

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

March 13, 2020

Agenda Item 7c

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 to fund transportation improvements and potentially affordable housing.

Background: As you know, Senator Beall has indicated his intention to amend SB 278, related to county transportation plans, 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. At the time this memo was prepared the bill language was not yet in print and conversations were ongoing with the affordable housing advocacy organizations that are championing a potential affordable housing bond pursuant to AB 1487 (Chiu, 2019) to determine what share of funds might be dedicated to housing.


MTC/ABAG Advocacy Principles Last month, the MTC Legislation Committee and the ABAG Executive Board adopted advocacy principles related to SB 278. The principles will serve as a guide to staff in our lobbying efforts particularly during this period when the bill is not yet in print. Staff received slightly different direction from MTC and ABAG, but not in direct conflict. Our interpretation of the additional direction provided is attached. The ABAG Executive Board requested that equity be elevated as a top concern so that item was moved up in the document. With respect to revenue source, while neither agency directly supported or opposed the sales tax as the revenue mechanism, both generally would like other revenue mechanisms to be explored as highlighted in the first item.

Over the last three weeks, staff have been in conversations with Senator Beall, the Bay Area legislative delegation, the FASTER Coalition and Voices for Public Transportation related to these key principles. At your meeting, staff will provide an update on the legislation, including the status of negotiations between the FASTER Bay Area Coalition and housing advocates regarding inclusion of housing in the measure.

Bill Positions: None on file

Recommendation: Information

Attachment: Attachment A: MTC/ABAG Advocacy Principles on SB 278


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MTC/ABAG Advocacy Principles on SB 278 (Beall)

Revenue Mechanism – Neither agency has taken a formal position in support or opposition to the sales tax as the revenue mechanism for the bill. ABAG supports consideration of options *other than* the sales tax. MTC acknowledges there is concern among various stakeholders about the sales tax and *additional* revenue options should be considered.

Add Affordable Housing to the Measure – Assuming support from Senator Beall, the FASTER Bay Area coalition and affordable housing advocates (specifically, the Nonprofit Housing Association of Northern California (NPH) and Enterprise Community Partners who sponsored AB 1487 (Chiu)), support inclusion of affordable housing in the measure at a level that *at least* holds affordable housing funding “harmless” relative to a \$10 billion general obligation bond. In addition, ensure key, hard-fought provisions of AB 1487 (Chiu, 2019) are retained, including:

- Shared decision-making by ABAG and MTC (acting as the Bay Area Housing Finance Authority) consistent with the statutory requirement that the ABAG Executive Board makes decisions related to the expenditure of funds before the Metropolitan Transportation Commission (MTC) and must ratify any changes made by MTC.
- Retain the minimum shares across the “3Ps” of production, preservation and protection ($\geq 52\%/15\%/5\%$, respectively).
- Distribute funds between the counties and the region ($\geq 80\%/ \leq 20$ percent, respectively).
- 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.

In addition, support the allocation of funds to directly address homelessness.

Equity - Ensure the legislation minimizes negative equity impacts on Bay Area residents by including:

- 1) a robust travel demand management program with sufficient funds for MTC to implement it
- 2) 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;
- 3) a sales-tax rebate for qualifying low-income residents.

Seamless Transit - Seek the inclusion of policy provisions that can achieve near-term, achievable outcomes including:

- 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 - Assuming sufficient funds are included for MTC to assume this new role effectively, vest authority for planning and implementation of a seamless network in MTC, working in partnership with the region’s many transit operators, agencies and stakeholders. Oppose creation of a new entity to perform this work.

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.

Transit Operations – Transit operations funding to operate any new service paid for by the measure is critically important.

Climate Restoration – climate change should be taken into consideration in the delivery and design of infrastructure projects to reduce their greenhouse gas emissions over the lifecycle of the project.