METROPOLITAN TRANSPORTATION COMMISSION

ASSOCIATION OF BAY AREA GOVERNMENTS

FINAL 2026 MTC and ABAG LEGISLATIVE ADVOCACY PROGRAM

State Advocacy Objectives and Goals

1. **Transportation Funding:** Advocate for resources to support the implementation of Plan Bay Area 2050+, including sustaining and, where possible, increasing funding to operate and maintain the transportation network, improve the transit rider experience, support transit modernization and expansion, improve multimodal transportation options and enhance the resilience of our transportation network.

   Given the state's constrained fiscal outlook, focus on protecting prior-year state commitments to transit. This includes ensuring the $5.1 billion multi-year SB 125 transit funding package remains intact (nearly $700 million in remaining Greenhouse Gas Reduction Fund (GGRF) allocations are committed through FY 2027-28); continuing to support a successful state loan for Bay Area transit operations, as described in the 2025 budget bills; and advocating that the Legislature fulfill the statutory dollar amounts for transit and housing programs prescribed in the in the Cap and Invest (formerly "Cap and Trade") expenditure plan.[1] Further, coordinate with the California Transit Association and other partners to extend through FY 2028-29 the pandemic-era "hold harmless" provisions for calculating and allocating State Transit Assistance (STA) revenue-based funds as well as extending statutory relief from Transportation Development Act (TDA) farebox requirements.[2]

   Regarding increasing Bay Area transportation funding, work with statewide partners to lay the groundwork to support sustainable, long-term state investment at the scale identified in the California Transportation Commission's 2025 State and Local Transportation Needs Assessment. Additionally, pursue opportunities to secure resources from the $125 million proposed set-aside of GGRF funds in FY 2026-27 for transit passes to expand Clipper® BayPass access for Bay Area community college students, which could significantly improve mobility for low-income students and grow transit ridership. If the California High Speed Rail Authority pursues a 2026 legislative

[1] SB 125 allocated the funds TO regional transportation planning agencies (MTC in the Bay Area) to distribute the funds within their regions. The Commission dedicated the Bay Area's share to help sustain transit service through summer 2026 and to honor prior year funding commitments to two major transit capital projects: BART to Silicon Valley Phase II and BART Transbay Core Capacity.

[2] This extension provides time for Bay Area self-help measures and other revenue-stabilization efforts to take effect as well as for the state to replace the outdated TDA farebox requirements with modernized performance measures.

package that re-opens discussions about the overarching program, support expanding eligibility for Bay Area "bookend" projects to secure funding from within the GGRF-funded high-speed rail set-aside. (Note: This policy is consistent with MTC-ABAG's 2025 Cap and Trade Extension Advocacy Principles.)

2. **Housing Funding and Housing-Supportive Policies:** Support the ambitious housing goals of Plan Bay Area 2050+ by advocating for funding and policies that support increased housing production for people of all incomes — including lowering construction costs — and affordable housing preservation, as well as additional resources for local government for housing planning purposes. Support resources for regions and local governments to invest in associated infrastructure to help build complete communities, including the GGRF advocacy described in item #1, and support policies aimed at improving housing affordability and protecting tenants and low-income communities from displacement.

   Pursue funding to enable the Bay Area Housing Finance Authority (BAHFA) to sustain its current programs and support the launch of a self-sustaining lending program. Additionally, support regional efforts to lay the groundwork for a future regional housing measure, including preparing for legislation to update BAHFA's statute in 2027.

3. **REAP 3.0:** Partner with the California Association of Councils of Governments (CALCOG) and regional partners to pursue a third round of Regional Early Action Planning Grants, i.e., "REAP 3.0." This third iteration of the successful REAP program should provide flexible, formula-based funding to MTC and other metropolitan planning organizations to support implementation of Sustainable Communities Strategies (SCS) — Plan Bay Area 2050+ in the Bay Area. Funding should be eligible for planning and technical assistance for local government partners in developing RHNA Cycle 7 housing elements (similar to REAP 1) as well as the expanded implementation activities eligible under REAP 2, including projects and programs that accelerate infill development, reduce vehicle miles traveled, increase housing supply, or otherwise carry out the strategies identified in each region's SCS.

4. **SB 375 Modernization:** Partner with CALCOG, metropolitan planning organizations (MPO), and other state and local partners to modernize California's regional transportation and land use planning framework — as established by SB 375, the Sustainable Communities and Climate Protection Act of 2008 — to better support progress toward the suite of state and regional environmental, housing and transportation-related goals, including, but not limited to, greenhouse gas (GHG) emissions reductions. Co-sponsor legislation to modernize the sustainable communities strategy (SCS) statute and participate in the California State Transportation Association (CalSTA)-led task force to ensure alignment between legislative and administrative efforts that could be implemented after 2026. Advocate for legislation and administrative changes consistent with the following overarching goal and objectives:

   Goal: Support MTC-ABAG in crafting and implementing a Sustainable Communities Strategy that balances and advances climate, equity, mobility and affordability goals to improve quality of life for all Bay Area residents.

Objectives:

- **Streamline SCS Development and Increase Capacity for Implementation:** The process of developing the SCS should be more efficient so regions can devote more resources toward developing and implementing programs that deliver real-world results to advance housing, transportation, and climate goals.
- **An SCS that Reflects a Balanced Set of Goals:** California and its metropolitan regions have many important goals, from reducing GHG emissions to increasing housing affordability, to improving mobility and making it safer to travel around the region. State law should provide regions with greater flexibility to balance these goals.
- **A Stronger State Partner in Implementation:** Strengthen the state–regional partnership by providing regions with more direct funding to implement projects and programs consistent with the SCS (i.e. REAP 3.0), better aligning state-directed investments with the regional plan, and updating other laws and policies to empower regions and other partners to implement strategies like pricing, speed enforcement, and/or other policies to implement the SCS.
- **The Sustainable Communities Strategy Should Earn Trust and Drive Action:** A bill to modernize SB 375 should ground planning and policy requirements in real-world data and trends to enhance trust in the SCS as a roadmap for real investments and decisions.

5. **Regional Housing Needs Determination (RHND) and Regional Housing Needs Allocation (RHNA):** Monitor proposals and engage in discussions related to statutory updates that would impact future Bay Area RHNA cycles. Advocate for updates that are:

   - Aligned with Plan Bay Area 2050+'s guiding principles and housing goals, as well as ongoing discussions related to regional planning updates (see Item 3);
   - Structured to empower regions to balance competing goals related to housing, equity, climate, resilience, economic vitality and environment, including the unique needs and constraints of unincorporated communities;
   - Consistent with Item 4, including supporting resources for regions to continue to support local government partners in meeting their RHNA goals; and
   - Implementable at both the regional and local levels.
   - Structured to increase transparency related to the Department of Housing and Community Development's use of Department of Finance population projections and other adjustments in the preparation of the RHND.

6. **Transportation System Effectiveness:** Advocate for policies that sustain and improve the effectiveness and service delivery of the Bay Area's transportation system, including Bay Area Toll Authority (BATA) toll bridge operations, FasTrak®, Clipper®, Freeway Service Patrol, Bay Wheels (bike share), Express Lanes, high-occupancy vehicle lanes, bus-only lanes and other transit priority improvements that

help move buses out of traffic. Explore opportunities to increase FasTrak and Clipper usage (including Express Lanes START ^{SM} and Clipper START^{SM}), including through exploring partnerships with state agencies to increase usage of Bay Area means-based discount programs and/or expanding the ability of transportation agencies to better communicate with their customers.

7. **Improving the Transit Rider Experience:** Support policies and funding aimed at ensuring public transit is an affordable, reliable, safe and convenient transportation option that is provided equitably and accessibly. This includes supporting funding opportunities consistent with Item #1 to implement programs and policies to create a more user-friendly, connected Bay Area transit network that better serves existing transit riders and attracts new riders to transit in line with the Bay Area Transit Transformation Action Plan (Action Plan) adopted by the Blue Ribbon Transit Recovery Task Force. Additionally, support policies that show promise to remove barriers to timely Action Plan implementation, including related to fare coordination and integration, real-time transit and other customer information initiatives, and transit priority. See Item #6 regarding Clipper START.

8. **Transportation Project Delivery:** Monitor legislation related to transportation project delivery and support strategies to speed up the delivery of transportation projects and reduce their cost, including expanding flexibility in contracting and public private partnerships.

9. **Climate, Resilience and Environment:** Support funding and policy strategies to help achieve and better coordinate state, regional and local climate and conservation goals, including providing regional technical assistance to advance sea level rise adaptation and protecting the San Francisco Estuary through implementing the Estuary Blueprint and other San Francisco Estuary Partnership work; advancing energy efficiency and decarbonization, including through supporting the Bay Area Regional Energy Network (BayREN) and ABAG POWER; and improving the Bay Area's resilience to natural hazards and the impacts of climate change, including earthquakes, sea level rise, heat and fire.

10. **Other Plan Bay Area 2050+ Implementation:** Consistent with Item 4, advocate for policies and funding tools that support regions in implementing state-mandated sustainable communities strategies (SCS), including support for policies that improve safety, active transportation and other strategies in the Plan Bay Area 2050+ Implementation Plan.

    Explore revisions to the Innovative Clean Transit (ICT) rule that would allow Bay Area transit partners to better balance the sometimes-competing priorities of state of good repair, safety, service and zero emission fleet transition. Consider updates that allow transit operators to seek multi-year exemptions from zero-emission purchase requirements if doing so is necessary to sustain or grow transit ridership. Such revisions would recognize that, in some cases, service improvements may deliver larger near-term greenhouse gas reductions than early fleet turnover.

Federal Advocacy Objectives and Goals

1. **Transportation Funding:** Secure federal investment in Bay Area transportation infrastructure consistent with Plan Bay Area 2050+ and pursue federal funding consistent with MTC's Bay Area Infrastructure Grants Strategy and Major Project Advancement Policy, both of which outline the region's transportation project priorities for federal funding.

2. **Housing Funding:** Advocate to protect and enhance federal support for affordable housing and homelessness prevention, including, but not limited to, retaining policies designed to maximize the use of the federal Low Income Housing Tax Credit program, continued funding of housing vouchers (e.g., Section 8 Housing Choice Vouchers, HUD-VASH, etc.) and continued federal funding commitments towards permanent housing solutions.

3. **Surface Transportation Reauthorization:** Advocate for a federal transportation reauthorization platform for the next multi-year federal surface transportation program consistent with the priorities below. Engage with local, regional, state and national partners to build a coalition to support MTC reauthorization priorities in advance of the IIJA's expiration on September 30, 2026.

    A. **Ensure the Bay Area's federal transportation funding remains stable:** Our top priority is to keep Bay Area federal transportation dollars at least level by sustaining and, where possible, increasing Highway Trust Fund (HTF) support for the core highway and transit formula programs. This includes avoiding steep cuts for California and the Bay Area by sustaining bridge and transit state of good repair (SOGR) formula funding in the surface transportation authorization. The Federal Transit Administration (FTA) Capital Investment Grant (CIG) program also provides multiyear commitments that are essential for the Bay Area's priority transit system modernization and expansion projects. (See C.)

    B. **Prioritize highway and transit formulas:** The 2021 infrastructure law — the Infrastructure Investment and Jobs Act — paired a federal surface transportation authorization with an economic stimulus package that, together, provided an unprecedented scale of federal transportation investment. As Congress considers a narrower reauthorization, it should prioritize formula funds, which provide the certainty states and regions need to plan, deliver and maintain major projects. Predictable funding levels are essential to make progress on national priorities like safety, state of good repair, and congestion relief. These shared goals require tailored solutions, and states and regions are best positioned to identify and prioritize the solutions that will be most effective. Formula funding enables local decision-making, while minimizing administrative burdens across all levels of government. Notably, discretionary programs remain important for funding nationally significant projects that are too large for formulas and for testing new ideas (See C and D). However, the vast majority of federal transportation funding should be distributed by formula.

C. **Federal Transit Administration's Capital Investment Grant Program:** Sustain federal investment in the CIG program, which is vital to completing the next generation of Bay Area transit expansion projects. BART to Silicon Valley, Phase II, The Portal and the Valley Link Rail Project, Phase I — which are all awaiting full funding grant agreements through CIG — will improve rail connectivity into our major population and jobs centers. The projects are also projected to create more than 150,000 jobs nationwide. Continued federal partnership will keep this suite of projects on track to deliver tremendous benefits for riders, workers, and businesses nationwide.

D. **Establish a Resilient Regions Challenge:** Break down barriers to hardening our nation's infrastructure by creating a new Resilient Regions Challenge program to fund a limited number of large-scale demonstration projects that protect critical infrastructure, streamline interagency coordination, expedite project completion and provide a national blueprint for cost-effective disaster preparedness. In the Bay Area alone, an estimated $90 billion in additional funding is needed just to protect the shoreline from flooding through 2050. States and regions nationwide face similar resiliency needs, but funding is siloed there's no clear framework to coordinate permitting and project approvals across agencies. Federal investment and guidance are needed to ensure faster delivery of infrastructure improvements to prepare the nation for natural disasters that put critical infrastructure, local economies and millions of lives at risk.

E. **Improve Project Delivery and Transportation System Effectiveness:** Enhance flexibility in federal policy and funding implementation to remove barriers and accelerate projects getting to construction. Policy updates like expanding at-risk project pre-agreement authority, allowing regions to adopt six-year (vs. four-year) Transportation Improvement Programs and clarifying eligibility for regional advance mitigation can reduce project delivery costs and accelerate construction timelines while maintaining environmental and health and safety safeguards. Also, retain and, where possible, increase flexibility for states and local governments to improve transportation system effectiveness through deploying the latest technology and best practices.

4. **Climate, Resilience and Environment:** Monitor developments related to executive orders and administrative actions regarding climate, resilience, and environmental policy. Advocate for federal policies and funding to advance the Bay Area's efforts to improve air quality and health outcomes and make our regions and transportation network resilient to flooding, wildfires, earthquakes, and rising sea levels. Further, advocate for funding and policies that protect the San Francisco Estuary and support sea-level rise adaptation, including securing funding for the U.S. Environmental Protection Agency San Francisco Bay Program Office and the reauthorization of the National Estuary Program.