

Date of Hearing: June 28, 2017

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT
Cecilia Aguiar-Curry, Chair
SB 268 (Mendoza) – As Amended June 20, 2017

SENATE VOTE: 22-12

SUBJECT: Los Angeles County Metropolitan Transportation Authority.

SUMMARY: Revises the composition of the Los Angeles Metropolitan Transportation Authority (MTA) governing board, from 14 to 22 members, pursuant to the membership defined by this bill, unless a different composition is agreed to in a plan supported by specified local entities prior to December 1, 2018. Specifically, **this bill:**

- 1) Requires, on or before December 1, 2018, MTA, the Los Angeles County Division of the League of California Cities, the California Contract Cities Association, and the Los Angeles County City Selection Committee to prepare and provide to the Legislature a plan to reconfigure MTA's Board (Board) agreed to by a two-thirds vote of the designated representatives of each of these entities. Requires the following:
 - a) The plan for reorganizing the Board to provide equitable and proportional to voting representation, with a total of 22 members, including more representation for cities other than the City of Los Angeles, of each area of the County on MTA, and a date for implementing the plan that is no later than January 1, 2020; and,
 - b) On and after January 1, 2020, for the Board's membership to be as proposed by the plan.
- 2) Revises the composition of the Board, on January 1, 2020, pursuant to a), below, if MTA does not submit a plan, pursuant to 1), above, for reorganizing MTA's membership to the Legislature by December 1, 2018, or fails to implement the plan by January 1, 2020.
 - a) Revises the Board by increasing the membership from 14 to 22 members, as follows:
 - i) Increases, from one to four, Los Angeles City Council members, appointed by the Mayor of the City of Los Angeles;
 - ii) Decreases, from two to one, public members, appointed by the Mayor of the City of Los Angeles;
 - iii) Increases, from four to eight, the mayors or city council members appointed by the city selection committee; and,
 - iv) Adds the Mayor or a city council member from the City of Long Beach, appointed by the Long Beach City Council.
 - b) Replaces the "Southeast Long Beach" sector with the "Southeast" sector and specifies that the affirmative vote required in existing law of the members of the Los Angeles County City Selection Committee members which represent a majority of the population of all cities in the county, excludes the City of Long Beach in addition to the City of Los Angeles.

- 3) Provides that, if the Commission on State Mandates determines that this bill contains costs mandated by the state, reimbursement to local agencies and school district for those costs shall be made, pursuant to the statutes which govern state mandated local costs.

EXISTING LAW:

- 1) Establishes the governing board for MTA comprised of 14 members, as follows:
 - a) Five members of the Los Angeles County Board of Supervisors;
 - b) The Mayor of the City of Los Angeles;
 - c) Two public members and one member of the Los Angeles City Council appointed by the Mayor of the City of Los Angeles;
 - d) Four members, each of whom shall be a mayor or a member of a city council, appointed by the Los Angeles County City Selection Committee from the following sectors:
 - i) North County/San Fernando Valley sector;
 - ii) The Southwest Corridor sector;
 - iii) The San Gabriel Valley sector; and,
 - iv) The Southeast Long Beach sector.
 - e) One non-voting member appointed by the Governor.
- 2) Requires the League of California Cities, Los Angeles County Division to define the sectors. Provides every city within a sector the ability to vote to nominate one or more candidates for consideration for appointment by the city selection committee. Requires a city's vote to be weighted in proportion to population based on the total population of all cities within the same sector.
- 3) Specifies that, if the population of the City of Los Angeles, at any time, becomes less than 35% of the combined population of all cities in Los Angeles County, the position of one of the two public members appointed by the Mayor of the City of Los Angeles, shall be vacated, and the vacant position shall be filled by appointment by the city selection committee from a city not represented by any other member currently appointed.
- 4) Requires that the members selected by the city selection committee serve four-year terms with no limitation on the number of terms that may be served by any individual.

FISCAL EFFECT: This bill is keyed fiscal and contains a state mandated local program. According to the Senate Appropriations Committee, the prior version of this bill had the followings costs:

- 1) Unknown reimbursable mandate costs, potentially in excess of \$50,000 (General Fund), to the extent the City of Los Angeles submits a successful reimbursement claim with the

Commission on State Mandates related to four new members of the City Council serving on the MTA board. Costs associated with duties and responsibilities of serving on the MTA board, and participating in the work of its Committees, are unknown.

- 2) Unknown local costs for MTA to add two new members to the governing board, some of which may be reimbursable by the state General Fund. Potentially reimbursable costs are likely to be minor.

COMMENTS:

- 1) **MTA.** MTA was created, pursuant to AB 152 (Katz), Chapter 60, Statutes of 1992, through the consolidation of the Los Angeles County Transportation Commission and the Southern California Rapid Transit District. MTA is now the third-largest public transportation system in the United States by ridership, serving more than 10 million people in a 1,433 square mile area. MTA is the regional transportation planner for all of Los Angeles County. MTA develops and oversees transportation plans, policies, funding programs, and both short-term and long-range solutions that address the County's increasing mobility, accessibility and environmental needs.

Currently, the 14-member MTA Board is made up of the five Los Angeles County Supervisors, the Mayor of Los Angeles, two public members and one Los Angeles City Councilmember appointed by the Mayor of Los Angeles, four city council members appointed by the city selection committee, and one non-voting gubernatorial appointment.

- 2) **Bill Summary.** This bill requires MTA, the Los Angeles County Division of the League of California Cities, the California Contract Cities Association, and the Los Angeles County City Selection Committee to prepare and provide a plan to the Legislature to reorganize the membership of MTA. The plan must be agreed to by a two-thirds vote of the designated representatives of each of these entities, and calls for a Board with a total of 22 members that provides equitable and proportional voting representation, including more representation for cities other than the City of Los Angeles.

If MTA does not submit a plan to the Legislature by December 1, 2018, or fails to implement the plan by January 1, 2020, MTA's Board must be reconstituted. Starting, on January 1, 2020, without an agreed upon plan submitted to the Legislature and implemented by this date, the bill requires MTA's Board to be increased from 14 to 22 members, with new members including four additional Los Angeles City Council members, a city council member or the Mayor of Long Beach, and four additional members selected by the city selection committee. Additionally, one of the public members appointed by the City of Los Angeles Mayor would be removed. The full composition of the 22-member MTA Board would be made up of the five County Supervisors, the Mayor of Los Angeles, one public member and five Los Angeles City Council members appointed by the Mayor of Los Angeles, a city council member or the Mayor of Long Beach, eight city council members appointed by the city selection committee, and one non-voting gubernatorial appointment.

This bill is author-sponsored.

- 3) **Author's Statement.** According to the author, "This bill ensures that Board member seats fairly represent all areas of Los Angeles County when allocating the distribution of local (approximately \$2.6 billion annually), state, and federal funds, as well as the organizing and delivery of transportation and transit services. SB 268 reorganizes and expands the MTA Board to provide more proportional representation within the Los Angeles County. Under the current distribution of MTA Board members, the 87 cities, outside the City of Los Angeles, which represent 52% of the county's total population, only represent 31% of the MTA Board. The current distribution of the MTA Board is unfair, and has resulted in uneven allocation of resources and services. This bill intends to ensure that the distribution of members on the MTA Board fairly represents the entire County of Los Angeles to improve the County's ability to develop a regional transit plan that meets the needs of all county residents."
- 4) **Prior Legislation.** Most recently, SB 522 (Mendoza) of 2016 was referred to the Assembly Rules Committee and never heard by a policy committee. SB 522 (Mendoza) would have increased MTA's Board to 24 members. SB 1472 (Mendoza) of 2016 was placed on the Senate Inactive File at the request of the author. SB 1472 (Mendoza) would have increased MTA's Board to 22 members. Both SB 522 and SB 1472 (Mendoza) sought to increase the number of members on the Board by increasing the appointments made by the Mayor of Los Angeles, adding the Mayor of Long Beach, increasing the number of members from each sector of the County, and adding members to be appointed by the Speaker of the Assembly and the Senate Committee on Rules.

SB 1379 (Mendoza) of 2016 would have maintained a 14-member MTA Board which would have included: two County Supervisors, the Mayor of Los Angeles, two Los Angeles City Council members appointed by the Mayor of Los Angeles, one public member, a resident of the City of Los Angeles appointed by the Mayor of Los Angeles, one public member, a resident of the City of Los Angeles appointed by Senate Pro Tempore, the Mayor of Long Beach, four mayors or city council members from each of the four sectors specified in existing law, one mayor or city council member appointed by the Assembly Speaker, and one non-voting gubernatorial appointment. SB 1379 was never heard by this Committee and subsequently amended to address another subject.

AB 1941 (Holden) of 2014 sought to make changes to MTA's governance structure, but was never heard by this Committee.

AB 251 (Knight) of 2009 would have reconfigured the composition of MTA's Board by removing one of the public members appointed by the Mayor of Los Angeles and adding the appointment of one member by the city councils of the Cities of Palmdale, Lancaster, and Santa Clarita. AB 251 (Knight) failed passage in this Committee.

- 5) **Policy Considerations.** The Committee may wish to consider the following:
- a) **Local Process.** This bill requires MTA, the Los Angeles County Division of the League of California Cities, the California Contract Cities Association, and the Los Angeles County city selection committee to provide a plan to the Legislature by January 1, 2018, which revises the membership of MTA's governing board by increasing the membership from 14 to 22. This bill specifies that the plan must be agreed to by "a two-thirds vote of the designated representatives of each of these entities." The Committee may wish to

consider what threshold is actually necessary to reach an agreement on the plan, by asking the following questions:

- Does this bill require each of the four entities to designate representatives of which will require a two-thirds vote of the total number of designated representatives? If so, this bill is silent on how many representatives each entity can designate.
- Does this bill require each of the four entities to agree to the plan by a two-thirds vote internally?
- Does this bill require three of the four entities to agree to the plan by voting internally?

The Committee may wish to ask the author to clarify the intent of this process.

Additionally, the Committee may wish to consider if it is appropriate for city associations to determine MTA's governance structure. The city selection committee includes all 88 cities in the county and already makes appointments to MTA's Board. The Committee may wish to consider if the League of California Cities, LA Division and California Contract Cities Association whose membership is already wholly represented on the city selection committee should play as large of a role as MTA in the process required by this bill.

- b) **History.** Contentious regional fights over equity in representation and resources are not new to this Committee. There have been several bills seeking to change MTA's governance before this Committee, most of which have not been heard, and one of which has failed passage.

Supporters argue that MTA Board member seats do not fairly represent all areas and that the other 87 cities only have four seats on the Board. Opposition argues that members of the Board of Supervisors represent all areas of their districts, not just the unincorporated areas. Opposition to this bill calls for a consensus-based process. The local process contained in this bill places perimeters around the plan, requiring the Board to have a total of 22 members, including more representation for cities other than the City of Los Angeles. Absent local consensus, the Committee may wish to consider if the process contained in this bill provides a real opportunity at the local level with the relevant stakeholders to reach consensus, which may include keeping the status quo.

- 6) **Arguments in Support.** The Los Angeles County Division of the League of California Cities states, "Currently the 87 cities outside the City of Los Angeles represent over 51% of the County's total population yet represent just 31% of the METRO Board. Similarly, the City of Los Angeles holds 31% of the METRO Board seats for 38% of the County's residents. We believe that regional boards should have equitable and proportional voting representation for cities and SB 268 seeks to achieve that. Adjusting the METRO Board to reflect the population of cities in the County not only improves representation of all communities but allows METRO to be more responsive to regional transit priorities throughout the County."

- 7) **Arguments in Opposition.** Los Angeles County states, "SB 268 undermines local control and would subvert Metro's proven, sound and effective governance structure. A key example of the success of the Metro Board's current structure is the recent passage of Measure M, which passed with over 71 percent voter approval and was developed with stakeholders using Metro's extensive bottom-up process."

The State Building and Construction Trades Council argues, "The composition of the Metro Board is the result of a lengthy local process in which all local stakeholders were brought together to develop a consensus. Cities within Los Angeles County are represented through their local Councils of Governments and each has a voice in Metro's priority setting, planning, and decision making for the over 10 million constituents of the County of Los Angeles."

- 8) **Double-Referral.** This bill is double-referred to the Transportation Committee.

REGISTERED SUPPORT / OPPOSITION: (Includes support and opposition letters received by the Committee's deadline which may address a prior version of the bill)

Support

California Contract Cities Association
 Cities of Carson, La Mirada, Pico Rivera, and Torrance
 Councilmember John Mirisch, City of Beverly Hills
 Gateway Cities Council of Governments
 League of California Cities, Los Angeles County Division

Opposition

Cities of Azusa, Glendale, Glendora, and West Hollywood
 Fixing Angelenos Stuck in Traffic (FAST)
 HDR Engineering
 Jobs to Move America
 LA and Orange Counties Building Trades
 Las Virgenes-Malibu Council of Governments
 Los Angeles Area Chamber of Commerce
 Los Angeles County Board of Supervisors
 Los Angeles County Metropolitan Transportation Authority
 Los Angeles / Orange Counties Building and Construction Trades Council
 Lynn Capouya, Inc.
 Mayor Eric Garcetti, City of Los Angeles
 Michael Baker International
 Mobility 21
 Orange County Business Council
 Parsons Corporation
 Riverside County Transportation Commission
 San Bernardino County Transportation Authority
 San Fernando Valley Council of Governments
 Sheet Metal Air Rail and Transportation Workers, General Committee of Adjustment 875
 Southern California Pipe Trades District Council No. 16

Opposition (continued)

Southern California Regional Rail Authority (Metrolink)
State Building and Construction Trades Council of California
Valley Industry and Commerce Association (VICA)
WSP Parsons Brinckerhoff
Individual letters (2)

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