



ASSOCIATION
OF BAY AREA
GOVERNMENTS

2025 MTC and ABAG LEGISLATIVE SCORECARD

Advocacy Program Goals vs. Outcomes

State Advocacy Objectives and Goals

1. Transportation Funding and Cap and Trade: Advocate for resources to support the implementation of Plan Bay Area 2050 (and future iterations), including sustaining and, where possible, increasing funding for operating and maintaining the transportation network, transit modernization and expansion, improving multimodal transportation options and improving the resilience of our transportation network.

Prioritize securing new revenues for transit operations to sustain critical services and support a reliable, safe, easy-to-navigate and integrated transit network, including through securing legislative authorization for a transportation revenue measure in 2026 or beyond. Further, support extending California's Cap and Trade program past 2030 while preserving funding for transit and affordable housing and exploring opportunities to secure new Cap and Trade revenues for transit operations. Continue MTC and ABAG's long-standing support for incorporating equity considerations into funding decisions and advocate for definitions that include Bay Area low-income communities.

Outcomes: MTC and ABAG engaged in myriad efforts this year to sustain and increase resources to implement Plan Bay Area 2050, with a particular focus on near-term transit operations and longer-term revenue strategies. Specifically, the Commission was deeply engaged in SB 63 (Wiener/Arreguín), which authorizes a placement of a 14-year regional transportation sales tax on the November 2026 ballot in Alameda, Contra Costa, San Francisco, San Mateo and Santa Clara counties. The bill is awaiting the Governor's signature. The measure, if approved by the voters, would generate approximately \$1 billion annually to sustain and improve public transit. It could be placed on the ballot either through action by a newly formed Public Transit Revenue Measure District (governed by the MTC board) or via a citizen's initiative.

To bridge the gap until potential new revenue flows in 2027, MTC defended against proposed state budget cuts to transit and supported efforts to secure additional near-term funding. This included protecting SB 125 funds which, when combined with the Commission's \$100 million regional contribution, will help sustain Bay Area transit service through summer 2026. (The SB 125 resources also fund key transit capital projects, including BART to Silicon Valley, Phase II and BART Transbay Core Capacity.) Even with these funds in place, Bay Area transit agencies face a significant operating shortfall in the period between the exhaustion of committed SB 125 funds and the earliest availability of new self-help revenue. The final budget deal authorized a \$750 million emergency loan program to help operators weather that funding gap. However, implementation of this loan remains

unresolved. Bay Area partners have until January 10, 2026, to negotiate terms and finalize any deal. Senator Arreguín and Senate Budget Chair Wiener championed this effort, along with SPUR, Bay Area transit agencies, and other partners, including MTC.

On Cap and Trade, the Legislature reauthorized the program through 2045 and made significant changes to how revenues from the Greenhouse Gas Reduction Fund (GGRF) are allocated (AB 1207/SB 840). The previous structure – under which 60 percent of the GGRF revenues were continuously appropriated to California high-speed rail (HSR), transit and affordable housing – was replaced with a new framework based on fixed dollar amounts. California HSR kept its position at the top of the “waterfall” and will receive a predictable \$1 billion/year. The Transit and Intercity Rail Capital Program (TIRCP) is set at \$400 million annually, the Low Carbon Transportation Operations Program (LCTOP) at \$200 million annually and the Affordable Housing and Sustainable Communities Program (AHSC) at \$800 million annually, though these programs are placed in a lower tier of the waterfall and could see reductions if auction proceeds fall short. While this shift may yield less funding than the prior percentage-based approach, retaining continuous appropriations for these key programs is a positive outcome for Bay Area transit and affordable housing and is consistent with MTC’s and ABAG’s Cap and Trade advocacy principles.

- 2. Transit Transformation Action Plan and other Public Transit System Improvements:** Support policies aimed at ensuring public transit is an affordable, reliable, safe and convenient transportation option that is provided equitably and accessibly. Specifically, support policies to create a more user-friendly, connected Bay Area transit network that better serves existing transit riders and attracts new riders to transit in line with the Transit Transformation Action Plan (Action Plan) adopted by the Blue Ribbon Transit Recovery Task Force. Support policies that show promise to remove barriers to timely Action Plan implementation, including related to fare coordination and integration, real-time transit and other customer information initiatives, and transit priority.

Outcomes: SB 63’s expenditure plan directs a little less than 5 percent of regional measure revenue to programs that improve transit affordability, accessibility, and ease of use – priorities identified in the Action Plan. These initiatives are already underway on a pilot basis through the Bay Area’s Regional Network Management framework, a collaboration between MTC and transit agencies. If approved by the voters, funding from this measure will accelerate their deployment and long-term expansion for even greater benefits. The suite of rider-focused improvements includes:

- Free and reduced transfers that could save multi-agency riders up to \$1,500 per year. On a regional basis, this is estimated to increase ridership by approximately 30,000 trips per day.
- Expansion of the Clipper® START program, which provides a 50 percent means-based fare discount, to extend this savings to an estimated 100,000 additional low-income adults.

- Transit access improvements for seniors and individuals with disabilities.
- Transit priority projects to make bus trips faster and more reliable and mapping and wayfinding improvements to make transit easier to use.

3. Bay Area Housing Finance Authority and Housing Production, Preservation and Tenant Protection (“3 Ps”): Support the Plan Bay Area 2050’s ambitious housing goals by advocating for policies and funding that support local government in planning for more housing, that increase housing production – including lowering construction costs – that support preservation and that invest in associated infrastructure to help build complete communities. Support policies aimed at protecting tenants and low-income communities from displacement. Identify opportunities to support Bay Area Housing Finance Authority’s work – including preparations for a future regional housing measure and BAHFA pilot programs – and advocate for policies and funding to support that work. Specifically, sponsor authorizing legislation for a regional housing measure to be approved via citizen’s initiative.

Outcomes: Based on advice from key legislators, MTC and ABAG in February pivoted from sponsoring legislation to authorize a BAHFA citizen initiative to requesting \$30 million in state funding to maintain BAHFA’s operations and launch a self-sustaining lending program. Unfortunately, the state’s fiscal picture worsened, creating a challenging environment for any earmark requests. While the budget did not include any funding allocated to BAHFA, the authors of the pending housing bonds are considering our request for a new state lending program in which BAHFA could play a role and our advocacy for funding to continue BAHFA’s successful pilot programs teed up a potential budget request next year. A support letter from 20 members of the Bay Area state legislative delegation demonstrated strong legislative support for BAHFA.

MTC and ABAG partnered with Enterprise Community Partners and Public Interest Law Project to co-sponsor AB 670 (Quirk-Silva). This measure would allow cities and counties to claim credit on their housing element Annual Progress Report for “naturally-occurring affordable housing” that is converted to long-term deed-restricted affordable housing. AB 670 garnered bi-partisan support and is on the Governor’s desk.

MTC and ABAG also took support positions on several housing bills that are now two-year bills. This includes two \$10 billion state housing bonds, AB 736 (Wicks) and SB 417 (Cabaldon); AB 804 (Wicks), which would have made housing support services a covered Medi-Cal benefit for people experiencing, or at risk of experiencing, homelessness, subject to federal approval; and Senator Cortese’s SB 750, which would require the state to offer credit enhancements that reduce borrowing costs for deed-restricted multifamily development. MTC and ABAG also advocated for funding for core housing production programs, supporting the inclusion of \$120 million for the Multifamily Housing Program and \$500 million in state Low Income Housing Tax Credits in the FY 2025-26 State Budget.

- 4. Regional Transportation and Land Use Planning and Funding:** Partner with the California Association of Councils of Government, metropolitan planning organization partners, and state entities (including the California Air Resources Board (CARB), the California Transportation Commission, Caltrans, and the California Department of Housing and Community Development) to holistically review California's regional transportation and land use planning framework with the goal of improving how state and regional agencies collaborate to make progress toward the suite of state and regional environmental, housing and transportation-related objectives, including, but not limited to, greenhouse gas (GHG) emissions reductions. Additionally, review state funding decision-making to ensure state agencies balance this broad suite of goals, as appropriate.

Outcomes: With other metropolitan planning organizations (MPOs) and CalCOG, staff initiated a facilitated dialogue with state agencies to review California's regional transportation and land use planning framework and build greater understanding of various perspectives on how to accomplish shared objectives. Staff also collaborated with staff from the state's three other major MPOs – the Southern California Association of Governments (SCAG), the San Diego Association of Governments (SANDAG) and the Sacramento Area Council of Governments (SACOG) – to develop options for modernizing SB 375 (Steinberg), the 2006 legislation that created the Sustainable Communities Strategy (SCS). The Big 4 MPOs hired former Senate President pro Tem Darrell Steinberg to gather input on SB 375 modernization from key stakeholders and facilitate large-group policy discussions this fall. This work is ongoing, with an eye toward a potential 2026 bill. Additionally, the California State Transportation Agency invited MTC and ABAG to participate on a taskforce focused on SCS implementation challenges and opportunities, with a goal of issuing recommendations next fall.

- 5. Regional Housing Needs Determination (RHND) and Regional Housing Needs Allocation (RHNA):** Monitor proposals and engage in discussions related to statutory updates that would impact future Bay Area RHNA cycles. Advocate that any updates be:
- Aligned with Plan Bay Area 2050's guiding principles and housing goals, as well as ongoing discussions related to regional planning updates
 - Structured to empower regions to balance sometimes competing goals related to housing, equity, climate, resilience, economic vitality and environment; and
 - Implementable at both the regional and local levels.

Outcomes: Staff provided technical assistance to multiple legislators and committee staff as they crafted RHNA bills, securing amendments to advance the principles outlined above. The measures included AB 1275 (Elhawary) and SB 486 (Cabaldon), which are awaiting the Governor's signature, and SB 715 (Allen), which was not enacted this year. MTC and ABAG also co-sponsored AB 670 (Quirk-Silva) to allow cities and counties to claim credit on their housing element Annual Progress Report for "naturally-occurring affordable housing" that's converted to long-term deed-restricted affordable housing. (See #3 above).

- 6. Transportation System Effectiveness:** Advocate for policies that sustain and improve the effectiveness and service delivery of the Bay Area's transportation system, including Bay Area Toll Authority (BATA) toll bridge operations, FasTrak®, Clipper®, Freeway Service Patrol, Express Lanes, high-occupancy vehicle lanes, bus-only lanes and other transit priority improvements that help move buses out of traffic and BayWheels. Support policies that provide an opportunity to increase FasTrak and Clipper usage, including expanding the ability of transportation agencies to better communicate with their customers about programs and projects related to transportation overseen by the transportation agencies.

Outcomes: MTC supported several efforts this year to improve toll bridge operations and make it more convenient for people to travel around the Bay Area. AB 1085 (Stefani) aims to reduce toll violations resulting from intentional obstructions of license plates by increasing penalties on the upstream manufacture and sale of evasion devices. California law already prohibits the sale or use of these mechanisms, but they remain readily available for purchase. MTC also supported AB 344 (Petrie Norris) to make technical changes that would enable California toll agencies to participate in national tolling interoperability, which means drivers would be able to pay for any tolled facility in the U.S. while utilizing their home toll account. This is a two-year bill.

No bills were introduced this year to address the privacy law barriers to communicating with FasTrak and Clipper customers to enhance usage. See transit priority components of #2 above.

- 7. Transportation Project Delivery:** Monitor legislation related to transportation project delivery and support strategies to speed up the delivery of transportation projects and reduce their cost, including expanding flexibility in contracting and public private partnerships. Seek opportunities to support transit priority, State Route 37, and other MTC/BATA priority projects. Support authorizing State Route 37 corridor projects to be evaluated under the California Endangered Species Act (CESA) – which allows an incidental take permit so long as impacts to the species are fully mitigated, among other requirements – vs. the Fully Protected Species provisions of the California Fish and Game Code (which preceded the CSA). (The California Fish and Game Code does not allow for incidental take of species identified as Fully Protected except for narrow exceptions. This severely restricts work along SR 37, with work windows potentially limited to 10-12 weeks per year in portions of the project.)

Outcomes: MTC and regional partners organized a coalition to support AB 697 (Wilson), which authorizes near-term improvements on the State Route 37 corridor to proceed under a streamlined construction timeline by allowing the Department of Fish and Wildlife to issue incidental take permits for four fully protected species, so long as any impacts to the species are fully mitigated. The bill ensures time-sensitive mobility, flood protection and habitat restoration improvements can advance while maintaining strong environmental safeguards. AB 697 is on the Governor's desk awaiting signature.

MTC also supported SB 71 (Wiener) to extend and expand environmental streamlining provisions for certain active transportation and transit projects. In 2020, the MTC-supported SB 288 exempted many active transportation and transit projects from the California Environmental Quality Act (CEQA). SB 71 extends and expands these streamlining provisions for a range of dates from indefinite (active transportation plans, bicycle transportation plans and signal timing) to 2040 (various transit-related projects). The bill expands the scope of the transit CEQA exemption to include bus shelters, ferry terminals, lighting and infrastructure maintenance. SB 71 is on the Governor's desk.

- 8. Plan Bay Area 2050 Implementation:** Advocate for policies and funding tools that support regions in implementing state-mandated sustainable communities strategies (SCS), including support for new or ongoing resources for regions to invest in SCS implementation, such as a third iteration of the Regional Early Action Planning Grants (REAP). Further, support policy changes that will help the Bay Area meet its state and regional climate goals consistent with the Plan Bay Area 2050 Implementation Plan, including Vision Zero safety improvements and roadway pricing.

Outcomes: See Items 1 and 3 for general transportation and housing funding-related advocacy to support Plan Bay Area 2050 implementation. Additionally, in partnership with CalCOG and the other Big 3 MPOs, MTC and ABAG advocated for a dedicated share of the state's cap-and-trade resources for REAP. While not included in the Cap and Trade reauthorization legislation (AB 1207/SB 840), we received encouraging feedback from legislators and laid groundwork for a renewed request when the legislature considers how to spend its \$1 billion in annual discretionary GGRF revenue next year.

- 9. Climate, Resilience and Environment:** Support funding and policy strategies to help achieve and better coordinate state and regional climate and conservation goals, including providing regional technical assistance to advance sea level rise adaptation and protecting the San Francisco Estuary through implementing the Estuary Blueprint and other San Francisco Estuary Partnership work; advancing energy efficiency and decarbonization, including through supporting the Bay Area Regional Energy Network (BayREN) and ABAG POWER; and improving the Bay Area's resilience to natural hazards and the impacts of climate change, including earthquakes, sea level rise, heat and fire.

Outcomes: Staff monitored discussions in the Legislature on energy policy and related legislation to guard against the resurfacing of last year's proposal to cut a utility bill surcharge that partially funds BayREN's work. Additionally, the Legislature appropriated \$41 million in Proposition 4 funds to the San Francisco Bay Restoration Authority and San Francisco Bay Conservancy Program.

Federal Advocacy Objectives and Goals

- 1. Transportation and Housing Funding:** Support and defend robust federal investment in Bay Area transportation and housing infrastructure consistent with Plan Bay Area 2050, MTC's Bay Area Infrastructure Grants Strategy and Major Project Advancement Policy. Support policies and funding opportunities to implement the 3Ps in the San Francisco Bay Area, including increasing availability of Low Income Housing Tax Credits (LIHTC) for California affordable housing developments and supporting regional efforts to address affordable housing challenges.

Outcomes: Congress and the Trump Administration largely sustained prior year commitments to transportation funding, including fully funding the highway and transit formula programs that are funded by the Highway Trust Fund. However, the Administration clawed back certain previously awarded grants – most notably \$4 billion for California High Speed Rail – and rescinded billions more in grants funded through the Inflation Reduction Act. Additionally, new administrative policies and practices, including grant re-reviews and processing slowdowns, have resulted in delays and uncertainty around obligating and/or spending certain federal funds.

Regarding housing, the 2025 tax bill includes long-sought changes to the Low Income Housing Tax Credit program, one of the Bay Area's most important tools for affordable housing production. Beginning in 2026, the bill increases by 12 percent each state's cap on annual allocations of 9% LIHTCs and lowers the bond-financing threshold for the 4% LIHTCs to 25 percent (from 50 percent). This could boost affordable housing production in California by tens of thousands of affordable units per year, according to Novogradac.

- 2. Preserving California Access to Federal Transit Funds:** Support efforts spearheaded by the California Transit Association and the State of California to resolve ongoing issue that Bay Area federal transit funds may be withheld because of a 2021 U.S. Department of Labor (DOL) interpretation that state pension law known as "PEPRA" may impede federally guaranteed transit union collective bargaining rights.

Outcomes: In Spring 2025, the Trump Administration's Department of Labor re-embraced their 2019 determination that PEPRA does not inhibit collective bargaining rights guaranteed for transit workers. This removed the threat that California transit agencies might have their federal funds withheld for complying with California's pension reform law.

3. Infrastructure Investment and Jobs Act (IIJA) Reauthorization: Develop a surface transportation reauthorization platform for the next multi-year federal surface transportation program guided by the principles below. Engage with local, regional, state and national partners to build a coalition to support MTC and ABAG's reauthorization priorities in advance of the IIJA's expiration on September 30, 2026.

- a. Preserve the Bay Area's core transit and highway formula funds. Specifically, advocate that formula funding increases provided through IIJA advance appropriations (i.e., from the General Fund) are made permanent, in addition to maintaining Highway Trust Fund commitments to IIJA formula programs.
- b. Support increases in formula resources to provide increased predictability for long term investments, reduce administrative burden, and enhance flexibility for regions and states to align federal spending with the investments needed to achieve regional, state and federal goals related to safety, mobility, economy, climate, resilience, affordability, and more. Additionally, engage in discussions related to the federal government's role in transit operations guided by the following principles:
 - i. **Focus on Transit Riders:** Federal operating assistance should focus on transit improvements that attract and retain riders.
 - ii. **Maintain federal commitments to safety and state of good repair:** Any new transit operating program should augment, not replace funding for current programs. Absent new money, safeguards should ensure any new flexibility to use formula funds for operating assistance does not come at the expense of federal investments in safety and state of good repair.
 - iii. **Support improvements that can be sustained over the long-term:** Ensure upgrades that only require a time-limited subsidy, including upgrades to existing service, are eligible for funds. For traditional service expansions, ensure new service can be maintained.
- c. Maintain federal support for the Capital Investment Grant program, the primary federal fund source for major transit capital and modernization improvements.
- d. Grow federal support for transit and regional mobility solutions, including through updating tolling policy to allow roadway pricing to support mode shift. Revise transit programs to reward Bay Area best practices and expedite project delivery without harming the environment.

Outcomes: Congress began discussing the surface transportation reauthorization in earnest this year. Both Members of Congress and committees of jurisdiction requested stakeholders share their priorities. In response, MTC refined and submitted the Commission's surface transportation reauthorization platform, which is consistent with these advocacy principles. MTC also coordinated with state and national partners to support coalition platforms that incorporated our principles, ensuring Bay Area priorities were well represented in early reauthorization discussions.

4. **Climate, Resilience and Environment:** Defend existing clean air vehicle rules and standards to reduce GHGs from transportation, including California's ability to set rules that exceed federal standards. Defend against any efforts to undermine the Bay Area's efforts to improve air quality, reduce greenhouse gas (GHG) emissions, and make our communities and transportation networks resilient to a changing climate, especially in communities of concern that are most vulnerable to the impacts of climate change. Support funding and policies that protect the San Francisco Estuary and sea level rise adaptation, including securing funding for the San Francisco Bay Area Sea Level Rise Study authorized through the 2024 Water Resources Development Act.

Outcomes: In May, Congress passed resolutions to rescind the Clean Air Act waivers that the U.S. Environmental Protection Agency had previously granted California, and which are the basis for the state's regulations to phase out gas-powered cars and trucks and transition to a zero-emission transportation system. In June, California and 10 other states challenged the rescission on the grounds that the waivers are not rules that can be undone via the Congressional Review Act. That legal dispute is ongoing. In general, 2025 has brought a wave of executive orders and administrative actions to undo any federal role related to climate change. In this quickly evolving environment, staff continue to monitor developments.