

State Legislation - July 2022

(Updated July 6, 2022)

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

Staff is recommending a new support position on Assembly Bill (AB) 1938 (Friedman) as show in **Table 1**.

Table 2 provides an update on AB 1455 (Wicks) on which the Transportation Authority has a support position. Updates are also provided on AB 2594 (Ting) and Senate Bill (SB) 917 (Becker) which are on the watch list.

Table 3 shows the status of active bills on which the Board has already taken a position, or that staff has been monitoring on the watch list.

Additional Material on SB 917 (Becker) - Seamless Transit Transformation Act:

- **Attachment 1** provides a summary of SB 917 provisions and an analysis of how recent amendments have addressed questions and concerns identified with prior versions of the legislation.
- **Attachment 2** includes the latest version of SB 917, as of June 20, 2022.

Table 1. Recommended New Positions and Additions to Watch List

Recommended Positions	Bill # Author	Title and Summary
Support (Bill is currently on the Watch List)	AB 1938 Friedman D	Traffic safety: speed limits. Previously, this bill would have required the formation of a new Transit and Intercity Rail Recovery Task Force to make recommendations for how to improve the connectivity and efficiency of rail systems across the state. It was recently gutted and amended to instead clarify the circumstances under which a local authority may lower the speed limit below what is indicated by an engineering and traffic study. This fix is needed to clarify the authority approved last year through AB 43 (Friedman) to allow local jurisdictions to implement speed limit reductions under certain conditions. Speed reduction is a key Vision Zero strategy. We recommend moving the bill from the watch list to a support position in order to ensure consistent implementation of AB 43 statewide. SFMTA is actively supporting the bill, as amended.

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Table 2. Notable Updates on Bills in the 2021-2022 Session

Adopted Positions	Bill # Author	Title and Update
Support	AB 455 Wicks D	<p>San Francisco-Oakland Bay Bridge: bus speed and reliability performance targets.</p> <p>Previously, AB 455 bill would have authorized the Bay Area Toll Authority (BATA), in consultation with Caltrans, to designate transit-only traffic lanes on the San Francisco-Oakland Bay Bridge.</p> <p>The bill has subsequently been amended to require that Caltrans, in consultation with the Metropolitan Transportation Commission (MTC), BATA, relevant transit operators, and relevant local transportation agencies, to establish speed and reliability performance targets no later than July 1, 2024, for buses traveling in the eastbound and westbound directions through Bay Bridge corridor. It would also require Caltrans to establish an online reporting process to publicly share bus speed and reliability performance results relative to the performance targets on no less than a quarterly basis. Further, it would require Caltrans to submit a report to the Legislature no later than December 1, 2024, that identifies a strategy for achieving bus speed and reliability performance targets in the Bay Bridge corridor.</p>
Watch	AB 2594 Ting D	<p>Vehicle registration and toll charges.</p> <p>This bill contains a package of new provisions to reform roadway and bridge tolling practices in California. It is meant to make it easier for drivers to access transponders (such as FasTrak) and to address some equity concerns related to the toll evasion penalty process. It would, among other things, establish requirements for toll agencies regarding the number and timing of violation notices, limit what penalties can be charged and at what point in the process, require transponders to be available to those without access to banking services, require the availability of in-person payment locations, and require the provision of payment plans for outstanding violation penalties for low income drivers making at or below 200% of the federal poverty limit.</p> <p>We understand that the bill is likely in its final form, after many months of coordination among the author, MTC/BATA, other toll operators, and other advocacy and equity organizations. For most provisions in the bill, MTC/BATA already is meeting or exceeding what is required, and it is currently working to implement a payment plan for low-income drivers. Recent amendments to the bill would also require a one-time waiver program for low-income drivers for violations on toll bridges between March 20, 2020 (when cash tolls stopped being collected on toll bridges) through January 1, 2023. This is to accommodate any confusion that may have occurred from MTC/BATA having to switch overnight to an all-electric tolling system when it removed cash toll collectors from the bridge. MTC adopted a support position in June.</p>

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Adopted Positions	Bill # Author	Title and Update
Watch	SB 917 Becker D	<p>Seamless Transit Transformation Act.</p> <p>This bill would require MTC and transit operators to adhere to a number of different requirements to advance the region's Transit Transformative Action Plan, including a Connected Network Plan, an integrated transit fare structure, universal mapping and wayfinding, and real-time transit data standards.</p> <p>Since our last update, the author has landed on what we believe will be a final version of the bill after much negotiation among the sponsor (Seamless Bay Area), Bay Area transit operators, and MTC. The bill has been amended to address some of the major issues identified by transit operators, and as a result we understand that many of the operators, including SFMTA, are no longer considering opposing the bill. Some, including BART, have adopted support or support and seek amendments positions.</p> <p>As requested by Chair Mandelman at the May 24 Board meeting, Attachment 1 to this memo includes a more detailed review of the various components of the bill and explains how recent amendments have addressed many of the concerns and questions raised by Transportation Authority Commissioners and others over the legislation. Attachment 2 contains the full text of the bill.</p>

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Table 3. Bill Status for Positions Taken in the 2021-22 Session

Below are updates for the two-year bills for which the Transportation Authority have taken a position or identified as a bill to watch. Bills that were chaptered, vetoed, or otherwise died during the first year of the 2021-22 session have been removed from the table. Updates to bills since the Board's last state legislative update are italicized.

Adopted Positions / Monitoring Status	Bill # Author	Bill Title	Update to Bill Status ¹ (as of 07/06/2022)
Support	AB 117 Boerner Horvath D	Air Quality Improvement Program: electric bicycles. Makes electric bicycles eligible to receive funding from the Air Quality Improvement Program.	Senate Appropriations
	AB 455 Wicks D Coauthor: Wiener D	Bay Bridge Fast Forward Program. Authorizes Caltrans to set performance standards for public transit on the San Francisco-Oakland Bay Bridge and requires them to develop a strategy to meet them.	<i>Senate Appropriations</i>
	AB 2147 Ting D	Pedestrians. Generally prohibits the enforcement of jaywalking laws.	<i>Senate Appropriations</i>
	AB 2197 Mullin	Caltrain electrification project: funding. Appropriates \$260 million from the General Fund to the Peninsula Corridor Joint Powers Board for the purpose of completing the Caltrain Electrification Project.	Dead
	AB 2336 Ting D Friedman D	Vehicles: Speed Safety System Pilot Program. Authorizes, until January 1, 2028, San Francisco, and four other jurisdictions to establish a Speed Safety System Pilot Program.	Dead
	SB 942 Newman D	Low Carbon Transit Operations Program (LCTOP) free or reduced fare transit program. Permits transit agencies to use LCTOP formula funds for free or reduced transit ridership programs on an ongoing basis.	<i>Assembly Appropriations</i>
Watch (See Table 1, recommended for support)	AB 1938 Friedman D	Traffic safety: speed limits. Clarifies intent of AB 43 (Friedman) to authorize local jurisdictions to implement speed limit reduction strategies	<i>Senate Transportation</i>

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	<u>AB 2237</u> <u>Friedman</u> D	Transportation planning: regional transportation improvement plan: sustainable communities strategies: climate goals. Imposes new requirements on local, regional, and state agencies that aim to better align transportation planning and investment with state climate goals.	<i>Senate Transportation</i>
	<u>AB 2594</u> <u>Ting</u> D	Vehicle registration and toll charges. Implements a package of new provisions to reform roadway and bridge tolling practices in California.	<i>Senate Appropriations</i>
	<u>ACA 1</u> <u>Aguiar-Curry</u> D Lorena Gonzalez D	Local government financing: affordable housing and public infrastructure: voter approval. Amends the California Constitution to authorize local ad valorem property taxes to be approved by 55% of the voters if used for transit, streets and roads, and sea level rise protections.	Assembly Local Government
	<u>SB 66</u> <u>Allen</u> D	California Council on the Future of Transportation: advisory committee: autonomous vehicle technology. Establishes an advisory committee to make recommendations regarding the deployment of autonomous vehicles.	Assembly Appropriations
	<u>SB 917</u> <u>Becker</u> D	Seamless Transit Transformation Act. Advances recommendations from the Metropolitan Transportation Commission's Transit Transformative Action Plan, including the development of a Connected Network Plan and the implementation of an integrated transit fare structure.	<i>Assembly Appropriations</i>
	<u>SB 922</u> <u>Wiener</u> D	California Environmental Quality Act: exemptions: transportation-related projects. Extends until January 1, 2030 the California Environmental Quality Act (CEQA) statutory exemptions for specified sustainable transportation projects that were authorized in SB 288 (Wiener, 2020), and expands upon them.	<i>Assembly Floor</i>
	<u>SB 1049</u> <u>Dodd</u> D	Transportation Resilience Program. Establishes a new competitive grant program for transportation resilience projects, administered by the California Transportation Commission, utilizing new formula funds the state will receive from the federal Infrastructure Investment and Jobs Act.	<i>Assembly Transportation</i>

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	SB 1050 Dodd D	State Route (SR) 37 Toll Bridge Act. Establishes a new SR-37 Toll Authority to operate and maintain a tolling program on SR-37 that funds projects to help make the facility more resilient to sea level rise.	<i>Assembly Appropriations</i>
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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. Bill status at a House's "Desk" means it is pending referral to a Committee.

Attachments:

1. SB 917 (Becker) - Analysis of Legislation and San Francisco Concerns
2. SB 917 (Becker) - Bill language as of June 20, 2022

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Attachment 1

Senate Bill (SB) 917 (Becker) - Analysis of Legislation and San Francisco Concerns

(Updated: 07/06/2022)

At its May 24 meeting, the Transportation Authority Board discussed SB 917, the Seamless Transit Transformation Act at length and Chair Mandelman asked staff to return with more information about what the financial and other impacts to San Francisco would be. As directed at that meeting, we have prepared a short memo summarizing the bill as amended, the questions and concerns that were expressed, and how the latest version addresses those questions and concerns. Attachment 2 to this item contains what we expect is close to the final version of the language, as amended on June 20, 2022. The language, as it currently stands, is the result of many months' negotiations among the author, the sponsor (Seamless Bay Area), MTC, and many transit operators (including BART and SFMTA).

Bill Summary

Some overarching provisions of the bill include:

- It establishes a Regional Transit Coordination Council (RTCC) to undertake designated activities. Membership consists of transit agency Executive Directors, General Managers, or their designees and MTC's Executive Director, or their designee.
- It establishes definitions to be used throughout the initiative:
 - **Local transit service** is defined as bus and light rail transit service within or adjacent to a transit agency's defined service area within the region, excluding bus services that cross a toll bridge over the San Francisco Bay.
 - **Regional transit service** is defined as all heavy rail, commuter rail, ferry, or express bus services, as designated by a transit agency, and bus services that cross a toll bridge over San Francisco Bay.
- Non-compliance with policies established in the bill make transit operators subject to withholding of State Transit Assistance (STA) formula funding, which is mainly used for transit operations. The legislation requires that transit agencies "shall make every effort to comply" with provisions as long as they don't affect existing transit service levels. If a transit agency can demonstrate that implementing a policy would have negative impacts to existing service levels, it can request that MTC provide sufficient funding to maintain service or provide an exemption from the policy. If neither are granted, however, MTC could still withhold the agency's STA funds.

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Bill Component	Detail
1. Integrated transit fares	<p>The RTCC, in consultation with MTC, must adopt an integrated transit fare structure by December 31, 2023, that will become effective by July 1, 2024. It will also be brought to transit agency boards for consideration and adoption.</p> <p>The integrated transit fare structure must include common definitions for adults, youths, seniors, persons with disabilities and potentially other categories.</p> <p>It must also include no-cost local transit service transfers (excluding SFMTA’s cable cars) and reduced-cost regional transit service transfers. By July 1, 2023, the RTCC, in consultation with MTC, must establish a one- to three-year pilot program of these transfer policies. MTC must approve funding and the pilot must start by July 1, 2024. Transit operators may opt out after 18 months if there is insufficient funding to offset the annual financial impact.</p> <p>The RTCC, in consultation with MTC, must, by March 31, 2024, develop an estimate of the anticipated annual financial impact associated with implementing a common fare structure for regional transit services, as well as an estimate associated with implementing a multi-agency pass that could include access to both local and regional transit services. MTC must implement each of the policies on a pilot basis for three years only if additional funding is secured to offset annual costs.</p>
2. Connected Network Plan	<p>MTC, in consultation with RTCC, must adopt a Connected Network Plan by July 1, 2024, if funding is identified for MTC to complete the plan, or December 31, 2025 otherwise.</p> <p>The plan must identify:</p> <ul style="list-style-type: none">• A transit priority network of corridors and hubs for the region• Service-level standards for the identified connected network transit corridors and hubs• Capital and operating funding needs• Potential impact to farebox revenue <p>The plan must also include recommendations regarding an approach for the coordination of right-of-way owners, including Caltrans and local jurisdictions.</p>

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3. Regional transit mapping and wayfinding	<p>By July 1, 2025, MTC, in consultation with the RTCC, must develop a comprehensive, standardized regional transit mapping and wayfinding system that includes standards required for information to be accessible and usable by people with disabilities.</p> <p>MTC must develop an implementation and maintenance strategy and a funding plan for a full or phased deployment of the system.</p> <p>By January 1, 2026, any new investments to mapping and wayfinding must adhere to these standards unless MTC adopts and alternate deployment timeline.</p>
4. Open data standards	<p>By July 1, 2023, MTC, in coordination with the RTCC, must establish open data standards to provide transit riders with real-time transit vehicle location, arrival and departure times and predictions, and service alerts.</p> <p>Each of the region's transit agencies shall comply with the established standards and share their data with MTC.</p>

Bill Analysis

At a high level, we believe SB 917, as amended, now better meets the general threshold of “doing no harm” to San Francisco’s transit system relative to some of the concerns raised during the bill’s development. However, there is still the potential for some indirect impacts discussed below, which will need to be addressed during the RTCC's development of the integrated transit fare structure. As such, SFMTA is not currently considering an oppose position on the bill. Below is additional information regarding how the latest version addresses issues that were raised about potential impacts to San Francisco.

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Concern	How Addressed
<p>1. Legislation must make fare integration and transfer policy changes subject to funding availability to hold operators harmless</p>	<p>The RTCC would now lead the development of the integrated transit fare structure (which sets policies for both fares and transfers), in coordination with MTC, which was the other way around in prior versions of the bill. This will allow significant transit operator leadership and engagement in developing the new fare integrations and transfer policies and how they would be implemented.</p> <p>The bill requires MTC to fund a pilot of the transfer policy for at least one year, and up to three years if there is sufficient funding available. MTC has identified funding that is likely sufficient for the first required year of the pilot. The legislation also would allow a transit agency to opt out of a pilot after 18 months if the funding provided is insufficient to cover their revenue losses associated with free and/or reduced cost transfers.</p> <p>The common regional fare requirement still leaves many open design questions and therefore we cannot assess the fiscal impact of this provision. While the bill only requires MTC to pilot the new fares and regional pass if funds are found, the ultimate financial impact to San Francisco will depend on the source of funds and extent to which these would have otherwise come to San Francisco for other uses. The subsidy required to make other transit systems whole is also a de-facto impact to San Francisco in that other systems are subsidized less than Muni.</p>
<p>2. Legislation must give transit operators the ability to opt out of regional policies if they would lead to fare increases or service cuts.</p>	<p>Transit agencies “shall make every effort to comply” with provisions insofar as it doesn’t affect existing transit service levels. If a transit agency can demonstrate that implementing a policy would have negative impacts to existing service levels, it can request that MTC provide sufficient funding to maintain service or exempts it from the policy. If neither request is granted, however, MTC could prevent the transit operator from receiving its formula STA operating funds in part or in full and hold those funds until the operator is in compliance.</p>

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3. Legislation must maintain the rights and responsibilities that are granted to transit operators and maintain home rule authority for charter cities	<p>For purposes of the integrated transit fare structure, the legislation explicitly states that:</p> <ul style="list-style-type: none">• Nothing shall be construed to interfere with or dilute the powers, duties, and responsibilities granted to transit agencies (e.g. the setting of transit fares).• Operation of a transportation system is a core municipal affair and nothing in the bill shall be construed to interfere in or dilute the powers, duties, and responsibilities provided by California’s charter city home rule provisions.
4. Legislation allows for transit operators to provide subsidies above what is required	<p>The bill includes language that it “does not prohibit a transit agency from offering distinct free or discounted transit fares” above what would be required as part of the integrated transit fare structure.</p>

Conclusion

As amended, SB 917 appears to address many of the concerns expressed at the May 24 Transportation Authority Board meeting. The question still remains, however, whether state mandates are needed at this time, since most of these reforms were in the process of being advanced through the Blue Ribbon Transit Transformation Action Plan and Fare Integration Task Force.

While a more connected and uniform transit system is certainly desirable, there are opportunity costs associated with these implementation strategies that shouldn’t be overlooked. For example, it’s important to consider who benefits from investing millions of dollars in cross-regional connectivity improvements compared to improvements in shorter local trips that are heavily utilized by low-income riders. Even if MTC identifies new funding to implement and sustain these transit connectivity programs, it may be funding that could otherwise be spent on other transit priorities or to help sustain transportation budgets as operators recover from the pandemic. For instance, many transit operators are facing a fiscal cliff due to prolonged recovery from the COVID-19 pandemic with ridership and revenues remaining significantly depressed. Funds will be needed in the near term to help avert reductions in service. Other priorities for additional new revenues could include additional fare subsidies or increasing transit service for low income, BIPOC, or transit-dependent riders. Moving forward, as a city and as a region it will be important to transparently evaluate how these types of reforms should be prioritized compared to other needs when transit resources are constrained, especially for operations.

If SB 917 is approved, another consideration during the development of the integrated transit fare structure will be how to ensure that San Francisco is not ultimately disadvantaged in the formula calculation of subsidies to compensate operators for the cost to implement the fare and transfer policies. As a city we

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have historically subsidized public transit at a higher level compared to many other jurisdictions and we already provide numerous free and reduced-fare programs. Among other considerations, we would want to have those subsidies factored into any formula applied across all operators so that San Francisco isn't effectively subsidizing more suburban transit operators in jurisdictions that have not chosen to financially support their transit systems to the same extent as San Francisco.