

Date of Hearing:

ASSEMBLY COMMITTEE ON TRANSPORTATION

Jim Frazier, Chair

AB 659 (Mullin) – As Introduced February 15, 2019

SUBJECT: Transportation: emerging transportation technologies: California Smart City Challenge Grant Program

SUMMARY: Establishes a municipal grant program for encouraging entities to consider how emerging transportation technologies can serve city and county transportation system needs. Specifically, **this bill:**

- 1) Establishes the California Smart City Challenge Grant Program (Program) to enable municipalities to compete for grant funding for emerging technologies to serve their transportation system needs.
- 2) States that this program is intended to encourage municipalities to incorporate advanced data and intelligent transportation system technologies and applications into their transportation planning efforts in order to accomplish a number of goals, including:
 - a) Reducing congestion;
 - b) Keeping travelers safe;
 - c) Meeting environmental and climate change goals;
 - d) Enhancing mobility;
 - e) Connecting underserved communities;
 - f) Supporting economic vitality;
 - g) Attracting private investment; and,
 - h) Spurring innovation.
- 3) Requires the California Transportation Commission (CTC), on or before July 1, 2020, to form the California Smart City Challenge Workgroup to provide CTC with guidance on program matters including, but not limited to:
 - a) The development of, and subsequent revisions to, program guidelines;
 - b) Schedules and procedures;
 - c) Project selection criteria; and,
 - d) Performance measures and evaluations.

- 4) Provides that the workgroup may include, but is not limited to, representatives of both urban and rural local governmental agencies, local transportation organizations, local transit unions, and the University of California's Institute of Transportation Studies.
- 5) Requires CTC, on or before March 1, 2021, to develop guidelines for the Program in consultation with the California Smart City Challenge Workgroup following at least two public hearings.
- 6) Provides that implementation of the Program is contingent upon an appropriation by the Legislature of funding for the grants, and specifies that the funding shall come from Proposition 1B and not exceed \$10 million.

EXISTING LAW:

- 1) Requires CTC to advise and assist the Secretary of Transportation and the Legislature in formulating and evaluating state policies and plans for California's transportation programs.
- 2) Assigns CTC the responsibility of administering, overseeing, and allocating funding to projects in various state transportation programs, including formula-driven programs dedicated to capital expansion and highway maintenance, as well as competitive programs for active transportation, congested corridor relief, and freight mobility.
- 3) Requires CTC to develop guidelines for its various programs through a public input process.
- 4) Under Proposition 1B, enacts the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006.

FISCAL EFFECT: Unknown

COMMENTS: In December 2015, the U.S. Department of Transportation launched its Smart City Challenge, asking mid-sized cities across America to develop ideas for an integrated, first-of-its-kind smart transportation system that would use data, applications, and technology to help people and goods move more quickly, cheaply, and efficiently. The challenge generated an overwhelming response: 78 applicant cities shared the challenges they face and ideas for how to tackle them. This program incentivized local jurisdictions to work with technology companies and consider solutions beyond the traditional transportation paradigm. While only a select few of these entities ended up winning the grants, all applicants benefited from the experience.

In CTC's 2017 Annual Report to the Legislature, it recommended that the Legislature accelerate the testing and adoption of advanced technologies in California cities and counties through a pilot program in which municipalities compete for grant funding for these purposes. CTC argues that dedicating a small sum to the grant program will encourage numerous localities to actively consider how technology might help address their transportation challenges. The tangential benefits of encouraging communities to consider the incoming transportation changes and challenges could far outweigh the cost of administering the program. For example, while the federal program committed \$40 million to its nationwide program, cities leveraged an additional \$500 million in private and public funding to help make the various Smart City visions real.

According to the author, “AB 659 will promote technological innovation in the state’s municipal transportation planning efforts by establishing the California Smart City Challenge Grant Program, modeled after a Federal grant program from 2015 that asked cities across the nation to develop ideas for a smart transportation system that would use technology to help people and goods move more quickly, cheaply, and efficiently. Considering the favorable outcome of this program and the substantial participation from California, it only makes sense to create a similar state-level program that will enable California municipalities to compete for grant funding for emerging transportation technologies that will reduce congestion and enhance mobility in the state, while also achieving California’s critical environmental goals.”

Committee comment. This is the second time Assembly Member Mullin has attempted to enact this CTC recommendation. Last year, AB 2418 created the Program in the same way, but was silent on from where the funding for the program would come. This bill directs CTC to propose the specific source of Proposition 1B funding the Legislature should appropriate for the Program.

In 2006, voters passed Proposition 1B which authorized the state to sell \$19.9 billion in general obligation bonds for a variety of transportation-related programs. Proposition 1B required CTC to program and allocate approximately \$12 billion of that funding to specific transportation programs intended to relieve congestion, facilitate goods movement, improve air quality, and enhance the safety of the state’s transportation system.

The CTC is frequently identifying project savings from various Proposition 1B programs and allocating those funds to new projects. It seems reasonable to expect that, if CTC could identify savings from existing programs for which these grants might be an eligible use, it could propose to the Legislature that it appropriate the funds for this Program.

Previous legislation: AB 2418 (Mullin, 2018) was very similar to this bill. AB 2418 passed unanimously out of this committee and was held on the Assembly Appropriations suspense file.

REGISTERED SUPPORT / OPPOSITION:

Support

League of California Cities
Proterra, Inc.

Opposition

None on file.

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