



## EXECUTIVE DIRECTOR'S REPORT

Metropolitan Transportation Commission  
May 27, 2020

### **Retirements**

**Stella Wotherspoon** – Stella started with MTC in June 2005 as a GIS Planner/ Analyst III. Her last day with MTC is May 31, 2020 as a GIS Planner/ Analyst III in the Regional Planning Program section.

### **Departures**

**Christopher Lillie** – Christopher started with MTC in April 2013 as a Senior Program Coordinator. His last day with MTC is May 28, 2020 as a Principal Program Coordinator in the Design and Project Delivery section.

**Raquel Trinidad**– Raquel started with MTC in September 2018 as an Associate PIO Analyst. Her last day with MTC is May 29, 2020 as an Associate PIO Analyst in the Legislation and Public Affairs section.

### **COVID-19 Related Items**

#### **Blue Ribbon Task Force, Federal Transit Funds**

A 30-member Blue Ribbon Transit Recovery Task Force, designated by Chair Haggerty and chaired by MTC Commissioner Jim Sperring, will guide the future of the Bay Area's public transportation network, including distribution of emergency federal funds. It will include other Commissioners; representatives from the state Senate and Assembly and the California State Transportation Agency; transit operators; business and labor groups; and advocates for people with disabilities and the social justice community. The first of two distributions of roughly \$1.3 billion in CARES Act funding for which Bay Area transit agencies are eligible has been distributed, and MTC is expected to take action in the ensuing months to distribute the region's remaining funding, once transit agencies have had time to assess the full scope of revenue losses. The first meeting of the Blue Ribbon Task Force is May 29<sup>th</sup>.

#### **State Budget Update**

The May Revise of the FY 2020-21 State Budget was released on May 14. While the situation is dire for the General Fund and its primary programs, such as education and health care, the Administration's cost cutting measures generally spare transportation and housing from deep cuts. The May Revise retains a \$500 million low-income housing tax credit expansion proposal and local and regional housing planning funding – the Local Early Action Program and the Regional Early Action Program – but does reduce funding in a number of other housing programs where funds have not yet been allocated to specific projects. In transportation, the Administration forecasts that State Transit Assistance, a source of transit operating funds, will be down by 40% resulting in a

## **Executive Director's Report**

### **May 27, 2020**

\$100 million hit to the Bay Area. On a positive note, related to local government funding, Governor Newsom is proposing to direct \$1.7 billion in CARES Act funds that went directly to the state to local governments, including \$450 million to the cities that did not receive a direct allocation from CARES Act and \$1.3 billion to counties to be used toward homelessness, public health, public safety and other services to combat the pandemic. For details see the Attachments to my report.

### **Health and Economic Recovery Omnibus Emergency Solutions (HEROES) ACT**

On May 15, the U.S. House of Representatives approved a \$3 trillion COVID-19 relief package—the Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act (H.R. 6800)—to supplement the nearly \$3 trillion in aid Congress has approved since March. The HEROES Act would fund \$875 billion in state and local government direct aid as a supplement to the \$150 billion in direct aid approved in March, and provide an additional \$10 billion to cities and counties through Community Development Block Grants (CDBG). The bill would also make a substantial investment to keep residents in their homes, providing \$100 billion in emergency rental assistance, nearly \$20 billion in homelessness and traditional U.S. Department of Housing and Urban Development (HUD) rental assistance, and \$75 billion to assist homeowners in paying housing costs. With respect to transportation, the bill would provide an additional \$15.75 billion in transit funding plus \$15 billion in resources to states and locals to backfill lost highway funding.

More detail will be provided in the June Legislation Committee Report including any updates on Senate action on this item.

### **Traffic impacts**

Traffic is starting to come back. A pre-COVID daily average of 421,000 trips on bridges in the toll-paying direction hit a new low the week of April 6, with an average of just 208,000 bridge crossings per day, and has since been trending upwards. In the last week of April, average daily bridge traffic exceeded 243,000 toll-paid trips – a 16 percent increase over the shelter-in-place low. Caltrans and other agencies have been able to take advantage of this period of reduced traffic by undertaking infrastructure improvement projects, including the replacement of the twin freeway decks at the U.S. 101/Alemany Circle junction, completed ahead of schedule this past Saturday.

Staff are closely monitoring conditions and considering when to restart tolling on express lanes. New lane striping has also begun for new lane configurations on I-880 in Alameda County, to gear up for the fall 2020 opening of new Express Lanes between Oakland and the Santa Clara County line.

### **Clipper and FasTrak**

The FasTrak and Clipper call centers continue to operate to serve their customers, but with modified days and hours of operation--Clipper call center operates Monday through Friday from 8 am to 5 pm; FasTrak call center operates Monday through Friday 9 am to 5 pm. The in-person customer service centers of both programs, however, are closed indefinitely, with the exception of the Clipper customer service center at Bay Crossings in the Ferry Building which is open with limited hours.

### **Other News**

### **Planning and Environmental Linkages Study**

MTC, Caltrans and four North Bay agencies are launching a planning and environmental linkages study (PEL), the first in California. The states of Colorado, Texas and Florida have conducted these

**Executive Director's Report**  
**May 27, 2020**

studies and staff have been in touch with them about the benefits. This is an opportunity to streamline the environmental review for Highway 37. The PEL study will begin in a couple of months.

**Bay Bridge Pedestrian Piers Award from American Society of Landscape Architects**

Two new public access piers retain and repurpose select Bay Bridge foundations to serve the public. The project earned a 2020 Merit Design Award from the ASLA Northern California chapter, demonstrating how funds earmarked for decommissioning old structures can be better spent modifying them to provide social, ecological and economic benefits.

**Equity Program Update**

We are moving forward with developing a bench of equity experts who can partner with our agency in the coming months and years as we assess, design, and implement an effective equity platform. Now more than ever, we recognize that engaging with community-based organizations and thought partners to assist agencies like MTC and ABAG with applying an equity lens will be invaluable as we transition into a Covid-19 recovery phase.

**Special Note**

Mark Zabaneh, the Executive Director of the Transbay Joint Powers Association (TJPA) has resigned effective this September to accept another position.


The BART to Berryessa extension is opening on June 13<sup>th</sup>. This has been a regional priority through Resolution 3434 and related planning and funding advocacy, and is an important milestone to celebrate.

While remote work has been a challenge to navigate, it has also brought about positive changes in the public's attendance at our meetings. To highlight:

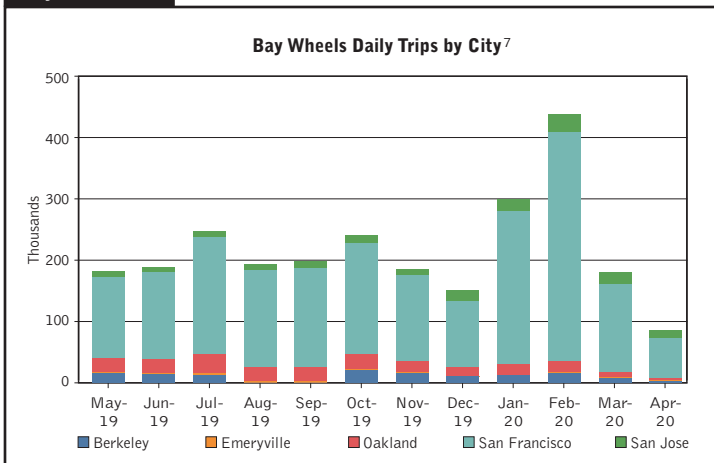
Joint ABAG Admin/MTC Exec: 104 attendees

ABAG HMC: 217 attendees

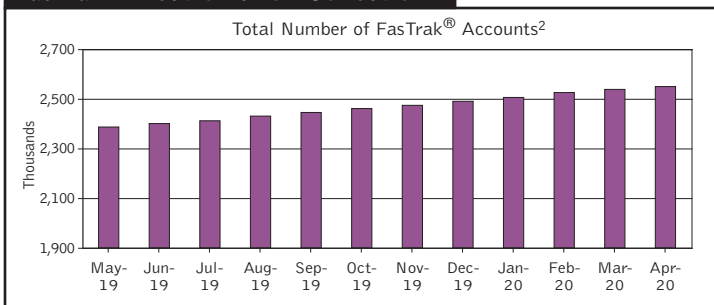
MTC Budget Study/BATA Oversight: 153 attendees

  
Therese W. McMillan

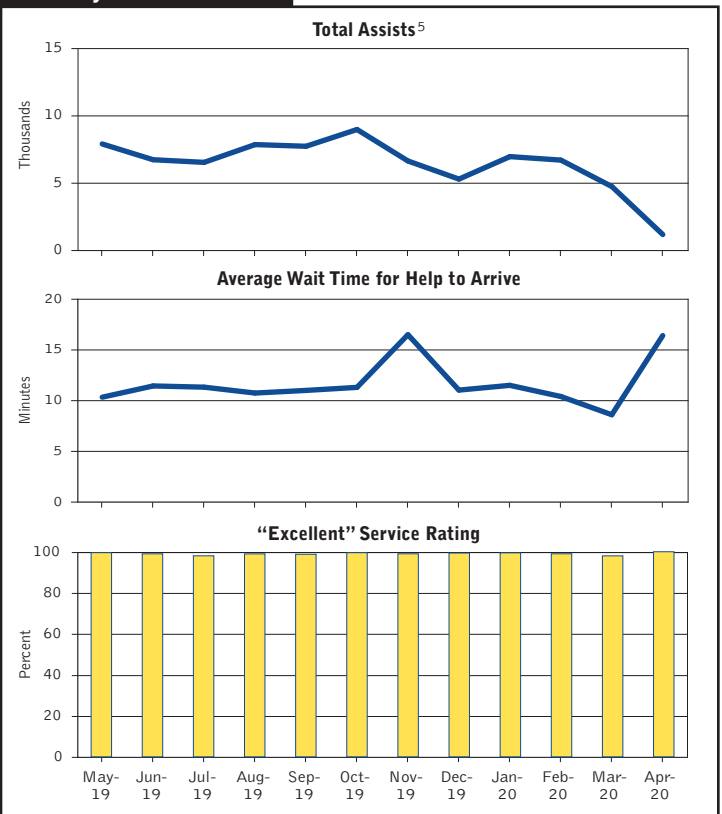
## Bay Wheels



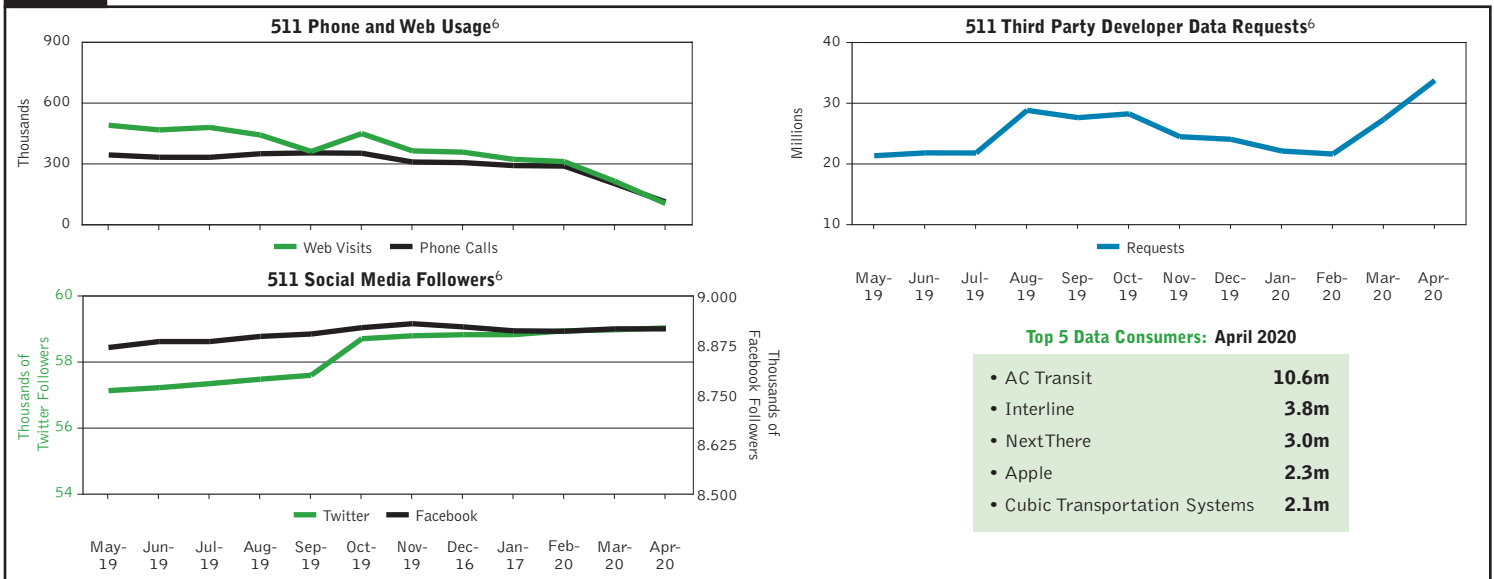
## FasTrak® Electronic Toll Collection<sup>1</sup>



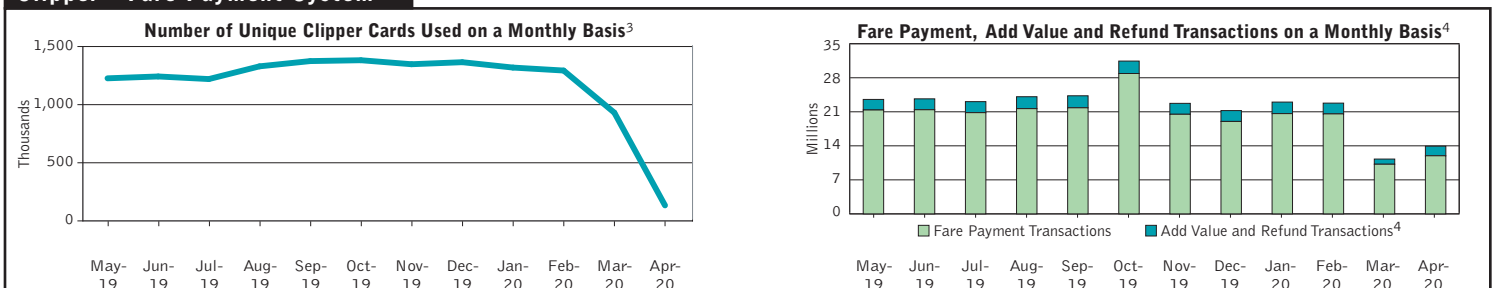
## Freeway Service Patrol



## 511



## Clipper® Fare Payment System



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> E-bikes were introduced in Oakland, SF and San Jose in July 2019, but taken out of service quickly due to battery fires. They were re-introduced in late November, but the data is mainly relevant for December 2019 and January 2020, when data shows how immediately popular they were.

**State Transit Assistance (STA) Revenue-Based (PUC 99314)**  
**Based on Governor's May Budget Revise**  
**May 14, 2020**

Transit Operator	FY 2019-20 Nov. 2019 Estimate	FY 2019-20 May 2020 Estimate	Difference	FY 2020-21 Feb. 2020 Estimate	FY 2020-21 May 2020 Estimate	Difference
ACCMA - Corresponding to ACE	\$290,259	\$282,944	(\$7,315)	\$288,482	\$172,399	(\$116,083)
Caltrain	\$8,496,363	\$8,282,221	(\$214,142)	\$8,444,325	\$5,046,397	(\$3,397,928)
CCCTA	\$789,680	\$769,777	(\$19,903)	\$784,843	\$469,029	(\$315,814)
City of Dixon	\$7,403	\$7,216	(\$187)	\$7,357	\$4,397	(\$2,960)
ECCTA	\$415,004	\$404,544	(\$10,460)	\$412,462	\$246,491	(\$165,971)
City of Fairfield	\$163,554	\$159,433	(\$4,121)	\$162,553	\$97,143	(\$65,410)
GGBHTD	\$8,540,790	\$8,325,530	(\$215,260)	\$8,488,481	\$5,072,785	(\$3,415,696)
LAVTA	\$349,728	\$340,913	(\$8,815)	\$347,586	\$207,720	(\$139,866)
Marin Transit	\$1,668,066	\$1,626,024	(\$42,042)	\$1,657,849	\$990,744	(\$667,105)
NVTA	\$116,000	\$113,075	(\$2,925)	\$115,288	\$68,897	(\$46,391)
City of Petaluma	\$49,382	\$48,138	(\$1,244)	\$49,080	\$29,331	(\$19,749)
City of Rio Vista	\$7,458	\$7,270	(\$188)	\$7,412	\$4,429	(\$2,983)
SamTrans	\$8,121,101	\$7,916,417	(\$204,684)	\$8,071,361	\$4,823,511	(\$3,247,850)
SMART	\$1,695,538	\$1,652,804	(\$42,734)	\$1,685,153	\$1,007,061	(\$678,092)
City of Santa Rosa	\$160,210	\$156,172	(\$4,038)	\$159,229	\$95,157	(\$64,072)
Solano County Transit	\$351,963	\$343,092	(\$8,871)	\$349,807	\$209,047	(\$140,760)
Sonoma County Transit	\$225,725	\$220,035	(\$5,690)	\$224,342	\$134,069	(\$90,273)
City of Union City	\$116,445	\$113,509	(\$2,936)	\$115,731	\$69,162	(\$46,569)
Vacaville City Coach	\$29,292	\$28,553	(\$739)	\$29,112	\$17,398	(\$11,714)
VTA	\$23,249,042	\$22,663,076	(\$585,966)	\$23,106,649	\$13,808,720	(\$9,297,929)
VTA - Corresponding to ACE	\$216,633	\$211,172	(\$5,461)	\$215,305	\$128,668	(\$86,637)
WCCTA	\$504,435	\$491,722	(\$12,713)	\$501,346	\$299,608	(\$201,738)
WETA	\$2,314,946	\$2,256,601	(\$58,345)	\$2,300,768	\$1,374,958	(\$925,810)
SUBTOTAL	\$57,879,017	\$56,420,237	(\$1,458,780)	\$57,524,521	\$34,377,119	(\$23,147,402)
AC Transit	\$24,264,960	\$23,653,389	(\$611,571)	\$24,116,345	\$14,412,123	(\$9,704,222)
BART	\$40,698,461	\$39,672,701	(\$1,025,759)	\$40,449,195	\$24,172,766	(\$16,276,429)
SFMTA	\$63,386,127	\$61,788,551	(\$1,597,577)	\$62,997,906	\$37,648,058	(\$25,349,848)
SUBTOTAL	\$128,349,548	\$125,114,641	(\$3,234,907)	\$127,563,446	\$76,232,947	(\$51,330,499)
GRAND TOTAL	\$186,228,565	\$181,534,878	(\$4,693,687)	\$185,087,967	\$110,610,066	(\$74,477,901)

**Coronavirus Relief Fund Allocations**  
(\$ in thousands)

Cities & Counties	Direct Allocations	State Allocations	Total Allocations	Cities & Counties	Direct Allocations	State Allocations	Total Allocations
Alameda County	\$291,634	\$38,577	\$330,211	Riverside County	\$431,091	\$57,024	\$488,115
Alpine County	--	116	116	Sacramento	181,199	25,210	206,409
Amador County	--	4,069	4,069	San Benito County	--	6,428	6,428
Butte County	--	22,433	22,433	San Bernardino	380,408	50,320	430,728
Calaveras County	--	4,698	4,698	San Diego County	334,062	54,224	388,286
Colusa County	--	2,205	2,205	City/County San	153,824	20,347	174,171
Contra Costa	201,281	26,625	227,906	San Joaquin	132,989	17,592	150,581
Del Norte County	--	2,847	2,847	San Luis Obispo	--	28,976	28,976
El Dorado County	--	19,737	19,737	San Mateo County	133,761	17,694	151,455
Fresno County	81,580	16,228	97,808	Santa Barbara	--	45,698	45,698
Glenn County	--	2,906	2,906	Santa Clara County	158,100	31,314	189,414
Humboldt County	--	13,874	13,874	Santa Cruz County	--	27,963	27,963
Imperial County	--	18,547	18,547	Shasta County	--	18,431	18,431
Inyo County	--	1,846	1,846	Sierra County	--	308	308
Kern County	157,078	20,778	177,856	Siskiyou County	--	4,456	4,456
Kings County	--	15,653	15,653	Solano County	--	45,815	45,815
Lake County	--	6,590	6,590	Sonoma County	--	50,594	50,594
Lassen County	--	3,129	3,129	Stanislaus County	96,086	12,710	108,796
Los Angeles	1,057,341	163,064	1,220,405	Sutter County	--	9,925	9,925
Madera County	--	16,102	16,102	Tehama County	--	6,661	6,661
Marin County	--	26,490	26,490	Trinity County	--	1,257	1,257
Mariposa County	--	1,761	1,761	Tulare County	--	47,714	47,714
Mendocino County	--	8,879	8,879	Tuolumne County	--	5,576	5,576
Merced County	--	28,420	28,420	Ventura County	147,622	19,527	167,249
Modoc County	--	905	905	Yolo County	--	22,568	22,568
Mono County	--	1,478	1,478	Yuba County	--	8,052	8,052
Monterey County	--	44,425	44,425	City of Fresno	92,756	--	92,756
Napa County	--	14,098	14,098	City of Los Angeles	694,405	--	694,405
Nevada County	--	10,210	10,210	City of Sacramento	89,623	--	89,623
Orange County	554,134	73,300	627,434	City of San Diego	248,451	--	248,451
Placer County	--	40,768	40,768	City of San Jose	178,295	--	178,295
Plumas County	--	1,925	1,925	<b>TOTAL</b>	<b>\$5,795,720</b>	<b>\$1,289,065</b>	<b>\$7,084,785</b>

Source: California State Association of Counties, May Revision  
Budget Action Bulletin, 5/14/20

## MTC/ABAG Summary of May Revise of FY 2020-21 State Budget

May 19, 2020

### Big Picture

Not surprisingly, the FY 2020-21 May Revise of the State Budget reports a dramatic shift from the state's financial picture in January when a \$6 billion surplus was forecast. In the midst of the economic fallout from the COVID-19 pandemic, the Department of Finance now forecasts revenues \$41 billion below the Governor's FY 2020-21 Budget which, when combined with higher costs, result in a structural deficit of approximately \$54 billion.

The budget proposes a plan to balance the budget in FY 2020-21 but notes that a \$16 billion structural deficit will remain in the out years. Governor Newsom relies heavily on federal funds to balance the budget, noting in the budget summary that "California did not create this problem and should not be required to solve it alone." Accordingly, the budget uses a combination of projected new federal fund receipts, the state's Rainy Day Fund and expenditure reductions to balance the budget:

- Rainy Day Fund: \$8.3 billion (\$16.2 billion over three years)
- Federal funds: \$8.3 billion from a \$1 trillion nationwide request
- Spending cuts: \$6.1 billion including \$2.4 billion in reduced expenditures to the California Public Employees Retirement System (CalPERS).
- Tax policy changes: \$4.4 billion (suspend net operating loss deductions and limit tax credits)
- Borrowing & transfers: \$4.1 billion

### Transportation

The biggest transportation reduction announced as part of the May Revise is not a Newsom Administration proposal per se, but a result of a significant drop in tax revenue. Specifically, the State Transit Assistance (STA) Program, which is funded by the sales tax on diesel fuel, is expected to generate 40 percent less revenue than estimated in January. Notably this is a steeper drop than the 32 percent reduction we incorporated into our \$1.3 billion revenue reduction forecast which informed our federal advocacy. **The Bay Area can expect to lose over \$100 million in STA funds**, including approximately \$74 million in revenue-based funding that goes directly to operators and \$27 million in population-based STA funds that provide additional transit operating funds as well as support for regional programs, such as Clipper®. With respect to impacts on the region's larger transit operators, we estimate that SFMTA will lose over \$25 million, BART will lose over \$16 million, AC Transit will lose nearly \$10 million, and VTA will lose over \$9 million in FY 2020-21. A complete listing of STA funding by operator in comparison to January estimates is included as Attachment A.

With respect to the state's gas tax, which funds the state highway system as well as transit capital and bicycle and pedestrian improvements, the May Revise estimates that revenue could drop by \$1.8 billion through FY 2024-25. No staffing reductions to planning or engineering positions at Caltrans are proposed. With respect to impacts on planned projects, Caltrans and the California Transportation Commission will likely need to reprioritize the use of funds given that revenue will be much lower than originally assumed but the May Revise provides no details on proposed shifts in expenditures.

The California State Association of Counties estimates revenue reductions statewide in local road formula funding of \$129 in FY 2019-20 and \$116 million in FY 2020-21. Funding reductions to cities would be roughly the same based on existing formulas. Fortunately, indexing of the gas tax and Transportation Improvement Fee (TIF) provided for in SB 1 partially offsets the reduced revenue in FY 2020-21. The projected fuel tax increases, which will go into effect on July 1, include a 3.2-cents per gallon gasoline tax increase and a 2.5-cent per gallon diesel fuel excise tax. Adjustments to the TIF, which is based on a vehicle's value, are also in proportion to a vehicle's value, ranging from \$2-\$13 per year increases.

Following a playbook from prior responses to state budget shortfalls, the May Revision proposes a number of transportation account loans and transfers to the General Fund, including:

- \$21.8 million from the Local Airport Loan Account (loan)
- \$130.5 million from the State Highway Account (transfer of interest paid to the account from the Surplus Money Investment Fund, which is not constitutionally restricted to transportation purposes)
- \$32 million from the Traffic Congestion Relief Fund (transfer of an unencumbered balance as of 6/6/20)

## **Housing**

The May Revision maintains relatively robust funding for housing, including the \$500 million in low-income housing tax credits (LIHTC) proposed in the January budget, though a proposed three-year suspension of net operating losses and limitations on business tax credits would limit the availability of such credits and thus, could reduce their take-up. It estimates \$452 million for the Affordable Housing and Sustainable Communities Program funded by Cap and Trade and proposes \$331 million in National Mortgage Settlement funds for housing counseling, mortgage assistance and renter legal aid services, including \$300 million for housing counseling and mortgage assistance and \$31 million for legal aid.

The May Revision estimates the state will receive \$532 million for housing and homeless programs from the recent federal CARES Act. The budget proposes to accelerate \$51 million in Transit-Oriented Development (TOD) funds from Proposition 1 and extends the deadline for expenditure of local and regional planning grants appropriated in the FY 2019-20 State Budget to December 31, 2023 from June 31, 2023.

Housing funding is proposed for some reductions, totaling over \$570 million over multiple years, of funds that have not yet been allocated or dedicated to specific projects including:

- \$250 million in Mixed-Income Program over three years. (Program will continue to receive some funding from the real estate transaction fee.)
- \$203 million Infill Infrastructure Grant Program funding. (Program will continue to receive bond funds from Proposition 1 funds totaling \$300 million.)
- \$95 million from the Housing Rehabilitation Loan Fund (Program has been replaced by the Multifamily Housing Program)
- \$20 million from the TOD Account from Proposition 1C.
- \$5 million reduction in funds for housing navigators for young adults.



The budget also proposes to loan the General Fund approximately \$20 million from housing special funds over four years.

With respect to housing planning funding, the budget keeps intact funding provided in FY 2019-20 to cities, counties and councils of government from the newly established Local Early Action Planning and Regional Early Action Planning programs. In addition, the Administration has requested a set of statutory changes known as “HOME Accelerator” that include technical changes to local planning grants and to allow certain “alternative sites to be included in the regional housing needs allocation.” The specific language of the proposed provisions has not yet been made public.

In terms of how the economic downturn will affect housing production, the May Revise forecasts a significant slowdown in permits for residential single-family and multi-family units, but at a lower drop off than in prior recessions: 21 percent decline in 2020 versus a drop of 44 percent in 2009.

### **Local Government**

The May Revise allocates a portion of the state’s \$9.5 billion in CARES Act funds to local governments, specifically \$450 million to the cities that did not receive a direct allocation from CARES Act and \$1.3 billion to counties to be used toward homelessness, public health, public safety and other services to combat the pandemic. Cities with populations over 300,000 will receive a direct state allocation, while smaller cities will apply through their county. The May Revise summary highlights indicates that housing should be prioritized in city expenditures. With regard to county funds, the Administration proposes to distribute them based on population with goal to address public health, behavioral health, and other health & human services needs. Attachment B is a listing of the estimated amounts to counties statewide, including prior CARES Act funds plus the Administration’s proposal.

### **Climate Change**

The May Revise rescinds a proposed \$250 million General Fund appropriation for a Climate Catalyst Fund. And while the May Revise summary notes strong demand for capital funding for a climate resilience bond, it signals support for obtaining such resources from the private sector rather than the state’s General Fund. With respect to Cap and Trade, the May Revise recognizes that there is significant uncertainty regarding auction proceeds, which could be lower than previously estimated as statewide GHG emissions have decreased. It doesn’t adjust its forecast from January which was approximately \$2.4 billion to support a variety of different programs, including transit funding and affordable housing programs that receive continuously appropriated funds. The programs that receive a dedicated percentage of proceeds on a continuously appropriated basis, totaling 60 percent of proceeds, include:

- Low Carbon Transit Operations Program (LCTOP): 5%
- Transit and Intercity Rail Capital Program (TIRCP): 10%
- Affordable Housing and Sustainable Communities (AHSC): 20%
- High Speed Rail: 25%

Actual amounts available to these programs will depend on auction proceeds.