



Memorandum

Date: January 16, 2019
To: Transportation Authority Board
From: Maria Lombardo – Chief Deputy Director
Subject: 1/29/19 Board Meeting: Approval of 2019 State and Federal Legislative Program

<p>RECOMMENDATION <input type="checkbox"/> Information <input checked="" type="checkbox"/> Action</p> <p>Approve the 2019 State and Federal Legislative Program.</p> <p>SUMMARY</p> <p>Every year the Transportation Authority adopts high level goals and strategies to guide legislative strategy and advocacy while still providing the necessary flexibility to respond to specific bills and policies over the course of the legislative sessions. The 2019 State and Federal Legislative Program (Attachment 1) was developed in coordination with local, regional, and statewide partners and focuses on advancing San Francisco’s priority projects, protecting existing transportation funds, authorizing new revenues, engaging in the regulation of new transportation technologies, expanding the use of pricing and other innovative project delivery and financing approaches, and advancing the City’s Vision Zero goals.</p>	<p><input type="checkbox"/> Fund Allocation</p> <p><input type="checkbox"/> Fund Programming</p> <p><input checked="" type="checkbox"/> Policy/Legislation</p> <p><input type="checkbox"/> Plan/Study</p> <p><input type="checkbox"/> Capital Project Oversight/Delivery</p> <p><input type="checkbox"/> Budget/Finance</p> <p><input type="checkbox"/> Contract/Agreement</p> <p><input type="checkbox"/> Other:</p> <hr/>
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DISCUSSION

Background.

The State and Federal Legislative Program, adopted annually by the Board, establishes a general framework to guide our legislative and funding advocacy efforts at the state and federal levels. Transportation Authority staff and legislative advocacy consultant in Sacramento will use this program to plan strategy and communicate positions to the City’s legislative delegations in Sacramento and Washington D.C., and other transportation agencies and advocates.

The proposed 2019 State and Federal Legislative Program reflects key principles, gathered from our common positions with the Mayor’s Office, City agencies, transit operators serving San Francisco, other local transportation sales tax authorities around the state, and the Metropolitan Transportation Commission (MTC), as well as our understanding of the most pressing issues facing the city, the region, and our partner agencies. It 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 year we will be reporting on the status of bills that are of significance to the Transportation Authority and developing recommendations for positions as appropriate.

2018 Legislative Outcomes.

In 2018, several bills directly related to San Francisco's transportation systems passed into law. Assemblymember Ting's Assembly Bill (AB) 1184 authorized the City and County of San Francisco to levy a local tax on fares charged by transportation network companies (TNCs) on trips originating in San Francisco. Chair Peskin collaborated with Assemblymember Ting on this bill, working closely with TNC companies Uber and Lyft to ensure their support. AB 2865, which Assemblymember Chiu sponsored on our behalf, gave the Transportation Authority the option of asking the Santa Clara Valley Transportation Authority to operate managed lanes on US-101 and I-280 north of the divide in San Francisco, with a mandate that revenues be spent according to a Board-approved expenditure plan. We are still evaluating managed lanes in San Francisco, but this bill provides greater flexibility and local control if the Board decides to move forward with the project.

While the San Francisco Municipal Transportation Agency (SFMTA) was unable to secure passage of its bill to authorize the use of automated speed enforcement to advance Vision Zero goals, the state did establish a new Zero Fatalities Task Force to look more comprehensively at traffic safety strategies. Some of the more controversial pieces of legislation in 2018 pertained to emerging mobility services, including TNCs, autonomous vehicles, and scooters, and we anticipate this to continue in the next session. Outside of the legislative process, Bay Area voters approved Regional Measure 3 in June, securing new regional bridge toll revenues for transportation, and Proposition 6 failed in November, preserving billions per year in state transportation funds.

Congress and the Administration did not focus on transportation in 2018. Still, we had some successes with the Central Subway project securing the last tranche of its \$942 million in federal New Starts funds and the Caltrain Modernization project received its annual apportionment from the Core Capacity program. Congressional committees deliberated autonomous vehicle regulations, which will continue in 2019, and the Administration announced its intent to freeze fuel economy targets and revoke California's waiver that allows the state to set its own fuel standards. Finally, in a surprise decision, the Supreme Court confirmed the ability of states to collect sales taxes from out-of-state retailers, which could increase revenue forecasts for state and local sales tax programs, including Prop K.

2019 State and Federal Legislative Program.

Our 2019 State and Federal Legislative Program (Attachment 1) continues many of the themes from the previous year, emphasizing advancing San Francisco's priority projects and programs, protecting existing transportation funds, supporting allocation of state cap and trade revenues for transportation, improving the implementation of state grant programs, engaging in the regulation of new transportation technologies, supporting the city's Vision Zero goals, and expanding the use of pricing and other innovative project delivery and financing approaches.

The State Legislature has indicated its intent to focus its energy this year on addressing the housing crisis. We expect to see renewals of 2018's efforts to increase revenues, streamline environmental review and permitting processes for housing, enact by-right zoning near transit, and establish new redevelopment-like tools to help accelerate the production of moderate and affordable housing. At the regional level, recommendations coming out of the Committee to House the Bay Area (CASA) include the formation of a new Regional Housing Enterprise and an ambitious menu of new regional revenue measures for housing, both requiring state authorization. [MTC and the Association of Bay](#)

~~Area Governments has~~ authorized its chair to sign ~~(The CASA Compact and the Association of Bay Area Governments will consider taking a similar action on January 16~~ has been signed by the Chair of the Metropolitan Transportation Commission and the President of the Association of Bay Area Governments. We will work with the San Francisco Planning Department as well as other local and regional partners to identify how proposed policies will impact San Francisco and will support efforts to advance the city's housing goals.

We do not anticipate a significant new state transportation revenue measure in 2019. We will work with other sales tax counties to engage with the Legislature as it establishes distribution policies for the anticipated increase in sales tax revenue from out of state sellers, and advocate for a fair share returning to San Francisco through Prop K and other transit and local streets and roads programs. We will also continue to work with the SFMTA and the City and County of San Francisco on Vision Zero goals, in particular, supporting San Francisco's engagement in the new state Zero Fatalities Task Force. We expect that the rise of emerging mobility services will continue to produce legislation, and we will advocate for policies that balance their benefits and impacts; ensure safety, equity, and accessibility; ensure local access to data; and authorize local regulation where appropriate. Finally, we will support a renewal of Senator Wiener's and Assemblymember Bloom's effort to establish a congestion pricing pilot program and will seek authorization ~~to give our Board the option to implement~~for implementing a reservation and/or tolling program on the crooked portion of Lombard Street to manage demand.

At the federal level, our efforts will focus on ensuring that Congress appropriates funding consistent with the amounts authorized in the Fixing America's Surface Transportation (FAST) Act, including the outstanding commitments to the Caltrain Modernization project. Since the FAST Act expires in 2020, as discussions pick up around the next federal transportation bill, we will advocate for San Francisco's priorities, including federal appropriations for San Francisco's current and future transit capital priorities such as Caltrain Modernization, Better Market Street, ~~Geary Bus Rapid Transit~~ and the Caltrain Downtown Extension, ~~and seek entry of the Geary Bus Rapid Transit project into the pipeline for the New Starts program.~~ We will also carefully monitor federal rulemaking for autonomous and connected vehicles to ensure state and local governments maintain the ability to oversee safe operation of vehicles on their own highways and local roads and to ensure our access to collected data to enable research and inform future policies.

FINANCIAL IMPACT

The recommended action would not have an impact on the adopted Fiscal Year 2018/19 budget.

CAC POSITION

The CAC will consider this item at its January 23, 2019 meeting.

SUPPLEMENTAL MATERIALS

Attachment 1 – 2019 State and Federal Legislative Program

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.

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	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.
	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.

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	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.
	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).

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	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.
	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).

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Area	Goal	Strategy
	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.
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.