



Metropolitan Transportation Commission

Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105

Meeting Agenda

Legislation Committee

Committee Members:

Alicia C. Aguirre, Chair Sam Liccardo, Vice Chair

*Damon Connolly, Dave Cortese, Anne W. Halsted,
Julie Pierce, James P. Spering*

Non-Voting Members: Tom Azumbrado, Dorene M. Giacomini

Friday, December 8, 2017

9:40 AM

Board Room - 1st Floor

This meeting is scheduled to be webcast live on the Metropolitan Transportation Commission's Web site: <http://mtc.ca.gov/whats-happening/meetings> and will take place at 9:40 a.m. or immediately following the 9:35 a.m. Operations Committee meeting.

1. Roll Call / Confirm Quorum

Quorum: A quorum of this committee shall be a majority of its regular voting members (4).

2. Consent Calendar

- 2a. [17-2996](#) Minutes of November 3, 2017 Meeting

Action: Committee Approval

Attachments: [2a_Joint LEG Minutes_Nov 2017.pdf](#)

3. Information

- 3a. [17-3046](#) State and Federal 2018 Legislative Visits

Information about legislative advocacy meetings being planned for Sacramento & Washington D.C.

Action: Information

Presenter: Randy Rentschler

Attachments: [3a_State and Federal 2018 Legislative Visits.pdf](#)

4. Federal Legislation

4a. [17-2917](#) Update on Federal Autonomous Vehicle Legislation

Overview and analysis of the bills advancing in Congress related to autonomous vehicles.

Action: Information

Presenter: Georgia Gann Dohrmann

Attachments: [4a Federal AV Update.pdf](#)

4b. [17-3048](#) Tax Reform Update

Summary of the transportation and housing related components of the House and Senate tax reform proposals and analysis of their potential impact on the Bay Area.

Action: Information

Presenter: Georgia Gann Dohrmann

Attachments: [4b Tax Reform.pdf](#)

4c. [17-2998](#) Tom Bulger's Report

Report from Washington, D.C. advocate.

Action: Information

Presenter: Randy Rentschler

Attachments: [4c Tom Bulger's DC Report_Nov 2017.pdf](#)

5. Public Comment / Other Business

6. Adjournment / Next Meeting

The next meeting of the Joint MTC Legislation Committee and ABAG Legislation Committee will be January 12, 2018, 10:00 a.m. the Bay Area Metro Center, 375 Beale Street, San Francisco, CA.

Public Comment: The public is encouraged to comment on agenda items at Committee meetings by completing a request-to-speak card (available from staff) and passing it to the Committee secretary. Public comment may be limited by any of the procedures set forth in Section 3.09 of MTC's Procedures Manual (Resolution No. 1058, Revised) if, in the chair's judgment, it is necessary to maintain the orderly flow of business.

Meeting Conduct: If this meeting is willfully interrupted or disrupted by one or more persons rendering orderly conduct of the meeting unfeasible, the Chair may order the removal of individuals who are willfully disrupting the meeting. Such individuals may be arrested. If order cannot be restored by such removal, the members of the Committee may direct that the meeting room be cleared (except for representatives of the press or other news media not participating in the disturbance), and the session may continue.

Record of Meeting: Committee meetings are recorded. Copies of recordings are available at a nominal charge, or recordings may be listened to at MTC offices by appointment. Audiocasts are maintained on MTC's Web site (mtc.ca.gov) for public review for at least one year.

Accessibility and Title VI: MTC provides services/accommodations upon request to persons with disabilities and individuals who are limited-English proficient who wish to address Commission matters. For accommodations or translations assistance, please call 415.778.6757 or 415.778.6769 for TDD/TTY. We require three working days' notice to accommodate your request.

可及性和法令第六章: MTC 根據要求向希望來委員會討論有關事宜的殘疾人士及英語有限者提供服務/方便。需要便利設施或翻譯協助者，請致電 415.778.6757 或 415.778.6769 TDD / TTY。我們要求您在三個工作日前告知，以滿足您的要求。

Acceso y el Titulo VI: La MTC puede proveer asistencia/facilitar la comunicación a las personas discapacitadas y los individuos con conocimiento limitado del inglés quienes quieran dirigirse a la Comisión. Para solicitar asistencia, por favor llame al número 415.778.6757 o al 415.778.6769 para TDD/TTY. Requerimos que solicite asistencia con tres días hábiles de anticipación para poderle proveer asistencia.

Attachments are sent to Committee members, key staff and others as appropriate. Copies will be available at the meeting.

All items on the agenda are subject to action and/or change by the Committee. Actions recommended by staff are subject to change by the Committee.

MTC's Chair and Vice-Chair are ex-officio voting members of all standing Committees.



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 17-2996 **Version:** 1 **Name:**
Type: Minutes **Status:** Consent
File created: 11/2/2017 **In control:** Legislation Committee
On agenda: 12/8/2017 **Final action:**
Title: Minutes of November 3, 2017 Meeting
Sponsors:
Indexes:
Code sections:
Attachments: [2a_Joint LEG Minutes_Nov 2017.pdf](#)

Date	Ver.	Action By	Action	Result
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Subject:
Minutes of November 3, 2017 Meeting

Recommended Action:
Committee Approval

Attachments:

Meeting Minutes - Draft

Joint MTC Legislation Committee and ABAG Legislation Committee

Friday, November 3, 2017

9:40 AM

Board Room - 1st Floor

1. Roll Call / Confirm Quorum

Present: 4 - Commissioner Halsted, Commissioner Pierce, Commissioner Sperling and Commission Chair Mackenzie

Absent: 4 - Chair Aguirre, Vice Chair Liccardo, Commissioner Cortese and Commissioner Connolly

Non-Voting Member Present: Commissioner Giacomini

Non-Voting Member Absent: Commissioner Azumbrado

Ex Officio Voting Members Present: Commission Chair Mackenzie and Commission Vice Chair Haggerty

Ad Hoc Non-Voting Member Present: Commissioner Josefowitz

ABAG Legislation Committee Members Present: Haggerty, Hudson, Mitchoff, Pierce, and Scharff.

Commission Chair Mackenzie was deputized to act as a voting member of the Committee.

2. ABAG Compensation Announcement - Clerk of the Board

3. ABAG Administrative Committee Consent Calendar

- 3a. [17-2994](#) Approval of ABAG Legislation Committee Summary Minutes of September 21, 2017 Meeting

Action: ABAG Legislation Committee Approval

Attachments: [3a ABAG Legislation Minutes 20170921 Draft.pdf](#)

4. MTC Legislation Committee Consent Calendar

Approval of the Consent Calendar

Upon the motion by Commissioner Pierce and second by Commission Chair Mackenzie, the Consent Calendar was unanimously approved by the following vote:

Aye: 4 - Commissioner Halsted, Commissioner Pierce, Commissioner Spering and Commission Chair Mackenzie

Absent: 4 - Chair Aguirre, Vice Chair Liccardo, Commissioner Cortese and Commissioner Connolly

- 4a. [17-2914](#) Approval of MTC Legislation Committee Minutes of October 13, 2017 Meeting

Action: MTC Legislation Committee Approval

Attachments: [4a LEG Minutes oct 2017.pdf](#)

5. Information

- 5a. [17-2915](#) 2018 Draft MTC/ABAG Joint Advocacy Program

Initial ideas for state and federal legislative priorities for 2018.

Action: Information

Presenter: Randy Rentschler and Georgia Gann Dohrmann

Attachments: [5a 2018 Draft MTC&ABAG Joint Advocacy Program.pdf](#)

6. Federal Legislation

- 6a. [17-2918](#) Tom Bulger's Report

Report from Washington D.C. advocate.

Action: Information

Presenter: Randy Rentschler

Attachments: [6a Tom Bulger's DC Report Oct 2017.pdf](#)

7. Public Comment / Other Business

8. Adjournment / Next Meeting

The next meeting of the MTC Legislation Committee will be, December 8, 2017, 9:40 a.m. the Bay Area Metro Center, 375 Beale Street, San Francisco, CA.



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 17-3046 **Version:** 1 **Name:**
Type: Report **Status:** Informational
File created: 11/13/2017 **In control:** Legislation Committee
On agenda: 12/8/2017 **Final action:**
Title: State and Federal 2018 Legislative Visits

Information about legislative advocacy meetings being planned for Sacramento & Washington D.C.

Sponsors:

Indexes:

Code sections:

Attachments: [3a State and Federal 2018 Legislative Visits.pdf](#)

Date	Ver.	Action By	Action	Result
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Subject:

State and Federal 2018 Legislative Visits

Information about legislative advocacy meetings being planned for Sacramento & Washington D.C.

Presenter:

Randy Rentschler

Recommended Action:

Information

Attachments:



METROPOLITAN
TRANSPORTATION
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Agenda Item 3a
Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105
TEL 415.778.6700
WEB www.mtc.ca.gov

Memorandum

TO: Legislation Committee

DATE: December 1, 2017

FR: Executive Director

W. I. 1131

RE: State and Federal 2018 Legislative Visits

This memo provides a plan for meetings and outreach to the members of the Bay Area's state and federal legislative delegations in 2018 to brief them on our legislative priorities and key MTC initiatives.

Sacramento Advocacy

Our draft 2018 advocacy program includes two transportation funding-related issues that will ultimately be decided upon by the voters, rather than the Legislature; namely, securing passage of Regional Measure 3, potentially as soon as next June, and defending Senate Bill 1 from a potential repeal initiative next November. However, we do hope to see action by the Legislature next year on other issues outlined in our 2018 draft advocacy program, including further progress on increasing the supply of and lowering the cost of affordable housing, improving carpool lane enforcement and performance, and allowing buses operated by Bay Area transit agencies to use the shoulder during peak traffic periods, among others.

Meetings with Legislators

Most meetings will be held in Sacramento as this provides more flexibility with legislators' schedules and also allows for meetings with the delegation's key legislative and committee staff, who play an integral role in drafting legislation. We recommend scheduling meetings after our trip to Washington, in the April-May timeframe. This is when legislative and budget activity heats up so it's a good time to share our priorities. Attached is the 2018 legislative calendar, which lists the deadlines, including a February 16th bill introduction deadline and an April 27th deadline for policy committees to hear and report to fiscal committees fiscal bills introduced in their house.

Of note, the Association of Bay Area Governments (ABAG) has traditionally held a legislative workshop in the February-March timeframe where they invite key legislators, including members holding leadership positions as well as members of the Bay Area delegation, to speak about their legislative goals for the year, followed by a reception. A copy of last year's agenda is attached for your reference. Given our proposed joint advocacy platform for 2018 and staff integration, staff is exploring with ABAG leadership how they would like to approach this event next year.

Washington, D.C., Advocacy

Staff proposes that we continue our tradition of sending a delegation of Commissioners and staff to Washington D.C. in March to meet with the Bay Area delegation, the officials within the U.S. Department of Transportation, and committee staff who would be involved in drafting an infrastructure bill.

Trip Logistics

Staff proposes scheduling our Washington D.C. visit the week of March 12, arriving on Sunday, March 11th, returning on Wednesday, March 14 with the reception to be held on Tuesday, March 13 in its traditional location – the House Transportation & Infrastructure Committee Room, 2167 Rayburn House Office Building. Our Southern California partner agencies, who cosponsor the reception with us and contribute 60 percent of its cost, have requested that we hold the event this week so as to overlap with the National League of Cities' Congressional City Conference. Unfortunately, this is one week prior to the American Public Transportation Association's 2018 Legislative Conference, around which we have traditionally timed our visit. We have already reached out to Bay Area transit agencies to alert them to this and hope many will still be able to send a representative to attend our meetings and reception.

The House and Senate calendars have not yet been announced, but typically Tuesday, Wednesday and Thursday are the best days to meet with Members of Congress, while Monday is a good day to meet with partner organizations, such as the Association of Metropolitan Planning Organizations, ITS America, and Transportation 4 America.

Key Federal Message

Consistent with our 2018 draft advocacy program, our federal message will urge action on a national infrastructure initiative, highlight the importance of fully funding the FAST Act, in particular the Federal Transit Administration's Capital Investment Grant program upon which three major regional priorities depend: BART Silicon Valley Phase 2, Caltrain Downtown Extension and BART Transbay Core Capacity. Depending on whether or not tax reform is enacted prior to the visit, we would also highlight the risks to transportation and housing funding associated with a number of provisions in the House and Senate bills.

We look forward to discussing this general approach with you and soliciting any additional ideas you may have to ensure a productive state and federal legislative session in 2018.



Steve Heminger

Attachment:

- Attachment A: California State Tentative Legislative Calendar 2018
- Attachment B: 2017 ABAG and MTC Legislative Workshop Flyer

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California State Tentative Legislative Calendar 2018*

January 1 Statutes take effect. 3 Legislature reconvenes. 10 Budget Bill must be submitted by Governor. 12 Last day for policy committees to hear and report to fiscal committees fiscal bills introduced in their house in the odd-numbered year. 15 Martin Luther King, Jr. Day. 19 Last day for any committee to hear and report to the floor bills introduced in that house in the odd-numbered year. Last day to submit bill requests to the Office of Legislative Counsel. 31 Last day for each house to pass bills introduced in that house in the odd-numbered year.	June 1 Last day for bills to be passed out of house of origin. 4 Committee meetings may resume. 15 Budget Bill must be passed by midnight. 28 Last day for a legislative measure to qualify for the November 6 General Election Ballot 29 Last day for policy committees to hear and report fiscal bills to fiscal committees.
February 16 Last day for bills to be introduced. 19 Presidents' Day.	July 4 Independence Day. 6 Last day for policy committees to hear and report bills. Summer Recess begins upon adjournment of session, provided Budget Bill has been passed.
March 22 Spring Recess begins upon adjournment. 30 Cesar Chavez Day observed.	August 6 Legislature reconvenes from Summer Recess. 17 Last day for fiscal committees to meet and report bills to the floor. 20-31 Floor session only. No committees, other than Conference or Rules Committees, may meet for any purpose. 24 Last day to amend bills on the floor. 31 Last day for each house to pass bills. Final Recess begins on adjournment.
April 2 Legislature reconvenes from Spring recess. 27 Last day for policy committees to hear and report to fiscal committees fiscal bills introduced in their house.	September 30 Last day for Governor to sign or veto bills passed by the Legislature before September 1 and in the Governor's possession on or after September 1.
May 11 Last day for policy committees to hear and report to the floor nonfiscal bills introduced in their house. 18 Last day for policy committees meet prior to June 4. 25 Last day for fiscal committees to hear and report to the floor bills introduced in their house. Last day for fiscal committee to meet prior to June 4. 28 Memorial Day. 27 – Floor session only. No committees, other than Conference June 1 or Rules Committees, may meet for any purpose.	October 1 Bills enacted on or before this date take effect January 1, 2019.
	November 6 General Election.
	December 3 2019-2020 Regular Session convenes for organizational meeting.
	January 2019 1 Statutes take effect.

Source: Senate & Assembly websites.

*Dates are subject to change



**Association of
Bay Area Governments**



**METROPOLITAN
TRANSPORTATION
COMMISSION**

Attachment B
Agenda Item 3a

Legislative Workshop

Wednesday, March 22, 2017

2:00 – 5:00 p.m.

**Capitol Event Center/CSAC Conference Center
1020 11th Street, 2nd Floor, Sacramento**

Moderators:

- **ABAG President, City of Clayton Councilmember, Julie Pierce**
- **ABAG Legislation & Governmental Organization Committee Chair, MTC Vice Chair, Alameda County Supervisor, Scott Haggerty**

Legislators and agency leaders will brief attendees on bills and initiatives related to local governments, land use, housing, transportation, funding, financing mechanisms, disaster resilience, and environmental challenges from water to climate change.

- 2:00 **Senator Scott Wiener (San Francisco)**, *Human Services Committee, Chair*
- 2:35 **Assemblymember David Chiu (San Francisco)**, *Housing and Community Development, Chair*
- 2:45 Break
- 3:00 **Ben Metcalf**, *Director, State Department of Housing and Community Development*
- 3:15 **Assemblymember Tony Thurmond (Richmond)**, *Select Committee on Regional Planning, Chair and Labor and Employment Committee, Chair*
- 3:30 **Assemblymember Timothy Grayson (Concord)**, *Local Government Committee*
- 3:45 Break
- 4:00 **Senator Kevin De Leon (Los Angeles)**, *Rules Committee, Chair*
- 4:15 **Senator Bill Dodd (Napa)**, *Agricultural Committee*
- 4:30 **Senator Nancy Skinner (Berkeley)**, *Majority Whip*
- 4:45 **Assemblymember Phil Ting (San Francisco)**, *Budget Committee, Chair*
- 5:00 **Senator Mike McGuire (Sonoma County)**, *Governance and Finance Committee, Chair*

***You are invited to participate in the Reception that follows
at Ella Dining Room and Bar, 1131 K Street, Sacramento***

Heavy Hors d'oeuvres

5:00 - 7:00 pm



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 17-2917 **Version:** 1 **Name:**
Type: Report **Status:** Informational
File created: 10/5/2017 **In control:** Legislation Committee
On agenda: 12/8/2017 **Final action:**
Title: Update on Federal Autonomous Vehicle Legislation

Overview and analysis of the bills advancing in Congress related to autonomous vehicles.

Sponsors:

Indexes:

Code sections:

Attachments: [4a_Federal AV Update.pdf](#)

Date	Ver.	Action By	Action	Result
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Subject:

Update on Federal Autonomous Vehicle Legislation

Overview and analysis of the bills advancing in Congress related to autonomous vehicles.

Presenter:

Georgia Gann Dohrmann

Recommended Action:

Information

Attachments:



METROPOLITAN
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Agenda Item 4a

Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105
TEL 415.778.6700
WEB www.mtc.ca.gov

Memorandum

TO: MTC Legislation Committee

DATE: December 1, 2017

FR: Executive Director

W. I. 1131

RE: Update on Federal Autonomous Vehicle Legislation

Summary

This fall, Congress has been debating the federal role in motor vehicle operations and oversight of highly automated vehicles, i.e., autonomous vehicles capable of operating without a human driver. In September, the U.S. House of Representatives passed H.R. 3388, the *Safely Ensuring Lives Future Deployment and Research in Vehicle Evolution (SAFE DRIVE) Act* and the U.S. Senate could consider their bill, S. 1885, the *American Vision for Safer Transportation through Advancement of Revolutionary Technologies (AV Start) Act*, as early as next week. Both bills would establish a national framework for autonomous vehicle regulation to facilitate testing and deployment on public roads across the United States. Staff will provide an update on the legislation at your December meeting.

Background

In the absence of federal oversight to date, 21 states and Washington, D.C. have enacted autonomous vehicle legislation, resulting in a range of testing and safety-related certification requirements that vary by jurisdiction.¹ Both the House and Senate legislative proposals would put a halt to this by reaffirming federal authority over motor vehicle safety standards – how the vehicle is built – and preempting state and local governments from adopting or enforcing safety-related laws or regulations related to the design, construction, or performance of highly automated vehicles.

Impact on State and Local Authority over Vehicle Operating Rules

From a transportation and land use planning perspective, how motor vehicles operate on our roadways has a significant impact on a community's ability to make progress on its mobility, safety, performance, economic, environmental and social equity goals. According to House and Senate committee staff, both bills are intended to memorialize the traditional state and local government authority over licensing, traffic safety, congestion management, and other areas related to the operation of vehicles on public roads. However, the vehicle-operator relationship is fundamentally different for traditional vs. highly automated vehicles since an autonomous vehicle's design can in many respects determine how it is operated. As such, there is concern that the broad preemption language included in *SAFE DRIVE* and *AV Start* could expose reasonable state and local regulations, statutes, or policies related to congestion management or speed enforcement to legal challenges by automakers or others.

MTC staff has engaged throughout the legislative process to support final legislation that reaffirms the federal role in regulating vehicle safety while ensuring state and local governments continue to exercise traditional authority over the operation of vehicles on public roadways. Staff has sought additional clarification on federal-state roles such that the federal government retain its authority over the safety of vehicle technology while reserving the ability of state and local agencies to continue to set policies governing the operation of vehicles on highways and local roads, regardless of whether they are driven autonomously or manually. Though the bills have not yet been updated to include additional clarification, we expect opportunities for amendments as the legislative process continues.



Steve Heminger

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ⁱ <http://www.ncsl.org/research/transportation/autonomous-vehicles-self-driving-vehicles-enacted-legislation.aspx>



Metropolitan Transportation Commission

375 Beale Street, Suite 800
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Legislation Details (With Text)

File #: 17-3048 **Version:** 1 **Name:**
Type: Report **Status:** Informational
File created: 11/13/2017 **In control:** Legislation Committee
On agenda: 12/8/2017 **Final action:**
Title: Tax Reform Update

Summary of the transportation and housing related components of the House and Senate tax reform proposals and analysis of their potential impact on the Bay Area.

Sponsors:

Indexes:

Code sections:

Attachments: [4b_Tax Reform.pdf](#)

Date	Ver.	Action By	Action	Result
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Subject:

Tax Reform Update

Summary of the transportation and housing related components of the House and Senate tax reform proposals and analysis of their potential impact on the Bay Area.

Presenter:

Georgia Gann Dohrmann

Recommended Action:

Information

Attachments:



METROPOLITAN
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Agenda Item 4b

Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105
TEL 415.778.6700
WEB www.mtc.ca.gov

Memorandum

TO: Legislation Committee

DATE: December 1, 2017

FR: Executive Director

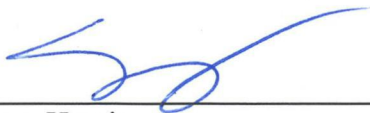
W. I. 1131

RE: Tax Reform Update

Throughout the month of November, the U.S. Congress has been debating tax reform. The U.S. House of Representatives passed the *Tax Cuts and Jobs Act* (H.R. 1) on November 16. The U.S. Senate advanced their version, also named the *Tax Cuts and Jobs Act*, through the committee process on November 28, with a vote expected in the full Senate this week. A conference committee will then need to reconcile the two bills. Both \$1.5 trillion tax reform proposals would reduce corporate tax rates from 35 to 20 percent, make changes to individual tax brackets, make the standard deduction and child tax credit more generous, and repeal or limit a range of individual and business tax breaks to offset the cost of delivering tax cuts.

Though the proposals vary, each bill would make changes to tax-exempt financing tools that could restrict California's ability to fund transportation projects and address the state's chronic housing shortage. For example, the House bill would effectively eliminate a subset of the Low Income Housing Tax Credit program (LIHTC) program, which is the largest source of affordable housing funding in California. Each bill also makes changes to specific deductions that incentivize a range of taxpayer investments, from homeownership to purchasing electric vehicles. These changes are expected to disproportionately affect residents of California and other high-tax, high-income states. Additionally, unlike the House bill, the Senate version would repeal the "individual mandate" to buy health insurance under the *Affordable Care Act*.

The attached chart compares major transportation and housing-related provisions in the House and Senate tax reform proposals to current law and includes staff's impact analysis. As always with active legislation, the content is subject to change. Staff will provide an update to the Legislation Committee at your December meeting.



Steve Heminger

Attachment:

- Attachment A: 2017 Tax Reform Comparison Chart

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2017 Tax Reform Comparison Chart
November 13, 2017

	Current Law	House Proposal	Senate Proposal	Estimated Impact
Low Income Housing Tax Credits	The Low Income Housing Tax Credit (LIHTC) program – comprised of 9% and 4% tax credits – finances approximately 90% of affordable housing development nationwide. Each state receives a capped allocation of 9% credits which subsidize up to 70% of eligible development costs. Housing projects financed with private activity bonds (PABs) are eligible to receive 4% credits, which subsidize up to 30% of eligible development costs. These 4% credits serve as an important source of financing in California and other states where the capped 9% LIHTC is insufficient to meet the demand for affordable-housing financing.	Retains 9% LIHTC but effectively eliminates the 4% credit by repealing states' ability to issue tax-exempt PABs Reduces corporate tax rate from 35% to 20% Changes inflation factor for LIHTCs to chained consumer price index	Retains both 9% and 4% LIHTCs Same, with one-year delay Same	LIHTC is the largest source of affordable housing funding in California. Last year, 4% credits generated \$2.2 billion in affordable housing construction in California, financing more than 20,000 affordable rental homes. This is double the \$1.1 billion of capped 9% credits invested in 2016. The state housing bond headed to the 2018 ballot assumes an approximately 3:1 federal match in the form of LIHTCs. The House bill could reduce affordable housing production in California by 262,000 units over 10 years, primarily because of the elimination of the 4% credit. Additionally, changes to the corporate tax rate and inflation adjustments are expected to reduce the value of LIHTCs. As a result, even the Senate bill could lead to the loss of 65,000 affordable homes over 10 years.
Mortgage Interest Deduction	The mortgage interest deduction (MID) enables homeowners to deduct interest paid on home loans up to \$1 million and on home equity debt up to \$100,000, or \$1.1 million in total home acquisition and equity debt.	Reduces to \$500,000 the amount of debt eligible for the MID for new home loans Eliminates MID for new second homes	Reduces to \$1 million the amount of debt eligible for the MID Retains MID for second homes	Because of our record-high home prices, MID changes are expected to have a disproportionate impact on homebuyers in the Bay Area. In San Francisco and Marin counties, for example, more than 45% of home mortgages secured between 2012 – 2014 exceeded \$500,000.
Property Taxes	Taxpayers may deduct from their federal income taxes payments made for state and local taxes (SALT), including property taxes, income taxes and sales taxes. Across the nation, taxpayers generally considered middle class to wealthy utilize SALT and other itemized deductions, while low-income taxpayers typically opt for the standard deduction.	Caps property tax deductions at \$10,000; Eliminates state and local income and sales tax deductions	Eliminates SALT, including the property tax deduction	Like the MID, capping or eliminating property tax deductions would have a disproportionately high impact on new homebuyers in the Bay Area. From a broader perspective, eliminating SALT may also affect low- and moderate-income Californians in addition to higher-income taxpayers. For example, 80% of California taxpayers earning between \$100,000 - \$200,000 currently claim the SALT deduction.

	Current Law	House Proposal	Senate Proposal	Estimated Impact
Private Activity Bonds (PABs)	PABs are tax-exempt bonds issued by or on behalf of state or local governments for qualified, privately-run projects. The bonds are used to attract private investment for projects that have some public benefit. In the past decade, approximately 80% of PABs have financed affordable housing projects (see LIHTCs referenced above). The other 20% have financed a range of infrastructure investments, including transportation. Airports, mass transit, high speed rail, and certain port, highway and freight projects are qualified to benefit from private activity bonds.	Repeals authority to issue tax-exempt PABs after 2017	Preserves tax-exempt PABs	<p>Eliminating PABs would make it more expensive for private entities and nonprofit organizations to finance capital projects with public benefits. In California, the greatest impact would be on the housing side; the California Housing Partnership estimates at least 20,000 fewer affordable housing units would be financed each year.</p> <p>Additionally, certain transportation projects might be more challenging to finance, as entities in California have used PABs for infrastructure investment. For example, the San Francisco International Airport recently issued \$179 million in PABs for facility upgrades.</p>
Advance Refunding Bonds	State and local governments may issue new debt to refund existing outstanding debt. In advance refunding, the issuer typically sells new bonds and places proceeds into an escrow account. Those proceeds are used to pay off bonds at their scheduled maturity date. Refunded bonds qualify as “advanced” if they remain outstanding for more than 90 days after the refunded bonds are issued. Tax-exempt governmental bonds and certain PABs may be advance refunded one time.	Repeals authority to issue advance refunding bonds after 2017	Same	<p>National associations have expressed concerns that eliminating advance refunding would limit state and local borrowing capacity for future capital improvement projects by limiting opportunities to realize savings on debt service.</p> <p>In the last two years, the Bay Area Toll Authority (BATA) has realized approximately \$350 million in savings through advance refunding. The savings improve BATA’s cash flow and allow new projects without toll increases.</p>

	Current Law	House Proposal	Senate Proposal	Estimated Impact
Commuter Benefits	Commuter benefits are employer-provided benefits that allow employees to reduce their monthly commuting expenses for transit (including vanpooling), parking or bicycling. Commuting costs may either be directly subsidized by an employer or excluded from an employee's gross income, reducing both the employee's federal taxes and the employer's payroll taxes. Additionally, an employer may deduct the cost of providing commuter benefits from their federal taxes.	Retains commuter benefits for transit, parking and bicycling Eliminates employer tax deduction for costs associated with providing commuter benefits to employees	Retains commuter benefits for transit and parking, but eliminates the bike benefit Same	More than 1.4 million Bay Area employees currently receive commuter benefits from employers participating in the Bay Area Commuter Benefit program. Approximately 82% of employers offer the pre-tax transit benefit, which remains untouched in both the House and Senate bills. Over 750 employers subsidize their employees' commuter benefits. This change may incentivize some of these employers to shift to the pre-tax transit option.
Electric Vehicle (EV) tax credit	Purchasers of plug-in hybrid and electric vehicles are eligible for up to \$7,500 in tax credits. The tax credit is available until 200,000 qualified vehicles have been sold in the United States by each manufacturer – no automaker has yet hit the 200,000 number. This federal credit augments state, local and utility incentives across the country.	Eliminates the EV tax credit	Retains the EV tax credit	Automakers have expressed concerns that eliminating the federal EV tax credit would slow the rate of EV adoption in the US, including in California.



Metropolitan Transportation Commission

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Legislation Details (With Text)

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Type: Report **Status:** Informational
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Title: Tom Bulger's Report
Report from Washington, D.C. advocate.

Sponsors:

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Attachments: [4c Tom Bulger's DC Report Nov 2017.pdf](#)

Date	Ver.	Action By	Action	Result
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Subject:

Tom Bulger's Report

Report from Washington, D.C. advocate.

Presenter:

Randy Rentschler

Recommended Action:

Information

Attachments:

November 2017 Monthly Washington, D.C. Report



To: Steve Heminger, Executive Director

From: Tom Bulger, President GRI

Date: December 4, 2017

RE: Monthly Report for November 2017

- Congress Passes Tax Bills
- Low-Income Housing Tax Credit
- Stopgap Federal Spending Bill
- Autonomous Vehicle (AV) Legislation
- Congressional Reception in 2018
- Coming and Going
- Meetings

Congress Passes Tax Bills

This past month, the House and Senate each passed their respective tax bills. Both bills have differences that can and will be reconciled. Congressional leadership have stated their intention to send a final bill to the President before the end of the year. Unfortunately, the current versions of both bill adversely affect transportation. Specifically, the House tax bill (H.R. 1) eliminates tax exempt private activity bonds and both bills eliminate advanced refunding bonds.

Low-Income Housing Tax Credit

In November 2017, we were asked to distribute a position letter from the Committee to House the Bay Area (CASA) concerning preserving the 4% Low-Income Housing Tax Credit. The letter was distributed to Majority Leader Kevin McCarthy (R-Calif.) and the Bay Area's Congressional Delegation.

Stopgap Federal Spending Bill

Federal spending that would keep the Government open expires on December 8, 2017. House Republicans are divided over the terms of another stopgap plan and whether the government will be shut down. As of today, it looks like another two-week extension beyond December 8, 2017 will be approved. To approve this extension, the Republican leadership will likely need Democratic support.

It has been reported that the President has privately expressed that a shutdown of the Government could be good for him.

Autonomous Vehicle (AV) Legislation

In November 2017, we worked with MTC staff and Senator Feinstein's staff on language to further clarify the federal-state-local roles in AV deployment thorough the Senate Commerce Committee's AV START Act (S. 1885). On November 29th, the Commerce Committee released their report language which further defined the term "performance of future autonomous vehicles" to exclude compliance with state and local traffic laws.

Congressional Reception in 2018

The Congressional reception will be held on March 13, 2018. We have secured the House Transportation and Infrastructure Committee Room through the Committee staff. We have also discussed the reception with our sub-contractors re. caterer etc.

Coming and Going

On November 13th, the Senate voted 90 to 7 to confirm Derek Kan as the United States Department of Transportation's (USDOT) number three political appointee. Mr. Kan will be the USDOT Under Secretary of Transportation for Policy.

We are still waiting on who will be the Federal Transportation Administration Administrator.

Meetings

- Numerous meetings at the US Conference of Mayors on private activity bonds, advanced refunding bonds and state and local property tax deductibility.
- Conference call with Sonoma County concerning Disaster Relief supplemental federal funding.