San Francisco
County Transportation
Authority

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SUBJECT:
Comments on Strategy EN7 "Institute Telecommuting Mandates for Major Office-Based Employers"

To Plan Bay Area 2050 staff:

On September 23 the MTC Commission approved the Final Blueprint, including a strategy to "Institute Telecommuting Mandates for Major Office-Based Employers" which was intended to reduce greenhouse gas emissions, traffic congestion, and transit overcrowding by increasing the number of Bay Area workers that work from home one or more days a week. Specifically, the strategy would:

> "mandate that large employers [defined as having 25 or more employees] have at least 60 percent of their employees telecommute on any given day… limited to large office-based employers whose workforce can work remotely."

The presentation shows that the intent of the strategy is to increase the telecommute mode share without impacting transit and bike/walk mode shares, while reducing driving commute shifts. We believe that the real impact of a telecommute mandate as written would in fact drive down transit and bike/walk commute trips as well as driving commute trips, and may in fact lead to more non-work trips by automobile as people change their habits and potentially move to more auto-reliant areas (potentially outside of the region or even state). Similarly, employers would be likely to downsize their office space, impacting the commercial real estate market particularly in downtowns like San Francisco's, where employers right now are reconsidering commitments to maintaining a presence in transit-rich, walkable and bikeable urban centers (which are often also higher-priced). Reducing the daily workforce population will also undermine the viability of all the supporting businesses that serve the workers and businesses there, including bars, restaurants, and retail. This broadly-worded strategy is not appropriate for places like San Francisco and other locations with low drive commute rates (San Francisco has less than 30% auto commute mode share, including carpools). The broad strategy may also impact our transit agencies significantly, if workers who would otherwise be taking transit shift in significant numbers to telecommuting. This is evidenced by the strong reactions from transit agency boards across the region, who note that this could not only impact their revenues, but also undermine support for transit investments.

For these and other reasons, **we have significant concerns about the strategy as written, and would like to make the following 3 requests:**

1. **Confirm intent of policy is to reduce Driving Work Trip (office uses) Mode Share/VMT, and change the name of the Strategy accordingly e.g.: Regional Drive Alone Commute Work Trip Reduction.**



2. **Recognize the variability of industrial and demographic makeup in different parts of the region and the need for flexibility in applying policies to ensure efficiency and equity as well as effectiveness.**

3. **Consider other potential areas of the plan to obtain GHG reductions including modifying or deferring freeway widening projects in the region to a later period, e.g. once major transit investments come online.**

1. Strategy Context and Clarifications: The October 9 Planning Committee presentation emphasizes that this strategy is intended to reduce the number of employees driving alone to work. From our conversations, the intention is not to institute a blanket 60% telecommute mandate, but to demonstrate that it would take 60% of commuters at these large office-based employers across the region who currently drive to work, to NOT commute by driving to achieve our GHG emissions reduction goal, even with all the other strategies in the plan. We interpret this to mean employees could telecommute, bike, walk, ride transit or use other sustainable modes.

We think that renaming the strategy and revising the description to focus on the outcome (reducing private vehicle commute trips) versus a specific telecommute-focused mandate would more accurately describe the strategy and more effectively guide implementation, and make it clear that the intent is not to discourage transit, walk or bike commuting. This important clarification would also correct the public's understanding of the strategy and would also help employers focus their efforts to respond to this PBA 2050 Strategy. "Decrease Automobile Commute Trips through Employer-Focused/Based Programs", for example, would capture the flexibility that is reflected in our discussions with MTC staff. Slide 8 of the presentation emphasizes that there may be different ways to achieve this trip reduction goal (through both telecommuting programs and trip caps), but the strategy title referring to Telecommuting is misleading and distracting from the activity of interest, drive-based work trips.

2. Strategy Flexibility and Key Principles for Implementation (Effectiveness Efficiency, Equity): We support strategies to help reduce single-occupancy vehicle (SOV) commute trips, and recognize that the right mix of strategies will vary depending upon the particular land uses and transportation networks in place across the region. A flexible approach would allow individual counties, cities, and employment centers to design programs best suited for their drive commute profiles (high vs low SOV trip rates) and their unique conditions (e.g. more vs less transit available). What might work in the 'outer' portions of San Francisco may not be appropriate for Walnut Creek or Sunnydale--and vice versa. In addition, using a "one-to-few" vs "one-to-many" regulatory framework like transportation management agencies (TMAs) is more administratively efficient, and a policy that can scale with size is likely more equitable.

There are multiple examples of other cities/regions that have TDM programs that include telecommuting policies as part of a flexible approach. For example:

- Locally, the organization TMA SF [link] has implemented numerous programs that have brought the drive-alone rate for participating employers in Downtown San Francisco from 18% to 8.5%. They provide resources to employers and employees to help guide telework

policies. San Francisco's other TMA, the Mission Bay TMA focuses on shuttle programs and other means to reduce driving rates and is similarly effective.

- Seattle has a Commute Trip Reduction program that requires employers with 100 or more employees to meet drive alone reduction goals. The goals are varied across different parts of the city, and employers have the flexibility to choose what strategies can be most effective for their unique situations—one of their strategies is to encourage alternative work schedules and telework for employees with suitable positions. This has resulted in an increase in telecommuting for affected employees by 2% in only 7 years.

- Santa Monica's TDM program requires that employers with 50 or more employees achieve Average Vehicle Ridership targets that are varied by parcel across the city. A telecommuting policy is an option that can be used by employers within the city's Emissions Reduction Plan.

The long-term impacts of a telecommute strategy that is this stringent may include negative impacts on economic vitality, harm to transit systems, and even exacerbation of existing inequities. It could undermine the urban core, encouraging workers to live further afield and not in dense, walkable, bikeable, transit-rich areas, increasing housing pressures on the suburban/rural fringe, increasing sprawl, and increasing the desire for housing types that are less energy and space-efficient and located in auto-oriented settings.

In summary, we propose 3 important principles be recognized to guide implementation:

- **Effectiveness** - The policy should be targeted to the largest sources of drive commute trips where they occur. Commute drive alone rates by sector (office) vary widely in the region, as a reflection of local land use and transportation networks, industrial bases and demographics. Therefore the policy mandate to reduce driving work trips should not be expected to be applied uniformly across the region, in order to be effective.

- **Efficiency** - The more focused the program the more efficiently it can be administered, and TMAs with local trip cap programs provide a model for how government can administer TDM mandates through area business associations or larger employers efficiently.

- **Equity** - Providing a sliding scale of required trip reduction/mitigation based on size of business is one way to increase equity. Another is to allow waivers for businesses whose employees are largely lower-income, reflecting the need to ensure this policy doesn't burden workers/households already struggling with affordability and the digital divide.

<u>3. Additional Strategies to Reduce GHG Emissions in the Plan:</u>

Chair Spering directed MTC staff to come up with and analyze other strategies that could have the same amount of GHG emissions reductions as the telecommuting strategy. It may also be that a softer telecommuting strategy could be paired with something like those offered below to

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achieve the same level of emissions reduction. We'd like to offer a few options MTC may wish to explore as either a replacement or as a supplement to a less stringent telecommute strategy:

- **Regional gas tax**. MTC has the authorization to impose a 10 cent per gallon gas in the region, and past Plan Bay Areas have included this tax as a potential transportation revenue source. The tax could be studied for PBA 2050 both for the revenue generating power and for the impacts on driving behavior.

- **Postpone investments in highway expansion projects until after 2035**. PBA 2050 currently includes a significant number of highway expansion and interchange projects, with around $10 billion in regional funding. These projects add approximately 2% more GHG emissions per capita to the Plan, making the goal of 19% per capita reduction even more difficult to achieve. Even deferring a subset of these projects could make a meaningful difference in our ability to meet our climate goals. For example, the Operations Committee will be addressing MTC's policy stance regarding express lane conversions versus expansions.

- **All-lane tolling rate increase or carbon surcharge for fossil-fuel vehicles.** The Final Blueprint includes a 15 cent per mile toll on highways with robust transit alternatives across the region, with a discounted rate for lower-income drivers (5 cents per mile). MTC may want to consider studying a higher base rate or carbon surcharge and how that would impact GHG emissions. A small increase to this strategy could have a large impact on driving behaviors and therefore emissions.

We also support continued research on, and pilot projects of, other TDM strategies, and will continue to work with our partners to identify other options.

Thank you for your consideration. We have developed these comments with input from SFMTA, SF Planning Department and SF Mayor's Office staff, and we look forward to working with MTC staff on the next steps for PBA 2050 including the Implementation Plan.

Sincerely,

Maria Lombardo

Chief Deputy Director