



Memorandum

AGENDA ITEM 3

DATE: March 23, 2021

TO: Transportation Authority Board: Commissioners Mandelman (Chair), Chan, Haney, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani, and Walton

FROM: Tilly Chang - Executive Director

SUBJECT: 03/23/21 Board Meeting: Executive Director's Report – **INFORMATION**

REGIONAL, STATE AND FEDERAL ISSUES

COVID Relief - MTC Distributes Federal CRRSAA Funds to Transit Operators, American Rescue Plan Passed: On March 24, the Metropolitan Transportation Commission (MTC) is expected to allocate the second tranche of funding from the federal Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) to regional transit operators, including an additional \$297 million for the San Francisco Municipal Transportation Agency (SFMTA). To date, between the first two federal relief bills, SFMTA has received \$715 million in much-needed COVID relief funding. President Biden signed the third COVID relief bill, the American Rescue Plan on March 11, which provided \$30 billion for transit and helps avoid layoffs at Muni and other regional operators. We joined an MTC letter thanking Speaker Pelosi for her leadership throughout the pandemic, and in particular for making sure that successive federal relief bills included strong support for public transit. The final bill included \$1.6 billion in formula funds for Bay Area transit operators and around \$3.1 billion for local Bay Area governments. Major transit projects that received direct funding in the bill include Caltrain Electrification (\$52 million), Central Subway (\$23 million) and BART Transbay Core Capacity program (\$87 million). We will continue to support SFMTA as MTC initiates discussions over how to distribute this third round of transit relief funds..

Federal Funding - Congressional Members Seek Project Priorities: With the passage of the American Rescue Plan Act of 2021, which brought significant relief funding for transit and local governments, Congress is now preparing for a possible stimulus bill focusing on infrastructure, and other ambitious initiatives. At the same time, they are working on next year's federal budget and the reauthorization of the federal transportation bill, which expires on September 30. We have heard that the House is interested in removing the prohibition on earmarks in the next appropriations bill, and though the Senate has not yet indicated whether they will concur with this approach, they are busy marking up their own version of a federal transportation bill. The Administration has stated they want to have an approved multi-year federal transportation bill by Memorial Day, which is an ambitious deadline for the House and Senate to reach agreement on the final language. We have been working closely with the San SFMTA and the Mayor's Office to identify city priorities for earmark requests, and also to develop a citywide and regional approach to seeking new funding from potential



infrastructure stimulus bills on the horizon including HR 867 (Costa), a High Speed Rail funding bill.

Federal Legislation - New Bill Would Provide Tax Credit for Electric Bicycle Purchase:

Congressmen Panetta (D-CA) and Blumenauer (D-OR) recently introduced the Electric Bicycle Incentive Kickstart for the Environment (E-BIKE) bill. It would, among other things, provide purchasers of electric bicycles a refundable income tax credit equal to 30% of the cost of the bike, up to a maximum credit of \$1,500. It would also bring back the "qualified bicycle commuting reimbursement" tax break, which was suspending in the 2017 Tax Cuts and Jobs Act. The E-BIKE bill would increase the amount available to commuters from \$240 to over \$600 and make bike sharing or other bike rental expenses eligible. As a refundable tax credit, the benefit would still be available to those who pay low or no income tax, and the bill requires a report on who took advantage of the tax credit by tax bracket to gauge who is benefiting. We will watch this bill as well as state Assembly Bill 117 (Horvath), which would provide a state-subsidized rebate for the purchase of an electronic bicycle. Final approval of a support position on AB 117 is one of the items on today's agenda.

Climate Change - California's Climate Action Plan for Transportation Investments Released for Public Comment: On March 10, 2021, the California State Transportation Agency (CalSTA) unveiled the draft Climate Action Plan for Transportation Infrastructure (CAPTI). The plan details how the state recommends investing billions of discretionary transportation dollars annually to aggressively combat and adapt to climate change while supporting public health, safety and equity. We are currently reviewing the plan and are pleased to see the state is proposing to increase investment in bicycle and pedestrian projects, make transit funds available sooner for transit fleet electrification projects, and convening a working group to provide state support for the implementation of local roadway pricing projects. We have participated in several statewide workshops and will provide a detailed response to CalSTA by the May 4 close of the public comment period.

MTC Announces Regional Active Transportation Program Award - \$10.8 million

Recommended for San Francisco in Active Transportation Program Regional Component:

We are excited to announce \$3.8 million in Active Transportation Program funds for the design phase of our Yerba Buena Island (YBI) Multi-Use Pathway Project and \$7,040,000 for the construction of SFMTA's Folsom Streetscape Project. The YBI Multi-Use Pathway Project will construct a new bicycle and pedestrian network on YBI, making all Island destinations accessible to people walking or biking. The Folsom Streetscape Project will transform Folsom Street between 2nd and 11th streets with a two-way protected bike lane, transit-only lane, and pedestrian safety and public realm improvements. We also plan to request \$5 million from the Safe and Seamless Mobility Quick-Strike Program for construction of the Folsom Streetscape Project. The Metropolitan Transportation Commission (MTC) is anticipated to adopt the list of projects on April 28 and the CTC is scheduled to approve MTC's list on June 23.

Congratulations to MTC Vice Chair Nick Josefowitz on his Election: We are happy to join voices across the region in congratulating Mayor Breed's MTC appointee Nick Josefowitz on his election as Vice Chair of the Commission. He will serve a two-year term alongside newly elected Chair of MTC, Napa County Supervisor Alfredo Pedroza. We look forward to continuing to work with Vice Chair Josefowitz in his new role, along with our other representatives Commissioners Ronen and Ahn, to support MTC's transportation policy, planning, and funding work.



California High-Speed Rail Authority - Revised Business Plan Released: The California High-Speed Rail Authority (CHSRA) published a Revised Draft 2020 Business Plan last month for public review and comment. The Revised Plan presents CHSRA's planned approach to completing construction in the Central Valley, supporting planning and investment in Northern and Southern California, and advancing efforts to bring high-speed rail from the Central Valley to the Bay Area through the "Valley-to-Valley" strategy. The CHSRA is currently seeking allocation by the State of additional Prop 1A funds to support ongoing delivery of the high-speed rail program. Together with SFMTA and the Planning Department, we submitted a letter of support to CHSRA regarding the Draft Revised Business Plan. We also provided supportive public testimony at the March 10 joint hearing of the Assembly Budget Subcommittee and Assembly Transportation Committee and the Senate Transportation Committee hearing on the 16th.

Caltrans Maintenance on I-80 - Central Freeway and Bayshore Viaducts: The Central Freeway and Bayshore viaducts will be receiving long awaited maintenance over the coming year. Caltrans is currently in the process of procuring two paint rehabilitation contracts for the steel viaduct structures supporting elevated portions of the I-80 and US 101 Freeways within San Francisco. The estimated value of each contract is approximately \$50,000,000 and is expected to include both repair of viaduct structures below the roadway and resealing of reinforcing with a fresh coat of paint. Caltrans has been working closely with the City and County of San Francisco to ensure there is no impact to transit service lines running within the work zones below the freeway during construction. They have also been coordinating with the Department of Health and Human Services to enable safe relocation of unhoused persons to outside of the construction area.

Caltrain Governance Committee - First of 4 Workshops Held: Last week the Caltrain Board held the first of four governance workshops scheduled this year to meet the Board's goal of recommending a governance structure or process to the three member agencies by the end 2021. This goal was established by the governance resolution passed by the Caltrain Board before they approved placing Measure RR, the 1/8 cent Caltrain Sales Tax on the ballot in November 2020. At this first workshop, the Board discussed 3 types of potential governance changes, each with multiple options or paths to consider: A) modify the existing structure, B) create a new governance structure, and C) seek a regional merger option, such as a merger with BART. Board Members discussed the trade-offs between different models, including the cost of making changes, the potential to improve transparency, the timeline necessary to make big changes, and the ability to improve regional transit connectivity. The next governance workshop will be held later this spring to define the process and criteria to be used to narrow the number of options for the Board to focus on in more detail. We will continue to support the work of our Caltrain Board Members and our Board throughout this important governance decision-making process.

LOCAL ISSUES

California Public Utility Decision (CPUC) Decision on Access for All Excludes Taxis, Paratransit: In September 2018, the Governor signed into state law Senate Bill 1376: TNC Access for All Act. The law requires the CPUC to establish a program for TNCs, like Uber and Lyft, to pay a fee of \$0.10 for each completed TNC trip, and that these funds be distributed to help on-demand transportation programs or partnerships to meet the needs of persons with disabilities, including provision to wheelchair access vehicles (WAVs). The CPUC recently issued its "Track 3" decision which addresses TNC "Offset Requirements", Access Fund



Disbursements, and reporting requirements. This is of interest because the Transportation Authority may be eligible to be the Access Fund Administrator for San Francisco County. While there were some favorable elements of the ruling, the decision was largely a disappointment. The CPUC rejected the recommendations of the Transportation Authority and the SFMTA and chose in the near term to limit access providers to only those entities already permitted by the CPUC, which significantly impedes the ability of San Francisco to improve WAV access to residents because it will exclude taxi companies, paratransit companies, and others who have a long history of providing safe, reliable, and cost-effective WAV service to San Francisco residents.

District 4 Mobility Study - Town Hall Saturday March 27: We will join Commissioner Mar and city staff for a virtual open house this Saturday at 10 a.m. where staff will share preliminary findings from the evaluation of alternative long-term configurations for the Great Highway. We will also present concepts to improve walking, biking and transit in the Outer Sunset and Parkside neighborhoods. These include a family neighborway network, improvements to commercial corridors, a community shuttle, safety treatments for Lincoln Way and better transit. Register to attend at www.sfcta.org/district-4-mobility-study.

Golden Gate Park Sustainable Travel Study - Stakeholder Group Update: The eastern half of John F Kennedy (JFK) Drive through Golden Gate Park has been designated car-free in order to give San Franciscans space to recreate safely during the COVID-19 pandemic. At the request of former Commissioner Fewer, we convened a working group of stakeholders from the disability community, nearby merchants' associations, adjacent neighborhood groups, park institutions, and bicycle and pedestrian advocacy organizations to assess the car-free designation and park access needs. The group met for the third time in March to discuss a draft Action Framework of strategies, prepared by SFMTA and Recreation and Parks Department, that address stakeholders' goals and unmet needs. The group requested a fourth meeting to review a revised Action Framework that will guide the city departments in JFK Drive conceptual design next steps. <https://www.sfcta.org/projects/golden-gate-park-sustainable-travel-study>. We will bring an update to the Board following the final meeting this Spring.

MANAGEMENT AND ADMINISTRATION

COVID Impacts - January Sales Tax Receipt: Collections for January 2021 (\$5.4 million) came in 30% lower than January 2020 revenues of \$7.6 million. This level was similarly 30% lower than December 2020, traditionally our highest month of revenue. In light of these trends, we are bringing a mid-year budget amendment to the Board in April that proposes to decrease sales tax revenues from \$93.3 million to \$81.0 million. With the increase in vaccination rates and decline in infection rates, we expect to see sales tax revenues rebounding later in the fiscal year. This projection is aligned with the City Controller's Office's revised projection of its FY 2020/21 sales tax revenue.

The City of San Francisco Mourns Passing of Anne Halsted: We lost a tremendous civic and regional leader in Anne Halsted earlier this month. Anne served for the past 15 years on the Bay Conservation and Development Commission and up until last year for the last 12 years as Commissioner of the MTC. Previously, she served in a number of civic leadership roles, including as chair of SPUR and the Northwest Waterfront Advisory group, president of the Port of San Francisco and as a commissioner at the Treasure Island Development Authority.



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Prior to this Anne had served on the military base closure committee known as BRACS (Base Realignment and Closure Process) where she worked on early plans for Treasure Island. Throughout her time on MTC as a rep for BCDC, Anne brought this comprehensive knowledge and experience to her advocacy for sustainable development and resilience planning. We will also miss Anne's gracious style of consensus-building and leadership - whether as Vice-Chair of MTC's Planning Committee or in her many other public service roles. Our deepest condolences go to her husband Wells Whitney, their family and friends.