

**Metropolitan Transportation Commission and Association of Bay Area Governments
Joint MTC ABAG Legislation Committee**

February 13, 2026

Agenda Item 2c

Washington D.C. Legislative Update

Subject:

January 2026 Report from Washington, D.C. advocate.

Issues:

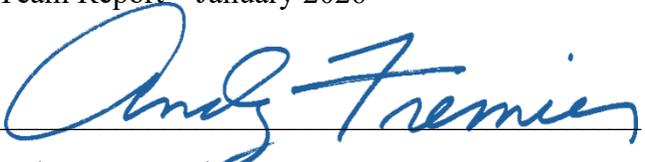
None identified.

Recommendations:

Information

Attachments:

- Attachment A: Summit Strategies Team Report – January 2026



Andrew B. Fremier



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Summit Strategies Team Report – January 2026

From: Summit Strategies Team

To: Andrew B. Fremier, Executive Director

Date: February 13, 2026

Subject: January 2026 Federal Policy Monthly Report

- **Fiscal Year 2026 Transportation and Housing Funding Bill Enacted**
 - **House Passes “Housing for the 21st Century” Bill Package**
 - **Trump Administration Abandons Effort to Tie Transportation Funding to Immigration Policies**
 - **Supporting MTC Priorities in Congress**
 - **National Transportation News Roundup**
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Below is a status update on issues of interest to MTC and the actions that we have taken to date.

Fiscal Year 2026 Transportation and Housing Funding Bill Enacted

On February 3, 2026, the President signed a four-bill appropriations package that included the Defense; Homeland Security; Labor-HHS-Education; and Transportation-HUD spending bills for fiscal year (FY) 2026, which began on October 1, 2025. The package provides the U.S. Department of Transportation (U.S. DOT) with a discretionary total of \$25 billion (\$111 million below the fiscal year (FY) 2025 enacted level) and \$83 billion in obligation limitation for highway and airport trust fund programs for a total of \$108 billion in budgetary authority. This includes:

- \$64 billion in budgetary resources for the Federal Highway Administration (FHWA), which is \$2 billion above the enacted FY 2025 level. This includes \$63 billion for Highway Trust Fund programs.
- \$17 billion in total budgetary resources for the Federal Transit Administration (FTA), which is \$165 million below the enacted FY 2025 level.
 - This includes \$1.7 billion for Capital Investment Grants (CIG), which is a \$505 million decrease from the enacted FY 2025 level (however, this is combined with unallocated balances and \$1.6 billion in advanced appropriations from the Infrastructure Investment and Jobs Act, which means the bill provides \$3.7 billion for 21 CIG projects). This includes \$100 million for BART to Silicon Valley, Phase II and \$100 million for the Portal project (i.e. the Transbay Downtown Rail Extension Project)
 - \$100 million for transit planning, capital and/or operating expenses related to hosting matches or other public events held in the 2026 World Cup U.S. host cities. (The San Francisco Bay Area is one of the 11 domestic host cities.)

House Passes “Housing for the 21st Century” Bill Package

On February 9, 2026, the U.S. House of Representatives passed the bipartisan Housing for the 21st Century Act by a vote of 390-9. The bill combines provisions from more than 40 previously introduced measures into a single package aimed at reducing regulatory barriers to housing production, streamlining environmental and program reviews, updating tools such as HOME and Community Development Block Grants, expanding financing options, supporting manufactured

housing and community-bank investment, and strengthening oversight of federally assisted housing providers. The package also incorporates provision from Congressman Sam Liccardo's BUILD Housing Act (H.R. 4910) and Unlocking Housing Supply Through Streamlined and Modernized Reviews Act (H.R. 4660) which are intended to speed up reviews and help accelerate affordable housing construction. (Congressman Liccardo is the Bay Area's representative on the House Financial Services Committee, with jurisdiction over housing). The House bill reflects growing congressional momentum on housing affordability and supply and is intended to complement the Senate's ROAD to Housing Act. The two chambers would need to reconcile their respective packages before any comprehensive federal housing legislation can be enacted.

Trump Administration Abandons Effort to Tie Transportation Funding to Immigration Policies

The Trump Administration in January dropped its appeal of a November federal court ruling that blocked U.S. DOT from withholding transportation funding from states based on their level of cooperation with Immigration and Customs Enforcement (ICE). The case began after Transportation Secretary Sean Duffy issued a letter threatening to withhold billions in federal transportation funding from states that do not cooperate with ICE. Twenty-one states filed a lawsuit against the letter, and a federal court ruled the proposed conditioning of funds was unlawful. The administration's decision to dismiss its appeal leaves that ruling in place. While this resolves the current litigation, it does not necessarily preclude future federal actions related to immigration enforcement and funding conditions through other policy or legal avenues.

Supporting MTC Priorities in Congress

Your DC Team has been hard at work and has communicated with several congressional offices and agencies over the last month. This list includes:

In January, the House Transportation & Infrastructure Committee held a 'Member Day' which provided an open forum for all Members of the House to come before the Committee and discuss/support any issue that is under the Committee's jurisdiction. In advance of that hearing, your advocacy team provided suggestions and talking points for Bay Area members to include in the verbal and written testimony. These talking points highlighted the need for a robust,

multimodal, and bipartisan transportation bill. Specifically, the information provided reflected the MTC adopted priorities including robust transit funding for the core transit formulas, including Section 5337 State of Good Repair and the Capital Investment Grant Program, opposition to cuts to California’s federal highway funding, support for a Resilient Regions Challenge demonstration program, and several policy provisions to improve transportation project delivery. The testimony provided will be used by the Committee as they plan for and develop the upcoming reauthorization bills for surface transportation, water infrastructure, and aviation.

This month, the DC Team organized a meetings for MTC staff with the Offices of Representatives Mark DeSaulnier (D-CA), Jared Huffman (D-CA), John Garamendi (D-CA), Senators Alex Padilla (D-CA) and Adam Schiff (D-CA), and the House Transportation and Infrastructure Committee Highways and Transit subcommittee to discuss surface transportation reauthorization. The DC Team also staffed these meetings and provided strategic guidance.

This month, the DC Team also scheduled a virtual meeting with Representative Lateefah Simon (D-CA). MTC staff provided technical input that was incorporated into Simon’s planned transit-oriented development (TOD) legislation.

MTC staff and the DC Team also provided regular updates to interested Bay Area congressional delegation members and staff on the Bay Area transit loan. California Transit Loan Update, including projects involving SF Muni, BART, AC Transit, and Caltrain. We also coordinated with Washington D.C. staff to support a site visit to MTC, including a tour of the West Oakland Link and other priority projects, further strengthening collaboration and familiarity with regional initiatives.

National Transportation News Roundup (links to articles)

- [Five ways D.C.-area commutes have changed since the pandemic \(The Washington Post\)](https://www.washingtonpost.com/dc-md-va/2026/01/22/dc-region-commuting-survey-mcog/)
<https://www.washingtonpost.com/dc-md-va/2026/01/22/dc-region-commuting-survey-mcog/>
- [What a Public Transit ‘Moonshot’ Would Cost the U.S. \(Governing\)](https://www.governing.com/transportation/what-a-public-transit-moonshot-would-cost-the-u-s)
<https://www.governing.com/transportation/what-a-public-transit-moonshot-would-cost-the-u-s>

- [How SF is navigating a pivotal year in transportation \(Axios\)](https://www.axios.com/local/san-francisco/2026/01/21/sf-transportation-2026-super-bowl-crisis)
<https://www.axios.com/local/san-francisco/2026/01/21/sf-transportation-2026-super-bowl-crisis>
- [Work Will Stop on Critical Tunnel Project Unless Trump Restores Funding \(The New York Times\)](https://www.nytimes.com/2026/01/27/nyregion/udson-tunnel-gateway-funding.html)
<https://www.nytimes.com/2026/01/27/nyregion/udson-tunnel-gateway-funding.html>