

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

May 8, 2020

Agenda Item 6a

Advocacy Principles for Economic Recovery

Subject: Principles to inform our economic recovery advocacy efforts in Washington, D.C. and Sacramento.

Background: While Congress provided much-needed relief in the form of CARES Act transit assistance, we estimate that COVID-19-fueled Bay Area public transit revenue losses will far exceed the \$1.3 billion emergency relief already provided. In addition, no federal support has been provided to date to backfill significant revenue losses associated with local road, toll bridge, highway, or bicycle-pedestrian projects. We estimate that through Summer 2021, the Bay Area will face a \$4.6 billion reduction in revenues from state fuel taxes, other highway and transit user fees, and dedicated sales taxes. Severe funding shortfalls are similarly expected throughout the country. For example, New York projects the state's transit system losses alone may exceed \$8 billion through the end of 2020.

In addition, local and state agencies face daunting budget shortfalls that were not addressed in the most recent round of federal relief despite efforts by House and Senate Democrats who were advocating for an additional \$150 billion, including \$53.6 billion for localities based on the Community Development Block Grant formula.

In line with many of our national partners, our advocacy efforts are focused on seeking federal relief in the form of a revenue backstop to help our local governments and transportation systems operating, workforce employed and projects moving during and after this national public health emergency, as well as a supplemental large-scale transportation investment in the form of a Fixing America's Surface Transportation (FAST) Act reauthorization to support longer-term economic recovery. In Sacramento, both the Legislature and the Governor's office are exploring infrastructure investment as an economic recovery tool and have begun soliciting project lists.

Discussion: In the area of transportation, we do not anticipate project-specific earmarks to be provided at the state or federal levels. Rather, we are advocating for funding to come to states and regions on a formula basis in proportion to revenue loss and in accordance with existing formula programs. Such an approach will reward local and regional self-help efforts over the past three decades. However, in response to direct legislative inquiries about the region's transportation priority projects that are at risk or that could assist with economic recovery, we have identified the following principles that could be used to guide staff's response:


- **Keep Projects on Track:** Prioritize replacement funding for projects that are critical to operating and maintaining our transportation system.
- **Plan Bay Area Alignment:** Prioritize projects that are consistent with Plan Bay Area 2040 and the vision and guiding principles of Plan Bay Area 2050. In particular, emphasize projects that help advance the cross-cutting themes of Plan Bay Area 2050—improving equity and resilience in the face of an uncertain future.

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- **Support Job Creation:** Prioritize projects that can begin construction or other critical phases within a reasonable timeframe.

We look forward to further discussing this advocacy approach and how best to respond to requests for project lists at your May committee meeting.



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