in the Highway Users Tax Account attributable to the increase in the diesel fuel excise tax pursuant to subdivision (b) of Section 60050 of the Revenue and Taxation Code, as adjusted pursuant to subdivision (c) of that section, shall be transferred as follows:

(1) Fifty percent to the Trade Corridors Enhancement Account pursuant to Section 2192.4.

(2) Fifty percent to the Road Maintenance and Rehabilitation Account pursuant to Section 2031.

(c) Notwithstanding subdivision (b) of Section 2103, the portion of the revenues in the Highway Users Tax Account attributable to the storage taxes imposed pursuant to Sections 7361.2 and 60050.2 of the Revenue and Taxation Code shall be deposited in the Road Maintenance and Rehabilitation Account created pursuant to Section 2031.

SEC. 38. Section 2104 of the Streets and Highways Code is amended to read:

2104. Notwithstanding Section 13340 of the Government Code, a sum equal to the net revenue derived from 11.3 percent of the per gallon tax under the Motor Vehicle Fuel License Tax Law (Part 2 (commencing with Section 7301) of Division 2), 1.80 cents (\$0.0180) under the Use Fuel Tax Law (Part 3 (commencing with Section 8601) of Division 2), and 11.5 percent of the per gallon tax under the Diesel Fuel Tax Law (Part 31 (commencing with Section 60001) of Division 2) of the Revenue and Taxation Code, shall be apportioned among the counties, as follows:

(a) Each county shall be paid one thousand six hundred sixty-seven dollars (\$1,667) during each calendar month, which amount shall be expended exclusively for engineering costs and administrative expenses with respect to county roads.

(b) A sum equal to the total of all reimbursable snow removal or snow grooming, or both, costs filed pursuant to subdivision (d) of Section 2152, or seven million dollars (\$7,000,000), whichever is less, shall be apportioned in 12 approximately equal monthly apportionments for snow removal or snow grooming, or both, on county roads, as provided in Section 2110.

(c) A sum equal to five hundred thousand dollars (\$500,000) shall be apportioned in 12 approximately equal monthly apportionments, as provided in Section 2110.5.

(d) (1) Seventy-five percent of the funds payable under this section shall be apportioned among the counties monthly in the respective proportions that the number of fee-paid and exempt vehicles which are registered in each county bears to the total number of fee-paid and exempt vehicles registered in the state.

(2) For purposes of apportionment under this subdivision, the Department of Motor Vehicles shall, as soon as possible after the last day of each calendar month, furnish to the Controller a verified statement showing the number of fee-paid and exempt vehicles which are registered in each county and in the state as of the last day of each calendar month as reflected by the records of the Department of Motor Vehicles.

(e) Of the remaining money payable, there shall be paid to each eligible county an amount that is computed monthly as follows: The number of miles of maintained county roads in each county shall be multiplied by sixty dollars (\$60); from the resultant amount, there shall be deducted the amount received by each county under subdivision (d) and the remainder, if any, shall be paid to each county.

(f) The remaining money payable, after the foregoing apportionments, shall be apportioned among the counties in the same proportion as the money referred to in subdivision (d).

(g) (1) Transfers of revenues from the Highway Users Tax Account to counties pursuant to this section collected during the months of March, April, May, June, and July of 2008, shall be made with the transfer of August 2008 revenues in September of 2008. This suspension shall not apply to a county with a population of less than 40,000.

(2) For the purpose of meeting the cash obligations associated with ongoing budgeted costs, a county may make use of any cash balance in its county road fund, including that resulting from the receipt of funds pursuant to the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Chapter 12.49 (commencing with Section 8879.20) of Division 1 of Title 2 of the Government Code (hereafter bond act)) for local streets and roads maintenance, during the period of this suspension, without the use of this cash being reflected as an expenditure of bond act funds, provided the cash is replaced once this suspension is repaid in September of 2008. Counties may accrue the revenue received in September 2008 as repayment of these suspensions for the months of April, May, and June of 2008 back to the 2007-08 fiscal year. Nothing in this paragraph shall change the fact that expenditures must be accrued and reflected from the appropriate funding sources for which the moneys were received and meet all the requirements of those funding sources.

(h) (1) The transfer of revenues from the Highway Users Tax Account to counties pursuant to this section that are collected during the months of January, February, and March 2009, shall be made with the transfer of April 2009 revenues in May 2009.

(2) For the purpose of meeting the cash obligations associated with ongoing budgeted costs, a county may make use of any cash balance in its county road fund, including that resulting from the receipt of funds pursuant to the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Chapter 12.49 (commencing with Section 8879.20) of Division 1 of Title 2 of the Government Code (bond act)) for local streets and roads maintenance during the period of this suspension, provided the cash is replaced once this suspension is repaid in May of 2009.

(3) This subdivision shall not affect any requirement that an expenditure is required to be accrued and reflected from the appropriate funding source for which the money was received and to meet all the requirements of its funding source.

SEC. 39. Section 2105 of the Streets and Highways Code is amended to read:

2105. Notwithstanding Section 13340 of the Government Code, in addition to the apportionments prescribed by Sections 2104, 2106, and 2107, from the revenues derived from a per gallon tax imposed pursuant to Section 7360 of the Revenue and Taxation Code, and a per gallon tax imposed pursuant to Sections 8651, 8651.5, and 8651.6 of the Revenue and Taxation Code, and a per gallon tax imposed pursuant to Sections 60050 and 60115 of the Revenue and Taxation Code, the following apportionments shall be made:

(a) A sum equal to 5.8 percent of the per gallon tax under Section 7360 of the Revenue and Taxation Code, 11.5 percent of any per gallon tax in excess of nine cents (\$0.09) per gallon under Sections 8651, 8651.5, and 8651.6 of the Revenue and Taxation Code, and 6.5 percent of the per gallon tax under Sections 60050 and 60115 of the Revenue and Taxation Code, shall be apportioned among the counties, including a city and county.

The amount of apportionment to each county, including a city and county, during a fiscal year shall be calculated as follows:

(1) One million dollars (\$1,000,000) for apportionment to all counties, including a city and county, in proportion to each county's receipts during the prior fiscal year under Sections 2104 and 2106.

(2) One million dollars (\$1,000,000) for apportionment to all counties, including a city and county, as follows:

(A) Seventy-five percent in the proportion that the number of fee-paid and exempt vehicles which are registered in the county bears to the number of fee-paid and exempt vehicles registered in the state.

(B) Twenty-five percent in the proportion that the number of miles of maintained county roads in the county bears to the miles of maintained county roads in the state.

(3) For each county, determine its factor which is the higher amount calculated pursuant to paragraph (1) or (2) divided by the sum of the higher amounts for all of the counties.

(4) The amount to be apportioned to each county is equal to its factor multiplied by the amount available for apportionment.

(b) A sum equal to 5.8 percent of the per gallon tax under Section 7360 of the Revenue and Taxation Code, 11.5 percent of any per gallon tax in excess of nine cents (\$0.09) per gallon under Sections 8651, 8651.5, and 8651.6 of the Revenue and Taxation Code, and 6.5 percent of the per gallon tax under Sections 60050 and 60115 of the Revenue and Taxation Code, shall be apportioned to cities, including a city and county, in the proportion that the total population of the city bears to the total population of all the cities in the state.

(c) (1) Transfers of revenues from the Highway Users Tax Account to counties or cities pursuant to this section collected during the months of March, April, May, June, and July of 2008, shall be made with the transfer of August 2008 revenues in September of 2008. This suspension shall not apply to a county with a population of less than 40,000.

(2) For the purpose of meeting the cash obligations associated with ongoing budgeted costs, a city or county may make use of any cash balance in the city account that is designated for the receipt of state funds allocated for local streets and roads or the county road fund, including that resulting from the receipt of funds pursuant to the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Chapter 12.49 (commencing with Section 8879.20) of Division 1 of Title 2 of the Government Code (hereafter bond act)) for local streets and roads maintenance, during the period of this suspension, without the use of this cash being reflected as an expenditure of bond act funds, provided the cash is replaced once this suspension is repaid in September of 2008. Counties and cities may accrue the revenue received in September 2008 as repayment of these suspensions for the months of April, May, and June of 2008 back to the 2007-08 fiscal year. Nothing in this paragraph shall change the fact that expenditures must be accrued and reflected from the appropriate funding sources for which the moneys were received and meet all the requirements of those funding sources.

(d) (1) The transfer of revenues from the Highway Users Tax Account to counties or cities pursuant to this section collected during the months of January, February, and March 2009 shall be made with the transfer of April 2009 revenues in May 2009.

(2) For the purpose of meeting the cash obligations associated with ongoing budgeted costs, a city or county may make use of any cash balance in the city account that is designated for the receipt of state funds allocated for local streets and roads or the county road fund, including that resulting from the receipt of funds pursuant to the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Chapter 12.49 (commencing with Section 8879.20) of Division 1 of Title 2 of the Government Code (bond act)) for local streets and roads maintenance, during the period of this suspension, and the use of this cash shall not be considered as an expenditure of bond act funds, if the cash is replaced when the payments that are suspended pursuant to this subdivision are repaid in May 2009.

(3) This subdivision shall not affect any requirement that an expenditure is required to be accrued and reflected from the appropriate funding source for which the money was received and to meet all the requirements of its funding source.

SEC. 40. Section 2106 of the Streets and Highways Code is amended to read:

2106. Notwithstanding Section 13340 of the Government Code, a sum equal to the net revenue derived from 5.3 percent of the per gallon tax under the Motor Vehicle Fuel License Tax Law (Part 2 (commencing with Section 7301) of Division 2 of the Revenue and Taxation Code) shall be apportioned monthly from the Highway Users Tax Account in the Transportation Tax Fund among the counties and cities as follows:

(a) Four hundred dollars (\$400) per month shall be apportioned to each city and city and county and eight hundred dollars (\$800) per month shall be apportioned to each county and city and county.

(b) On the last day of each month, the sum of six hundred thousand dollars (\$600,000) shall be transferred to the State Highway Account in the State Transportation Fund for the Active Transportation Program pursuant to Chapter 8 (commencing with Section 2380). For each month in the 2013–14 fiscal year that has passed prior to the enactment of the bill adding this sentence, six hundred thousand dollars (\$600,000) shall be immediately transferred from the Bicycle Transportation Account to the State Highway Account in the State Transportation Fund for the Active Transportation Program, less any amount already expended for that program from the Bicycle Transportation Account during the 2013–14 fiscal year.

(c) The balance shall be apportioned, as follows:

(1) A base sum shall be computed for each county by using the same proportions of fee-paid and exempt vehicles as are established for purposes of apportionment of funds under subdivision (d) of Section 2104.

(2) For each county, the percentage of the total assessed valuation of tangible property subject to local tax levies within the county which is represented by the assessed valuation of tangible property outside the incorporated cities of the county shall be applied to its base sum, and the resulting amount shall be apportioned to the county. The assessed valuation of taxable tangible property, for purposes of this computation, shall be that most recently used for countywide tax levies as reported to the Controller by the State Board of Equalization. If an incorporation or annexation is legally completed following the base sum computation, the new city's assessed valuation shall be deducted from the county's assessed valuation, the estimate of which may be provided by the State Board of Equalization.

(3) The difference between the base sum for each county and the amount apportioned to the county shall be apportioned to the cities of that county in the proportion that the population of each city bears to the total population of all the cities in the county. Populations used for determining apportionment of money under Section 2107 are to be used for purposes of this section.

(d) (1) Transfers of revenues from the Highway Users Tax Account to counties or cities pursuant to this section collected during the months of March, April, May, June, and July of 2008, shall be made with the transfer of August 2008 revenues in September of 2008. This suspension shall not apply to a county with a population of less than 40,000.

(2) For the purpose of meeting the cash obligations associated with ongoing budgeted costs, a city or county may make use of any cash balance in the city account that is designated for the receipt of state funds allocated for local streets and roads or the county road fund, including that resulting from the receipt of funds pursuant to the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Chapter 12.49 (commencing with Section 8879.20) of Division 1 of Title 2 of the Government Code (hereafter bond act)) for local streets and roads maintenance, during the period of this suspension, without the use of this cash being reflected as an expenditure of bond act funds, provided the cash is replaced once this suspension is repaid in September of 2008. Counties and cities may accrue the revenue received in September 2008 as repayment of these suspensions for the months of April, May, and June of 2008 back to the 2007–08 fiscal year. Nothing in this paragraph shall change the fact that expenditures must be accrued and reflected from the appropriate funding sources for which the moneys were received and meet all the requirements of those funding sources.

(e) (1) The transfer of revenues from the Highway Users Tax Account to counties or cities pursuant to this section collected during the months of January, February, and March 2009, shall be made with the transfer of April 2009 revenues in May 2009.

(2) For the purpose of meeting the cash obligations associated with ongoing budgeted costs, a city or county may make use of any cash balance in the city account that is designated for the receipt of state funds allocated for local streets and roads or the county road fund, including that resulting from the receipt of funds pursuant to the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Chapter 12.49 (commencing with Section 8879.20) of Division 1 of Title 2 of the Government Code (bond act)) for local streets and roads maintenance, during the period of this suspension, and the use of this cash shall not be considered as

an expenditure of bond act funds, if the cash is replaced when the payments that are suspended pursuant to this subdivision are repaid in May 2009.

(3) This subdivision shall not affect any requirement that an expenditure is required to be accrued and reflected from the appropriate funding source for which the money was received and to meet all the requirements of its funding source.

SEC. 41. Section 2107 of the Streets and Highways Code is amended to read:

2107. (a) Notwithstanding Section 13340 of the Government Code, a sum equal to the net revenues derived from 7.3 percent of the per gallon tax under the Motor Vehicle Fuel License Tax Law (Part 2 (commencing with Section 7301) of Division 2), 2.59 cents (\$0.0259) under the Use Fuel Tax Law (Part 3 (commencing with Section 8601) of Division 2), and 11.5 percent under the Diesel Fuel Tax Law (Part 31 (commencing with Section 60001) of Division 2) of the Revenue and Taxation Code, shall be apportioned monthly to the cities and cities and counties of this state from the Highway Users Tax Account in the Transportation Tax Fund as provided in this section.

(b) From the sum determined pursuant to subdivision (a), the Controller shall allocate annually to each city that has filed a report containing the information prescribed by subdivision (c) of Section 2152, and that had expenditures in excess of five thousand dollars (\$5,000) during the preceding fiscal year for snow removal, an amount equal to one-half of the amount of its expenditures for snow removal in excess of five thousand dollars (\$5,000) during that fiscal year.

(c) The balance of the sum determined pursuant to subdivision (a) from the Highway Users Tax Account shall be allocated to each city, including city and county, in the proportion that the total population of the city bears to the total population of all the cities in this state.

(d) (1) For the purpose of this section, except as otherwise provided in paragraph (2), the population in each city is the population determined for that city in the manner specified in Section 11005.3 of the Revenue and Taxation Code.

(2) Commencing with the ninth fiscal year of a city described in subdivision (a) of Section 11005.3 of the Revenue and Taxation Code, the sixth fiscal year of a city described in subdivision (b) of Section 11005.3 of the Revenue and Taxation Code, and the 61st month of the city described in subdivision (c) of Section 11005.3 of the Revenue and Taxation Code, the population in each city is the actual population of that city, as defined in subdivision (e) of Section 11005.3 of the Revenue and Taxation Code.

(e) (1) Transfers of revenues from the Highway Users Tax Account to cities pursuant to this section collected during the months of March, April, May, June, and July of 2008, shall be made with the transfer of August 2008 revenues in September of 2008.

(2) For the purpose of meeting the cash obligations associated with ongoing budgeted costs, a city may make use of any cash balance in the city account that is designated for the receipt of state funds allocated for local streets and roads, including that resulting from the receipt of funds pursuant to the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Chapter 12.49 (commencing with Section 8879.20) of Division 1 of Title 2 of the Government Code (hereafter bond act)) for local streets and roads maintenance, during the period of this suspension, without the use of this cash being reflected as an expenditure of bond act funds, provided the cash is replaced once this suspension is repaid in September of 2008. Cities may accrue the revenue received in September 2008 as repayment of these suspensions for the months of April, May, and June of 2008 back to the 2007–08 fiscal year. Nothing in this paragraph shall change the fact that expenditures must be accrued and reflected from the appropriate funding sources for which the moneys were received and meet all the requirements of those funding sources.

(f) (1) A transfer of revenues from the Highway Users Tax Account to cities pursuant to this section collected during the months of January, February, and March 2009, shall be made with the transfer of April 2009 revenues in May 2009.

(2) For the purpose of meeting the cash obligations associated with ongoing budgeted costs, a city may make use of any cash balance in the city account that is designated for the receipt of state funds allocated for local streets and roads, including that resulting from the receipt of funds pursuant to the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Chapter 12.49 (commencing with Section 8879.20) of Division 1 of Title 2 of the Government Code (bond act)) for local streets and roads maintenance, during the

period of this suspension, and the use of this cash shall not be reflected as an expenditure of bond act funds, if the cash is replaced once this suspension is repaid in May 2009.

(3) This subdivision shall not affect any requirement that an expenditure is required to be accrued and reflected from the appropriate funding sources for which the moneys were received and to meet all the requirements of those funding sources.

SEC. 42. Section 2192.4 is added to the Streets and Highways Code, to read:

2192.4. The Trade Corridor Enhancement Account is hereby created in the State Transportation Fund to receive funds from subdivision (b) of Section 60050 of the Revenue and Taxation Code, as adjusted. Funds in the account shall be available for expenditure upon appropriation by the Legislature for corridor-based freight projects nominated by local agencies and the state.

SEC. 43. The Legislature finds and declares all of the following:

(a) Californians know congestion. For decades, California has been home to five or six of the nation's most congested travel corridors, which are located in Los Angeles, the San Francisco-Oakland-San Jose Bay Area, the Inland Empire, San Diego, and increasingly, in the central valley. While congestion is a vexing challenge in a state that is home to nearly 40 million people and that adds nearly a half-million people each year, regions and localities are finding new ways to address congestion in highly traveled corridors by undertaking long-term, comprehensive, and multimodal approaches that seek to reduce congestion by expanding travel choices, improving the quality of life, and preserving the local community character within the corridor.

(b) Examples of this more comprehensive approach to improving congestion in highly traveled corridors include, but are not limited to, programs in the following regions:

(1) The North Coast Corridor improvements along Route 5 and the parallel rail corridor in the County of San Diego.

(2) The Route 91 and Metrolink rail corridor improvements in the County of Riverside.

(3) Emerging solutions for the Route 101 and Caltrain corridor connecting Silicon Valley with San Francisco.

(4) Multimodal approaches for the Route 101 and SMART rail corridor between the Counties of Marin and Sonoma.

(5) Comprehensive solutions for the Route 405 Corridor in the County of Los Angeles.

(c) The state recognizes the benefits to mobility, quality of life, and the environment through comprehensive, multimodal proposals that address mobility, community, and environmental challenges along highly traveled corridors. Therefore, the Solutions for Congested Corridors Program is being created to support collaborative and comprehensive proposals to address these challenges.

SEC. 44. Chapter 8.5 (commencing with Section 2390) is added to Division 3 of the Streets and Highways Code, to read:

CHAPTER 8.5. Congested Corridors

2390. The Solutions for Congested Corridors Program is hereby created.

2391. Pursuant to subdivision (b) of Section 11053 of the Revenue and Taxation Code, two hundred fifty million dollars (\$250,000,000) in the State Highway Account shall be available for appropriation to the Department of Transportation in each annual Budget Act for the Solutions for Congested Corridors Program. Funds made available for the program shall be allocated by the California Transportation Commission to projects designed to achieve a balanced set of transportation, environmental, and community access improvements within highly congested travel corridors throughout the state. Funding shall be available for projects that make specific performance improvements and are part of a comprehensive corridor plan designed to reduce congestion in highly traveled corridors by providing more transportation choices for residents, commuters, and visitors to the area of the corridor while preserving the character of the local community and creating opportunities for neighborhood enhancement projects. In order to mitigate increases in vehicle miles traveled, greenhouse gases, and air pollution, highway lane capacity-increasing projects funded by this program shall be limited to high-occupancy vehicle lanes, managed lanes as defined in Section 14106 of the Government Code, and other non-

general purpose lane improvements primarily designed to improve safety for all modes of travel, such as auxiliary lanes, truck climbing lanes, or dedicated bicycle lanes. Project elements within the corridor plans may include improvements to state highways, local streets and roads, public transit facilities, bicycle and pedestrian facilities, and restoration or preservation work that protects critical local habitat or open space.

2392. A regional transportation planning agency or county transportation commission or authority responsible for preparing a regional transportation improvement plan under Section 14527 of the Government Code or the department may nominate projects for funding through the program that are consistent with the policy objectives of the program as set forth in this chapter. The commission shall allocate no more than one-half of the funds available each year to projects nominated exclusively by the department. Preference shall be given to corridor plans that demonstrate that the plans and the specific project improvements to be undertaken are the result of collaboration between the department and local or regional partners that reflect a comprehensive approach to addressing congestion and quality-of-life issues within the affected corridor through investment in transportation and related environmental solutions. Collaboration between the partners may be demonstrated by a project being jointly nominated by both the regional agency and the department.

2393. A project nomination shall include documentation regarding the quantitative and qualitative measures validating the project's consistency with the policy objectives of the program as set forth in this chapter. In addition to being included in a corridor plan, a nominated project shall also be included in the region's regional transportation plan. Projects within the boundaries of a metropolitan planning organization must be included in an adopted regional transportation plan that includes a sustainable communities strategy determined by the State Air Resources Board to achieve the region's greenhouse gas emissions reduction targets.

2394. The commission shall allocate program funds to projects after reviewing the corridor plans submitted by the regional agencies or the department and making a determination that a proposed project is consistent with the objectives of the corridor plan. In addition to making a consistency determination with respect to project nominations, the commission shall score the proposed projects on the following criteria:

(a) Safety.

(b) Congestion.

(c) Accessibility.

(d) Economic development and job creation and retention.

(e) Furtherance of state and federal ambient air standards and greenhouse gas emissions reduction standards pursuant to the California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38550) of the Health and Safety Code) and Senate Bill 375 (Chapter 728 of the Statutes of 2008).

(f) Efficient land use.

(g) Matching funds.

(h) Project deliverability.

2395. The commission shall adopt an initial program of projects to be funded through the initial appropriation for the program. The initial program may cover a multiyear programming period. Subsequent programs of projects shall be adopted on a biennial basis consistent with available funds for the program, and may include updates to programs of projects previously adopted.

2396. The commission, in consultation with the State Air Resources Board, shall develop and adopt guidelines for the program consistent with the requirements of this chapter. Guidelines adopted by the commission shall be exempt from the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). Prior to adopting the guidelines, the commission shall conduct at least one public hearing in northern California and one public hearing in southern California to review and provide an opportunity for public comment. The commission shall adopt the final guidelines no sooner than 30 days after the commission provides the proposed guidelines to the Joint Legislative Budget Committee and the transportation policy committees in the Senate and the Assembly.

2397. On or before March 1, 2019, and annually thereafter, the commission shall provide project update reports on the development and implementation of the program described in this chapter in its annual report to the

Legislature prepared pursuant to Section 14535 of the Government Code. A copy of the report shall be provided to the Joint Legislative Budget Committee and the transportation policy committees of both houses of the Legislature. The report, at a minimum, shall include information on each project that received funding under the program, including, but not limited to, all of the following:

- (a) A summary describing the overall progress of the project since the initial award.
- (b) Expenditures to date for all project phase costs.
- (c) A summary of milestones achieved during the prior year and milestones expected to be reached in the coming year.
- (d) An assessment of how the project is meeting the quantitative and qualitative measurements identified in the project nomination, as outlined in Section 2393.

SEC. 45. Section 4000.15 is added to the Vehicle Code, to read:

4000.15. (a) Effective January 1, 2020, the department shall confirm, prior to the initial registration or the transfer of ownership and registration of a diesel-fueled vehicle with a gross vehicle weight rating of more than 14,000 pounds, that the vehicle is compliant with, or exempt from, applicable air pollution control technology requirements pursuant to Division 26 (commencing with Section 39000) of the Health and Safety Code and regulations of the State Air Resources Board adopted pursuant to that division.

(b) Except as otherwise provided in subdivision (c), for diesel-fueled vehicles subject to Section 43018 of the Health and Safety Code, as applied to the reduction of emissions of diesel particulate matter, oxides of nitrogen, and other criteria pollutants from in-use diesel-fueled vehicles, and Section 2025 of Title 13 of the California Code of Regulations as it read January 1, 2017, or as subsequently amended:

(1) The department shall refuse registration, or renewal or transfer of registration, for a diesel-fueled vehicle with a gross vehicle weight rating of 14,001 pounds to 26,000 pounds for the following vehicle model years:

- (A) Effective January 1, 2020, vehicle model years 2004 and older.
- (B) Effective January 1, 2021, vehicle model years 2007 and older.
- (C) Effective January 1, 2023, vehicle model years 2010 and older.

(2) The department shall refuse registration, or renewal or transfer of registration, for a diesel-fueled vehicle with a gross vehicle weight rating of more than 26,000 pounds for the following vehicle model years:

- (A) Effective January 1, 2020, vehicle model years 2000 and older.
- (B) Effective January 1, 2021, vehicle model years 2005 and older.
- (C) Effective January 1, 2022, vehicle model years 2007 and older.
- (D) Effective January 1, 2023, vehicle model years 2010 and older.

(c) (1) As determined by the State Air Resources Board, notwithstanding effective dates and vehicle model years identified in subdivision (b), the department may allow registration, or renewal or transfer of registration, for a diesel-fueled vehicle that has been reported to the State Air Resources Board, and is using an approved exemption, or is compliant with applicable air pollution control technology requirements pursuant to Division 26 (commencing with Section 39000) of the Health and Safety Code and regulations of the State Air Resources Board adopted pursuant to that division, including vehicles equipped with the required model year emissions equivalent engine or otherwise using an approved compliance option.

(2) The State Air Resources Board shall notify the department of the vehicles allowed to be registered pursuant to this subdivision.

SEC. 46. Section 4156 of the Vehicle Code is amended to read:

4156. (a) Notwithstanding any other provision of this code, and except as provided in subdivision (b), the department in its discretion may issue a temporary permit to operate a vehicle when a payment of fees has been accepted in an amount to be determined by, and paid to the department, by the owner or other person in lawful

possession of the vehicle. The permit shall be subject to the terms and conditions, and shall be valid for the period of time, that the department shall deem appropriate under the circumstances.

(b) (1) The department shall not issue a temporary permit pursuant to subdivision (a) to operate a vehicle for which a certificate of compliance is required pursuant to Section 4000.3, and for which that certificate of compliance has not been issued, unless the department is presented with sufficient evidence, as determined by the department, that the vehicle has failed its most recent smog check inspection.

(2) Only one temporary permit may be issued pursuant to this subdivision to a vehicle owner in a two-year period.

(3) A temporary permit issued pursuant to paragraph (1) is valid for either 60 days after the expiration of the registration of the vehicle or 60 days after the date that vehicle is removed from nonoperation, whichever is applicable at the time that the temporary permit is issued.

(4) A temporary permit issued pursuant to paragraph (1) is subject to Section 9257.5.

(c) (1) The department may issue a temporary permit pursuant to subdivision (a) to operate a vehicle for which registration may be refused pursuant to Section 4000.15.

(2) Only one temporary permit may be issued pursuant to this subdivision for any vehicle, unless otherwise approved by the State Air Resources Board.

(3) A temporary permit issued pursuant to paragraph (1) is valid for either 90 days after the expiration of the registration of the vehicle or 90 days after the date that vehicle is removed from nonoperation, whichever is applicable at the time the temporary permit is issued.

(4) A temporary permit issued pursuant to paragraph (1) is subject to Section 9257.5.

SEC. 47. Section 9250.6 is added to the Vehicle Code, to read:

9250.6. (a) In addition to any other fees specified in this code, or the Revenue and Taxation Code, commencing July 1, 2020, a road improvement fee of one hundred dollars (\$100) shall be paid to the department for registration or renewal of registration of every zero-emission motor vehicle model year 2020 and later subject to registration under this code, except those motor vehicles that are expressly exempted under this code from payment of registration fees.

(b) On January 1, 2021, and every January 1 thereafter, the Department of Motor Vehicles shall adjust the road improvement fee imposed under subdivision (a) by increasing the fee in an amount equal to the increase in the California Consumer Price Index for the prior year, except the first adjustment shall cover the prior six months, as calculated by the Department of Finance, with amounts equal to or greater than fifty cents (\$0.50) rounded to the highest whole dollar. The incremental change shall be added to the associated fee rate for that year.

(c) Any changes to the road improvement fee imposed by subdivision (a) that are enacted by legislation subsequent to July 1, 2017, shall be deemed to be changes to the base fee rate for purposes of the California Consumer Price Index calculation and adjustment performed pursuant to subdivision (b).

(d) Revenues from the road improvement fee, after deduction of the department's administrative costs related to this section, shall be deposited in the Road Maintenance and Rehabilitation Account created pursuant to Section 2031 of the Streets and Highways Code.

(e) This section does not apply to a commercial motor vehicle subject to Section 9400.1.

(f) The road improvement fee required pursuant to this section does not apply to the initial registration after the purchase of a new zero-emission motor vehicle.

(g) For purposes of this section, "zero-emission motor vehicle" means a motor vehicle as described in subdivision (d) of Section 44258 of the Health and Safety Code, or any other motor vehicle that is able to operate on any fuel other than gasoline or diesel fuel.

SEC. 48. (a) On or before January 1, 2019, the Institute for Transportation Studies at the University of California, Davis is requested to prepare and submit to the Governor and the Legislature a report that makes recommendations on potential methodologies to raise revenue from zero-emission and low-emission vehicle owners to achieve the state's transportation electrification, clean air, and climate targets established under law

while also ensuring those vehicle owners pay their fair share of any costs borne by motorists to fund improvements to the transportation system.

(b) The report shall examine all fees, taxes, and incentives for zero- and low-emission vehicles, and other vehicles, and shall make recommendations for options that ensure the purchase and ownership of zero- and low-emission vehicles are properly incentivized to assist in meeting state clean air and climate targets, while also ensuring appropriate levels of funding for roads and transportation.

(c) The study shall assess annual fees on zero-emission vehicles or other vehicles not otherwise subject to state fuel excise or use taxes and compare that to the average annual state fuel excise tax assessed on gasoline or diesel vehicles with equivalent fuel economy.

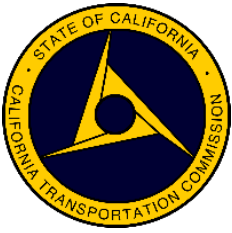
(d) The Institute shall consult with the State Air Resources Board, the Department of Transportation, the Department of Motor Vehicles, and the State Board of Equalization in preparing the report.

(e) This report shall be submitted in compliance with Section 9795 of the Government Code.

SEC. 49. Guidelines adopted to implement transportation programs in this act by the California Transportation Commission, the Department of Transportation, the Transportation Agency, or any other state agency shall be exempt from the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

SEC. 50. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide additional funding for road maintenance and rehabilitation purposes as quickly as possible, it is necessary for this act to take effect immediately.



ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017 (SENATE BILL 1)

IMPLEMENTATION PLAN OVERVIEW

Senate Bill 1 (Beall, Chapter 5, Statutes of 2017), The Road Repair and Accountability Act of 2017, provides the first significant, stable, and ongoing increase in state transportation funding in more than two decades. In providing this funding, the Legislature has provided additional funding for transportation infrastructure, increased the role of the California Transportation Commission (Commission) in a number of existing programs, and created new transportation funding programs for the Commission to oversee. The development of guidelines will include workshops open to all interested parties. The timelines below are intended to be a guide. Staff will update these timelines during the guidelines development process.

EXISTING PROGRAMS UNDER COMMISSION OVERSIGHT	
<p>Active Transportation Program Augmentation (\$100M per year)</p> <p>The Commission will make this funding available to already programmed projects that can be delivered earlier than currently programmed or for projects that applied for funding in the 2017 Active Transportation Program but that were not selected for funding.</p> <ul style="list-style-type: none"> • June 9, 2017 – Workshop to develop guidelines • June 28, 2017 – Adoption of guidelines • August 1, 2017 – Applications due • October 18-19, 2017 – Adopt statewide & small urban and rural components • December 6-7, 2017 – Adopt MPO component 	<p>Local Partnership Program (\$200M per year)</p> <p>To recognize the benefits of a competitive program while still providing incentives to counties to enact taxes and fees to fund transportation needs, staff recommends implementing the Local Partnership Program as a 50% competitive program, 50% formulaic program. Due to the concerns raised by a number of regional transportation planning agencies regarding the implementation of the program as a mainly competitive program, the Commission directed staff to work with the Self-Help Counties Coalition to reach a compromise on the portion of the program to be competitive versus formulaic.</p> <ul style="list-style-type: none"> • June through September 2017 – Workshops to develop guidelines • August 16-17, 2017 – Presentation of draft guidelines • October 18-19, 2017 – Adoption of guidelines • March 2018 – Applications due • June 2018 – Program Adoption
<p>State Highway Operation And Protection Program (SHOPP) (Approximately \$1.9B per year for the SHOPP and Caltrans maintenance efforts)</p> <p>Along with a significant expansion of the Commission’s oversight responsibilities. SB 1 requires additional Commission oversight of the development and management of the SHOPP, including allocating support staff, project review and approval, and convening public hearings prior to adopting the SHOPP. The Commission is also responsible for monitoring Caltrans’ performance and progress toward accomplishing the specific goals set out in SB 1 and other targets or performance measures adopted by the Commission.</p> <ul style="list-style-type: none"> • May 17, 2017 - Presentation of draft interim guidelines • June 28-29, 2017 - Adoption of interim SHOPP guidelines and Asset Management Plan Guidelines 	<p>State Transportation Improvement Program (STIP)</p> <p>SB 1 stabilizes funding for the STIP. The impact of the stabilization of STIP funding will be included in the 2018 STIP Fund Estimate and incorporated in the 2018 STIP.</p> <ul style="list-style-type: none"> • May 17, 2017 - Approval of fund estimate assumptions • June 28, 2017 - Presentation of draft guidelines and draft fund estimate • August 16-17, 2017 - Adoption of guidelines and fund estimate • October 15, 2017 - Submittal of draft Interregional Transportation Improvement Program • October 2017 - Interregional Transportation Improvement Program Hearings • December 15, 2017 - Submittal of Regional Transportation Improvement Programs and the final Interregional Transportation Improvement Programs • January-February 2018 - STIP Hearings • March 2018 - Program adoption

NEW SB 1 PROGRAMS	
<p>Local Streets & Roads (Approximately \$1.5B per year)</p> <p>SB 1 creates new responsibilities for the Commission relative to this funding, including development of guidelines, review of project lists submitted by cities and counties, reporting to the State Controller, and receiving reports on completed projects.</p> <ul style="list-style-type: none"> • June and July 2017 – Workshops to develop guidelines • August 16-17, 2017 – Adoption of guidelines • October 16, 2017 – Project lists due • December 6-7, 2017 – Adoption of list of eligible cities and counties 	<p>Solutions for Congested Corridors Program (\$250M per year)</p> <p>Key issues to be addressed in the guidelines include the definition of a corridor, the definition of a highly congested corridor, the key elements of a comprehensive corridor plan, and the scoring criteria weighting.</p> <ul style="list-style-type: none"> • June through October 2017 – Workshops to develop guidelines • October 18-19, 2017 – Presentation of draft guidelines • December 6-7, 2017 – Adoption of guidelines • February 2018 – Applications due • May 2018 – Program adoption
<p>Trade Corridor Enhancement Account (\$300M per year)</p> <p>SB 103, signed by the Governor on July 21, 2017, incorporates SB 1 freight funding and federal freight funding into a single program to fund infrastructure improvements in on federally designated Trade Corridors of National and Regional Significance, on the Primary Freight Network, and along other corridors that have a high volume of freight movement.</p> <ul style="list-style-type: none"> • June through November - Workshops to develop guidelines • December 6-7, 2017 - Presentation of draft guidelines • January 2018 – Adoption of guidelines • March 2018 – Applications due • May 2018 – Program adoption 	<p>Traffic Congestion Relief Program (TCRP)</p> <p>SB 1 states “as of June 30, 2017, projects in... the Traffic Congestion Relief Program shall be deemed complete and final...” SB 1 directs the repayments due of all outstanding TCRP loans to other programs. Therefore, the only funding available to fund TCRP projects is approximately \$90 million of savings attributable to specific projects. Staff recommends the following:</p> <ul style="list-style-type: none"> • Only consider programming amendments and allocations prior to June 30, 2017. • Only consider programming amendments and allocations to shift identified savings to another TCRP project within the same county. • Allow savings to be transferred between counties only upon agreement of both applicants. • Programming amendments and allocations will not be considered if the project is already fully funded.
<p>Office of Inspector General (Effective July 1, 2017)</p> <p>No Action Required.</p>	

Contact Us:

Mitchell Weiss
Deputy Director, Programing
1120 N Street, MS 52
P.O. Box 942873
Sacramento, CA 94273-0001
Mitchell.Weiss@dot.ca.gov
www.catc.ca.gov
Twitter: @california_ctc
Direct: (916) 653-2072
Main: (916) 654-4245

AGENDA ITEM:

**CITY OF TULARE, CA
AGENDA ITEM TRANSMITTAL SHEET**

Submitting Department: City Manager

For Council Meeting of: October 3, 2017

Documents Attached: Ordinance Resolution Staff Report Other None

AGENDA ITEM:

Consideration by Council Member David Macedo for the appointment of one member to the City of Tulare Measure I Oversight Committee.

***IS PUBLIC HEARING REQUIRED:* Yes No**

BACKGROUND/EXPLANATION:

On May 16, 2017 the City Council established the Measure I Oversight Committee (the Committee). The Committee will consist of five members, appointed by each of the five Council Members. A Press Release seeking applicants was posted and submitted to the media on June 1, 2017 and again on July 7, 2017, with August 25, 2017, set as the deadline for applications.

On September 5, 2017, Vice Mayor Castellanoz selected Dawn “Michelle” Rowsey as her appointment to the Committee and Council Member Sigala selected Richard Dituri as his appointment. On September 19, 2017, Mayor Jones selected Maria Grijalva as his appointment to the Committee and Council Member Nunley selected Nic Ferreira as his appointment.

One remaining position on the Measure I Oversight Committee remains to be seated. This appointment rests with Council Member Macedo.

Measure I Oversight Committee – meets twice annually TBD (appoint 2, to a term ending December 31, 2019; and appoint 3, to a term ending December 31, 2021), upon the final appointment to the Committee, staff will draw by lot, names of the members to the respective terms.

The remaining applications for consideration are as follows:

Denise England Measure I Citizen Oversight Committee

Eva Bruce Board of Public Utilities Committee on Aging Measure I Citizen Oversight Committee Parks & Recreation Commission Planning Commission

STAFF RECOMMENDATION:

Consideration by Council Member David Macedo for the appointment of one member to the City of Tulare Measure I Oversight Committee.

IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED: Yes No N/A

Submitted by: Joe Carlini
Roxanne Yoder

Title: City Manager
Chief Deputy City Clerk

Date: September 20, 2017

City Manager Approval: _____

AGENDA ITEM:

**CITY OF TULARE, CA
AGENDA ITEM TRANSMITTAL SHEET**

Submitting Department: City Manager's Office

For Council Meeting of: October 3, 2017

Documents Attached: Ordinance Resolution Staff Report Other None

AGENDA ITEM:

Review, discussion and provide direction to staff regarding the removal and appointment process for members to City of Tulare Planning Commission, consideration of declaring seats vacant and soliciting applications for same.

IS PUBLIC HEARING REQUIRED: Yes No

SUMMARY:

Provide for review and discussion by the Tulare City Council concerning the appointment of members to Board, Commissions and Committees and provide direction to staff related thereto.

TERMINOLOGY/DEFINITIONS:

BOARD - A group of persons having managerial, supervisory, or advisory powers or function. In parliamentary law, a board is a form of deliberative assembly and is distinct from a committee, which is usually subordinate to a board or other deliberative assembly with the Board having greater autonomy and authority.

COMMISSION - A group of people officially authorized to perform certain duties or functions vested with certain powers or authority.

COMMITTEE - A group of people officially delegated to perform a function, such as investigating, considering, reporting, or acting on a matter.

BACKGROUND:

At the September 19, 2017, the Council, by consensus, requested review of the Planning Commission membership and appointment process. The current members are as follows:

Member	First Appointed	Expiration of Current Term
Shanelle Herrera	12/17/13	12/31/17
Jeff Killion	4/4/89	12/31/17
Linda Crase	11/17/09	12/31/17
Sandra Miller	6/20/06	12/31/19
Charles Miguel	7/15/03	12/31/19
Deanne Rocha	5/16/95	12/31/19
*Joshua Cox	9/9/17	12/31/19

Members typically serve four year terms, expiring December 31st of the 4th year, unless a resignation or a removal has taken place. Appointments made to fill an unexpired term of less than two years is not considered a full term; accordingly a term of more than two years is considered a full term. Terms are adjusted to stagger, so that not all terms expire in any one year.

The members for all Boards, Commissions and Committees shall be appointed, confirmed or removed consistent with the City Charter, City Municipal Code, Council Handbook or State Statutes when applicable.

QUALIFICATIONS, COMPOSITIONS, NUMBER

Unless stated otherwise in an Advisory Body's By-Laws or by statute, or provided for by the Council, City Charter or Code, all Members shall maintain their principal place of residence or business within the sphere of influence of the City of Tulare at the time of their appointment and throughout the term of service. Current members of any other City Board, Commission or Committee are disqualified for membership if there is a direct conflict between the bodies. Members shall be permitted to retain membership while seeking any elective office. However, members shall not use the meetings, functions or activities of such bodies for purposes of campaigning for elective office.

If at any time during their term any member shall cease to maintain their principal place of residence or business within the City's sphere of influence, then such person shall become ineligible to continue to serve as a member of the Board, Commission & Committee and said position shall be declared vacant by the City Council. No Board, Commission & Committee member shall hold any paid office or employment in the City Government, unless stated otherwise in their bylaws.

Planning Commission

Government Code §65101(a) allows cities and counties to establish Planning Commissions and provide for planning, subdivision and land use regulation. The City of Tulare's *Planning Commission* is established by City Charter Section 48, "There shall be a City Planning Commission established, governed and maintained under and pursuant to the provisions of the general laws of the state." The Planning Commission is a seven member body.

Current Process

Applications are accepted on a continuous basis. If a term is expiring or a vacancy has occurred, staff will publish a notice to that effect in the local paper and post on the City Hall kiosk advising of expiring or vacated terms. Incumbents may seek reappointment and may be considered along with any potential new applicant. Interviews are conducted at an open and public meeting and reappointments/appointments are by majority vote of the Council following these interviews.

Compliance with Government Code §54970-54974 (Maddy Act) on or before December 31 of each year, each legislative body shall prepare an appointments list of all regular and ongoing boards, commission, and committees which are appointed by the legislative body of the local agency. This list shall be known as the Local Appointments List. This list contains information on all appointive terms expiring in the next calendar year, name of incumbent, date of appointment, date term expires and qualifications for the

position; in addition to listing all of the City's boards, commissions, and committees who serve at the pleasure of the legislative body and those necessary qualifications. The Maddy Act also sets forth the specific special notice process that is followed for unscheduled vacancies, which includes final appointment to the vacancy not being made for at least 10 working days after the posting of the notice by the Clerk's Office.

Review of Process

The Council desires to review and discuss the current appointment process for consideration of appointment similar to that of the PRB (each Council Member appoints a member to five of seven seats, and then appoints two members at-large) and consider revision to the this process.

Implementation of a "by seat" appointment process (selection of members could occur from each respective district or community-wide) may be done through attrition as incumbents term out or by other means deemed appropriate by the Council. With the attrition method Council could assign numbers to each of the respective seats and draw accordingly to determine which Council Member would have each of the respective seats to appoint and any advisory body that exists with seven members, those remaining seats would be appointed at-large by majority vote of the Council.

*The Council, at the September 19, 2017, City Council Meeting appointed Joshua Cox to fill the unexpired term ending December 31, 2019. This position may be designated as an at large position, since the Council voted to appoint, rather than appointing by seat.

Should the Council choose to revise current process; the application process, posting of term expirations and/or vacancies and interviews remain the same. Council will have ample opportunity to review applications or to refer applicants for consideration and interview at an open and public meeting. The appointment process "by seat" would then occur following said interviews.

STAFF RECOMMENDATION:

Review, discussion and provide direction to staff regarding the removal and appointment process for members to City of Tulare Planning Commission, consideration of declaring seats vacant and soliciting applications for same.

CITY ATTORNEY REVIEW/COMMENTS: Yes N/A

IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED: Yes No N/A

FUNDING SOURCE/ACCOUNT NUMBER:

ATTACHMENTS LIST:

Submitted by: Joe Carlini

Title: City Manager

Date: 9/22/17

City Manager Approval: _____