



Memorandum

AGENDA ITEM 9

DATE: November 13, 2019
TO: Transportation Authority Board
FROM: Maria Lombardo - Chief Deputy Director
SUBJECT: 11/19/2019 Board Meeting: 2019 State and Federal Legislation Summary

<p>RECOMMENDATION <input checked="" type="checkbox"/> Information <input type="checkbox"/> Action</p> <p>None. This is an information item.</p> <p>SUMMARY</p> <p>Every year, the Transportation Authority adopts a State and Federal Legislative Program (Attachment 1) to establish a general framework to guide our legislative and funding advocacy efforts at the state and federal levels. We have provided a summary of state and federal activity over the last year in this memo, including the status of state bills on which the Board took positions (Attachment 2). We anticipate transportation-related themes of the second year of the 2019-2020 state legislation to include new mobility, bicycle and pedestrian safety measures, climate initiatives, and congestion relief. Our Sacramento advocate, Mark Watts, will present on key takeaways from the state legislation sessions and what this might mean for the upcoming session. At the federal level, our advocacy next season is likely to focus on autonomous vehicle regulation and providing input on a potential federal transportation reauthorization bill. We are seeking feedback to guide our 2020 Legislative Program, which we will bring to the Board for consideration early next year.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Fund Allocation <input type="checkbox"/> Fund Programming <input checked="" type="checkbox"/> Policy/Legislation <input type="checkbox"/> Plan/Study <input type="checkbox"/> Capital Project Oversight/Delivery <input type="checkbox"/> Budget/Finance <input type="checkbox"/> Contract/Agreement <input type="checkbox"/> Other: _____
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DISCUSSION

Background.

Throughout the year, we review legislation and make recommendations for positions the Board can take consistent with the goals and objectives of our legislative program. We then advocate on behalf of the Transportation Authority in Sacramento and at the federal level, in coordination with the Bay Area delegation, the Mayor’s Office, the San Francisco Municipal Transportation Agency (SFMTA), other San Francisco agencies, the Metropolitan



Transportation Commission (MTC), peer County Transportation Agencies, and advocacy organizations such as the Self-Help Counties Coalition. At the direction of the Board, we may sponsor specific legislation and work with the author to advance it through the State Legislature.

State Legislation.

Given the passage of Senate Bill (SB) 1 - also known as the Road Repair and Accountability Act, in 2017 and its successful defense at the ballot in November 2018, legislators turned their focus this year to other issues, primarily housing. The Legislature did, however, take up several transportation bills of interest to San Francisco.

Safety. Bike and pedestrian transportation bills were generally sparse, with focus on the state's new Zero Fatalities Task Force. This group was established through last year's Assembly Bill (AB) 2363 (Friedman), which mandated the development of a Record of Findings by January 1, 2020 related to bicycle and pedestrian safety, in particular on how speed limits are set. One bill that did make it through the Legislature was SB 127 (Wiener), which would have required Caltrans to include complete streets elements on certain state highway projects. Despite the support of many public sector and bicycle and pedestrian advocacy organizations and both houses of the legislature, the Governor vetoed SB 127 because of the mandate's perceived cost and because he felt he had already directed to Caltrans to accelerate its investments in active transportation where feasible.

New Mobility. As local and state governments continue to wrestle over how to regulate emerging mobility such as ride hailing, scooters, and automated transportation, we have had to address numerous bills that attempted to standardize regulation of these new modes across the state, pre-empting or overriding potential local regulations. Most proposals were insufficient to allow us to maintain our current ability to regulate these services such as through the SFMTA's permit programs, to support city policies related to Vision Zero, and to promote equitable access for disadvantaged communities. They also would have limited our access to anonymized trip data that is critical to the city's planning and regulatory functions. Several bills that the Transportation Authority opposed unless amended were continued until the next half of the session, including AB 326 (Muratsuchi), which would authorize autonomous carrying devices on sidewalks, and AB 1112 (Friedman), which would significantly restrict local jurisdictions' ability to regulate any type of shared mobility. Assemblymember Friedman has been open to working with SFMTA and others on amendments, and we will work closely with SFMTA and her office as discussions over AB 1112 and other bills pick back up in 2020.

SB1 fund programming. The Transportation Authority adopted support positions on SB 152 (Beall) and SB 277 (Beall), which sought to increase the share of funding and the decision-making authority on local project programming to regional and local governments rather than the state for the Active Transportation Program and the SB 1 Local Partnership Program, respectively. The Transportation Authority endorsed both bills. Neither bill was successful, with SB 152 not making it out of the Legislature and SB 277 vetoed by the Governor. Both bills would have shifted some allocation authority from the California Transportation Commission (CTC) to regional or local entities. We understand they were rejected in order to



maintain the CTC's ability to award funds on a competitive basis to ensure the program achieves statewide goals.

Finally, one Bay Area-specific bill that was approved was AB 1487 (Chiu) which established the San Francisco Bay Area Housing Finance Authority and authorized the MTC and the Association of Bay Area Governments to seek voter approval of a range of possible revenue measures for affordable housing production, protection, and preservation. SB 50 (Wiener) was another housing-related bill which would have reduced barriers to building affordable housing but with significant repercussions to San Francisco's ability to regulate local land use decisions. The Transportation Authority did not take positions on either bill, but in coordination with the San Francisco Planning Department, we will continue to monitor the anticipated return of SB 50 or a similar bill and the potential development of a ballot measure for the November 2020 election. We will provide regular updates to the Board, especially given the possibility of a regional transportation measure on the same ballot as a regional housing bill.

AB 1605 (Ting) - Lombard Crooked Street Reservation and Pricing Program.

This bill, sponsored by the Transportation Authority on behalf of Commissioner Stefani, would have authorized the San Francisco Board of Supervisors to implement a pilot reservation and pricing program on the Lombard Crooked Street. This program would have provided congestion relief and generated revenues to manage one of San Francisco's most popular attractions, which is also a local residential street. Visitors would have been required to make an advance reservation to drive down the street, and would be charged a fee to cover administration, maintenance, and traffic management costs.

After being passed by both the Senate and the Assembly in September, the Governor vetoed the bill on October 12, citing equity concerns about charging a fee to access the iconic street. We are working with Supervisor Stefani's office, Assemblymember Ting's office, and other partners to consider alternative solutions, which may include seeking alternative legislation in 2020.

Federal Legislation.

At the federal level, most of our advocacy has focused on the annual appropriations process to ensure commitments are met regarding transit formula programs and capital appropriations for the Caltrain Modernization project. In late 2019, the Senate Environment and Public Works Committee released its draft proposal for reauthorization of the highway portion of the current federal transportation bill, which expires in September 2020. However, the other Senate committees dealing with transit and financing have not acted, and the House has not released its version either. Discussions will likely be slow until after the 2020 election, requiring continuing resolutions of the current bill. There have also been discussions about federal autonomous vehicle (AV) regulations, and we are participating with the SFMTA, the MTC, ITS America, and other stakeholders to help craft a bill that meets the needs of San Francisco.

On November 26, 2019, the Trump Administration's Safer Affordable Fuel-Efficient (SAFE) Vehicles Rule will go into effect, rolling back federal fuel efficiency standards and removing



California's exemption that allowed it to pass its own fuel efficiency standards. It also declared the state's cap-and-trade program unconstitutional. California has sued the federal government over both actions but until that is resolved it will limit the state's ability to gain environmental approval for transportation projects and to access federal funding.

Initial Thoughts on the 2020 Legislative Program.

Based on the Transportation Authority's established priorities and our understanding of topics likely to return for consideration at the state and federal levels, we anticipate our draft 2020 Legislative Program to focus on several specific topics. We welcome input from Board members on these and other topics, such as ongoing working group meetings on a potential state road use charge, that we should focus on next year.

- **New mobility.** The State Legislature is currently holding joint hearings and has sought testimony from local governments (including the SFMTA) and industry representatives about regulations and data privacy considerations with regard to new mobility. The bills from last year (AB 2363 and AB 1112) are likely to return, and we will stay engaged as new ones emerge. At the federal level, there are indications that a bipartisan AV bill may advance, and we will continue to actively participate in ongoing discussions.
- **Vision Zero.** With the Zero Fatalities Task Force wrapping up, we anticipate the introduction of bills advancing roadway safety, in particular around speed limits, complete streets, and other potential safety measures. In October, House Representative Earl Blumenauer introduced the Vision Zero Act of 2019 that would allow federal transportation funding to be made available for communities to design and implement Vision Zero programs. We will monitor this legislation and will partner with the SFMTA to advocate at the state and federal level for policies consistent with San Francisco's Vision Zero efforts.
- **Climate policy.** In October, Governor Newsom issued a controversial Executive Order calling for transportation funding to align with state goals on climate and the environment, specifically to help reduce driving. Whether he means to introduce new funding opportunities or realign current programs to align with his new vision, we will be an active participant in the development of any new policy. At the federal level, we will continue to support efforts to fight the SAFE Rule and the Trump Administration's attempt to undo the state's cap-and-trade program.
- **Congestion management.** With Board direction, we have launched our Downtown Congestion Pricing Study, and will look out for legislation that would authorize pricing strategies and/or pilots, consistent with that work, as well as possibly seeking authorization for a revised approach to managing congestion on Lombard Street.

Regional transportation measure. As the Board heard in October, we will continue to engage in efforts that are underway to develop an expenditure plan for a new Bay Area transportation revenue measure. Any such measure will require authorization by the State Legislature and



the Governor. We will provide regular reports to and seek guidance from the Board on the potential measure.

Next Steps.

We are currently consulting with local, regional, and state partners about their legislative priorities. In early 2020 we will seek approval of the Transportation Authority's 2020 State and Federal Legislative Program.

FINANCIAL IMPACT

None. This is an information item.

CAC POSITION

None. This is an information item. The CAC will see this item at its November 20 meeting.

SUPPLEMENTAL MATERIALS

- Attachment 1 - 2019 State and Federal Legislative Program
- Attachment 2 - 2019 State Legislative Update

Attachment 1

San Francisco County Transportation Authority
Draft 2019 State and Federal Legislative Program

STATE		
Area	Goal	Strategy
1. Funding	a. Protect transportation funding	<ul style="list-style-type: none"> • Advocate that funds dedicated to transportation not be eliminated or diverted to other purposes. • Educate public about transportation projects funded by state programs and the associated benefits.
	b. Enact new revenue and financing measures for transportation	<ul style="list-style-type: none"> • Support efforts at the state to raise additional dedicated transportation revenue to address ongoing funding shortfalls for both capital projects and operations. • Support efforts at the state to establish new transportation revenue mechanisms that local and regional entities can choose to implement to fund both capital projects and operations. This includes amendments to existing statutes that may make existing revenue options more feasible. • Support efforts at the state to broaden the sales tax base to include collection from out-of-state internet retailers. • Continue to monitor and, as appropriate, provide input into the next phase of the California Road Charge Pilot Program.
	c. Secure cap-and-trade revenues for transportation	<ul style="list-style-type: none"> • Maintain funding for current transportation and affordable housing programs and seek opportunities to direct additional cap-and-trade funds to them. • Advocate for the dedication of a significant portion of future cap-and-trade expenditure plans to transportation and to San Francisco’s investment priorities.
	d. Modify allocation formulas for state transportation funds	<ul style="list-style-type: none"> • Advocate for using factors that better tie transportation funding to the true demands placed on the system, such as daytime population or transit usage. • Advocate to broaden the state definition of disadvantaged communities (DACs) to better align with San Francisco’s communities of concern.
	e. Improve implementation of state grant programs (e.g. cap-and-trade, Active Transportation Program, Senate Bill 1 program)	<ul style="list-style-type: none"> • Advocate for grant application and allocation processes that are clear, streamlined, and flexible. • Advocate for a stronger role for regional and local governments in prioritizing local and regional projects for funding.

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	f. Lower the 2/3 supermajority voter approval requirement for transportation taxes	<ul style="list-style-type: none"> • 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.
2. Policy Initiatives	a. Advance San Francisco's Vision Zero goals, improving safety for all users	<ul style="list-style-type: none"> • Work with local partners to identify and secure state and federal funding for Vision Zero projects. • Support efforts to improve safety for all road users, including supporting bills that advance Complete Streets or provide municipalities the flexibility to reduce speed limits and educating stakeholders about automated speed enforcement. • Advocate for urban representation in the state's new Zero Fatalities Task Force and engage in the Task Force process to build support for innovative safety measures.
	b. Support the Treasure Island Mobility Management Agency's (TIMMA) work for sustainable mobility on Treasure Island	<ul style="list-style-type: none"> • 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.
	c. Improve effectiveness of managed lanes and other transportation demand management (TDM) strategies	<ul style="list-style-type: none"> • Support new legislation that promotes innovative TDM strategies authorizes area-wide congestion pricing pilot programs. • Seek state authorization for a toll and/or reservation system on the crooked portion of Lombard Street. • Advocate for measures to provide flexibility and local control over the operation of managed lanes and pricing programs with respect to access, toll and fee levels, expenditure plans, and enforcement. • Support MTC's efforts to strengthen enforcement of High Occupancy Vehicle lanes.

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	d. Advance the adoption and integration of emerging mobility innovations in a way that balances their benefits and impacts, and ensures safety, equity and accessibility	<ul style="list-style-type: none"> • Support legislation and regulation to ensure that shared mobility services (e.g. Transportation Network Companies, commuter shuttles, private transit, bike share, and scooters) balance their benefits and impacts, and ensure safety, equity, and accessibility. • Seek authorization for local regulation of certain aspects of emerging mobility, where appropriate (e.g. operational standards, local mitigation fees). • Advocate to require access to critical data for local and regional governments (e.g. open Application Programming Interfaces). • Participate in efforts to develop a policy framework for testing, deploying, and regulating autonomous and connected vehicles and consider pursuing pilot opportunities.
	e. Advance the adoption and integration of electric vehicles (EVs) in a manner consistent with other city priorities	<ul style="list-style-type: none"> • Support funding opportunities for EV infrastructure planning, promotion, and deployment. • Advocate for EV legislation to be equitable and consistent with San Francisco's other mobility policies (e.g. transit-first, emerging mobility).
	f. Authorize parking and curb management policy reform	<ul style="list-style-type: none"> • Support SFMTA's coordination with other public parking stakeholders on policy advocacy efforts, including accessible parking reform and curbside management strategies.
	g. Modernize Congestion Management Program (CMP) regulations	<ul style="list-style-type: none"> • With other Congestion Management Agencies (CMAs), engage in efforts to modernize CMP regulations to support key policies and reinforce CMAs' role in state, regional, and local transportation planning and funding.

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	h. Advance measures to increase production of affordable housing	<ul style="list-style-type: none"> • Support efforts to revive the authority of local governments to use tax-increment financing for affordable housing and related improvements including transportation. • Support efforts to establish new, dedicated state and regional funding for affordable housing. • Support legislative efforts to incentivize and reduce barriers to the construction of new housing, in particular affordable and moderate rate housing, that are consistent with San Francisco’s growth strategy.
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"> • Work with partner agencies to advocate that the HSR early investment projects are implemented in a manner consistent with the northern California Memorandum of Understanding to develop a blended system, including achieving level boarding at all shared Caltrain/High Speed Rail facilities. • Advocate for full funding of the Caltrain Downtown Extension, and advance the Caltrain Modernization Program.

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FEDERAL		
Area	Goal	Strategy
4. Transportation Funding	a. Sustain or increase federal transportation funding	<ul style="list-style-type: none"> • Ensure Congress appropriates funding consistent with the amounts authorized in the Fixing America’s Surface Transportation (FAST) Act. • Advocate for San Francisco priorities in any federal infrastructure bill and/or reauthorization of the federal surface transportation bill, anticipated in 2020. • • Retain a strong multi-modal focus for federal grant programs and ensure funding is spread equitably among rural and urban jurisdictions. • Advocate for increasing the federal gasoline tax, and for indexing it to inflation to help close the Highway Trust Fund funding deficit. • Support study and piloting of innovative approaches to transportation challenges such as road usage charges, technology demonstration, and alternative project delivery methods.
	b. Secure federal appropriations for San Francisco’s Core Capacity and New and Small Starts priorities	<ul style="list-style-type: none"> • Advocate that Congress approves annual Core Capacity appropriations consistent with the Full Funding Grant Agreement for the Caltrain Modernization project. • Seek entry of Geary Boulevard Bus Rapid Transit project into the Federal Transit Administration New Starts Program. • Work with local and regional partners to secure federal funding for San Francisco’s other New Starts, Small Starts and Core Capacity project priorities, including the BART Core Capacity Program, Better Market Street, and the Caltrain Downtown Extension.
5. Transportation Policy Initiatives	a. Preserve and expand pre-tax commuter benefits on par with parking benefits	<ul style="list-style-type: none"> • Defend the pre-tax commuter and employer benefit for transit and bicycling. • Advocate to expand pre-tax benefits for other non-single occupancy vehicle modes such as bikeshare and private transit services.

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	b. Advance connected and autonomous vehicle regulations that advance safety and preserve local control	<ul style="list-style-type: none"> • Support efforts to regulate connected and autonomous vehicles that aim to accelerate safety, mobility, environmental, equity, and economic benefits while ensuring the availability of collected data to enable research and inform future policies. • Partner with state and local governments to advocate for regulations that preserve the ability of jurisdictions to appropriately oversee safe operation of vehicles on their own highways and local roads.
	c. Advance regulatory actions in support of other city policy goals	<ul style="list-style-type: none"> • Support state agencies' advocacy efforts to preserve California's ability to set the state's own vehicle fuel efficiency standards, independent of federal standards. • Monitor other potential regulation activities (e.g. emerging mobility, mobile applications, privacy protection) that would impact San Francisco's range of transportation services.

PROJECT DELIVERY AND ADMINISTRATION (State and Federal)		
Area	Goal	Strategy
6. Project Delivery	a. Expand use of innovative project delivery strategies for transportation infrastructure	<ul style="list-style-type: none"> • Advocate for additional opportunities to use alternative delivery methods to manage risk and increase local control for transportation infrastructure projects. • Advocate for retention and expansion of financing programs such as Transportation Infrastructure Finance and Innovation Act (TIFIA).
	b. Seek integrated state and federal environmental impact studies and streamlined permitting	<ul style="list-style-type: none"> • Support state legislation to sustain the delegation of National Environmental Policy Act (NEPA) activity to the California Department of Transportation (Caltrans). • Advocate for more efficient environmental processes (both CEQA and NEPA) to reduce administrative inefficiencies, expedite project delivery, and reduce costs. • Support efforts to increase the efficiency of Caltrans in reviewing and approving documents and permits.

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PROJECT DELIVERY AND ADMINISTRATION (State and Federal)		
Area	Goal	Strategy
7. General Administration	Ensure efficient and effective Transportation Authority operations	<ul style="list-style-type: none">• Advocate for the streamlining of administrative requirements when multiple fund sources are used on a single project.• 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 and support legislation and regulations that positively affect our effectiveness.

**Attachment 2
2019 State Legislative Update**

To view documents associated with the bill, click the bill number link.

The 2019 State Legislative session has concluded. **Table 1** shows the status of bills on which the Board has already taken a position this session.

Table 1. Bill Status for Active Positions Taken in the 2019-2020 Session

Adopted Positions	Bill # Author	Bill Title	Update to Bill Status ¹ (as of 11/7/2019)
Support/ Sponsor	AB 1605 Ting D	City and County of San Francisco: Crooked Street Reservation and Pricing Program.	Vetoed
Support	AB 40 Ting D	Zero-emission vehicles: comprehensive strategy.	Two-year bill (Assembly Transportation)
Support	AB 47 Daly D	Driver records: points: distracted driving.	Chaptered
Support	AB 147 Burke D	Use taxes: collection: retailer engaged in business in this state: marketplace facilitators.	Chaptered
Support	AB 252 Daly D	Department of Transportation: environmental review process: federal program.	Chaptered
Support	AB 659 Mullin D	Transportation: emerging transportation technologies: California Smart City Challenge Grant Program.	Two-year bill (Assembly Transportation)
Support	AB 1286 Muratsuchi D	Shared mobility devices: agreements.	Two-year bill (Judiciary Committee)
Support	SB 127 Wiener D	Transportation funding: active transportation: complete streets.	Vetoed
Support	SB 152 Beall D	Active Transportation Program.	Dead
Support	SB 277 Beall D	Road Maintenance and Rehabilitation Program: Local Partnership Program.	Vetoed
Support if Amended	AB 1142 Friedman D	Regional transportation plans: transportation network companies.	Dead
Oppose Unless Amended	AB 326 Muratsuchi D	Vehicles: motorized carrying devices.	Two-year bill (Assembly Appropriations)
Oppose Unless Amended	AB 1112 Friedman D	Shared mobility devices: local regulation.	Two-year bill (Senate Transportation)
Oppose	AB 553 Melendez R	High-speed rail bonds: housing.	Two-year bill (Assembly Transportation)

Oppose	AB 1167 Mathis R	Greenhouse Gas Reduction Fund: high-speed rail: forestry and fire protection.	Two-year bill (Assembly Transportation)
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¹Under this column, "Chaptered" means the bill is now law, "Dead" means the bill is no longer viable this session, and "Enrolled" means it has passed both Houses of the Legislature. "Two-year" bills have not met the required legislative deadlines and will not be moving forward this session but can be reconsidered in the second year of the session which begins in December 2019. Bill status at a House's "Desk" means it is pending referral to a Committee.