



# Memorandum

**Date:** 01.06.16 **RE:** Finance Committee  
January 12, 2016

**To:** Finance Committee: Commissioners Avalos (Chair), Mar (Vice Chair), Campos, Cohen, Kim and Wiener (Ex Officio)

**From:** Amber Crabbe – Assistant Deputy Director for Policy and Programming *Ac*

**Through:** Tilly Chang – Executive Director *TC*

**Subject:** **ACTION** – Recommend Approval of the 2016 State and Federal Legislative Program

## Summary

Every year the Transportation Authority Board adopts a legislative program to guide the agency's transportation advocacy efforts at the state and federal levels. The proposed State and Federal Legislative Program reflects key principles, gathered from our common positions with other local transportation sales tax authorities around the state, the Metropolitan Transportation Commission, as well as our understanding of the most pressing issues facing the region, San Francisco, and our partner agencies that deliver transportation in the city. The proposed program is presented in the form of principles, not specific bills or legislative initiatives, in order to allow staff the necessary flexibility to respond to legislative proposals and specific policy concerns that may arise over the course of the legislative session in Sacramento or Washington. Our 2016 Legislative Program continues many of the themes from the previous legislative sessions and emphasizes issues of stabilizing and protecting existing transportation funds, authorizing new transportation revenues, securing funding for San Francisco projects, advancing high-speed rail investment, supporting allocation of state cap and trade revenues for transportation, promoting Vision Zero safety goals, and aspiring to meet environmental and greenhouse gas reduction goals.

## BACKGROUND

The state and federal legislative programs, adopted annually by the Transportation Authority Board, set a general framework to guide our legislative and funding advocacy efforts at the state and federal levels. The purpose of the legislative program is to establish general policy guidance on state and federal legislative and funding issues in transportation. The proposed 2016 State and Federal Legislative Program reflects key principles, gathered from our common positions with other local transportation sales tax authorities around the state, the Metropolitan Transportation Commission (MTC), as well as our understanding of the most pressing issues facing the region, San Francisco, and our partner agencies delivering transportation projects and service to San Francisco.

Transportation Authority staff and legislative advocacy consultants in Sacramento will use this program to communicate and plan strategy with the Mayor's Office, the San Francisco Municipal Transportation Agency (SFMTA), the City's legislative delegations in Sacramento and Washington D.C., MTC, Bay Area Congestion Management Agency Directors, the Self Help Counties Coalition, and other transportation agencies and advocates.

## DISCUSSION

The proposed 2016 State and Federal Legislative Program 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 specific policy concerns that may arise over the course of the session. Throughout the state legislative session, which extends into the early autumn or later if extraordinary sessions are necessary, we will be reporting monthly on the status of bills that are of significance to the Transportation Authority, and developing recommendations for Transportation Authority positions as appropriate.

In 2015 many important fiscal and policy agendas advanced which were consistent with the Transportation Authority's adopted State and Federal Legislative Program. The federal government passed a comprehensive multiple-year transportation bill for the first time in over ten years. The five-year, \$305 billion Fixing America's Surface Transportation (FAST) Act largely maintains current program structures and funding shares between highways and transit, and increases funding by 11 percent over the five years. We have heard that the Act is likely to include an additional \$30 million for the Bay Area over what was previously expected under the prior transportation bill. The FAST Act also introduces two new freight programs, renews a competitive bus and bus facilities program, and raises the Small Starts project eligibility cost threshold to \$300 million, which may be beneficial to our next generation of transportation projects such as Geary Corridor Bus Rapid Transit. However, the new bill still does not provide a long-term funding solution to address inadequate funding levels in the federal Highway Trust Fund. We will continue to advocate for an increased and reliable source of federal funding for transportation to avoid further harm caused by chronic underinvestment in our transportation systems.

At the state level, in 2015 the most exciting development was the Legislature coming together in a Special Session on Transportation and Infrastructure to identify how to address the state's growing funding shortfall for maintaining its transportation infrastructure. In particular, for the first time in a decade, legislators have been discussing proposals to raise new revenues through a combination of sources including fuel tax increases, vehicle charges, and early loan repayments. Other developments include the authorization of regional transportation agencies to develop high-occupancy toll (HOT) lanes through Assembly Bill (AB) 194 (Frazier), an effort we actively supported; expanding local diversion programs for vehicle code violations not involving a motor vehicle from "minors-only" to include violators of all ages; and the City of San Francisco extended its authorization to enforce parking violations in transit lanes using forward-facing cameras on buses. We anticipate that transportation will continue to be a top issue in 2016 for the State Legislature though it isn't clear if the Special Session will result in new revenues or if this will be taken up during the regular session.

Our 2016 State and Federal Legislative Program continues many of the themes from the previous legislative sessions and emphasizes issues of stabilizing and protecting existing transportation funds, authorizing new transportation revenues to be put into place at the local or regional level, advancing San Francisco's priority projects and programs, supporting allocation of state cap and trade revenues for transportation, working to meet environmental and greenhouse gas reduction goals, and expanding the use of pricing and other innovative project delivery and financing approaches to accommodate growing transportation system demands in California. It continues to support San Francisco's Vision Zero goals for street safety, with increased emphasis on supporting legislation authorizing the use of cameras for automated speed enforcement which is a top priority for SFMTA. This year we will also be seeking Construction Manager/General Contractor (CM/GC) authorization for the second phase of the I-80/Yerba Buena Island Ramps Improvement project. This project delivery method will allow a general contractor to act as an advisor during the design process, providing input on costs and potentially saving the project money in the long run.

Attachment 1 contains the Transportation Authority's proposed 2016 State and Federal Legislative Program.

### **CAC POSITION**

The CAC was briefed on this item at its December 2, 2015 meeting and unanimously adopted a motion of support for the staff recommendation. We have made a few non-substantive edits since the CAC meeting to respond to CAC requests for clarification and to update where new information has become available (e.g. from approval of FAST).

### **ALTERNATIVES**

1. Recommend approval of the 2016 State and Federal Legislative Program, as requested.
2. Recommend approval of the 2016 State and Federal Legislative Program, with modifications.
3. Defer action, pending additional information or further staff analysis.

### **FINANCIAL IMPACTS**

None. There are no direct impacts on the Transportation Authority's adopted Fiscal Year 2015/16 budget associated with the recommended action.

### **RECOMMENDATION**

Recommend approval of the 2016 State and Federal Legislative Program.

Attachment:

1. Draft 2016 State and Federal Legislative Program

**Attachment 1**

**San Francisco County Transportation Authority  
2016 State and Federal Legislative Program**

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STATE		
Area	Goal	Strategy
1. Transportation Funding	Protect transportation funding from diversion to the General Fund or other non-transportation uses	<ul style="list-style-type: none"> <li>• Advocate that funds dedicated to transportation project not be diverted to other state budget priorities.</li> <li>• Support efforts to recover weight fee revenues for transportation.</li> </ul>
	New revenue measures to increase transportation funding	<ul style="list-style-type: none"> <li>• Support efforts at the state, regional, and local levels to raise additional transportation revenue to address ongoing funding shortfalls for both capital projects and operations.</li> <li>• Advocate for any new revenue to provide support for transit and active transportation as well as roadway infrastructure.</li> <li>• Engage in the development of Metropolitan Transportation Commission's (MTC's) Regional Measure 3 bridge toll proposal.</li> </ul>
	Lower the 2/3 supermajority voter approval requirement for local transportation taxes	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
	Participation in state road usage charge pilot program	<ul style="list-style-type: none"> <li>• Support the state pilot of a road usage charge, providing technical assistance and policy support to shape the program.</li> <li>• Advocate for a fair and sustainable program.</li> </ul>
	Implementation of severance fees on natural resources extraction	<ul style="list-style-type: none"> <li>• Support the creation of statewide severance fees to ensure a lasting public benefit from the depletion of non-renewable resources.</li> <li>• Advocate that severance fee revenues be allocated to sustainable transportation through allocation to local and regional agencies.</li> </ul>
	Increased local funding options to replace lost redevelopment funding	<ul style="list-style-type: none"> <li>• Support efforts to revive the authority of local governments to use tax-increment financing in support of projects consistent with sustainable communities strategies.</li> </ul>
	Increased funding for affordable housing	<ul style="list-style-type: none"> <li>• Support efforts to establish a new, dedicated state fund source for affordable housing to complement transportation and relieve pressure on limited transportation funds.</li> </ul>
	Local bonding authorization for federal transportation revenues	<ul style="list-style-type: none"> <li>• Support MTC's proposal to seek authorization to issue bonds backed by federal transit formula funds.</li> </ul>
	Modified allocation formulas for state transportation funds	<ul style="list-style-type: none"> <li>• Advocate for the use of factors that better tie transportation funding to the true demands placed on the system, including daytime population or transit usage.</li> </ul>

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	Increased cap and trade revenues for transportation and the advancement of local and regional priorities	<ul style="list-style-type: none"> <li>• Support efforts to dedicate a significant portion of cap and trade revenues to transportation.</li> <li>• Advance San Francisco's cap and trade project priorities.</li> <li>• Advocate for a stronger role for regional and local governments in prioritizing projects for funding and for a revenue allocation process that is clear, streamlined, flexible and effective.</li> </ul>
	Increased funding for the Active Transportation Program (ATP) and support streamlining of the program guidelines	<ul style="list-style-type: none"> <li>• Advocate for a programming and allocation process that emphasizes flexibility and local/regional control.</li> <li>• Support efforts to increase the amount of funding available to support active transportation and safe routes to schools.</li> </ul>
2. Transportation Policy Initiatives	Advance San Francisco's Vision Zero goals, improving safety for bicyclists and pedestrians	<ul style="list-style-type: none"> <li>• Work with local partners to identify and secure state and federal funding for Vision Zero projects.</li> <li>• Seek legislative reform to support strategies not currently authorized by state law such as automated speed enforcement (ASE).</li> </ul>
	Implement high occupancy toll (HOT) lanes and other transportation demand management (TDM) strategies	<ul style="list-style-type: none"> <li>• Support new legislation to further expand the ability of local, regional, and state agencies to use pricing and express lanes to better manage congestion on state highways.</li> <li>• Support new legislation that promotes TDM and other innovative strategies such as the extension of MTC's Regional Commuter Benefit program.</li> </ul>
	Participation in the development of legislation regarding Transportation Networking Companies (TNCs)	<ul style="list-style-type: none"> <li>• Monitor TNC-related legislation and regulation efforts at the state and provide input in coordination with the San Francisco Municipal Transportation Agency (SFMTA) and other city stakeholders.</li> </ul>
	Implementation of a mandatory temporary license plate system	<ul style="list-style-type: none"> <li>• Support the MTC's efforts to require the Department of Motor Vehicles to develop an operational temporary license plate system to improve safety and avoid the loss of estimated \$7 million annually in uncollected toll revenue from vehicles using the region's state-owned toll bridges without license plates.</li> </ul>
	Modernized Congestion Management Program (CMP) regulations	<ul style="list-style-type: none"> <li>• Work with other CMAs to play a leadership role in updating CMP legislation to support key policy.</li> </ul>
	Reformed level of service requirements	<ul style="list-style-type: none"> <li>• Work with local partners and the Governor's Office of Planning and Research on reformed CEQA (California Environmental Quality Act) guidelines for alternative traffic impact analysis measures.</li> </ul>

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3. High-Speed Rail (HSR)	Strengthened state commitment to a blended HSR and electrified Caltrain system from San Francisco to San Jose	<ul style="list-style-type: none"> <li>• Work with partner agencies to advocate that the HSR early investment projects are implemented in a manner consistent with the memorandum of understanding (MOU) to develop a blended system.</li> <li>• Advocate for full funding of the Caltrain Downtown Extension, and advance the Caltrain Modernization Program.</li> </ul>
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<b>FEDERAL</b>		
<b>Area</b>	<b>Goal</b>	<b>Strategy</b>
4. Transportation Funding	Advancement of San Francisco's priorities and increased federal transportation funding	<ul style="list-style-type: none"> <li>• Identify a permanent and reliable funding source for transportation.</li> <li>• Support an increase in funding for transportation, particularly for San Francisco's priority projects, focusing on transit and active transportation.</li> <li>• Advocate for increasing the federal gasoline tax, and for indexing it to inflation to help close the Highway Trust Fund (HTF) funding deficit.</li> <li>• Support the study of alternate user fees such as road usage charges.</li> </ul>
	Federal appropriations for San Francisco Core Capacity and New and Small Starts projects	<ul style="list-style-type: none"> <li>• Advocate that Congress approve annual New Starts appropriations consistent with the Full Funding Grant Agreement for the Central Subway, and continue to allocate Small Starts funds for Van Ness Avenue Bus Rapid Transit.</li> <li>• Work with local and regional partners to advance the Caltrain Downtown Extension (one of the region's identified New Starts priorities) for Federal New Starts funds and to identify and secure funding for the next generation of federal project priorities such as Geary Bus Rapid Transit.</li> </ul>
	Increased local sales tax revenue through the Marketplace Fairness Act	<ul style="list-style-type: none"> <li>• Support efforts to apply state and local sales tax rates to online purchases.</li> </ul>
	Implementation of federal carbon pricing	<ul style="list-style-type: none"> <li>• Support efforts to price carbon at the federal level.</li> <li>• Promote transportation investments as part of the expenditure plan.</li> </ul>
5. Transportation Policy Initiatives	Commuter benefits for alternative travel modes	<ul style="list-style-type: none"> <li>• Advocate to include pre-tax benefits for bikeshare and shared mobility options on par with parking benefits.</li> </ul>

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<b>PROJECT DELIVERY AND ADMINISTRATION (State and Federal)</b>		
<b>Area</b>	<b>Goal</b>	<b>Strategy</b>
6. Project Delivery	Expanded use of innovative project delivery strategies for transportation infrastructure	<ul style="list-style-type: none"> <li>• Advocate for expanded options to use alternative delivery methods to manage risk and increase local control for transportation infrastructure projects.</li> <li>• Advocate for expansion of financing programs such as Transportation Infrastructure Finance and Innovation Act (TIFIA).</li> </ul>
	Gain Construction Manager / General Contractor (CM/GC) authority for phase 2 of the Yerba Buena Island Ramps project	<ul style="list-style-type: none"> <li>• Seek the required state authorization to utilize the CM/GC project delivery method for the second phase of the Yerba Buena Island Ramps project, either by legislation specifically authorizing the Transportation Authority, or broader legislation that would provide authorization for other agencies.</li> </ul>
	Advance best practices in coordinating with Caltrans on locally-led projects on the state highway system	<ul style="list-style-type: none"> <li>• Support the Self-Help Counties Coalition effort and other CMAs to improve the Caltrans project initiation document (PID) process.</li> <li>• Support the integration of National Association of City Transportation Officials (NACTO) design guidelines into Caltrans' Highway Design Manual.</li> </ul>
	Integrated state and federal environmental impact studies and streamlined permitting	<ul style="list-style-type: none"> <li>• Advocate for more efficient environmental processes (both CEQA and National Environmental Policy Act (NEPA)) to reduce administrative inefficiencies.</li> </ul>
7. General Administration	Efficient and effective Transportation Authority operations	<ul style="list-style-type: none"> <li>• Advocate for streamlining of administrative restrictions when multiple fund sources are used on a single project.</li> <li>• 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.</li> </ul>