



## **EXECUTIVE DIRECTOR'S REPORT**

Metropolitan Transportation Commission

April 22, 2020

### **MTC PERSONNEL CHANGES AND ANNOUNCEMENTS (APRIL 1 – APRIL 30, 2020)**

#### **Retirements**

N/A

#### **Departures**

N/A

#### **Promotions & New Assignments**

**Brandon Crain**-Brandon transitioned from his current position as an Executive Assistant II to an Executive Assistant III in the Executive Office on April 20, 2020.

**Matt Maloney**-Matt transitioned from his current position as an Interim Section Director to Section Director in the Regional Planning Program section on April 20, 2020.

**Theresa Romell**-Theresa transitioned from her current position as an Assistant Director to Section Director in the Programming & Allocations section on April 20, 2020.

#### **New Appointments**

**Leslie Lara-Enríquez**– Leslie started with MTC on April 20, 2020 as a Principal Public Information Officer in the Legislation & Public Affairs section.

### **KEY REPORTS**

#### **COVID-19 Activity Status**

As the Bay Area has moved into its sixth week of shelter in place— and as we are meeting collectively in our second remote session as a full Commission—I review below how the crisis is impacting our agency, and increasingly the policy environment that shapes our work.

#### **Internal Focus:**

From the perspective of the agency and our staff, I am proud of the talent, commitment and creativity the MTC team has brought forward to support you and our public. Our IT personnel in particular deserves kudos for constantly adjusting and serving the needs of a remote work environment— the relatively smooth transition has been possible with the often-unseen heroic

efforts of that group. As a truly regional service network attached to the business of 375 Beale Street, Nick Roethel and his staff support not only internal staff meetings, but a range of MTC, ABAG and Air District board meetings involving our public. Enormous thanks to them.

We are mindful and vigilant regarding public health orders that impact the current shelter in place status, and eventually the transition out of it. I fully expect that transition to be a phased one, and paramount will be maintaining a safe environment for our staff, our board, and anyone doing business with us at our headquarters. We will keep you posted of those efforts should they commence in advance of the next Commission meeting.

The External View:

As noted by Chair Haggerty, you will be hearing today of the significant effort that the MTC team has led to distribute the critical federal CARE Act funding made available as emergency assistance to our transit operators. This represents an extraordinary consensus among our transit partners across the region on what an initial distribution of funding should entail in response to the immediate crisis. It also sets the foundation for an equally demanding, forthcoming decision to address the recovery stage under COVID-19's deep, still evolving drag on the economy and our communities. The one thing we know is that things will not be the same after this crisis. As a regional public agency, we are compelled to face the question of what will be the "New Normal"— and what can/should/must we do to try and shape the post-crisis future.

This is a question too global and pervasive for MTC and ABAG to address alone. But I offer four broad areas our agencies need to explore and address, in ways not yet fully understood. This is not an all-inclusive list, but ones we certainly will be building upon.

- How we travel  
Our transportation system is experiencing seismic shifts in usage— transit systems, bridges, highways and roads. How will those systems rebound? Will people want to use them in the same way? How can people pay for their use? Will the experience of telecommuting on an unprecedented scale forever shift the need and desire to travel at all?
- Where we live  
Housing availability and affordability were regional crises before the pandemic. How will those manifest within an economy shaken by unemployment, that increases pressure on those least able to be or remain housed? Will that same depressed economy have an upside wrangling construction costs to a manageable level allowing housing production to gain footing and accelerate?
- How we contribute  
How will job sectors react in the face of national, state and local market forces— and subject to federal, state and local interventions still unfolding? Will jobs return to the same level— and critically in the same locations within the Bay Area? Will "jobs/housing" relationships be fundamentally changed— and thus impact the transportation system that links them?

- Who we are

This public health crisis at its core attacks people— and everything redounds from that fact. And we are realizing that this crisis impacts segments of our community far more deeply than others. Simply said, those vulnerable before are even more so in the face of COVID-19. Inequities— economic, racial, societal— are at once highlighted and undeniably exacerbated under the thumb of the virus. And if people were not on equal footing before the crisis, and are dragged even further down as it unfolds, it only stands to reason efforts to recover from the crisis will be similarly disparate absent early and intentional actions to own the disparities and redress them in the climb upward.

There are many policies, programs and projects where answering these questions become crucial. Staff will be identifying these intersections, and bringing them forward in the ensuing weeks and months. Importantly, the Governance Committee is advancing to the MTC Commission and ABAG Executive Board for consideration, today and tomorrow respectively, a proposal to consolidate committees of each agency, in order to more deeply share ownership of core regional issues. The questions above unquestionably fall under that charge.

### **Legislative Update**

Attached to this ED report is a detailed legislative report on activities related to COVID-19 response and recovery in Washington DC and Sacramento, affecting a number of sectors MTC and ABAG directly or indirectly support. Please read and share this information, acknowledging that this landscape is changing quickly.

### **OTHER NEWS**

#### **Transit and Intercity Rail Capital Program (TIRCP)**

Yesterday, Tuesday, April 21, CalSTA Secretary David Kim announced \$500 million statewide of grant awards for Transit and Intercity Rail Capital Program (TIRCP). The Bay Area received four awards, totaling just over \$168 million, representing 34% of the total.

- BART Corridor Core Capacity Program — 34 new expansion rail cars: \$107.1 million.
- SFMTA Core Capacity Program — Transit signal priority, transit-only lanes, facility improvements, etc.: \$41.7 million.
- Solano Transportation Authority (STA) — Solano Express regional bus service with shared electric bus charging: \$10.4 million.
- WETA – Expansion of WETA ferry services — Electric vessel and with charging infrastructure for Mission Bay and Downtown San Francisco: \$9.1 million.


MTC endorsed all four projects either under the MTC's Cap and Trade Framework priority projects or the small-projects criteria.

The TIRCP program is funded through both Cap and Trade auction proceeds and SB1 revenues. Calls for projects are made on a biannual basis.

I would like to draw attention to this news not just because the Bay Area did well, but that this action is a strong statement that the state of CA is working towards the future just as hard as we are working through this very difficult moment.

The Bay Area Metro Center, managed by Cushman & Wakefield and owned by the Bay Area Headquarters Authority was awarded a notable honor of being officially recognized for the Building Owners and Managers Association (BOMA) 360 accreditation. The BOMA 360 Performance Program sets the standard worldwide for operational best practices in the commercial real estate industry. The program benchmarks building performance in six key areas: operations and management; security and safety; training and education; energy; environment and sustainability; and tenant relations. By earning the prestigious BOMA 360 label, the 375 Beale Street headquarters is now listed amongst the top performing buildings across all areas of operations and management.

The monthly transportation system Operational Statistics are attached. I want to note that agenda item 7.f addressing the distribution of federal CARES Act assistance to transit operators contains information on the service status of those agencies. We will provide updates of this information in the weeks ahead as part of staff's reporting on the state of the region's transportation system during the COVID-19 crisis.

  
Therese W. McMillan



## *Memorandum*

TO: ABAG Executive Board & MTC Commission

DATE: April 21, 2020

FR: Executive Director

RE: Legislative Update

This memo provides a summary of key legislative activity in response to the COVID-19 pandemic affecting focus areas for ABAG and MTC over the last month at the federal and state levels.

### **FEDERAL UPDATE**

#### **Congress Approves Federal Funding to Provide Aid to Local Governments and Transit**

Since March, Congress has passed three COVID-19 emergency supplemental bills which have collectively provided more than \$2 trillion in aid to hospitals and public health departments, small and large businesses, individuals, state and local governments, transit operators, and other sectors of the economy that have been severely impacted by the public health crisis. This includes billions of dollars for housing and homelessness prevention, economic development assistance, expanded and increased unemployment benefits, direct payments to low- and middle-income households, hundreds of billions of dollars for large and small business relief, and \$400 million in voting assistance to states to respond to the novel coronavirus for the 2020 federal election cycle.

Bay Area local governments over 500,000 in population are eligible for an estimated \$1.1 billion of the \$150 billion in state and local government direct aid authorized by H.R. 748, known as “the CARES Act,” the most recent and by far the largest relief package. The CARES Act also included more than \$12 billion in housing and homelessness aid, a portion of which will be allocated by formula to local governments in the Bay Area. Transit agencies received \$25 billion, of which \$1.3 billion is provided for Bay Area public transit agencies to help offset revenue losses the region’s operators are facing. A full bill summary provided by the National Association of Regional Councils (NARC) is linked [here](#) and Attachment A lists the bill’s high-level funding figures.

#### **State and Local Government Direct Aid**

With regard to the state and local funding, California’s share is an estimated \$15.3 billion, according to the U.S. Department of Treasury guidance released last week (link [here](#)). The bill allows up to 45 percent of the funds to be distributed directly to local jurisdictions (cities and counties) with a population over 500,000 with the funds to be distributed in proportion to the individual jurisdiction’s share of the state’s total population. The state has broad discretion over how and where to allocate the remaining funds. According to the Legislative Analyst’s Office, the Bay Area will qualify for \$1.1 billion, as shown on the next page. Attachment B details the amounts to all jurisdictions statewide.

<b>CARES Act Coronavirus Relief Funds</b> <b>Available to Bay Area Local Governments</b> <i>(dollars in millions)</i>	
<b>Local Governments Eligible for Direct Aid</b>	<b>Funding Amount</b>
Alameda County	\$ 292
Contra Costa County	\$ 202
San Francisco County/City	\$ 154
San Mateo County	\$ 134
Santa Clara County	\$ 155
City of San Jose	\$ 182
<i>Bay Area Local Governments Total</i>	\$1,119
<i>Statewide Local Government Total</i>	\$5,809

Source: [\*Legislative Analyst's Office\*](#), 4/15/20

Given the high population threshold for direct allocation, only 16 counties and five cities statewide qualify for the direct aid. Assuming all counties apply, a maximum of \$5.8 billion, would go directly to local jurisdictions based on their combined share of the state's total population.

The Treasury Department's guidance provides that a local jurisdiction's population can only be used once to determine a direct aid allocation; if both a county and a city within that county apply for direct aid, the county's funding level will be calculated on the basis of its population excluding the city. Of note, Sonoma County is approximately 5,500 people shy of the 500,000-population threshold, according to 2019 U.S. Census data; the county's population dipped below the threshold following the devastating 2017 wildfires.

States and local governments may use the resources to fund "necessary expenditures incurred [between March 1, 2020 and December 30, 2020] due to the public health emergency with respect to the Coronavirus Disease 2019," so long as those expenditures were not accounted for in a previously approved state or local budget (i.e. funds may not be used to replace lost revenues).

State and local governments associations have collectively requested an additional \$750 billion in emergency relief funding that could be used to backfill for lost revenue. Local governments have additionally urged that the \$250 billion in requested local aid be guaranteed as direct aid to units of local government with populations *below the 500,000 threshold*. An update on Congressional actions to provide additional state and local aid is below.

### ***Housing***

More than \$12 billion is included in the CARES Act for housing, homelessness and economic development assistance to be apportioned by the Department of Housing and Urban Development (HUD). The bulk of the funds will be distributed via formula (existing and new needs-based formulas to be developed by HUD). A total of \$5 billion is provided to the Community Development Block Grant (CDBG) Program. At a minimum, Bay Area local governments are anticipated to receive their share of \$2 billion in CDBG funding by April 27, 2020 (30 days after the enactment of the bill) in the same proportion as their share of CDBG funding in FY 2020. The remainder of the \$3 billion in CDBG funds will be distributed by

states and HUD based on need. Of the \$4 billion in homelessness assistance, \$2 billion will be allocated by April 27 via the Emergency Solutions Grant program to FY 2020 grantees in proportion to FY 2020 awards. The remainder will be distributed to states and local governments in the coming months via a needs-based formula to be developed by HUD.

### ***Public Transportation***

The CARES Act includes \$25 billion in public transportation relief, of which an estimated \$1.3 billion will flow to the Bay Area. The public transit funding is distributed in accordance with various existing federal transit formulas but is more flexible in terms of expenditures than current funding. In particular, whereas large transit operators are not allowed to use federal transit formula funds for salaries, the CARES Act funds are available for all operating expenses. In addition, there is no local match requirement for the funding. The Federal Transit Administration (FTA) notes on its [website](#) that operating expenses include such “costs as driver salaries, fuel, and items having a useful life of less than one year, including personal protective equipment and cleaning supplies.” The funding is intended to flow quickly to transit operators and MTC, the official “designated recipient” for FTA funds, is working in close coordination with the region’s transit operators to expedite the receipt of such funds with an anticipated allocation at its April 22, 2020 meeting.

### **Looking Ahead in Washington**

#### ***Emergency Relief***

In the coming weeks and months, Congress is expected to pass a series of supplemental COVID-19 relief packages with the nearest-term bills focused on slowing job losses and keeping hospitals and other essential services functioning. As soon as this week, Congress is expected to approve a fourth economic relief package of up to \$450 billion focused on replenishing a depleted emergency fund for small businesses that was created by the CARES Act and additional resources to supplement CARES Act health care provider relief and expand coronavirus testing. While House and Senate Democrats had been advocating for \$150 billion in state and local government relief to be included in this measure to backfill revenue losses (see Attachment C for details), during weekend negotiations the aid was stripped from this package and instead, deferred to the “Phase 4” relief package, which is described below.

Congress is expected to consider an additional near-term relief package (also referred to as “Phase 4” of the Congressional coronavirus response) later this spring when they return from the COVID-19-related recess. In addition to supplemental state and local government aid, Phase 4 is expected to cover time-sensitive emergency relief topics that were not addressed in the CARES Act—issues such as school revenue backfills and emergency housing assistance, among others—though the contents of a Phase 4 package are still very much under negotiation. We plan to support our regional and statewide housing advocacy partners in their efforts to secure emergency rental assistance, aid for persons experiencing homelessness, and immediate changes to the low-income housing tax credit (LIHTC) program to keep affordable housing projects moving during the COVID-19 crisis.

With respect to transportation, a number of transportation industry associations, including the American Association of State Highway Transportation Officials (AASHTO), have requested that this Phase 4 bill include funding to backfill for lost revenue for transportation purposes. There is not yet consensus about whether or not a lost revenue backfill is an item that requires near-term legislative action, or is something that can be addressed in a longer-term economic

recovery package (described below). In response to requests from Congressional staff, we prepared an estimate that the Bay Area could see a decline of \$2.2 billion in the next 10-months—above and beyond the \$1.3 billion anticipated loss for public transit that was already addressed in the CARES Act—growing to \$3.3 billion over 18-months, as shown in Attachment D. We have shared this preliminary estimate with our state and national association partners, the Bay Area delegation and key Congressional staff to inform future COVID-19 response efforts. We are also working with our Bay Area transportation partners to develop a list of projects that could be at risk due to the anticipated drop off in revenue as well as those that could benefit from an economic recovery package.

### ***Economic Recovery***

Once the immediate public health crisis begins to subside, Congress is expected to transition their legislative focus toward longer-term economic recovery (what's been termed "Phase 5"), including an infrastructure package which could fund both transportation and housing infrastructure. Staff is working internally and with key partners, both regionally and at the national level, to coordinate on an advocacy message that is consistent with our overall 2020 Advocacy Program as it relates to transportation and housing. On the transportation side, we are advocating that Congress can be support economic recovery by enacting a robust, long-term reauthorization of the surface transportation program (since the current FAST Act is set to expire at the end of September) and enacting changes to expedite transportation project delivery. With respect to housing, we again plan to support the efforts of our regional and statewide housing advocacy organizations who are seeking \$500 billion in housing production resources in the form of increased low-income housing tax-credits and HUD grant funding.

Of course, the situation in Washington, D.C. is very fluid, and all of the above is subject to change. Staff will continue to keep you updated as the situation evolves.

## **STATE UPDATE**

### **COVID-19-Related Budget & Policy Picture**

In Sacramento, the Legislature took swift action in mid-March to unanimously approve SB 89, authorizing \$1 billion to fund critical expenditures related to the COVID-19 pandemic and SB 117 providing \$100 million to support public education. As of April 16, almost \$770 million had already been allocated to a variety of departments and programs, including COVID-19 containment for the homeless population, personally protective equipment and foodbanks (see [link](#) for details from the Department of Finance). An additional \$1 billion has been allocated from the Disaster Response-Emergency Operations Account (DREOA) to the Department of General Services for PPE, medical supplies, and to enhance hospital capacity. The Legislature has also gone on recess mid-session for the first time since 1862 when Sacramento was inundated by a major flood, forcing the Legislature to relocate to San Francisco.

Given the enormous impact the statewide shelter-at-home order is having on the state's economy, income tax as well as sales tax revenues will be significantly reduced. The three-month extension in the filing deadline for income taxes at the state and federal levels, now due on July 15, makes it even more challenging to accurately forecast the state's revenue during this time. Assembly Budget & Fiscal Review Committee Chair Phil Ting recently noted that while legislators will need to meet their constitutional obligation to enact a FY 2020-21 State Budget by June 15, that budget will be a "workload" budget, resembling a federal "continuing



resolution” appropriations act, that simply extends the current year’s spending levels for the next fiscal year. The Legislature will then need to reconvene, likely in a special session in August, to enact a major budget adjustment based on updated revenue and expenditure forecasts. The state is fortunate to have \$17.5 billion in reserves according to the LAO, but due to the General Fund’s heavy reliance (over 70 percent) on income taxes, even a mild recession could exceed this amount. As such, we should expect to see significant funding cuts in the August adjustment version of the FY 2020-21 State Budget.

Senator Jim Beall, Chairman of the Senate Transportation Committee, issued a [press release](#) indicating his concern about the funding crisis facing public transportation agencies. While the region was extremely fortunate to receive \$1.3 billion to address revenue losses from the CARES Act, there is concern that this won’t fully offset the financial impact COVID-19 has on the transit industry. Since California can’t run funding deficits the way Washington can, however, relief seems more likely to take the form of reducing regulatory burdens and measures to reduce costs. The California Transit Association has already submitted a set of potential measures in this regard and staff will monitor and support such efforts, consistent with our overall 2020 Advocacy Program.

### **The World Has Shifted...for Bills Too**

Just as local government is needing to focus its energy on the most pressing items at hand related to the pandemic, the Legislature’s priorities have naturally shifted. According to news reports, Assembly Speaker Anthony Rendon recently told a college class that bills will need to be pared down to about 600 from the 3,000 or so that have been introduced. Senate and Assembly leadership appear to be leaving some discretion to the committee chairs at this stage. For example, Assembly Transportation Committee Chair Jim Frazier issued a memo highlighting three criteria for bills to be considered this year: (1) Do they address a time-sensitive matter related to COVID-19 or another urgent matter; (2) Do they address urgent public safety matters? (3) Do they not place any new significant burden on a state agency? We are not aware of any formal bill prioritization policies issued by Senate committee chairs at this time. While much is still unknown, we do have a few key updates:

### ***Transportation Bills Still Active for Now***

- **AB 2057 (Chiu): Seamless Transit legislation.** This bill is still a work in progress and the latest draft bill language we have seen consists primarily of intent language (some problematic), the creation of a Seamless Bay Area Transit Taskforce, to consist of 19 appointees (some from MTC, some from transit agencies, some from county transportation agencies and some from the state) and a requirement for MTC to develop mapping and wayfinding standards, in consultation with transit operators. No funding is provided to MTC to assist with the workload to oversee the taskforce. Assemblymember Chiu has requested that Chair Frazier schedule the bill for a hearing in the Assembly Transportation Committee. Staff plans to bring an analysis and recommendation on the bill to the MTC Legislation Committee in May.
- **SB 278 (Beall): Bay Area Transportation (& maybe Housing) Revenue Measure.** This bill was the anticipated legislative vehicle for the FASTER Bay Area proposal, which the various sponsors (Bay Area Council, Silicon Valley Leadership Group and SPUR) indicated in March that they are no longer pursuing for a vote in 2020. While recognizing that the environment has changed, Senator Beall is still considering whether

or not to pursue authorizing legislation for a future regional funding measure. He anticipates consulting with key stakeholders and his colleagues over the next few months and making a final decision in July.

### ***Transportation Bills Shelved for 2020***

- **SB 1408 (Dodd): SR 37 Tolling.** Senator Dodd's office shared with us this week that he will not seek to enact legislation authorizing tolls on State Route SR 37 this year. Authorization of tolling in the future was considered an important component of the funding plan for the interim congestion relief project on the corridor. Staff will confer with key stakeholders on next steps necessary to keep the project on track.

### ***Housing Legislation Still Active for Now***

While we expect to see far fewer housing bills enacted this year, the paramount importance of the shelter-at-home order to the state's COVID-19 response has underscored how critical access to housing is to the state's overall wellbeing. However, the compressed legislative calendar will undoubtedly reduce the total number of bills that will be heard in committee. We anticipate bills focused on homelessness and tenant protection to continue to gain traction this legislative cycle. At this stage, whether housing-production related bills such as AB 2829 (Ting) and AB 725 (Wicks) related to missing-middle housing and SB 902 (Wiener) related to moderate-density by-right development will receive a hearing and continue to advance this year is unknown, though each of the bills authors have indicated that the bills remain member priorities. With regard to housing fee-related bills, Assemblymember Grayson is still pursuing both AB 1924, which requires fees levied on housing to be set in proportion to the square footage of the unit, and AB 3145, which caps housing fees at 12 percent of a local jurisdiction's median home price unless approved by the Department of Housing and Community Development. In light of anticipated budget constraints, AB 3144 (Grayson)—which proposed a Housing Cost Reduction Incentive Program to offset housing impact fee waivers or reductions for rental housing developments that reserve at least 75 percent of the units for lower-income households—is on hold.

### ***What's Next?***

With so much uncertainty these days, it is hard to predict. Once the Legislature reconvenes, whether virtually or in person, more will become clear and we will keep you updated.

  
Therese W. McMillan

### **Attachments:**

- A. CARES Act Funding Chart
- B. California Local Governments Eligible for Coronavirus Relief Fund Direct Act from H.R. 748
- C. Interim Emergency COVID-19 Relief Act
- D. Bay Area Transportation Network Funding Needs

### CARES Act Funding Chart (\$2.3 Trillion Total)

Support for State and Local Government	
Coronavirus Relief Fund	~\$150 billion
SNAP, Family Services, and Housing	~\$42 billion
FEMA Disaster Assistance	~\$45 billion
Support for Transportation	
Transportation (Aviation [excluding loans & loan guarantees])	~\$42 billion
Transportation (Ground)	~\$26 billion
Support for Individuals	
Unemployment Benefits	~\$260 billion
Stimulus Checks	~\$290 billion
Tax Reductions for Individuals	~\$20 billion
Support for Education	
Education	~\$32 billion
Support for Health Systems	
Health-Related Spending	~\$180 billion
Support for Business	
Small Business Loans & Grants	~\$377 billion
Large Business Loans & Loan Guarantees	~\$510 billion
Business Tax Reductions	~\$280 billion
Miscellaneous	
Miscellaneous Spending	~\$25 billion
<b>TOTAL</b>	<b>~\$2.3 trillion</b>

Source: NARC Analysis: CARES Act  
March 27, 2020, [National Association of Regional Councils](#)

<b>California Local Governments Eligible for Coronavirus Relief Fund Direct Aid from H.R. 748</b>	
<b>Local Governments Eligible for Direct Aid</b>	<b>Funding Amount (in Millions)</b>
<i>Bay Area Local Governments (Total)</i>	<i>\$ 1,119</i>
Alameda County	\$ 292
Contra Costa County	\$ 202
San Francisco County/City	\$ 154
San Mateo County	\$ 134
Santa Clara County	\$ 155
San Jose City*	\$ 182
<i>Other California Local Governments (Total)</i>	<i>\$ 4,689</i>
Fresno County	\$ 81
Fresno City*	\$ 94
Kern County	\$ 157
Los Angeles County	\$ 1,049
Los Angeles City*	\$ 707
Orange County	\$ 555
Riverside County	\$ 432
Sacramento County	\$ 183
Sacramento City*	\$ 89
San Bernardino County	\$ 431
San Diego County	\$ 381
San Diego City*	\$ 248
San Joaquin County	\$ 133
Stanislaus County	\$ 96
Ventura County	\$ 148
<i>Total Local Government Funding</i>	<i>\$ 5,809</i>
<b>Total California Funding</b>	<b>\$ 15,321</b>

*\*Cities over 500,000 in population may apply to the Treasury for direct aid; if they do not counties will qualify for their share based on their portion of the county'.*

*Figures may not sum due to rounding*

Source: Legislative Analyst's Office, Updated April 15, 2020

## **INTERIM EMERGENCY COVID-19 RELIEF ACT**

House and Senate Democrats agree that we need to expand and improve the Small Business Administration's emergency relief programs for small businesses. However, Leader McConnell's two-page bill does not adequately help our nation's struggling small businesses nor does it address the public health and services crisis facing our States.

The Democratic interim emergency bill would immediately address five key issues as the House and Senate continue to develop a fourth, comprehensive COVID-19 bill, or "CARES 2."

### **1. Small Business Plus – Additional Funding and Critical Improvements to the SBA programs**

This bill provides a total of \$250 billion in new funding for our small businesses.

- \$125 billion in additional Paycheck Protection Program funding
- \$125 billion in new funding for small businesses divided as follows:
  - \$60 billion in dedicated funding for community-based lenders, further divided as follows:
    - \$45 billion for small community-based lenders (CDFIs, minority depository institutions, certified development corporations, microlenders), and small banks and credit unions with less than \$10 billion in consolidated assets
    - \$15 billion for community banks and credit unions with less than \$50 billion in consolidated assets, and also for community-based lenders
  - \$50 billion for SBA's Economic Injury Disaster Loans (to support up to \$300 billion in direct lending)
  - \$15 billion for SBA's Emergency Economic Disaster Grant Program
- To streamline PPP lending, banks of all sizes are required to gather, in the application stage, certain documentation that aligns with federal know-your-customer regulations
- To streamline PPP lending, Treasury is directed to update its guidance to non-bank CDFI lenders dispensing with reverifying know-your-customer information if the borrower has a banking relationship that dates back two years
- Makes the payroll forgivable amount calculation more generous for PPP
- Makes farms eligible for EIDL loans and grants and for PPP

### **2. Health Provider Relief**

This bill includes \$100 billion in additional funding for the new program to provide grants to hospitals, public entities, not for profit entities, and Medicare and Medicaid enrolled suppliers and institutional providers to cover unreimbursed health care related expenses or lost revenues attributable to the public health emergency resulting from the coronavirus.

Additionally, the bill requires a report to Congress regarding COVID-19 testing strategy: HHS, FEMA and other agencies shall report to Congress every 30 days and provide information about allocation of testing and supplies throughout the United States.

The bill also requires a report to Congress by May 15 on demographic information of patients with COVID-19 and proposals to reduce COVID-19 related health disparities.

### **3. Enhanced Funding for Coronavirus Relief for States, Tribal Governments and Municipal and County Governments.**

This bill provides an additional \$150 billion in fiscal relief to states, tribes and localities. *These funds are available to be used for lost revenues.* The bill also makes the \$150 billion Coronavirus Relief Fund (CRF) in the CARES Act available to be used for lost revenues. The District of Columbia is considered a State under this bill and for the CRF in the CARES Act.

- \$65.45 billion of the fund is allocated to States (including D.C.) based on population, with a small-state minimum of \$500 million.
- \$53.55 billion of the fund is allocated to localities based on the Community Development Block Grant formula. According to the CDBG formula, 70% of funds go to “entitlement areas,” which are either (a) cities of more than 50,000 or (b) urban counties with more than 200,000, with any eligible cities removed from that total. The other 30% goes to all other localities below these thresholds.
- \$20 billion of the fund is allocated to States by their share of the national infection rate according to the most recent CDC tracking data.
- \$8 billion of the fund is set aside for Tribes.
- \$3 billion of the fund is set aside for territories.
- Treasury has 15 days to allocate this funding (was 30 days under CARES).
- States and localities can now use all CRF funding to mitigate lost revenue due to COVID-19.

### **4. SNAP 15 percent benefit increase and critical access improvements**

This bill increases the SNAP maximum benefits to 115% of the thrifty food plan. This means everyone will see their SNAP benefits increase. While it will vary by household, the average increase will be about \$25 a month per person.

- Waives time limits/work requirements beginning May 1.
  - Work requirements are temporarily waived during the health crisis because of the COVID 2 package, but this would lift them for 2 years to provide flexibility for the height of the economic crisis
- Increases minimum benefit to \$30 (currently \$16).
  - Seniors and disabled individuals are the most common recipients of minimum benefit.
- Provides additional flexibility and funding for states to administer SNAP
  - Waives certain reporting and administrative requirements in SNAP
  - Provides additional funding for states to address increased caseload and needs

- Bars implementation of 3 Trump SNAP rules that would deny access and reduce benefits for struggling families
  - Implementation of SNAP rules on Able-Bodied Adults Without Dependents, Broad Based Categorical Eligibility and application of the Standards Utility Allowance would be prevented

5. **Technical Fixes to Election Assistance funding from the CARES Act requested by Republican and Democratic Secretaries of State**



**METROPOLITAN  
TRANSPORTATION  
COMMISSION**

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**Bay Area Transportation Network Funding Needs  
Federal COVID-19 Economic Recovery Recommendation  
April 17, 2020**

The COVID-19 crisis is having a devastating impact on transportation budgets in the Bay Area and throughout the nation. It is reducing resources available for infrastructure: MTC has already identified \$2 billion in priority regional transportation projects that are at risk, though the scale of what's at-risk—everything from routine road, bridge and transit system maintenance and operations to major capital improvement projects—is much larger. This funding shortfall *threatens the nearly 250,000 people* employed in the surface transportation sector and poses risks to the Bay Area's ability to operate and maintain our transportation network.<sup>1</sup>

**MTC Recommendation:** To mitigate the worst-case scenario of large-scale transportation sector job losses, *Congress should provide a revenue backstop* to enable states, regions and transit operators to keep our transportation system operating and project pipelines moving during and after this immediate national public health emergency. Additionally, a *supplemental large-scale transportation investment* in the form of a Fixing America's Surface Transportation (FAST) Act reauthorization would support longer-term economic recovery. Lastly, *accelerating project delivery* would expedite the benefits of new funding.

**Bay Area Expects Severe and Sustained Reductions in Transportation Network Revenues**

Bay Area transportation providers rely on a wide range of funding sources, including fuel taxes, tolls, sales taxes, transit fares, and other user fees (parking, etc.), all of which are taking massive hits as a result of COVID-19 and the shelter-in-place orders across the region. MTC estimates that the Bay Area could face transportation network revenue losses ranging from approximately \$3.5 billion over the next 10 months to as much as \$4.6 billion through August 2021, as shown in the chart below. We expect each revenue sources to rebound in varying degrees as shelter-in-place orders lift, but we're keeping in mind that it took the nation until 2015 to get back up to 2008 levels of vehicle miles traveled (a proxy for gas tax revenues) after the Great Recession.

**COVID-19 Bay Area Transportation Revenue Loss Scenarios**  
(Dollars in billions)

Timeframe	Highway Revenue Loss	Transit Revenue Loss	Total Revenue Loss	CARES Act Transit Funds	Total Funding Need**
10 months	\$2.2 *	\$1.3	\$3.5	\$1.3	\$2.2
12 months	\$4		\$4		\$2.7
18 months	\$4.6		\$4.6		\$3.3

\* Transit revenue losses for the first 10 months were calculated independently in preparation for the CARES Act funding request. The \$2.2 billion shown here for 10 months of highway revenue losses is the total transportation system revenue losses subtracted by original transit revenue loss estimate for the same time period.

\*\*Total funding need beyond the CARES Act.

Note: Revenue loss assumptions are described at the end of the document.<sup>i</sup>

**Transportation Revenue Drop-offs Will Place Projects and Jobs at Risk**

These significant revenue decreases mean planned projects are at risk of delay or cancellation due to lack of funds. For example, the Bay Area Toll Authority (BATA) may need to reduce spending on planned bridge rehabilitation capital projects by as much as *80 percent over the next four years* due to COVID-19-fueled

<sup>1</sup> MTC staff, from U.S. Bureau of Labor Statistics, Occupational Employment Statistics, MSA file, May 2019



revenue reductions. The BATA Toll Bridge Rehabilitation Program budget includes more than \$500 million in planned capital projects that range from structural steel painting to upgrading electrical and mechanical systems in poor condition. MTC staff has identified a \$2 billion preliminary list of projects from around the Bay Area that could be at near-term risk, including construction of new Express Lanes in the Bay Area and installation of new subway train control systems. Of note, this is not a comprehensive list, but cancelation or major scope reduction of just these planned projects would translate to thousands of jobs lost. For example, the planned Interstate 80 Express Lanes project's cost of construction is \$250 million and includes funds from BATA tolls and state gas tax funds. A decrease or elimination of any component funding means the project cannot proceed; this translates to 2,750 construction and engineering jobs lost (using Caltrans's estimate of 11 jobs created per \$1 million invested)<sup>2</sup>. This job loss estimate is conservative; more jobs are on the line when factoring in engineering, right-of-way surveying, environmental quality monitoring, and other related transportation sector jobs that the Caltrans factor does not account for, since Caltrans has in-house expertise in these fields.

## **MTC Recommendations: Transportation Revenue Backstop and Stimulus Investment**

### *1. Transportation Revenue Backstop Will Mitigate Large-Scale Jobs Losses*

MTC recommends Congress provide a transportation revenue backstop to mitigate large-scale job losses in the transportation industry that would otherwise be at risk of occurring with the elimination of billions of dollars of transportation projects. We estimate \$3.3 billion in replacement funds would be required to deliver the funding needed for the Bay Area to weather an 18-month revenue loss scenario; we estimate that in Summer 2021, network revenues will stabilize to recession-levels.<sup>3</sup>

MTC proposes the federal funding be highly flexible and flow via formula. For highway formula backfills, Congress should consider utilizing the distribution approach applied to the fiscal year 2020 general funded \$781 million in flexible highway infrastructure grants (the same ratio by which highway obligation limitation for FY 2020 is distributed to states; suballocated consistent with Section 133 (d)(6)(e)) and with flexible Surface Transportation Block Grant Program eligible expenditures. Congress should consider applying the CARES Act transit funding formulas and eligibilities to supplemental transit funds. The chart below details funding levels that would be needed to backfill for 18 months of projected Bay Area transportation network revenue losses.

### **Highway and Transit 18-Month Revenue Backstop**

*(Dollars in billions)*

	<b>Highway Formula</b> (FY 2020 state shares; 55% suballocation)	<b>Transit Formula*</b> (FY 2020 shares of Sections 5307, 5311, 5337 and 5340)	<b>Total**</b>
National Total	\$180.8	\$33.1	<b>\$213.9</b>
California Total	\$15.5	\$5	<b>\$20.5</b>
Bay Area Total	\$1.6	\$1.7	<b>\$3.3</b>

\*Transit revenue backstop needs shown here are in addition to the CARES Act Transit Supplemental funding.

\*\* Totals may not add due to rounding.

Note: Total transportation system revenues are divided between transit and highway federal revenue sources consistent with Plan Bay Area 2040 needs for state of good repair, operations, and maintenance (65% transit; 35% highways).

<sup>2</sup> Solutions for Congested Corridors Program Performance Metrics Instructions, California Transportation Commission <https://catc.ca.gov/-/media/ctc-media/documents/programs/scgp/revised-final-sccp-performance-indicators-and-measures-a11y.pdf>

<sup>3</sup> Congress in the CARES Act provided Bay Area transit operators \$1.3 billion (\$25 billion nationally) in emergency funding to avert the worst-case scenarios of complete system shutdowns and massive layoffs of the region's more than 15,000 transit agency employees. This funding was expected to backfill for approximately 10 months of severe revenue losses. However, as the COVID-19 crisis continues, the scale and duration of projected revenue losses has grown. MTC estimates that at around 18-months, revenues will stabilize to recession-levels. Eighteen months is also the COVID-19 revenue loss timeframe estimated by the American Association of Highway Transportation Officials (AASHTO) in an April 6 letter to Congress.

## *2. Surface Transportation Authorization Will Support Long-Term Economic Recovery*

As America begins on a path toward long-term recovery, we urge Congress to take action to revitalize the nation's economy and invest in long-lasting mobility and productivity improvements through enacting a long-term surface transportation reauthorization. The 2015 FAST Act provided five years of funding certainty; increased federal investment to advance national goals related to safety, economic growth, congestion relief and climate change; and preserved flexibility to address the Bay Area's unique mobility challenge. MTC urges Congress to build on the FAST Act's progress as follows:

- *Grow Existing Programs:* Congress should grow the core surface transportation programs, especially those that have proven effective in directing much-needed resources to our nation's population and job centers. Of note, while it may not be reasonable in the near-term for Congress to raise transportation user fees, we strongly support a long-term solution to restore Highway Trust Fund solvency and look forward to working with Congress to support such a solution at the appropriate time.
- *FAST Act Updates:* Within the FAST Act framework, grow federal support for transit and regional mobility solutions, revise transit programs to reward transit reliability and environmental best practices, and expedite project delivery without harming the environment.
- *21<sup>st</sup> Century Challenges and Opportunities:* Establish the federal government as a strong partner in state and regional efforts to make transportation networks responsive to a changing climate and to transformative transportation technologies. The next transportation bill should fund a new resiliency program to upgrade our nation's most vital transportation infrastructure, update existing FAST Act programs so states and regions can incorporate future risks into projects geared toward achieving state-of-good-repair and other long-standing national goals, and support the deployment of connected and autonomous vehicles.

See MTC's [February 2020 Report to Congress](#) for additional information about MTC's FAST Act reauthorization priorities.

## *3. Expedite Transportation Project Delivery and Associated Job-Creation Benefits*

We recommend the following policy changes for both transportation network revenue backstops and any supplemental stimulus resources to expedite transportation project delivery and associated job-creation benefits.

1. Allow for new federal resources to **supplement and replace lost funding**, including previously committed funds that were lost or are at-risk due to the economic slowdown (e.g. bridge and express lane tolls, sales tax, gas tax, etc.).
2. Authorize projects to be funded at **100% federal share**. Full federal participation eliminates the risk of uncertain locally-generated revenues subject to major reductions due to COVID-19, and will provide confidence to contractors that they will be paid, and to the public that the project will be built.
3. **Expand at-risk project preagreement authority** to shorten delivery of federal aid highway projects by two to three months without diminishing environmental safeguards. The FAST Act authorized highway project sponsors to receive reimbursements for preliminary engineering costs incurred before formal project authorizations have been processed (Caltrans estimates it takes about 60 days to process an authorization request but processing time often exceeds 90 days). Expanding at-risk project preagreement authority to include all non-construction costs *and* right-of-way and construction expenses once a project has secured final environmental clearance (an approach consistent with longstanding Federal Transit Administration policy) will further expedite project delivery.
4. **Authorize a SAFE Vehicles Rule Part 2 technical fix**. The SAFE Vehicles Rule Part 2 is expected to invalidate the air quality models states and regions use to advance large highway and transit projects and to perform federally mandated planning duties. Congress should allow states and regions to utilize currently-approved air quality models (EMFAC-2014/EMFAC 2017 in California and MOVES for the

rest of the country) for any air quality conformity determinations that may be needed until the Environmental Protection Agency and the Federal Highway Administration approve necessary model updates to bring them back into compliance with federal standards after the SAFE Vehicles Rule Part 2 becomes effective.

5. **Limit any *additional* project reporting requirements to reporting after project completion.** Any reporting requirements tied to backfill revenues or supplemental funds above and beyond those already mandated for federal-aid projects should be minimized. This will free up limited staff resources to expedite project delivery and job creation. Reporting at the end of the project certifies the project is completed and open to the public, and could include actual figures for metrics such as jobs created, potholes filled, and amount of asphalt laid.

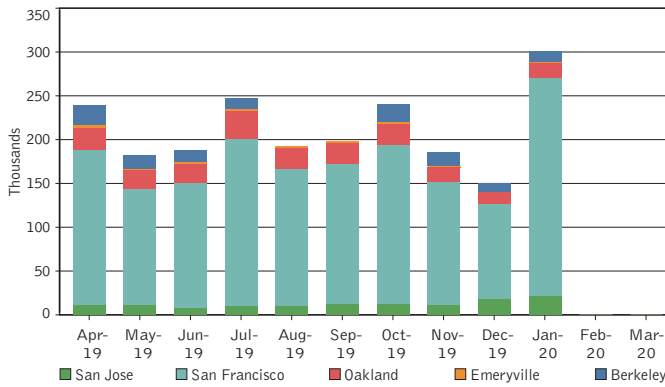
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**<sup>i</sup> Bay Area Transportation Revenue Loss - Combined Assumptions**

- State gas tax revenue decrease 47% over a 10-month period; 33% over an 18-month period
- Diesel consumption decrease of 15% and \$2.75 per gallon, for an average of 32% diesel sales tax and excise tax revenue decreases over an 18-month period
- Regional toll revenue decreases 42% over a 10-month period; 30% over an 18-month period
- Sales tax revenue decrease 61% over 10-month period; 43% over an 18-month period
- Transit fares and other non-fare revenues decrease 72% over a 10-month period; 53% over an 18-month period
- Combined various other local revenues (general funds directed to transportation purposes; San Francisco specific transportation revenue sources; and property tax/parcel taxes for transportation purposes) decrease 33% over a 10-month period; 29% over an 18-month period

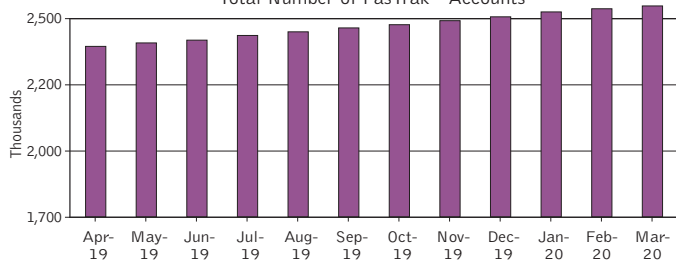
## Bay Wheels

Bay Wheels Daily Trips by City<sup>7</sup>



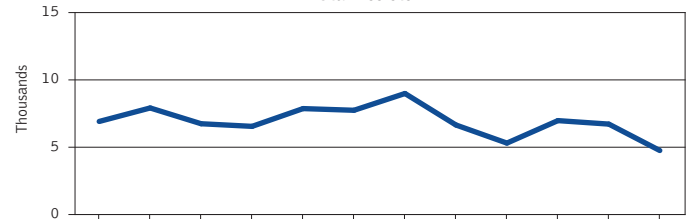
## FasTrak® Electronic Toll Collection<sup>1</sup>

Total Number of FasTrak® Accounts<sup>2</sup>

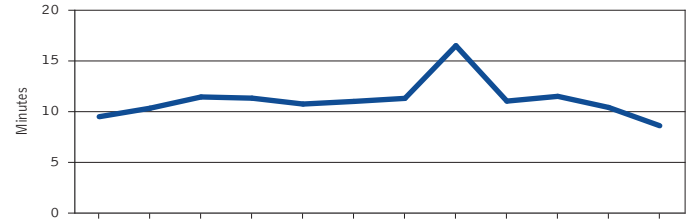


## Freeway Service Patrol

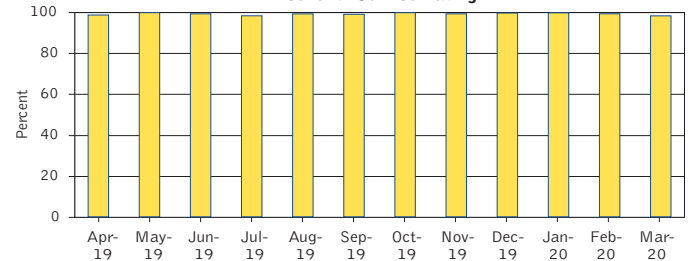
Total Assists<sup>5</sup>



Average Wait Time for Help to Arrive

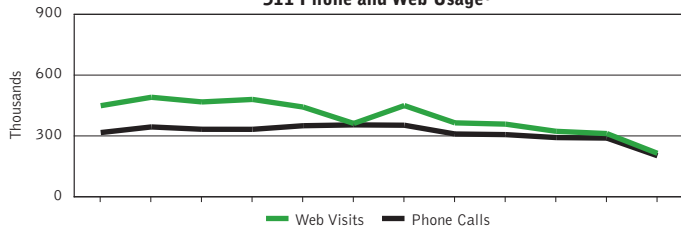


"Excellent" Service Rating

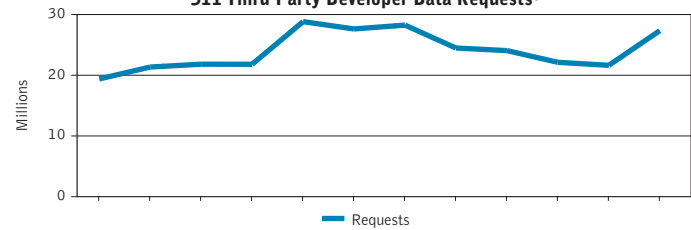


## 511

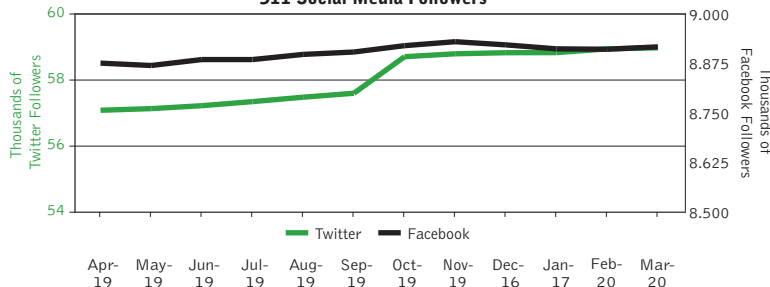
511 Phone and Web Usage<sup>6</sup>



511 Third Party Developer Data Requests<sup>6</sup>



511 Social Media Followers<sup>6</sup>

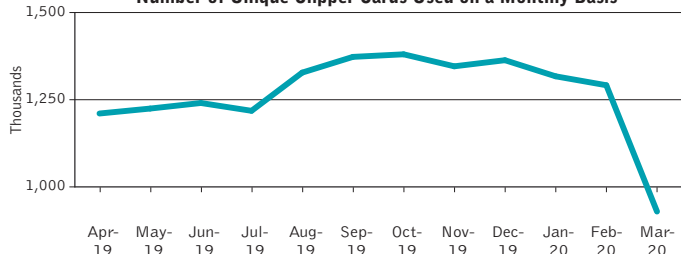


Top 5 Data Consumers: March 2020

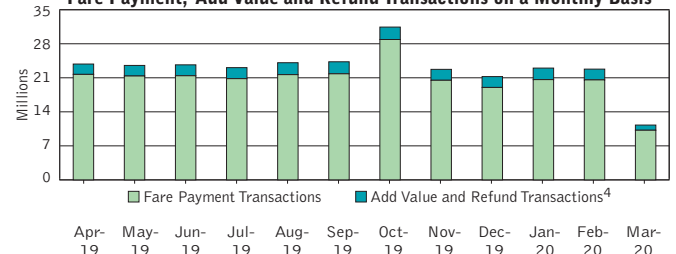
• AC Transit	4.2m
• Interline	3.9m
• NextThere	3.1m
• Apple	2.4m
• Private API Developer	1.7m

## Clipper® Fare Payment System

Number of Unique Clipper Cards Used on a Monthly Basis<sup>3</sup>



Fare Payment, Add Value and Refund Transactions on a Monthly Basis<sup>4</sup>



Notes: <sup>1</sup> MTC, as the Bay Area Toll Authority (BATA), assumed responsibility for FasTrak® customer service operations in Jan. 2004. Figures are cumulative.

<sup>2</sup> Number of debit accounts opened through BATA service center; each account may represent more than one toll tag issued.

<sup>3</sup> New category as of September 2003; data collected since Aug. 2002

<sup>4</sup> As of November 2009, refund transactions are counted with add value transactions. This chart includes refunds in the Add Value bars for the past 12 months. (Past reports did not include refunds, which, with few exceptions, have accounted for less than 50 transactions each month.)

<sup>5</sup> FSP Assist numbers for the most current month are a best estimate, and may be subject to change. Final assist numbers are available at the end of the month, and the report is updated accordingly.

<sup>6</sup> 511 launched a new phone system and website in June 2016 and now tracks two new types of data in addition to call and web usage: social media followers and developer data requests.

<sup>7</sup> March and April 2020 BayWheels usage data was unavailable at time of publication.