



**METROPOLITAN  
TRANSPORTATION  
COMMISSION**

**Agenda Item 3b**

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## *Memorandum*

TO: Legislation Committee

DATE: April 6, 2018

FR: Executive Director

RE: Senate Bill 957 (Lara): High-Occupancy Vehicle (HOV) Lanes- Clean Air Vehicle Access for Low-Income Registered Owners

### **Background**

SB 957 (Lara) would allow a person with a household income at or below 80% of the statewide median income, or who is eligible for low-income housing financial assistance, to renew a Clean Air Vehicle (CAV) decal without limitation, granting a qualifying vehicle owner access to HOV lanes without the required number of occupants for as long as they own the vehicle. According to the author, the goal of SB 957 is to expand access to clean vehicles for low-income households. However, the bill does nothing to make such vehicles more affordable. Instead, it simply makes them more attractive by eliminating the time limit to access HOV lanes as a single-occupant vehicle (SOV) for qualifying CAV owners. While this may marginally increase the uptake of CAVs among lower-income consumers as they weigh the price tag of the vehicle against future time savings in HOV lanes, it seems unlikely to significantly accelerate the share of CAVs in the state's vehicle fleet since it doesn't make the vehicles more affordable.

Staff is concerned that this bill would undermine legislation enacted just last year – AB 544 (Bloom) – which sought to balance the goal of incentivizing CAV purchases against the need to limit the number of SOVs using the state's HOV lanes in order to retain a time-savings advantage for carpools, vanpools and bus riders. Given the poor performance of the state's HOV lanes – prompting MTC to pursue legislation to enhance HOV enforcement this year – the Legislature should reject any proposals to further expand SOV access to the lanes.

**Recommendation:** Oppose

### **Discussion**

Under the CAV Program, certain low-emission, plug-in hybrid, electric and alternative fuel vehicles are eligible to receive decals from the California Department of Motor Vehicles (DMV) authorizing use of HOV lanes without the required number of occupants. The program offers green decals to owners of plug-in hybrid vehicles that meet the “enhanced advanced technology partial zero-emission vehicles (enhanced AT PZEV) standard or the transitional zero-emission vehicle (TZEVE)” standard and white decals available to owners of zero-emission vehicles, such as electric vehicles (EVs) and certain alternative fuel vehicles, such as hydrogen fuel cell, liquefied petroleum gas and compressed natural gas. While state law previously capped the allowable number of decals, each time the state approached the allowable number of decals, the Legislature raised the cap.

In 2017, the Legislature took a new approach with the enactment of AB 544. The bill established various time limits on CAV decals depending on when the vehicle was purchased. Decals for vehicles purchased prior to January 1, 2017 expire on January 1, 2019. Decals issued for vehicles that were purchased between January 1, 2017 and December 31, 2018 expire on January 1, 2019 but can be renewed until January 1, 2022. Finally, decals issued for vehicles purchased on or *after* January 1, 2019 have a four-year limit and may not be renewed. This maximum four-year time limit is critical to constraining the total growth of CAVs in the HOV lanes over time. As the auto industry has produced more EV and plug-in hybrid vehicle models, demand for CAVs has shot up significantly. The total number of vehicles issued green or white stickers in the Bay Area has grown by almost 400 percent since January 1, 2014 and exceeded 117,000 as of January 1, 2018, according to the DMV.

Given this rapid growth in CAV purchases, it remains to be seen whether the AB 544 time limits will be enough to ensure the Bay Area's HOV lanes aren't overwhelmed by the growing presence of CAVs. This is a legitimate concern. In 2015, an MTC data collection effort undertaken as part the Managed Lane Implementation Plan (MLIP) found that an average of 8 percent of vehicles using the Bay Area's HOV lanes were CAVs. On some HOV segments in the South Bay where ownership of CAVs is the highest in the region, the rate was as high as 18 percent.

The CAV program is designed to encourage the purchase of low-emission, alternative fuel vehicles by granting them access to HOV lanes as an SOV but the power of this incentive depends on HOV lanes offering a significant time savings relative to the general purpose lanes. In 2016, more than two-thirds of the HOV lanes evaluated by Caltrans failed federal performance standards, which requires speeds of at least 45 mph at least 90 percent of the time over a 180-day period. This poor performance threatens to undermine carpooling, slow down bus service, and erode the very incentive upon which the CAV program is based.

Because SB 957 would jeopardize the performance of the state's HOV lanes by undoing a key aspect of AB 544, staff recommends opposing the bill.

### **Known Positions**

#### **Support:**

The Auto Alliance  
Asian Pacific Environmental Network  
Auto Alliance  
California Electric Transportation Coalition  
Central California Asthma Collaborative  
Coalition for Clean Air  
Communities for a Better Environment  
The Greenlining Institute

#### **Oppose:**

None on File



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Steve Heminger

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