



Memorandum

AGENDA ITEM 3

DATE: January 27, 2026

TO: Transportation Authority Board

FROM: Executive Director - Tilly Chang

SUBJECT: 01/27/2026 Board Meeting: Executive Director's Report - INFORMATION

FEDERAL, STATE, AND REGIONAL ISSUES

House Passes \$1.2 Trillion Funding Package Including \$100 Million for The Portal and Earmarks for San Francisco. Last week, House Representatives passed a \$1.2 trillion bipartisan package of funding bills that would fund multiple Departments including Transportation, Housing and Urban Development, Homeland Security and others. In addition to providing regular funding for various transportation programs, the bills also propose \$100 million in Capital Investment Grants Program funding for The Portal and funding for San Francisco earmark requests including \$1.2 million to SFMTA for Transit Stop Lighting Infrastructure and \$1.6 million to BART for LED Station Lighting. The package still needs approval by the Senate before January 30 to avoid a government shutdown, however given the tragic recent events in Minneapolis, it's unclear at this time whether the package will pass. We are very thankful to San Francisco's federal delegation for their work in securing these funds as part of the funding bills.

Rep. Mullin Addresses Autonomous Vehicle Safety and Reporting Requirements in Congressional Hearing. On January 13, 2026, the House Energy and Commerce Subcommittee on Commerce, Manufacturing, and Trade held a hearing titled "Examining Legislative Options to Strengthen Motor Vehicle Safety, Ensure Consumer Choice and Affordability, and Cement U.S. Automotive Leadership." Congressman Bob Latta (R-OH) discussed the SELF DRIVE Act, a bipartisan bill that seeks to establish a national framework for regulating autonomous vehicle (AV) technology that could preempt certain state roles. Congressman Kevin Mullin (D-CA) addressed the AV Safety Data Act, which expands data reporting and transparency related to AV operations. Congressman Mullin framed the need for the legislation through the lens of AV impacts on San Francisco streets, including the obstruction of critical services and interactions during the December 20 blackout.



California DMV Enforces Misleading Marketing Laws. In December, the California Department of Motor Vehicles (DMV) issued an order enforcing misleading marketing laws against Tesla for use of the terms “autopilot” and “Full Self-Driving Capability” to describe its vehicles’ Advanced Driving Assistance Features (ADAS). Tesla has 60 days to remedy the issue. To avoid suspension of its sales licenses, Tesla must either stop using the Autopilot name or demonstrate that its vehicles can operate without human monitoring. The company may appeal or seek court review by February 14.

Waymo Operations Disrupted During December 2025 Power Outage. During the December 20, 2025, power outage in San Francisco caused by a fire at a PG&E substation, multiple Waymo AVs became immobilized, contributing to widespread traffic congestion as hundreds of traffic signals went dark and police were forced to manually direct intersections. At a subsequent California Public Utilities Commission hearing, Waymo representatives declined to disclose the number of vehicles that were immobilized that day when asked by the presiding judge. Supervisor Bilal Mahmood has also proposed a hearing at the San Francisco Board of Supervisors to examine Waymo’s operations during the blackout, in order to bring greater transparency to understanding what happened and how to prevent similar disruptions during resilience events in the future.

Public Transit Revenue Measure District Holds Inaugural Meeting and Connect Bay Area Transit Committee Launches Signature-Gathering Drive. On January 7, the Metropolitan Transportation Commission (MTC) held its first meeting in its role as the Public Transit Revenue Measure District’s governing board to begin carrying out District duties in line with Senate Bill (SB) 63, the regional transit sales tax measure legislation authored by Senators Scott Wiener and Jesse Arreguín. In one of its first actions, Commissioners voted against placing a measure on the November 2026 ballot after considering recent polling results which showed that a measure is unlikely to reach the two-thirds voter approval threshold required for passage. During public comment, the Connect Bay Area Transit Committee, a coalition of organizations including Bay Area Council, SPUR, SEIU Local 1021 and others, announced that they would begin gathering the signatures needed to place an initiative on the November 2026 ballot as authorized under SB 63. A citizen-led ballot initiative requires a simple majority approval for passage.

MTC Awards \$500,000 to Community-Based Organizations Serving San Francisco. On January 14, the MTC Programming and Allocations Committee approved an additional award of \$1 million to community-based organizations



(CBOs) across the region under MTC's Community Action Resource and Empowerment (CARE) Power Building and Engagement Program which is intended to support CBOs in strengthening community capacity and developing partnerships. The grant awards will support three CBOs serving San Francisco including \$100 thousand to One Treasure Island for a resident-led ambassador program; \$200 thousand to the Bay Area Outreach and Recreation Program to enable wheelchair users to rent attachments that transform wheelchairs into scooters or e-bikes; and \$200 thousand to Bonafide for transportation services for formerly-incarcerated individuals. We appreciate MTC's support for San Francisco's CBOs and look forward to working with them on these projects.

LOCAL ISSUES

Transportation Authority Staff Present at Central Subway Extension Hearing.

Yesterday, Deputy Director for Planning Rachel Hiatt joined SFMTA staff at the Board of Supervisors Land Use and Transportation Committee hearing to present on the planning process for developing and prioritizing a potential extension of the Central Subway (T-Third Phase 3) northward to the Fisherman's Wharf area. Central Subway Phase 3 is one of five major transit network expansion projects identified in the San Francisco Transit Strategy, adopted in 2022 as part of the San Francisco Transportation Plan (SFTP) 2050. The SFMTA's previously initiated alignment studies need to be resumed and completed as a next step, in order to be considered for further prioritization in a future SFTP update. Members of the public can participate in SFTP outreach to comment on this and other transit capital projects under development this spring. The Board will consider the SFTP 2050+ recommendations later this fall 2026. For more information, visit sfcta.org/sftp.

PROJECT DELIVERY

SFMTA Selects 11 Schools for 2025-26 Prop L Walk Audits. Last month, SFMTA announced the 11 school sites that will receive walk audits for the 2025-26 school year under the School Traffic Calming FY26 program cycle, funded with \$2 million in Prop L sales tax funds. These schools are: Abraham Lincoln High, Balboa High and James Denman Middle/ Leadership Charter High (adjacent schools located on the same block), Bryant Early Education/ Bryant Elementary, Chinese American International School, Fairmount Elementary/ Preschool, Gordon J. Lau Elementary/ Preschool, John O'Connell High, Junipero Serra Elementary, Presidio Middle, and Saint Brigid.



SFMTA plans to conduct walk audits this spring and will return to the Board in the summer when audits are completed to request release of Prop L funds held on reserve for implementation of walk audit recommendations.

Visit <https://www.sfmta.com/projects/school-walk-audit-program> for information on selection criteria and past walk audits.

MANAGEMENT AND ADMINISTRATION

One Year In, NYC's Congestion Reduction Zone is Working Effectively. Earlier this month, I participated in the Transportation Research Board's workshop on New York City's Congestion Reduction Zone program, launched one year ago. This pioneering program has reduced weekday vehicles entering Manhattan's central business district by 73,000, or 11%, with network-wide benefits in the surrounding area. The program is performing as designed: traffic speeds are faster for buses and other vehicles on the streets; transit ridership has increased; and streets in the zone are noticeably quieter and safer. Moreover, the congestion relief zone south of 60th Street saw a greater increase in visitors than Manhattan did as a whole, and the NY MTA collected \$548 million for subway capital improvements. We continue to track New York City's progress for potential lessons for managing our freeways and bridge approaches, as well as Treasure Island demand as traffic increases on these facilities.

Appreciation for Departing TIDA Leaders Fei Tsen and Bob Beck. On behalf of both Transportation Authority and TIMMA staff, I would like to thank TIDA's long-serving President Fei Tsen and Director Bob Beck for their leadership and partnership over the years. President Tsen stepped down and Director Beck retired in December after many years of shaping and overseeing the implementation of the ambitious and successful development program on Treasure Island. It was a pleasure working with both Chair Tsen and Director Beck on a plethora of local and regional infrastructure programs, and we thank them for their visionary efforts that will benefit these growing neighborhoods and the Bay Area for generations to come.