

Senate Transportation and Housing Committee
Informational Hearing on the Implementation of the
Transportation Development Act in Ventura County

Hall of Administration, Supervisors Hearing Room
800 South Victoria Avenue
Ventura, CA

November 27, 2012

10:00 AM

Earlier this year, Assembly member Williams introduced AB 1778 (Williams) to restructure the terms governing the use of Transportation Development Act (TDA) funds in Ventura County. After passing the Assembly, AB 1778 was referred to the Senate Transportation and Housing Committee but not heard because of substantial opposition to the bill from the Ventura County Transportation Commission (VCTC). The purpose of today's hearing is to explore the issues surrounding AB 1778 and to learn if there is a consensus in Ventura that will ensure the management of TDA funds consistent with the reforms enacted in SB 716 (Wolk), Chapter 609, Statutes of 2009.

This background report provides an overview of TDA, a summary of the reforms enacted by SB 716, the distribution of the county's population, and the proposed changes in AB 1778 governing the management of TDA in that county.

Origins of the Transportation Development Act

The Legislature enacted the TDA, Senate Bill 325, Chapter 1400, Statutes of 1971, to ensure "the efficient and orderly movement of people and goods in the urban areas of the state." The TDA authorized the boards of supervisors in each county to impose a ¼-percent local sales tax for transportation purposes. All counties imposed that tax in 1972, because if they had not, the state, under California's uniform tax law, would not have collected the one-percent of local sales tax destined for the general funds of cities and counties. Although the focus of the law is the support of public transit services, it recognizes that rural areas have a different mix of transportation needs. As enacted, TDA required revenues from the tax to be used for public transit purposes in counties with a population greater than 500,000 as of the 1970 census. At that time, nine counties in California exceeded 500,000 persons in population: Alameda, Contra Costa, Los Angeles, Sacramento, San Bernardino, San Diego,

San Francisco, San Mateo, and Santa Clara. Counties with a population under 500,000 as of 1970, such as Ventura, were free to use the TDA revenues for transit and for local streets and roads.

In 2010, the statewide local ¼-percent sales tax for transportation generated \$1.1 billion. About six percent of the funds are used for local street and road purposes. California’s TDA program is the only permanent, statewide transit funding program in the country.

Regional transportation planning agencies allocate TDA funds. These agencies may be multicounty entities or single county agencies, such as Ventura County Transportation Commission (VCTC)¹. If a county or city in a county with a population of less than 500,000 wishes to use TDA funds for street or road purposes, the county’s regional transportation planning agency must hold public hearings and make one of three findings:

- There are no unmet transit needs.
- There are no unmet transit needs that are reasonable to meet.
- There are unmet transit needs that are reasonable to meet by the use of TDA funds. This finding requires the allocation of TDA revenues to support transit services. If any TDA revenues remain after the allocation, they may be used for street and road purposes.

The Reforms of SB 716

Senate Bill 716 of 2009 enacted major reforms to TDA, the most significant being removing the exception granted to counties that are over 500,000 today, but were under 500,000 in 1970. In addition, any county in the future whose population crosses over 500,000 in a federal decennial census will generally have to allocate TDA to public transit services.

SB 716 offers some flexibility when allocating TDA funds in counties no longer covered by the 500,000 exemption. Specifically, it provides the following for counties affected by removing the 500,000 exemption:

- The provisions of SB 716 do not become operative until July 1, 2014. The purpose of this is to provide a reasonable time to allow the impacted counties to make a transition from current practice governing the use of TDA funds to the new requirements of SB 716.
- The use of TDA funds for transit applies to urbanized areas of a county. TDA funds may be used in non-urbanized areas of a county for local streets and roads, provided that

¹ The 17 voting members on the VCTC governing board includes the 5 members of the County Board of Supervisor, a member of the city council from each of the county’s 10 cities, 2 citizen representatives appointed by the board of supervisors and the cities, respectively, and Caltrans’s district 7 director (Los Angeles/Ventura counties), who is an non-voting ex-officio member.

there are no unmet transit needs in the area. This provision recognizes that many of the counties affected by the removal of the 500,000 exemption have a large central city, but vast outlying areas with sparsely populated rural communities.

- Cities, in counties no longer covered by the 500,000 exemption, with a population of 100,000 or less within an urbanized area, may use TDA funds for either transit or local streets and roads provided the use conforms with the findings of the unmet needs test. A city of this class included in a transit district or that is a member of a joint powers agency providing transit is ineligible to exercise this option.

In addition to the above provisions, SB 716 authorizes the use of TDA funds for acquisition or lease of vans for farmworker vanpool programs for the purpose of farmworker transportation to and from work.

Ventura County Population's Distribution and SB 716

Historically, Ventura County divides itself into east and west county. This division often has a bearing on the public policy debates in the county. The east county cities are located east of the Conejo Grade, which is an escarpment on Highway 101 with a seven percent grade separating the Oxnard Plane from the Conejo Valley. The east county cities include Moorpark, Simi Valley, and Thousand Oaks. The combined population of the three cities is 286,627. The west county cities include Camarillo², Fillmore, Ojai, Oxnard, Port Hueneme, Santa Paula, and Ventura. The combined population of these cities is 445,234. (See Exhibit 1.) In addition, Ventura County has four urbanized areas. In west county, Oxnard/Ventura and Camarillo constitute two urban areas. The east county urbanized areas include Thousand Oaks/Moorpark and Simi Valley. (See Exhibit 2 and map.)

² The City of Camarillo is geographically in western Ventura County, but aligns itself on TDA issues with the cities of the eastern area of the county.

Exhibit 1
Population of Ventura County Cities by
West and East County Group

West County Cities	Population	East County Cities	Population
Camarillo	66,140	Moorpark	34,629
Fillmore	15,085	Simi Valley	124,734
Ojai	7,494	Thousand Oaks	127,264
Oxnard	199,265		
Port Hueneme	21,554		
Santa Paula	29,464		
Ventura	106,232		
Total West County	445,234	Total East County	286,627
Unincorporated Area Population			96,013
Total County Population			827,874

Source: Department of Finance

Exhibit 2
Ventura County Urbanized Areas
Population and Population Density

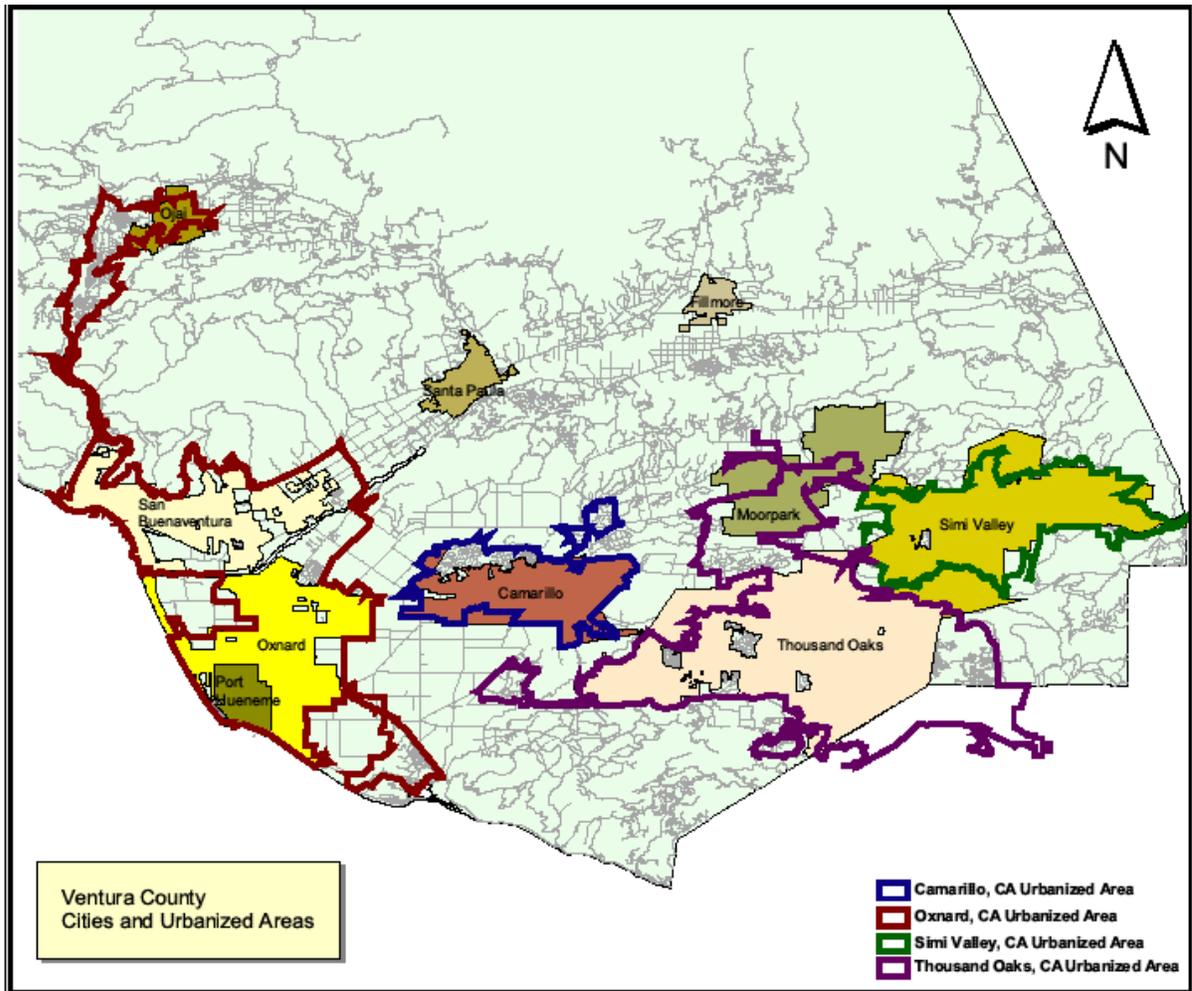
Urbanized Area	Population	Density Population/Sq. Mile
Oxnard (Including Oxnard, Ventura, Port Hueneme & Ojai)	367,260	4,325.2
Camarillo	71,772	3,263.0
Simi Valley	125,206	3,983.4
Thousand Oaks (Including Moorpark)	214,811	2,508.8

Ventura County’s Reaction to SB 716

VCTC strongly opposed SB 716 and was successful in amending the bill to allow the VCTC to study “analyzing options for organizing public mass transportation services in the county, for the expenditure of revenues deposited in the local transportation fund (meaning TDA revenues), and a recommended legislative proposal for implementing the plan. . .”³

As an incentive for Ventura County to decide how it desires to organize its provision of transit service, VCTC was given the option to propose how the county wishes to organize the delivery of transit and secure legislation implementing its strategy during the 2011-2012 legislative session. VCTC published a report in April but did not propose specific legislation. Because legislation was not enacted, SB 716 requires all TDA funds in the county to be available solely for public transit in all areas of the county, including rural communities, beginning on July 1, 2014. This means that there would be no exemption for cities with a population of greater than 100,000.

³ See Section 99232.3 of the Public Utilities Code.



Reorganization of Transit Services in Ventura County

VCTC submitted its report to the Legislature in April 2012. The report contained six recommendations. Four of the recommendations addressed issues related to the organization of public transit services in Ventura County, including converting a transit district to a joint powers agency providing transit services for the cities of Ventura, Oxnard, Port Hueneme, Ojai, and the unincorporated areas in between the cities. In addition, the report recommended that the cities of Camarillo, Moorpark, Simi Valley, and Thousand Oaks and the County of Ventura enter into an agreement to coordinate better the transit services that they may individually provide.

Role the Clock Back to 1971

The most significant recommendation made in the VCTC study was to seek amendments to state law that would reverse the policy of SB 716 and allow Ventura County to manage TDA revenues, including dedicating the revenues for street and road purposes, just as it has been doing since 1971. This proposed amendment would undo Senator Wolk's efforts to reform TDA, as it is reasonable to assume that other pre-1971 counties would seek the same privilege.

Simply put, VCTC has been unwilling to find a way to make TDA work in the county consistent with SB 716 and wants to operate under the prior conditions. Informally, VCTC has indicated to committee staff that because the county has been unable to obtain a voter-approved transportation sales tax to fund street maintenance, the county continues to need the flexibility to use TDA funds for streets. This overlooks the fact that many counties, including San Joaquin and Fresno, have enacted local sales taxes for roads and mass transit services even though they were eligible to take advantage of the flexibility offered by TDA.

AB 1778—An Alternative Proposal for Ventura County to Conform with SB 716

VCTC's inability to craft legislation to meet the terms of SB 716 created a vacuum. As a result, Mr. Williams introduced AB 1778 to require, beginning in 2014, local jurisdictions to return any TDA funds that VCTC has apportioned to them for streets and roads, but that they have not encumbered within one year or expended within two years. VCTC would then redistribute the returned funds to transit operators that are eligible.

This bill is intended to ensure that after 2014 all TDA funds will be available for public transit purposes in Ventura County. The author believes that the reluctance shown in the past by many local jurisdictions to use TDA funds for public transit will result in TDA funds not being spent for transit in Ventura County after 2014. This bill is an effort to ensure that TDA funds will not sit idle but will be redistributed to public transit operators in the county. This places a greater emphasis on transit than anticipated by SB 716.

Conclusion

Because VCTC was unable to have legislation introduced this session, it is faced with several options:

- It can try to introduce legislation that was recommended in its report.
- It can agree to AB 1778.
- It can agree to abide by the terms of SB 716.

In light of the options available to VCTC, the following may shed light on the course of action that VCTC intends to pursue:

- Has VCTC determined which option it intends to pursue?
- Does VCTC believe the use of TDA funds should be tailored to meet its local policy at the expense of statewide policy?
- Does VCTC recognize that the state's emphasis on reducing vehicle miles traveled through greater concentration of development will increase the need for TDA to support expanded public transit services in urbanized areas?