



# Memorandum

**Date:** 12.01.16 **RE:** Finance Committee  
December 6, 2016

**To:** Finance Committee: Commissioners Mar (Chair), Cohen (Vice Chair), Campos, Kim, Yee and Wiener (Ex Officio)

**From:** Amber Crabbe – Assistant Deputy Director for Policy and Programming *Ac*

**Through:** Tilly Chang – Executive Director *TCC*

**Subject:** **ACTION** – Recommend Approval of the 2017 State and Federal Legislative Program

## Summary

Every year the Transportation Authority Board adopts a legislative program to guide the agency's transportation advocacy efforts at the state and federal levels. The proposed State and Federal Legislative Program reflects key principles, gathered from our common positions with other local transportation sales tax authorities around the state, the Metropolitan Transportation Commission, as well as our understanding of the most pressing issues facing the region, San Francisco, and our partner agencies that deliver transportation projects in the city. The proposed program is presented in the form of principles, not specific bills or legislative initiatives, in order to allow staff the necessary flexibility to respond to legislative proposals and specific policy concerns that may arise over the course of the legislative session in Sacramento or Washington D.C. Our 2017 Legislative Program continues many of the themes from the previous legislative sessions and emphasizes issues of stabilizing and protecting existing transportation funds, authorizing new transportation revenues, securing funding for San Francisco projects, advancing high-speed rail investment, supporting allocation of state cap and trade revenues for transportation, promoting Vision Zero safety goals, engaging in the implementation of new transportation technologies, aspiring to meet environmental and greenhouse gas reduction goals and supporting increased revenues and redevelopment-like tools to help accelerate the production of affordable housing.

## BACKGROUND

The state and federal legislative programs, adopted annually by the Board, establish a general framework to guide our legislative and funding advocacy efforts at the state and federal levels. The purpose of the legislative program is to establish general policy guidance on state and federal legislative and funding issues in transportation. The proposed 2017 State and Federal Legislative Program reflects key principles, gathered from our common positions with other local transportation sales tax authorities around the state, the Metropolitan Transportation Commission (MTC), as well as our understanding of the most pressing issues facing the city and the region (drawing upon the underway Plan Bay Area update, as well as other efforts), and our partner agencies delivering transportation projects and providing service to San Francisco.

Transportation Authority staff and legislative advocacy consultants in Sacramento will use this program to communicate and plan strategy with the Mayor's Office, the City's legislative delegations in Sacramento and Washington D.C., MTC, and other transportation agencies and advocates.

## DISCUSSION

The proposed 2017 State and Federal Legislative Program is presented in the form of principles rather than specific bills or legislative initiatives, in order to allow staff the necessary flexibility to respond to legislative proposals and policy concerns that may arise over the course of the session. Throughout the state legislative session, which extends into the early autumn or later if extraordinary sessions are necessary, we will be reporting on the status of bills that are of significance to the Transportation Authority, and developing recommendations for positions as appropriate.

In 2016, many important fiscal and policy agendas advanced which were consistent with the Transportation Authority's adopted State and Federal Legislative Program. The Federal Government passed the Fixing America's Surface Transportation (FAST) Act, a five-year authorization for surface transportation programs, in December of 2015. In addition to funding ongoing transit and highway formula funding programs, the FAST Act has provided funding for several competitive grants over the past year, including the Advanced Transportation and Congestion Management Technologies Deployment (ATCMTD) grant program which awarded \$11 million to San Francisco for a number of projects including funds to the Treasure Island Mobility Management Program. The Transportation Authority will continue to advocate for additional funding to priority San Francisco projects and, with the new administration, work to protect anticipated federal funding such as the remaining Federal Transit Administration New Starts grant awards for the Central Subway project.

At the state level, several important bills were passed in 2016, including Assembly Bill (AB) 2374 (Chiu), legislation we sponsored to authorize us to use the Construction Manager/General Contractor (CM/GC) method for the construction of the Yerba Buena Island (YBI) West-Side Bridges Retrofit project. This construction method was identified as the most cost-effective and site-appropriate way to deliver the YBI project, which will facilitate the replacement and improvement of the complicated and critically important project. This year, the regional commuter benefits ordinance authority was extended indefinitely, allowing the successful Transportation Demand Management program to continue beyond the initial pilot authorization. The state legislature also passed AB 516 (Mullin), requiring the Department of Motor Vehicles to develop a system to provide temporary license plates at the point of sale of a vehicle, and requiring temporary license plates on all vehicles until receipt of permanent plates. This will prevent drivers from avoiding tolls and evading arrest before receiving permanent license plates after the purchase of a new vehicle.

While the 2016 legislative session ended on September 30th, the Special Session on Transportation and Infrastructure continued until November 30th. No new bills will be introduced until the Fiscal Year 2017/18 Regular Session is convened in December 2016. The Special Session could in theory continue to focus on potential new sources of state funding for transportation, but we do not anticipate it will convene again before its authorization expires.

Our 2017 State and Federal Legislative Program (Attachment 1) continues many of the themes from the previous legislative sessions and emphasizes issues of stabilizing and protecting existing transportation funds, authorizing new transportation revenues to be put into place at the local or regional level, advancing San Francisco's priority projects and programs, supporting allocation of state cap and trade revenues for transportation, advancing high-speed rail early investment projects to bring service to the Transbay Transit Center, working to meet environmental and greenhouse gas reduction goals, engaging in the implementation of new transportation technologies, and expanding the use of pricing and other innovative project delivery and financing approaches to accommodate the growth in transportation system demands in California. It also supports increased revenues and redevelopment-like tools to help accelerate the production of affordable housing.

The proposed 2017 State and Federal Legislative Program would continue support of San Francisco's Vision Zero goals for street safety, including the San Francisco Municipal Transportation Agency's priority legislative effort to authorize the use of cameras for automated speed enforcement. MTC will be seeking authorization to place on the ballot a measure asking Bay Area voters to approve a bridge toll increase to fund improvements in bridge corridors, which would be known as Regional Measure 3 (RM3). The draft Legislative Program would support this measure, and advocates that San Francisco's priority projects be included in the expenditure plan.

#### **ALTERNATIVES**

1. Recommend approval of the 2017 State and Federal Legislative Program, as requested.
2. Recommend approval of the 2017 State and Federal Legislative Program, with modifications.
3. Defer action, pending additional information or further staff analysis.

#### **CAC POSITION**

The CAC considered this item at its November 30, 2016 meeting and unanimously adopted a motion of support for the staff recommendation.

#### **FINANCIAL IMPACTS**

There are no impacts to the Transportation Authority's adopted Fiscal Year 2016/17 budget associated with the recommended action.

#### **RECOMMENDATION**

Recommend approval of the 2017 State and Federal Legislative Program.

Attachment:

1. Draft 2017 State and Federal Legislative Program

**Attachment 1**

San Francisco County Transportation Authority Draft 2017 State and Federal Legislative Program

Last modified: November 22, 2016

STATE		
Area	Goal	Strategy
1. Funding	Protect transportation funding from diversion	<ul style="list-style-type: none"> <li>• Advocate that funds dedicated to transportation not be diverted to other state budget priorities.</li> <li>• Support efforts to recover existing diversions (e.g. weight fee revenues) for transportation.</li> </ul>
	Enact new revenue and financing measures for transportation	<ul style="list-style-type: none"> <li>• Support efforts at the state (and regional and local levels) to raise additional transportation revenue to address ongoing funding shortfalls for both capital projects and operations.</li> <li>• Support efforts to raise the gas tax and index it to match inflation, to provide a more stable source of funding for transportation projects.</li> </ul>
	Secure cap and trade revenues	<ul style="list-style-type: none"> <li>• Support efforts to dedicate a significant portion of cap and trade revenues to transportation and specifically San Francisco priorities.</li> <li>• Advocate for a stronger role for regional and local governments in prioritizing projects for funding and for a revenue allocation process that is clear, streamlined, and flexible.</li> </ul>
	Increase funding for affordable housing	<ul style="list-style-type: none"> <li>• Support efforts to establish a new, dedicated state funding source for affordable housing.</li> <li>• Support legislative efforts to reduce barriers to the construction of new affordable housing.</li> </ul>
	Gain state authorization for new regional bridge toll measure	<ul style="list-style-type: none"> <li>• Support and engage in the development of the authorization legislation to allow the Metropolitan Transportation Commission's (MTC) to place a Regional Measure 3 (RM3) bridge toll proposal on the ballot.</li> <li>• Advocate for San Francisco priority projects in the RM3 policy and expenditure program, given the core capacity needs facing the city.</li> </ul>

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	Lower the 2/3 supermajority voter approval requirement for transportation taxes	<ul style="list-style-type: none"> <li>• Support a constitutional amendment to lower the voter approval requirement for special taxes dedicated to local transportation projects from 66.67% to 55% or a simple majority.</li> </ul>
	Modify allocation formulas for state transportation funds	<ul style="list-style-type: none"> <li>• Advocate for using factors that better tie transportation funding to the true demands placed on the system, including daytime population or transit usage.</li> <li>• Advocate to change the definition of disadvantaged communities (DACs) and seek opportunities to broaden the definition in statutes to better reflect those in San Francisco.</li> </ul>
	Implement severance fees on natural resources extraction	<ul style="list-style-type: none"> <li>• Support the creation of statewide severance fees to ensure a lasting public benefit from the depletion of non-renewable resources.</li> <li>• Advocate that severance fee revenues be allocated to sustainable transportation through allocation to local and regional agencies.</li> </ul>
	Increase funding for the Active Transportation Program (ATP) and streamline program guidelines	<ul style="list-style-type: none"> <li>• Advocate for a programming and allocation process that emphasizes flexibility and local/regional control.</li> <li>• Support efforts to increase the amount of funding available to support active transportation and safe routes to schools.</li> </ul>
	Support efforts around local and regional funding for transportation	<ul style="list-style-type: none"> <li>• Support MTC's work to identify and authorize new regional revenues for transportation funding and financing, including authorization for the formation of a new Regional Infrastructure Bank.</li> <li>• Support MTC's proposal to seek authorization to issue bonds backed by federal transit formula funds.</li> <li>• Support efforts to revive the authority of local governments to use tax-increment financing in support of projects consistent with sustainable communities strategies.</li> </ul>

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2. Policy Initiatives	Advance San Francisco's Vision Zero goals, improving safety for all users	<ul style="list-style-type: none"> <li>• Work with local partners to identify and secure state and federal funding for Vision Zero projects.</li> <li>• Support efforts to improve the overall safety for all road users such as bills that provide municipalities the flexibility to reduce speed limits.</li> <li>• Support the San Francisco Municipal Transportation Agency's (SFMTA's) advancement of state legislation to authorize a pilot program to test Automated Speed Enforcement on San Francisco's high injury network.</li> </ul>
	Support the Treasure Island Mobility Management Agency's (TIMMA) work for sustainable mobility on Treasure Island	<ul style="list-style-type: none"> <li>• Support funding for study, piloting, and implementation of innovative mobility management such as tolling infrastructure, transportation and housing affordability programs, bike and car share initiatives, and autonomous vehicles.</li> <li>• Seek legislation necessary to support TIMMA's goals and objectives.</li> </ul>
	Authorize Caltrans to continue to carry-out National Environmental Policy Act (NEPA) review and project approval	<ul style="list-style-type: none"> <li>• Support legislation to provide the limited waiver of sovereign immunity necessary for Caltrans to continue carrying-out review and approval of projects pursuant to NEPA. The current limited waiver will expire at the end of 2016, and the state will not be able to process NEPA after the expiration date resulting in project delays.</li> </ul>
	Maintain or improve effectiveness of express lanes and other transportation demand management (TDM) strategies	<ul style="list-style-type: none"> <li>• Support new legislation that promotes innovative TDM strategies including deployment of managed lanes on state highways.</li> <li>• Limit the number of clean air vehicle stickers allowing hybrid and electric single-occupancy vehicles use of managed lanes</li> </ul>
	Participate in the development of legislation regarding emerging mobility innovations	<ul style="list-style-type: none"> <li>• Coordinate with SFMTA to manage adoption of shared mobility innovations such as ride sourcing and commuter shuttles to balance benefits and impacts, ensure safety, and achieve access to critical data.</li> <li>• Participate in local and state efforts to develop policy framework for testing, deploying, and regulating autonomous vehicles and consider pursuing pilot opportunities.</li> </ul>

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	Modernize Congestion Management Program (CMP) regulations	<ul style="list-style-type: none"> <li>• With other Congestion Management Agencies (CMAs), lead the development of legislation on CMP reform to support key policies and reinforce CMAs' role in state, regional, and local transportation planning and funding.</li> </ul>
	Track and provide feedback on state road usage charge pilot program	<ul style="list-style-type: none"> <li>• Support the state pilot of a road usage charge, providing technical assistance and policy support to shape the program.</li> <li>• Provide comments on the Caltrans report to the legislature at the conclusion of the pilot.</li> </ul>
	Reform level of service requirements	<ul style="list-style-type: none"> <li>• Support the Governor's Office of Planning and Research on CEQA (California Environmental Quality Act) rulemaking for implementation of SB743 requiring alternative traffic impact analysis measures.</li> </ul>
3. High-Speed Rail (HSR)	Strengthen state commitment to a blended HSR and electrified Caltrain system from San Francisco to San Jose	<ul style="list-style-type: none"> <li>• Work with partner agencies to advocate that the HSR early investment projects are implemented in a manner consistent with the memorandum of understanding (MOU) to develop a blended system.</li> <li>• Advocate for full funding of the Caltrain Downtown Extension, and advance the Caltrain Modernization Program.</li> </ul>

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FEDERAL		
Area	Goal	Strategy
4. Transportation Funding	Advance San Francisco's priorities and sustain or increase federal transportation funding	<ul style="list-style-type: none"> <li>• Retain strong multi-modal focus for federal grant programs and ensure funding is spread equitably among rural and urban jurisdictions.</li> <li>• Partner with local, regional, state, and local stakeholders to increase funding for state of good repair, active transportation, mobility and access, and sustainability and environmental outcomes.</li> <li>• Support an increase in funding for transportation infrastructure, particularly for San Francisco's priority projects, focusing on transit and active transportation.</li> <li>• Advocate for increasing the federal gasoline tax, and for indexing it to inflation to help close the Highway Trust Fund (HTF) funding deficit.</li> <li>• Support study and piloting of alternate approaches to transportation solutions such as road usage charges, technology demonstration, and alternative project delivery methods.</li> </ul>
	Federal appropriations for San Francisco Core Capacity and New and Small Starts projects	<ul style="list-style-type: none"> <li>• Advocate that Congress approve annual New Starts appropriations consistent with the Full Funding Grant Agreement (FFGA) for the Central Subway, and continue to allocate Small Starts funds for the Van Ness Avenue Bus Rapid Transit (BRT) project.</li> <li>• Work with local and regional partners to support project applications and secure federal funding for the next set of New Starts, Small Starts and Core Capacity project priorities, including the BART Core Capacity Program, Caltrain Electrification, Better Market Street, Geary Boulevard BRT, and the Caltrain Downtown Extension.</li> </ul>
	Increased local sales tax revenue through the Marketplace Fairness Act	<ul style="list-style-type: none"> <li>• Support efforts to apply state and local sales tax rates to online purchases.</li> </ul>
	Implementation of federal carbon pricing	<ul style="list-style-type: none"> <li>• Support efforts to price carbon at the federal level.</li> <li>• Promote transportation investments as part of the expenditure plan.</li> </ul>

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Area	Goal	Strategy
5. Transportation Policy Initiatives	Commuter benefits for non-single occupancy vehicle travel modes at the same level as for parking	<ul style="list-style-type: none"> <li>• Advocate to include pre-tax benefits for bikeshare and shared mobility options on par with parking benefits.</li> </ul>

PROJECT DELIVERY AND ADMINISTRATION (State and Federal)		
Area	Goal	Strategy
6. Project Delivery	Expanded use of innovative project delivery strategies for transportation infrastructure	<ul style="list-style-type: none"> <li>• Advocate for expanded options to use alternative delivery methods to manage risk and increase local control for transportation infrastructure projects.</li> <li>• Advocate for expansion of financing programs such as Transportation Infrastructure Finance and Innovation Act (TIFIA).</li> </ul>
	Integrated state and federal environmental impact studies and streamlined permitting	<ul style="list-style-type: none"> <li>• Advocate for more efficient environmental processes (both CEQA and National Environmental Policy Act (NEPA)) to reduce administrative inefficiencies.</li> </ul>
7. General Administration	Ensure efficient and effective Transportation Authority operations	<ul style="list-style-type: none"> <li>• Advocate for streamlining of administrative restrictions when multiple fund sources are used on a single project.</li> <li>• Oppose legislation and regulations adversely affecting our ability to efficiently and effectively contract for goods and services, conduct business and limit or transfer the risk of liability.</li> </ul>