



## 2023 ~~FINAL DRAFT~~ ADVOCACY PROGRAM

Note: This is an updated version of the 2023 Draft Advocacy program presented at the November Joint Legislation Committee. Text additions are displayed in *italics* and text removals are indicated with ~~strikethroughs~~.

### State Advocacy Objectives and Goals

1. **Transportation Funding:** Advocate for resources to support the implementation of Plan Bay Area 2050, including funding for operating and maintaining the transportation network, transit modernization and expansion, equitable mobility improvements, decarbonizing the transportation system, and improving the resilience of our transportation network.

Transportation Funding Items	Goals
A. Transit Operations and Ridership Recovery	<p>Pursue a unified statewide advocacy strategy for new ongoing (multi-year) state funding to address transit operators’ fiscal cliffs as well as other improvements needed to attract riders back to transit, including investments to improve the customer experience and address workforce shortages. Partner with the region’s transit operators, the California Transit Association, and other state and regional partners to develop and implement the strategy. Explore a range of revenue sources, including the General Fund and Greenhouse Gas Reduction Fund (funded by Cap and Trade). Support legislative proposals to extend Cap and Trade beyond 2030. Consistent with 2A, advocate for inclusion of funding to support timely implementation of the Transit Transformation Action Plan adopted by the Blue Ribbon Transit Recovery Task Force and MTC.</p>
B. Transit, Rail and Port Investments Committed in 2022 Transportation Package	<p>Advocate for General Fund investments at levels consistent with commitments in the \$10.8 billion multi-year, multimodal transportation package that was approved in the fiscal year (FY) 2022-23 state budget and pursue provisions that ensure the Bay Area’s priorities are addressed in FY 2023-24 budget bill.</p>

Transportation Funding Items, cont.	Goals
C. Zero-emission Transit Fleets	Building on <u>Executive Order N-79-20</u> , support additional funding to help transit operators transition bus, ferry and rail fleets to zero emission vehicles, accelerating the decarbonization of the transportation system and supporting the implementation of the Innovative Clean Transit rule and zero-emission ferry and rail regulations. Specifically, seek up to \$1.25 billion for zero-emission vehicle investments in the FY 2023-24 budget, consistent with the level identified in AB 211 (2022), part of the multiyear climate commitment in the 2022-23 budget. Ensure zero-emission transit vehicles and infrastructure are eligible uses of the public transit funds referenced in 1B.
D. Regional Transportation Revenue Measure Preparation	Convene key Bay Area stakeholders and engage with the Bay Area delegation to <i>develop</i> <del>explore</del> state authorizing legislation for a future regional <i>transportation</i> revenue measure, with a target of legislative approval in 2024. Central to the discussion will be developing consensus around the purpose/goals of the measure, expenditure plan priorities and potential sources of new revenue. A key consideration will be the interplay between a request for state “bridge” funding to address the impending transit operations’ fiscal cliffs and a future regional measure. Engage with the public to inform <i>contents of enabling legislation</i> for a future regional <i>transportation</i> revenue measure <del>discussions</del> .
E. Tolling Authorization Clarification	Support legislation to clarify the California Transportation Commission’s (CTC) authority to authorize conversion of existing roadways to toll roads and toll discounts for low-income motorists. Specifically, work with partners to advocate for modest near-term clarifications and monitor statewide Road Usage Charge Technical Advisory Committee recommendations; advocate to hold off pursuing broader roadway pricing policy changes until after the completion of MTC’s <u>Next Generation Bay Area Freeways</u> study.
F. Equitable Access to Opportunity/ Equity Priority Communities	Support broadening eligibility requirements in existing and/or new transportation funding streams to enable their use as a subsidy for low-income transportation system users (e.g., discounted fares for public transportation or shared mobility services). Ensure that legislation aimed at incorporating equity considerations into funding distribution does not rely exclusively on communities defined by the state’s CalEnviroScreen method, which disproportionately excludes the Bay Area low-income communities relative to other parts of the state.

2. **Public Transit:** Support policies aimed at ensuring public transit is an affordable, reliable, safe and convenient transportation option that is provided equitably and accessibly.

Public Transit Items	Goals
A. Transit Transformation Action Plan Implementation	Support policies and funding that will help advance the goals of the Transit Transformation Action Plan adopted by the Blue Ribbon Recovery Task Force and MTC and explore opportunities for legislative or administrative changes to remove barriers to transit priority implementation.
B. Commuter Benefits	In partnership with the Bay Area Air Quality Management District, explore opportunities to secure updates to the state parking cash out program to further incentivize transit commuting in the Bay Area. Building on AB 2206 (Lee, 2022), which closed a compliance loophole and thus expanded the reach of the parking cash out program, consider updates that would provide employers subject to the state program the option to either offer a cash out at the full value of the parking spot or a transit subsidy (i.e., a transit pass or transit benefit subsidy) at an amount lower than the cash out value.
C. Transportation Development Act (TDA) Performance Standards Update and State Transit Assistance (STA) Revenue Calculations	<p>Continue to engage in California Transit Association-led efforts to explore a new approach to Transportation Development Act (TDA) performance measures. Support focus on incentivizing transit agencies to pursue actions aimed at increasing ridership versus measures focused on efficiency.</p> <p>As a stop gap measure, support efforts to extend through FY 2024-25 statutory relief for TDA farebox requirements and explore continuation of a “hold harmless” provision for calculation and allocation of State Transit Assistance (STA) revenue-based funds.</p>

3. **Bay Area Housing Finance Authority (BAHFA):** Advocate for policies that ~~enable~~ <sup>empower</sup> BAFHA to efficiently and effectively support Bay Area cities and counties *in investing in solutions to addressing the Bay Area’s chronic housing affordability challenges.* Maximize the affordable housing production, preservation and protection resources BAHFA can deliver to Bay Area jurisdictions.

BAHFA Items	Goals
<p>A. Update BAHFA Authorizing Legislation (AB 1487, Chiu, 2019)</p>	<p>Sponsor BAHFA “clean up” legislation to address unintended statutory limitations on BAHFA’s ability to effectively finance affordable housing and support preservation and protection in the Bay Area. Since standing up the new authority and beginning work on the BAHFA Business Plan, staff have identified <del>the following</del> statutory changes as needed in advance of a 2024 regional revenue measure to maximize BAHFA’s financing potential, <i>including:</i></p> <ul style="list-style-type: none"> <li>• Clarify that BAHFA’s lending authority includes the ability to issue bonds and other indebtedness backed by rent payments.</li> <li>• Conform BAHFA’s powers and duties to the California Constitution. This will enable BAHFA to fund tenant protection programs with bond proceeds if voters approve an amendment to the state’s constitution, as contemplated by a potential statewide ballot measure in 2024.</li> <li>• Ensure that implementation of any commercial linkage fee allows for coverage of administrative expenses.</li> <li>• <i>Authorize the purchase of real property and use it to advance the agency’s established objectives.</i></li> <li>• Other minor technical changes.</li> </ul>
<p>B. Support BAHFA Pilots</p>	<p>Monitor legislation impacting BAHFA pilot programs and, if opportunities arise, support policies that enhance ongoing pilots, both operationally and financially. If legislation is introduced related to a statewide rental application portal, ensure it complements BAHFA’s Doorway program.</p>

BAHFA Items, cont.	Goals
C. Regional Housing Revenue Measure Preparations	Coordinate with key Bay Area stakeholders regarding placement of a regional housing measure on the November 2024 ballot, in accordance with BAHFA/ABAG board direction.
D. Lower the Vote Threshold for Regional and Local Affordable Housing Bonds	<p>Engage in regional and statewide efforts to pursue a statewide ballot measure in November 2024 to amend California’s State Constitution to enable local and regional affordable housing bonds to be approved by a simple majority. This modification would greatly increase the likelihood of passage for a 2024 regional housing bond pursuant to AB 1487 (Chiu, 2019), as well as local affordable housing bonds.</p> <p>Collaborate with partners to explore the merits of pursuing ballot placement via legislative authorization versus solely via the initiative process.</p>

4. **Sustainable and Equitable Mobility:** Consistent with SB 375 (Steinberg, 2008) and California’s Climate Action Plan for Transportation Infrastructure (CAPTI), support policies aimed at reducing vehicle miles traveled and associated greenhouse gas emissions (GHGs) and traffic congestion. Advocate for policies and funding tools that support regions in implementing state mandated sustainable communities strategies (e.g., Plan Bay Area 2050).

Sustainable and Equitable Mobility Items	Goals
A. SB 375 Implementation	Advocate for policies and funding tools that support regions in implementing state-mandated sustainable communities strategies (SCS), including, but not limited to, support for travel demand management tools, support for enforcement tools including automated speed enforcement (see 6A), and aligning state programs to support high-impact GHG-reduction projects.
B. SB 375 Reform	While continuing to support ambitious regional GHG reduction targets, continue to engage in legislative activity related to revisions to the now 14-year-old law, SB 375 (Steinberg, 2008). Pursue changes to incentivize near-term, real-world progress on GHG emission reduction over the current approach, which places too great an emphasis on long-term modeling, and seek changes to provide greater alignment, rather than competition, between regional and state GHG reduction strategies.

5. **Housing Production, Preservation and Protection (“3 Ps”)**: Improve access to opportunity *and support local governments in meeting housing goals* by supporting policies aimed at increasing production of housing and increasing funding to produce and preserve affordable housing and associated infrastructure to help build complete communities. Protect tenants and low-income communities from unjust evictions and displacement.

3Ps Housing Items	Goals
<p>A. Housing, Homelessness and Community Development Funding</p>	<p>In partnership with regional and statewide organizations, seek state funding for <i>local</i> affordable housing production, preservation, and prevention and other supportive infrastructure. Support FY 2023-24 state budget investments at levels that meet or exceed the multi-year commitments in the FY 2022-23 budget for affordable housing production – including investments in the state Low Income Housing Tax Credit (LIHTC) program and the Housing Accelerator and Multifamily Housing Programs to advance state-supported housing projects into production and to tee up the next round of affordable housing developments – as well as in infill infrastructure and <i>local</i> homelessness assistance programs. Additionally, support the following new investments:</p> <ul style="list-style-type: none"> <li>a) Creating the Community Anti-Displacement and Preservation Program (CAPP), for which BAHFA would be eligible.</li> <li>b) Support legislation modeled after ACA 14 (Wicks, 2022) which would have dedicated five percent of general fund revenues to housing and homelessness programs for 10 years. The bill would have explicitly protected existing constitutional commitments, including funding for schools and the Rainy Day Fund.</li> </ul>

3Ps Housing Items, Cont.	Goals
<p>B. Bay Area Regional Housing Needs Allocation</p>	<p>Support a range of strategies to help <i>localities</i> meet the Bay Area’s Regional Housing Need Allocation (RHNA) goals, including proposals <i>to support ongoing housing element planning efforts and</i> to drive down the cost of affordable housing development and accelerate housing production. Specific goals include:</p> <ul style="list-style-type: none"> <li>• <i>Support efforts to provide local jurisdictions with greater flexibility on housing element deadlines to avoid application of the so-called “Builder’s Remedy,” whether by providing for a “grace period,” providing the State Department of Housing and Community Development the option to extend deadlines if it determines that the extension is justified, or other means.</i></li> <li>• <i>With regional and statewide partners, support <del>explore</del> legislation to provide upfront savings on affordable housing projects by revising the welfare tax exemption from a rebate to an upfront savings. This could reduce the amount of upfront subsidy local governments and other funding partners must provide for affordable housing projects. <del>to affordable housing developers as it relates to applications for welfare tax exemptions. Currently, affordable housing developers must pay first and then receive a rebate wait approximately one to two years before receiving a rebate.</del></i></li> </ul>
<p>C. Low Income Housing Tax Credits</p>	<p>Explore options to support California’s low-income housing tax credits (LIHTC) program in reflecting the intersecting (and sometimes competing) state goals related to climate and equity, including ensuring that the program supports housing production near high-quality transit and affordable housing production and preservation across income categories.</p>

6. **Transportation System Safety and Effectiveness:** Advocate for policies that improve transportation system safety for all road users and the effectiveness and service delivery of the Bay Area’s transportation system, including improved compliance with traffic laws while protecting users’ privacy. Expand the ability of transportation agencies to communicate with their customers to provide relevant transportation-related information and quality service while following industry best practices with regard to enabling customers to opt-in to receive non-essential communications.

Transportation System Safety and Effectiveness Items	Goals
A. Zero traffic fatalities goal (Vision Zero)	Building on the recommendations of the Zero Traffic Fatalities Task Force, support legislation aimed at achieving the Vision Zero goals of no roadway-related deaths or serious injuries by improving safety for all road users, including through continuing to support authorization of automated speed enforcement technology to enforce speed limits.
B. <i>Toll Agency Operations and Customer Communication</i> <del>Toll Bridge and Toll Road Operations</del>	Monitor legislation related to toll operations to protect the independence of toll agency operations. Seek opportunities to expand the ability of toll agencies to communicate with their customers about mobility options in the corridor, including public transit (e.g., allow communication about Clipper START in FasTrak® communications as strategy to encourage mode shift to transit) and generally improve customer communications.
C. High-Occupancy Vehicle Lanes (HOV) and Express Lanes Performance	Oppose legislation that could impede the operation and/or performance of HOV or express lanes. Support legislation that could authorize the piloting of technology to enforce vehicle passenger occupancy requirements and other strategies to improve performance of the lanes.



7. **Climate, Resilience and Environment:** Support funding and policy strategies to help achieve and better coordinate state and regional climate goals, advance energy efficiency and improve the Bay Area’s resilience to natural hazards and the impacts of climate change, including earthquakes, sea level rise and fire. Support proposals for funding to improve the health of the San Francisco Estuary.

Climate, Resilience and Environment Items	Goals
A. Climate Adaptation Planning and Implementation Funding	<p>Pursue funding for regional and local climate adaptation funding in the FY 2023-24 state budget, including at least \$75 million for regional planning and implementation through the Integrated Climate Adaptation and Resiliency grant program, \$150 million for the State Coastal Conservancy (SCC) for protection and restoration, including for San Francisco Bay restoration and the SCC Climate Ready program, and another \$97 million for the Climate Ready program. These funding amounts are consistent with the FY 2023-24 funding level specified in SB 155 (2021), the 2021 multi-year climate adaptation trailer bill, and AB 211 (2022), a component of the 2022 multi-year climate commitment.</p> <p>Additionally support ongoing investment in the new state and local Transportation Infrastructure Climate Adaptation Programs established in SB 198 (2022).</p>
B. Seismic Safety	<p>Support policies and funding to enhance seismic safety and earthquake preparedness in the Bay Area, including through advocating for \$250 million in the FY 2023-24 budget for soft story retrofits of multifamily homes, consistent with the 2022-23 budget agreement.</p>

8. **Transportation Project Delivery:** Monitor legislation related to transportation project delivery and support strategies to speed up the delivery of transportation projects and at a lower cost, including expanding flexibility in contracting and public private partnerships.
9. **Transportation Innovation and Shared Mobility:** Engage in regulatory and legislative efforts to facilitate the deployment of new mobility technologies to accelerate their safety, accessibility, mobility, environmental, equity and economic benefits, including opportunities to increase access to transit and reduce the share of single-occupancy vehicle (SOV) trips.

10. **Brown Act Reforms:** Monitor and support legislation to provide long-term flexibility for regional and multijurisdictional agencies to conduct their business remotely outside of emergency conditions as a means of increasing board member, *advisory council* and public participation while also reducing the time and expenses associated with travel, vehicle miles traveled and the greenhouse gas and other tailpipe emissions from driving.

Federal Advocacy Objectives and Goals

1. **Transportation and Housing Funding:** Support robust federal investment in Bay Area transportation and housing infrastructure.

Transportation and Housing Funding Items	Goals
<p>A. MTC’s Bay Area Infrastructure Grants Strategy: Maximize Bay Area Funds from Bipartisan Infrastructure Law (BIL) Discretionary Transportation Grants</p>	<p>Consistent with MTC’s Bay Area Infrastructure Grant Strategy and the Major Project Advancement Policy, engage with the U.S. Department of Transportation and the Bay Area Congressional Delegation during Bipartisan Infrastructure Law (BIL) grant development to advocate for program policies and funding eligibilities that enhance Bay Area competitiveness. Coordinate with regional, state and federal partners to unify support for “regional target” grants behind regional BIL priority projects and advocate for grant awards for projects consistent with the regional grants strategy.</p> <p>Regarding Capital Investment Grants (CIG), continue to pursue sufficient annual appropriations to meet the funding needs of Bay Area projects with existing full funding grant agreements (FFGA) and to secure FFGAs for the Bay Area’s next generation of transit projects.</p> <p>Additionally, update the Bay Area Infrastructure Grants Strategy as needed, including to reflect the priorities outlined in the upcoming Bay Area Regional Zero Emission Bus Transition Strategy.</p>
<p>B. <i>Explore Federal Support for Transit Operations and Ridership Recovery</i></p>	<p><i>In coordination with transit leaders across the country, explore a federal transit recovery assistance program to complement the state transit assistance advocacy described in 1A. Recovery assistance funds should be distributed based on demonstrated need and with the expectation that they will be matched with commensurate new state or local revenues. Like the Bay Area, transit operators in big cities across the state are discussing new revenue streams with their state and local leaders, but given the projected financial challenges, a federal backstop may become necessary.</i></p>

Transportation and Housing Funding Items, cont.	Goals
C. BATA and Build America Bonds	<p><i>Advocate for Congress to maintain Build America Bonds (BABs) subsidy payments to BATA and other bond issuers, which are at risk of being eliminated. BABs – created in 2009 under the American Reinvestment and Recovery Act – are similar to other government issued municipal bonds, but instead of the interest being tax exempt, the bond issuer receives a credit payment from the U.S. Department of Treasury. BATA and thousands of state and local agencies around the country issued BABs and depend on the annual credit payment to balance budgets. However, mandatory spending cuts triggered by federal “pay as you go” rules could reduce BABs payments to zero, beginning in 2023. With partners around the country, support Congressional action to exempt from mandatory spending cuts BABs credit payments to issuers, including BATA.</i></p>
D. Low Income Housing Tax Credits	<p>Support efforts to modify and expand the federal Low Income Housing Tax Credit (LIHTC) Program, California’s largest source of federal funding for affordable housing construction and rehabilitation. Prioritize policy changes to increase California’s LIHTC financing capacity, including lowering the LIHTC bond financing threshold to 25 percent from 50 percent. Under current law, California’s LIHTC allocations are effectively capped by the federal rule requiring 50 percent of construction costs be funded from a state’s limited allocation of private activity bonds (PABs). Demand for PABs in California significantly exceeds supply. Lowering the required “state match” for bond-financed LIHTCs could unlock tens of thousands of new affordable units in California that are ready to go but awaiting federal tax credits.</p>
E. Transportation Appropriations (FY 2023 and FY 2024)	<p>Partner with local, regional and statewide transportation agencies as well as national stakeholders to ensure that Congress funds highway and transit formula programs consistent with levels authorized by the surface transportation law. Support robust CIG funding, consistent with 1A, and prioritize BIL grant augmentations for programs that support Plan Bay Area 2050 implementation - including investments in transit, rail, complete streets, state of good repair and innovative mobility options.</p>

Transportation and Housing Funding Items, cont.	Goals
F. Housing and Community Development Appropriations (FY 2023 and FY 2024)	Support regional, state and national partners in advocating for increased federal investment in affordable housing and homelessness programs, including Section 8 Housing Choice vouchers, HOME Investment Partnership Program (HOME), Community Development Block Grant Program (CDBG) and McKinney-Vento Homelessness Assistance programs. Pursue new policies and resources within the Department of Housing and Urban Development (HUD) that support regional approaches to housing, consistent with <i>IH 4F</i> .
G. Transit Transformation Action Plan Implementation	Seek opportunities to accelerate the Transit Transformation Action Plan early action items—namely transit fare integration, mapping and wayfinding, real time data and transit priority – by advocating that those activities are eligible for existing and new funding programs.
H. Bay Area Housing Finance Authority (BAHFA)	Lead efforts to enable BAHFA to compete for HUD discretionary grant funding to expand resources available to BAHFA for affordable housing and/or homelessness prevention projects. Seek to include regional planning agencies as eligible recipients of new HUD discretionary grants proposed in the reconciliation bill and, in the case that the bill is enacted, work with HUD on grant development.
I. PEPR: Preserve Bay Area Transit Operator Access to Federal Transit Grants	Support efforts spearheaded by the California Transit Association to monitor ongoing issue that Bay Area federal transit grants may be withheld because of a 2021 U.S. Department of Labor interpretation that state pension law known as “PEPRA” may impede federally guaranteed transit union collective bargaining rights. If necessary, seek a legislative solution.

2. **Surface Transportation Authorization Implementation:** Continue to work with the U.S. Department of Transportation to ensure the new surface transportation law – enacted as part of the 2021 Bipartisan Infrastructure Law – is implemented consistent with our reauthorization and Plan Bay Area 2050 priorities.

3. **Climate, Resilience and Environment:** Advocate for a strong federal partner in the Bay Area’s efforts to improve air quality, reduce greenhouse gas (GHG) emissions, and make our communities and transportation networks resilient to a changing climate, especially in communities of concern that are most vulnerable to the impacts of climate change.

Climate, Resilience and Environment Items	Goals
A. Climate Change Mitigation	Seek opportunities to support the federal government in taking bold action to reduce greenhouse gas emissions and limit the magnitude of the climate crisis. Consistent with 1B and 1C, support investments in transit, rail, complete streets, smart growth and other sustainable infrastructure investments in federal spending bills. Additionally, defend investments in the 2022 Inflation Reduction Act and 2021 BIL that accelerate the deployment of zero-emission infrastructure and technologies.
B. Disaster Mitigation and Resilience	Seek opportunities to secure resources for the Bay Area to invest in disaster mitigation and resilience, including investing in strategically placed green and grey infrastructure to protect our communities and residents that are most vulnerable to the adverse effects of climate change. Support a strong regional role in disaster mitigation and resilience planning. Support policies to break down federal silos and encourage coordination of federal resources to support communities and regions in comprehensively addressing a climate threat.
C. San Francisco Estuary	Monitor National Estuary Partnership program funding and defend investments in the 2021 BIL that increase resources for the health and resilience of the San Francisco Estuary.

4. **Transportation Innovation and Shared Mobility:** Support policies that enable technological innovations to improve mobility, including connected and automated vehicle (CV/AV) deployment, shared mobility and mobility on demand, while protecting the public’s interest.