

Joint MTC Legislation Committee and ABAG Legislation Committee

June 12, 2020



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

Fiscal Year 2020-21 State Budget Update (Agenda Item 5b: Information)

- Deadline for legislative passage is Monday, June 15; Bill should be in print **today**.
- Both the Administration and Legislature are relying on **substantial additional federal funds**. If those funds don't materialize, additional cuts will be triggered.
- Legislature pushed back on a number of proposed housing and transportation funding reductions/transfers; instead supports protecting the Infill Infrastructure Grant Program.
- A subsequent budget adjustment is expected later this summer after state income tax receipts are known.

Key Transportation and Housing Funding Highlights

Transportation	Housing
State Transit Assistance down 40%, reducing Bay Area funding by about \$100 M	\$500 million expansion of state's Low-Income Housing Tax Credit
Gas tax receipts lower, but gas tax increases included in SB 1 will mitigate the impact	More CARES Act funds for local government: \$500 million to cities and \$1.3 billion in additional funds to counties; eligibility includes homelessness, public health and safety needs.
No staffing reductions proposed at Caltrans; impact on projects is unknown.	Retains funding for regional and local housing planning (REAP and LEAP) and extends the application deadline for LEAP funds to Jan. 2021.
Cap and Trade auction revenue came in at only \$25 million in the last auction, 95% lower than in February. This will reduce funding for transit and affordable housing funding programs in FY 2020-21.	



Assembly Bill 2621 (Mullin): Regional Climate Adaptation Planning (Agenda Item 6a: Action Item)

- Purpose of bill is to establish guidance for formation of “regional climate networks” and specify contents of “regional climate adaptation action plans.”

Staff Concerns:

- Current language related to who can form a “regional climate network” could result in up to nine networks in the Bay Area. Regional definition should match Plan Bay Area 2050 – and encompass the nine counties.
- Plan guidelines are too prescriptive and project-focused.
- OPR approval requirement could be a deterrent on plans

Proposed Amendments to AB 2621 (Mullin): Regional Climate Adaptation Planning

- Ensure that for the Bay Area, the term “region” is limited to the nine counties.
- Modify regional climate adaptation plan guideline requirements to provide more clarity about role of regional agencies in climate adaptation planning and how regional and local adaptation plans should tie together, rather than a focus on projects.
- Remove the requirement that OPR approve the plans

Housing Bill Update (Agenda Item 6b: Information)

Senate Housing Leadership Package

- All five bills are still active and pending approval **next week** in Senate Appropriations Committee

Assembly Housing Bills

- Most bills listed in memo are now on the Assembly Floor, but AB 2580 (Eggman), AB 3155 (Rivas) & AB 2329 (Chiu) died.
- AB 3107 (Bloom) allows housing to be an eligible use in any area zoned for commercial development

Significant Protection Related Bills

- AB 1436 (Chiu) would prohibit a landlord from evicting tenants during COVID-19 state of emergency for failure to pay rent up to 15 months after emergency order ends.
- AB 3269 (Chiu) would require a statewide needs analysis relative to homelessness, establish a new Office of Housing and Homelessness Inspector General and require the state and every local jurisdiction to set a goal to reduce homeless **by 90%** by 2029.

Federal Economic Relief in Response to COVID-19

(Agenda Item 7a: Information)

- House passed HEROES Act, providing another \$3 trillion in COVID-19 relief including:
 - \$875 billion in state and local government aid, including \$375 billion for cities and counties.
 - \$10 billion to cities and counties through Community Development Block Grants
 - \$100 billion in emergency rental assistance, \$20 billion in homelessness and other HUD rental assistance and \$75 billion to assist homeowners.
 - \$15.75 billion for public transit and \$15 billion for highway revenue backfill.

House Reauthorization Update (Agenda Item 7b: Information)

- House bill introduced: INVEST in America Act
- Almost \$500 billion over five years – 60% increase over FAST Act
- Core MTC/ABAG priorities included:
 - Increased funding for metro areas with option for increased funding to come directly to MTC as a “high performing MPO”
 - Inclusion of resilience/adaptation eligibility in core highway programs
 - New focus on climate change mitigation in planning
- Committee mark-up expected **next week**
- Senate bill already introduced but negotiations not expected before November election