

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

February 14, 2020

Agenda Item 8b

---

**Senate Bill 278 (Beall): Bay Area Transportation Revenue Measure**

---

- Subject:** Update on proposed legislation to authorize a one percent sales tax to be approved by the voters in the nine Bay Area counties to fund transportation improvements and potentially affordable housing, and proposed advocacy concepts for that legislation.
- Background:** Senator Beall has indicated his intention to amend SB 278 to incorporate authorizing legislation for a sales tax in the nine Bay Area counties, subject to voter approval, generating approximately \$100 billion over 40 years for transportation, and potentially, affordable housing. The Commission heard a presentation by the FASTER Bay Area coalition as well as the Voices for Public Transportation coalition at its January 30<sup>th</sup> workshop. This memo is a follow up to that discussion and includes proposed advocacy concepts for the legislation.
- Discussion:** This memo proposes a set of principles as our recommendations to guide our engagement and discussions at this point in the development of SB 278. Note that these recommendations could also inform our advocacy efforts on AB 2057 (Chiu), the “seamless transit” bill, recently introduced with legislative intent language.

***Add Affordable Housing Funding to the Measure***

The FASTER Bay Area Coalition conducted polling recently which found support for housing as a component of a combined transportation and housing ballot measure paid for by a 1 percent sales tax. They indicated an interest in exploring inclusion of dedicated funding for affordable housing in the measure. At the time this memo was finalized, no specific details as to how funds would be distributed or what amount of funding would be dedicated to housing had been formally proposed by the FASTER Bay Area coalition or Senator Beall. Nonetheless, given Commission feedback indicating general support for funding *both* transportation and housing in any authorizing bill for a potential regional sales tax to go on the ballot this November or at a future date, staff recommends we go on record supporting the idea. Note that staff intends to simultaneously prepare for the potential placement of a housing bond on the November 2020 ballot pursuant to AB 1487 (Chiu, 2020). A decision between which option to ultimately pursue could be made in Sacramento if SB 278 does not receive sufficient support, or will be in the hands of ABAG and MTC to make later this spring/summer.

With regard to housing funding in SB 278, we recommend MTC and ABAG advocate for retaining the numerous hard-won provisions of AB 1487 (Chiu, 2019), including:

- Retaining the minimum shares across the “3Ps” of production, preservation and protection ( $\geq 52\%/15\%/5\%$ , respectively)
- Distribution between the counties and the region ( $\geq 80\%/\leq 20$  percent, respectively)
- Shared decision-making by ABAG and MTC (acting as the Bay Area Housing Finance Authority)
- Allow for the provision in AB 1487 that allows for a commercial linkage fee to be operable following a successful vote on a sales tax.

Further, we recommend supporting the addition of a new funding allocation to directly address homelessness.

***Seamless Mobility and Project Delivery Reforms***

The Commission also discussed the unique opportunity a transportation funding measure of this size offers to enact policy changes that will greatly enhance the experience of riding public transit, improve express lane connectivity and enforcement, and mitigate the risks associated with major infrastructure projects. To that end, consideration should be given to policies that would “push the envelope” of regional leadership in the following areas:

- **Seamless Transit** – To address near term, achievable outcomes, include provisions to 1) require implementation of integrated fares across the region’s 27 transit operators, consistent with recommendations that emerge from the Fare Coordination and Integration Study that is currently underway and being overseen jointly by MTC and transit operators; 2) pursue regional transit wayfinding and mapping, consistent with the work currently underway; 3) ensure the adoption of accurate real time transit information; and 4) ensure the region’s transit operators continue to provide a unified option for transit riders to pay fares via a single universal transit fare payment card/platform, Clipper®.
- **Transit Network Planner** – Vest authority for planning and implementation of a seamless network planner in MTC, working in partnership with the many transit operators, agencies and stakeholders, and provide sufficient resources to accomplish the work effectively. Oppose creation of yet another new entity.
- **Equity** – Ensure the legislation includes a robust travel demand management program with sufficient funds for MTC to implement it; a mandate for all Bay Area transit operators to provide a uniform discount for transit fares for low-income transit riders along with funding levels necessary to avoid service reductions; and a sales-tax rebate for qualifying low-income residents.
- **Mega-Project Delivery** – Include provisions to establish a mechanism for enhanced oversight for any project funded by the measure with a total cost greater than \$1 billion as well as requirements for the region’s operators to develop, sustain and share expertise in project design and delivery across transit systems.
- **Express lanes** – Establish MTC/Bay Area Infrastructure Financing Authority (BAIFA) as the arbiter of the region’s express lane policies related to occupancy, hours of operation, payment, and all customer-facing communications, including signage and websites, etc. Such policies would be required to be developed in consultation with other express lane operators, Caltrans and California Highway Patrol.
- **Institutional Reforms** – Include provisions to incentivize transit operator institutional reforms including consolidations conditional on voter approval of the sales tax.

An essential consideration for MTC to be successful in leading the policy implementation suggested would be new resources dedicated to that purpose.

**Bill Positions:** None on file

**Recommendation:** Approve advocacy principles to guide early engagement on SB278 and, where applicable, on AB2057.

  
Therese W. McMillan