



Memorandum

RE: Board Meeting - May 19, 2020
DATE: May 19, 2020
TO: Transportation Authority Board: Commissioners Peskin (Chair), Fewer, Haney, Mandelman, Mar, Preston, Ronen, Safai, Stefani, Walton, and Yee
FROM: Tilly Chang - Executive Director
SUBJECT: Executive Director's Report – **INFORMATION**

REGIONAL, STATE AND FEDERAL ISSUES

HEROES Act - House Majority Leaders Introduce New COVID-19 Relief Bill: The Metropolitan Transportation Commission (MTC) has estimated that Bay Area's non-federal transportation funding could drop by 47% through December 2020. On Tuesday May 12, the U.S. House of Representatives released a \$3 trillion COVID-19 relief package termed the HEROES Act. The bill would provide more than \$15.75 billion in transit funding to backfill for lost transportation revenues, and MTC anticipates the region would receive an estimated \$780 million in formula funds on top of the \$1.3 billion it already received through the earlier CARES Act. The HEROES Act also includes \$1.4 billion from the Federal Highway Administration for the state of California, which is also facing significant budget shortfalls. However, we have heard that the Senate is unlikely to approve additional funding pending an evaluation of the impact of prior packages on the economy. Therefore, this bill should be considered a potential framework for the next COVID-19 bill, which would have to be reconciled with the Senate and the Administration if and when there is a willingness to consider further relief packages. We will continue to work with SFMTA, MTC, and national advocacy groups to seek resources to deliver essential transit services, ensure public safety measures, and maintain the transportation sector workforce.

State Budget - Governor Newsom Responds to Anticipated Revenue Losses for Fiscal Year 2020/21. The Governor's May revision to his Fiscal Year 2020/21 budget proposal sets forth his plan for dealing with the estimated \$54.3 billion budget deficit that has emerged as the state responds to the ongoing COVID-19 public health crisis. His approach would close the gap by drawing down on reserves, canceling budget proposals made in the January budget, reducing spending in the closing portion of the ending fiscal year, and making some special fund transfers. While his proposal provides little detail on specific impacts to transportation programs, it does indicate that Caltrans will maintain current planning and engineering staffing levels and accelerate projects to achieve cost savings and to support the creation of new jobs in the transportation sector. Of all transportation revenue sources, the cap and trade program is identified as having the greatest level of uncertainty since the shelter in place order has significantly lowered statewide greenhouse gas emissions. As a result, he proposes



a pay-as-you-go budget mechanism for these funds, which support transit operations, high speed rail, and competitive grant programs for transit infrastructure and active transportation.

COVID-19 Transit Recovery - MTC Establishes Regional Task Force: On April 22, 2020, the MTC approved the first \$780 million tranche of the total \$1.3 billion federal funds directed to Bay Area transit agencies in the CARES Act for COVID-19 relief. As a condition of the action, the Commission directed staff to establish a Blue Ribbon Transit Recovery Task Force to guide and inform the recovery of the Bay Area's public transit system and its role in the region's future. We are pleased to announce that MTC Commissioner Nick Josefowitz and SFMTA Director Jeff Tumlin have both been invited to serve. As part of the 30-member group, which includes stakeholders from across the region, they will help determine how the remaining \$520 million in federal CARES funding should be distributed as well as inform transit agency recovery strategies. We will support them to advance a regional approach to defining and supporting essential services, ensuring safety for transit workers and riders across all operators, restoring transit ridership, and stabilizing the regional transit network. The Task Force will first convene in late May and will meet two more times before a second tranche of CARES funding is approved in July.

MTC/Association of Bay Area Governments (ABAG) Regional Affordable Housing Revenue - November 2020 Ballot Measure Unlikely: At a special Joint MTC Executive / ABAG Administrative Committee meeting yesterday, MTC staff presented the findings of privately-funded polling completed earlier this month which showed that a regional revenue measure to fund housing may not be able to meet the 2/3rds required voter support on a November 2020 ballot. Assemblymember Chiu's AB 1487 (2019) gave MTC and ABAG the authority to put a regional housing revenue measure on the ballot, and the two regional agencies have been discussing a General Obligation bond measure to raise \$10 billion over 10 years for affordable housing production and preservation. However, both agencies were clear that they wanted to see the results of polling before determining whether or not to place a measure on the ballot, given the current economic crisis resulting from the COVID-19 pandemic.

The polling, commissioned by regional housing advocacy organizations, showed that 40% of the region's residents reported an impact on their household finances due to COVID-19. The polling also showed an increased sensitivity to taxation, and only 57-60% of respondents said they would support a regional housing bond when initially polled. While support increased after positive messaging, the poll never demonstrated support up to the required 67%, and fell steeply with negative messaging. The Joint MTC Executive / ABAG Administrative Committee recommended to NOT place a regional housing bond on the ballot in November 2020, but directed staff to develop a proposal for alternative strategies to enhance the region's housing work. We will continue to track this conversation and keep the Board up to date on any ballot measure status.

Caltrain SB 797 Sales Tax - Potential Ballot Measure for November 2020: Senator Beall's SB 797 (2017) gave Caltrain authorization to put a 1/8 sales tax revenue measure on the ballot in San Francisco, San Mateo and Santa Clara counties, the three counties that comprise the Caltrain Joint Powers Board. SB 797 requires the three boards of supervisors, the three county transit agencies and lastly, the Caltrain Board to vote on placing the revenue measure on the ballot. To date, the SamTrans Board of Directors and the San Mateo Board of Supervisors have voted to support a ballot measure for November 2020, leaving open the



opportunity for the Caltrain Board to make the final go/no go decision by August 7. The remaining agencies have deferred consideration of this item pending further regional discussions. We understand Caltrain is consulting with private parties which may conduct a poll in June/July, which would be useful to inform pending actions required by the remaining parties, namely the VTA and SFMTA boards of directors and Santa Clara and San Francisco Boards of Supervisors. We have been supporting Commissioner Walton in his capacity as a Caltrain Director and Chair Peskin on this topic. As a transit operator that is highly dependent on fare revenue with no other dedicated source of revenues to support its operations, Caltrain has been hit particularly hard by the sharp drop in transit ridership resulting from the COVID-19 pandemic.

Plan Bay Area 2050 Work Continues - MTC and ABAG Move Forward with Regional Long-Range Planning: The regional agencies are required to update the regional transportation plan and sustainable communities strategy every four years. MTC and ABAG are continuing their work on this update known as Plan Bay Area 2050, which is scheduled to be adopted in 2021. At this month's committee meetings, staff presented their proposals for how the COVID-19 pandemic and economic downturn would impact their long-range planning. Specifically, they are working to revise revenue forecasts in light of a likely recession beginning in 2020 and are evaluating how the pandemic may impact jobs and housing growth forecasts.

Last month this Board approved the draft fiscally-constrained transportation project and program list, which we have submitted to MTC staff. We had expected to return to the board in June with a final list, but MTC has pushed this back to July at the earliest, as they incorporate these new revenue projections into their planning. We continue to work with MTC staff and our partner agencies to provide input to Plan Bay Area 2050 and look forward to providing you with updates in the coming months.

PROJECT DELIVERY

Caltrans completes Alemany Deck Ahead of Schedule: I'd like to express a big thank you and congratulations to Caltrans District 4 Director Tony Tavares and his team including contractor Meyers and Sons for completing construction of the new Alemany overpass on U.S. 101 on May 2, two days ahead of the planned 10-day schedule. The work was originally scheduled to take place over three weeks in July. But Caltrans accelerated the project to take advantage of a significant dip in traffic volumes while shelter-in-place orders have been in effect. Thank you also to the San Francisco Municipal Transportation Agency (SFMTA) and California Highway Patrol who provided excellent support to keep crews safe and traffic flowing, and we also appreciate Caltrans' successful management of noise and dust throughout this intense 24/7 work period. Major construction has finished, but some cleanup work remains. For more information, see the project website at 101alemanyproject.com.

LOCAL ISSUES

New Slow Streets Added to City's "Slow and Open Streets" Programs to Support Wellness: Following the initial rollout in April, the SFMTA has announced a second group of corridors to its Slow Streets Program. The agency over the weekend announced 13 additional neighborhood streets to be closed to non-resident vehicular access in order to provide more street space for walking, cycling and recreating. These streets were identified through



technical criteria and informed through public feedback and consultations with District Supervisor offices. Four street corridors have already been implemented, including on 41st Avenue, Kirkham, Lake and Page streets with a total of 20 planned covering 34 miles. These streets are in addition to the closure of the Great Highway, and 3 streets within parks (JFK Drive in Golden Gate Park, Shelly Drive in McLaren Park and Twin Peaks Boulevard Eastern loop) that SF Recreation and Parks department closed to vehicle traffic in late April. To learn more, visit: www.sfmta.com/projects/slow-streets-program.

Business Request Forms Available for Temporary Loading Zones: To support restaurants and retail businesses as they re-open and encourage safe distancing, the SFMTA is converting some adjacent street parking into temporary pick-up/drop-off loading zones. Businesses may request a loading zone by completing a request form at www.SFMTA.com/COVID.

Outreach Best Practices During Social Distancing - Interagency Coordination: Outreach, an essential component of our planning work, has become difficult during this time of shelter-in-place. Our staff participate in the Citywide Public Engagement Network, a San Francisco-wide forum for communications and outreach professionals across all agencies within the City and County, to adapt our practice to current conditions. At the May meeting, agencies shared best practices implementing physical distanced public outreach, including a participation guide being developed by SF Planning. This working document includes strategies and resources for outreach and engagement that comply with shelter-in-place, including in ways that promote equity. For example, we are reaching out to community-based organizations in multiple ways, via phone, web-based means, and mail, as well as plan to place ads about outreach opportunities in multiple languages and media formats including TV and radio. We will continue to actively participate in this forum to ensure coordination in outreach practices, as well as real-time evolving best practices.

District 4 Mobility Study at May 23rd Virtual Town Hall with Commissioner Mar: We will be joining Commissioner Mar at his Town Hall this Saturday, May 23 to present the District 4 Mobility Study which aims to explore ways to increase sustainable transportation options for the district. The study team will introduce the study goals and initial data about travel patterns as well as seek input on community needs and desires for improved walking, bicycling and transit modes. See the [events calendar](#) on our website for more information.