



METROPOLITAN
TRANSPORTATION
COMMISSION

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: October 5, 2018

FR: Executive Director

W. I. 1131

RE: 2018 Legislative Scorecard

Our 2018 Legislative Scorecard, which compares our advocacy program with the outcomes in Sacramento and Washington D.C. this year, is attached for your reference.



Steve Heminger

Attachment:

- Attachment A: 2018 Legislative Scorecard

SH:rl

J:\COMMITTEE\Legislation\Meeting Packets\Legis2018\10_LEGIS_Oct 2018\3ai_LegislativeScorecard Cover Memo.docx



2018 Legislative Scorecard



STATE		
Issue	Goal	Outcome
1. Transportation Funding	A. Defend Senate Bill 1 (Beall)	The ultimate outcome of our efforts to defend SB 1 will not be known until after November 6, when voters will vote on Proposition 6. As anticipated when our 2018 advocacy program was adopted last January, Proposition 6 would repeal all new sources of funding enacted as part of SB 1 (Beall, 2017) and require any new taxes on motor vehicle fuel or vehicles be subject to statewide voter approval retroactive to January 1, 2017. To ensure Bay Area voters are informed of the consequences of repealing SB 1 funding, staff has developed various public information materials, including fact sheets, presentations and videos detailing impacts within each of the nine counties. These materials have been shared on the MTC and ABAG web sites, our e-newsletters, on social media and with our state and federal legislative delegation.
	B. Provide Public Information Regarding Regional Measure 3	Similarly, staff prepared numerous informational materials for Bay Area voters regarding Regional Measure 3 (RM 3), the Bay Area Traffic Relief plan. Voters approved RM 3 at the June 2018 election by 55 percent regionwide. Materials included an overview brochure, maps of projects and programs and presentations.
	C. Cap and Trade Funding	Succeeded at maintaining the existing transportation and housing programs funded by cap and trade and securing additional funding for clean vehicle incentives, including zero-emission bus incentives. SB 1119 (Beall) was enacted, which MTC supported, streamlining eligibility for the Low Carbon Transit Operations Program. Staff also successfully opposed an administrative effort in September 2018 to shift \$20 million in Affordable Housing and Sustainable Communities (AHSC) funding to the Transformative Climate Communities Program, a program limited to census tracts scoring in the top 5 percent of disadvantaged communities based on the CalEnviroScreen 3.0 (CES3.0) tool – only three census tracts in the entire Bay Area.

Issue	Goal	Outcome
1. Transportation Funding	D. Definition of Disadvantaged Communities	See Item 1C above in reference to Cap and Trade funding. No bills were enacted in 2018 to change the definition of DACs or expand the use of CES3.0 to other programs.
2. Housing Supply/ Affordability	A. CASA implementation	Provided technical support to CASA in the development of CASA's state legislative recommendations. Provided regular updates to key legislative staff.
	B. Housing funding	The most significant housing funding opportunities at the statewide level in 2018 are in the hands of the voters. Both MTC and ABAG have endorsed Propositions 1 and 2 on the November ballot. Proposition 1 would authorize the sale of \$4 billion in bonds to finance existing housing programs, as well as infrastructure work and grants to match a local housing trust fund dollar-to-dollar. One quarter of this \$4 billion would help veterans purchase farms, homes and mobile homes. Proposition 2 would provide \$2 billion in bonds to pay to build housing that includes mental health services for chronically homeless people. The original bonds are part of the Mental Health Services Act, approved by voters in 2004 to provide mental health services to Californians. Legislators tried to appropriate this money two years ago, but that law has been tied up in courts ever since.
	C. Incentivize production	Several bills were enacted this year with the goal of boosting housing production. Specifically, AB 2923 (Chiu) – which MTC supported but ABAG opposed (unless amended) – is a 10-year pilot program that requires the Bay Area Rapid Transit District (BART) to adopt transit-oriented development zoning standards applicable to BART-owned parcels that are at least 75 percent within one-half mile of existing or planned stations and requires local governments to revise their own zoning requirements in conformance with the BART zoning standards within two years of BART adoption of the standards. Where local zoning remains inconsistent, the bill requires the BART TOD standards to become the local zoning in applicable areas. AB 2372 (Gloria) – which ABAG supported but MTC had no position – authorizes a city council or county board of supervisors to establish a floor area ratio bonus policy that a developer could choose to use, in lieu of a density bonus, thereby enabling a developer to increase the number of units by sizing units smaller, rather than making buildings taller. A developer using an FAR bonus is also given the option of calculating impact fees based on square feet rather than on a per unit basis.

Issue	Goal	Outcome
	D. Reform state housing law	<p>MTC and ABAG both supported SB 828 (Wiener), which modified the methodology by which the state develops its overall estimate of total housing units needed for each region in a manner that better reflects actual housing need. Staff worked closely with the author’s office to significantly amend SB 828 in order to address concerns that it would have double or triple counted the number of housing units needed.</p> <p>Additionally, AB 686 (Santiago) and AB 1771 (Bloom) add new social equity and fair housing provisions to housing element law. ABAG had originally opposed AB 686, but it was amended to address our concerns. ABAG also took an “oppose unless amended” position on AB 1771.</p>
	E. Lower housing construction costs and facilitate greater housing production	<p>While there were a couple of bills related to reducing the cost of building accessory dwelling units (ADUs) as a way to lower one type of housing stock, including SB 831 (Wieckowski) and SB 1469 (Skinner), both of which were supported (if amended) by ABAG, the bills did not reach the Governor’s desk.</p>
	F. North Bay Wildfires	<p>The Legislature approved a \$1 billion wildfire prevention and response package that included funding for fire prevention along with provisions related to liability and cost recovery. Specifically, SB 901 (Dodd) allows utilities to assign some costs directly to customers if state regulators deem it is “just and reasonable” based on an array of factors, including the utility’s conduct. The bill contains numerous other provisions including a California Environmental Quality Act (CEQA) exemption through January 1, 2023 for certain prescribed fire, thinning or fuel reduction projects. Another bill supported by ABAG and MTC that was focused on Sonoma County, AB 2267 (Wood) did not make it through the Legislative process.</p>
3. Climate Change & Energy	A. Accelerate the transition to a low carbon future	<p>The most notable energy-related bill enacted in 2018 was SB 100 (De León), which increases the renewable energy target from 50 to 60 percent by 2030 and sets a goal of 100 percent by 2045. Governor Brown also issued a new target to achieve carbon neutrality by 2045 as well. In the transportation sector, SB 1014 (Skinner) establishes the California Clean Miles Standard and Incentive Program and requires the Air Resources Board adopt, and the Public Utilities Commission (PUC) implement, annual targets and goals for increasing the portion of passenger miles traveled by zero-emission vehicles (ZEV) on behalf of transportation network companies (TNCs). The bill also requires TNCs to develop proposals for achieving the emissions reduction targets. The program is required to be integrated into ongoing efforts to increase the ZEV adoption rate and significantly expand ZEV charging infrastructure.</p>

Issue	Goal	Outcome
	B. Improve energy and water efficiency	See 3A above
4. Resilience	A. Protect existing and future housing stock from natural hazards, such as earthquake and fire	Unfortunately, Governor Brown vetoed two modest earthquake safety bills that ABAG supported – AB 2681 and AB 1857, both authored by Assemblymember Nazarian. AB 2651 would have required local building departments to create an inventory of seismically vulnerable buildings, to be compiled into a statewide inventory by the Office of Emergency Services, while AB 1857 would have required the California Building Standards Commission to explore updating California’s seismic building code standards to provide for a new “functional recovery” standard that newly constructed buildings remain usable after an earthquake.
	B. Relieve congestion and mitigate the effects of sea level rise on S.R. 37	No legislative activity occurred related to SR 37 in 2018, other than voter approval of RM 3, which provided \$100 million for the project.
5. HOV Lanes	Improve HOV and Express Lane performance	<p>Due to budgetary constraints in the Motor Vehicle Account, which funds the California Highway Patrol, there was no support among the Administration for increasing funding for manual enforcement of high-occupancy vehicle (HOV) lanes in 2018. Staff drafted legislation to develop a state-level task force, which would include a seat for MTC and other regional agencies, with the authority to approve demonstration projects of camera-based enforcement. MTC Operations staff also completed a pilot program testing three camera-based occupancy detection systems which demonstrated some of the challenges of automated systems, including relatively high error rates.</p> <p>Unfortunately, despite MTC opposition to SB 957 (Lara), the Governor signed a bill that will expand the Clean Air Vehicle decal program to eligible low-income vehicle owners who buy a qualifying used CAV whose decal would otherwise have expired in January 2019. The bill could result in more than 200,000 additional solo drivers in the state’s carpool lanes.</p>
6. Bus Service	Authorize “bus-on-shoulder”	No legislation was pursued on this in 2018, but we understand the California Transit Association and a number of Bay Area bus operators are interested in sponsoring a bill to authorize part-time usage of the shoulder to bypass major stop-and-go traffic in order to provide bus riders with a more reliable travel time.

Issue	Goal	Outcome
7. Active Transportation	Improve roadway safety for all users	No significant roadway safety bills were pursued in 2018.
8. Shared Mobility	Support policies that enable technological innovations to improve mobility, while protecting the public's interest	<p>MTC endorsed and the Governor signed SB 1376 (Hill), which requires the Public Utilities Commission (PUC) to accelerate its regulations related to accessibility for persons with disabilities, including wheelchair users who need a wheelchair accessible vehicle (WAV) to access on-demand transportation via a transportation network company. The bill requires the PUC begin workshops to assess demand and supply for WAVs and develop recommendations. The bill requires each TNC by July 1, 2019 to pay at least \$0.05 per trip for trips that originate in areas specified by the PUC. Moneys raised by the fee are required to be deposited in the TNC Access for All Fund, and further distributed by PUC on a competitive basis to access providers that establish on-demand transportation programs or partnerships to meet the needs of persons with disabilities in the geographic areas selected by the PUC.</p> <p>In addition, AB 1184 (Ting) allows the City and County of San Francisco to impose a tax on Uber and Lyft to fund public transportation efforts. It would be subject to a two-thirds vote at the ballot. The bill could provide an estimated \$30 million annually based on a 3.25 percent surcharge on net fares for rides that begin in S.F., the maximum rate authorized. Discount rates are authorized for electric vehicles. The revenue would be dedicated to transportation operations and infrastructure within S.F.</p>
9. Connected and Autonomous Vehicles	Monitor and engage in legislation and regulations to facilitate deployment of connected vehicles and autonomous vehicles	No state legislation advanced on this subject in 2018.
10 Project Delivery	A. Speed up the design and construction of transportation projects	No state legislation advanced on this subject in 2018.
	B. Update CEQA to curb its abuse by project opponents and speed up the environmental review process	MTC and ABAG supported AB 2267 (Wood), which would have streamlined housing construction in Santa Rosa to accelerate rebuilding after the North Bay Fires of 2017. As noted in Item 2F, the bill did not progress due to opposition.

Issue	Goal	Outcome
11. Statewide Bond for Parks/Water	Ensure the Bay Area receives a fair share of funding from statewide bond for parks, water/drought and flood protection on the June 2018 ballot	No major legislation on this subject in 2018.
12. Natural and Agricultural Lands	Encourage the protection and stewardship of Bay Area natural and agricultural land	No major legislation on this subject in 2018.

FEDERAL		
Issue	Goal	Outcome
1. Transportation and Housing Funding	A. Defend fiscal year 2018 and 2019 appropriations	Congress appears likely to boost funding for the core transit and highway formula programs in the FY 2019 appropriations act by between \$4.2 billion (Senate) and \$5 billion (House) respectively. This new funding is a result of the \$200 billion two-year bipartisan budget deal signed in 2018, which included a commitment to direct at least \$20 billion of the spending increase to infrastructure. Both the House and Senate would direct the lion's share of the funding increase to highways (\$4.2 billion in the House bill and \$3.3 billion in the Senate bill) and each would allocate an additional \$800 million for transit formula programs. In the near term, Congress is providing a continuous appropriation for FY 2019 with a full-year bill expected after the November election.
	B. Advocate for Capital Investment Grant funding for Resolution 3434/ <i>Plan Bay Area 2040</i> Projects	Congress appropriated funding to the CIG program hundreds of millions of dollars above funding levels in the FAST Act in FY 2018 and appear on track to do the same in FY 2019, rejecting the President's proposal to scale back the program. This funding level would ensure the Caltrain Peninsula Corridor Electrification Project receives \$100 million in FY 2019, consistent with the project's funding schedule.
	C. Protect federal transportation and housing investments in the Bay Area	While Congress did not directly reduce housing or transportation funding for the Bay Area in 2018, the reduction of the corporate income tax rate from 35 percent to 21 percent reduced the value of Low Income Housing Tax Credits (LIHTCs), significantly reducing affordable housing funding.
	D. Disaster recovery	California was awarded \$212 million in Community Development Block Grant – Disaster Relief funding in 2018 to help with North Bay Fire recovery and mitigation.
2. Infrastructure Initiative	Increase federal transportation and housing investment in metropolitan regions under any new infrastructure funding initiative	Other than the release of an outline of an infrastructure proposal by the Administration, there was no action on infrastructure in Washington this year.

Issue	Goal	Outcome
3. Tax Reform	Support housing affordability	As noted in Item 1C, the tax bill preserved LIHTCs but reduced their value as a result of reducing the corporate income tax rate. In addition, the Trump Administration scaled back previous regulations related to Affirmatively Furthering Fair Housing.
	Protect and expand transportation fringe benefits	The tax bill retained the transportation fringe benefit that allows employees to pay for transit, vanpooling or parking with pre-tax dollars. However, it eliminated the ability of employers to deduct expenses associated with providing tax-free transportation fringe benefits, such as a transit subsidy.
	Marketplace Fairness Act	In June 2018, the Supreme Court ruled 5-4 in <i>South Dakota v. Wayfair</i> that internet retailers can be required to collect sales taxes even in states where they have no physical presence if a seller's gross revenue exceeds a reasonable threshold of value or quantity. The decision was hailed as a victory for brick-and-mortar businesses and for states that have expressed concern about losing out on tax revenue as internet sales comprise an increasingly larger share of all sales. While many other states took action in 2018 in response to the court ruling, California did not. It is likely that legislation will be introduced on this subject – with the potential to increase both state and local sales tax revenue – in 2019.
4. Climate Change and Resiliency	Strengthen federal partnership to support resiliency and climate change preparedness	There was no progress at the national level as it relates to climate change and resiliency in 2018. Quite the contrary, the Administration has proposed to roll back fuel efficiency standards for vehicles along with other environmental regulations related to methane that would result in increased carbon emissions.
5. Connected Vehicles and Autonomous Vehicles	Monitor and engage in legislation and regulations to facilitate deployment of connected vehicles and autonomous vehicles	Since last fall, MTC staff has been engaging with a range of partners to provide feedback on the Senate Commerce Committee-passed AV Start Act (S. 1885) and the House-passed SELF DRIVE Act (H.R. 3388). In coordination with numerous Bay Area cities, state agencies and national partners, including ITS America, staff has supported Senator Feinstein's efforts to secure a savings clause in the preemption section of the AV Start Act (Section 3 (a)(3)) to clarify that states and locals would continue to set the rules for how vehicles are operated on their public roads. Though the exact language is still under negotiation, the clause would specify that nothing in the preemption section may be construed to prohibit states and political subdivisions of states from enforcing highly-automated vehicles' compliance with state and local laws, including traffic laws, and rules of the road.