

San Mateo County Transportation Authority 2017 Legislative Program

Purpose

Legislative and regulatory actions have the potential to significantly benefit San Mateo County Transportation Authority (Authority) programs and services. They also have potential to present serious challenges that threaten the Authority's ability to meet San Mateo County's most critical transportation demands.

The 2017 Legislative Program establishes the principles that will guide the Authority's legislative and regulatory advocacy efforts through the 2017 calendar year, including the first half of the 2017-18 State legislative session and 115th Congress. The program is intended to be broad enough to cover the wide variety of issues that are likely to be considered during that time and flexible enough to allow the Authority to respond swiftly and effectively to unanticipated developments.

Objectives

The 2017 Legislative Program is organized to guide the Authority's actions and positions in support of three primary objectives:

1. Maintain and enhance funding opportunities to support the Authority's programs and services.
2. Seek a regulatory environment that streamlines project delivery and maximizes the Authority's ability to meet transportation service demands.
3. Reinforce and expand programs that build and incentivize public transportation ridership, bike and pedestrian improvements, and transit-oriented developments.

Issues

The Legislative Program is structured to apply these core objectives to a series of State and Federal issues falling in these categories:

1. Budget and Transportation Funding Opportunities
2. Transportation Projects - Funding Requests and Needs
3. Regulatory and Administrative Issues

Within these categories are a detailed list of specific legislative initiatives and corresponding set of policy strategies.

Should other issues surface that require the Authority's attention, actions will be guided by the three policy objectives listed above. If needed, potential action on issues that are unrelated to these policy goals will be brought to the Authority's Board of Directors for consideration.

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Public Engagement Strategies

Authority staff, led by the Communications Division and its legislative consultants, will employ a variety of public engagement strategies to support the 2017 Legislative Program, including:

1. Direct Engagement
Engage policymakers directly and sponsor legislation, submit correspondence and provide public testimony that communicates and advances the Authority's legislative priorities and positions.
2. Coalition-based Engagement
Engage local and regional stakeholders to build awareness about specific issues and participate in local, regional, statewide and national coalitions organized to advance positions that are consistent with the 2017 Legislative Program.
3. Media Engagement
Build public awareness and communicate the Authority's legislative priorities by issuing press releases, organizing media events, and through the use of social media.

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STATE AND REGIONAL ISSUES

Budget and Transportation Funding Opportunities

<i>Issues and Background</i>	<i>Strategies</i>
<p><u>General</u> State investment in transportation operations and infrastructure continues to be underfunded despite a rebounding economy and the stabilization of the State budget. While some existing revenues have been protected from diversion, other funds remain vulnerable, and although some State bond revenues are still available to fund specified transportation projects, over \$200 billion in new revenue will be required to meet the State’s infrastructure needs over the next six years. Since the gas tax has not been increased or adjusted for inflation since 1994, its buying power has been diminished, further depleting resources available to maintain, let alone expand or improve the state highway system or transit needs.</p> <p>A statewide advisory committee has been established to assess the implementation of pilot program for a mileage-based user fee as an alternative to the gas tax. Currently, there is a statewide pilot program with 5,000 participants to assess the implementation of mileage-based user fee.</p> <p>In addition, Governor Brown and legislative leaders are committed to finding new revenues for local streets and roads maintenance and rehabilitation, the state highway system, and funding for public transportation.</p> <p><u>Existing Revenues</u> <i>Formula</i> After years of diversion to support the State’s General Fund, funding for the State Transit Assistance (STA) program has remained stable over the last few budget cycles thanks to successful legal, legislative and political efforts on behalf of the transportation community. Still, more revenue is needed in order to meet the demand of increased ridership, reduce highway congestion – especially on Highway 101 – and adhere to the State’s mandate of reducing greenhouse gas emissions, and creating livable communities.</p>	<p><u>General</u></p> <ul style="list-style-type: none"> • Protect against the elimination or diversion of any State or regional funds that support San Mateo County transportation needs. • Support State funding allocation requests for investments that benefit San Mateo County transportation programs and services. • Work with statewide transit coalitions to identify and advance opportunities for funding that would support San Mateo County transportation priorities. • Monitor recommendations of the Road Usage Charge (RUC) Technical advisory Committee and implementation of a RUC program by the California State Transportation Agency (CalSTA). • Monitor and support efforts to study mileage-based user fee as a potential revenue source. • Support a funding package that will help address maintenance, rehabilitation, and congestion management needs in San Mateo County for programs that allow locals flexibility in leveraging funding for priority projects, such as congestion management and safety improvements on Highway 101, transit capital and operations, grade separations, bicycle and pedestrian programs, and local streets and roads. <p><u>Existing Revenues</u> <i>Formula</i></p> <ul style="list-style-type: none"> • Support the full funding of the STA program at levels called for in the 2011 reenactment of the 2010 gas-tax swap legislation. • Advocate for the regularly scheduled issuance of State infrastructure bonds that support San Mateo County’s transportation services and programs. • Support legislation seeking to increase the sales tax on diesel, which serves as the primary source of funding for the STA program. • Advocate for the restoration of over \$1 billion in annual truck weight fee revenue and \$700 million in General Fund loan repayments, which can be used to support Measure A program priorities. • Support legislation clarifying the historic implementation of the STA program.

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STATE AND REGIONAL ISSUES

<i>Issues and Background</i>	<i>Strategies</i>
<p><u>Cap-and-Trade Revenues</u> In 2012, the State began implementing the cap-and-trade market-based compliance system approved as a part of the California Global Warming Solutions Act of 2006 (AB 32). The State estimates that the system may yield billions of dollars per year in revenues that will be allocated to various emissions-reducing projects and programs. In 2014, legislation was enacted creating a long-term funding plan for cap-and-trade which dedicates 60 percent of cap-and-trade revenues to transportation. The remaining 40 percent is subject to annual appropriation through the state budget process.</p> <p>Transit funding can be obtained through the Low Carbon Transit Operations Program, the Transit and Intercity Rail Capital Program and the Affordable Housing Sustainable Communities Program. Each programs requirements, oversight, and competitiveness vary. The programs require a certain percentage of funds be expended in state defined “disadvantaged communities” (as defined by CalEnviroScreen). This can prove difficult in jurisdictions with a small number of disadvantaged communities.</p> <p><u>Ballot Measures and Voter Threshold</u> With over \$200 billion in unfunded transportation needs and funding from existing infrastructure bond measures waning, proposals for new local, regional and statewide transportation revenues are being discussed.</p> <p>Despite broad-based majority support for dedicating additional revenue to transportation services and programs, efforts to generate new revenues are often unsuccessful due to the requirement that certain measures receive two-thirds supermajority support from the Legislature and/or voters.</p> <p>In 2017, legislation may be considered that provides a framework for lowering the thresholds for the State or a city, county, special Authority or regional public agency to impose a special tax.</p>	<p><u>Cap-and-Trade Revenues</u></p> <ul style="list-style-type: none"> • Work with the Administration and like-minded coalitions to secure the appropriation of additional cap-and-trade revenues to support San Mateo County transportation needs. • Support legislation and regional action that makes a broad array of San Mateo County emissions-reducing transportation projects, programs and services eligible for investment. • Protect existing cap-and-trade appropriations for transit operations and capital projects and sustainable communities strategy implementation. • Work to direct additional revenues to transit-eligible programs, including efforts to secure funding from the remaining discretionary funds and revenues dedicated to the high-speed-rail project. • Support efforts to revise the State’s definition on “disadvantaged communities” to encompass a larger proportion of disadvantaged communities on the Peninsula. <p><u>Ballot Measures and Voter Threshold</u></p> <ul style="list-style-type: none"> • Engage in efforts to generate new local, regional or statewide transportation funding and support proposals that adequately benefit San Mateo County transportation needs. • Oppose efforts to add burdensome restrictions on the expenditure of these revenues, such as requiring payment for maintenance costs on the state highway system. • Support efforts to amend the State Constitution to reduce the voter threshold required for the State or a city, county, special Authority or regional transportation agency to impose a special tax for transportation projects or programs.

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STATE AND REGIONAL ISSUES

<i>Issues and Background</i>	<i>Strategies</i>
<p><u>Other State or Local Funding Options</u> With the State’s recent dissolution of redevelopment agencies, local and regional governments continue to seek methods for funding new infrastructure, facility needs, sustainability initiatives, and projects that will support ridership growth through a variety of methods.</p> <p>Various local jurisdictions around the state are looking to expand managed lane programs as a way of generating additional funding for highway maintenance and operations, and, possibly to support public transit in managed lane corridors.</p> <p><u>Federal Impacts on State Funding</u> It is unclear what the new Trump administration plans to do regarding transit and how it will interface with California and its progressive policies. California currently leads the nation on a number of issues, including climate change, with transit playing a key role in achieving the state’s goals.</p>	<p><u>Other State or Local Funding Options</u></p> <ul style="list-style-type: none">• Advocate for legislation that would create new local funding tools to support transportation infrastructure and services.• Support innovative local and regional funding options that will provide financial support Authority projects.• Support legislation that works to ensure revenues generated through managed lane projects remain in the County of origin.• Support MTC’s efforts to seeking authority for Bay Area voters to consider raising tolls on state- owned bridges to fund transportation improvements in bridge corridors (Regional Measure 3). <p><u>Federal Impacts on State Funding</u></p> <ul style="list-style-type: none">• Monitor and respond, if needed, to state action re: potential loss or reduction in federal funding sources.

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STATE AND REGIONAL ISSUES

Transportation Projects – Funding Requests and Needs

<i>Issues and Background</i>	<i>Strategies</i>
<p><u>General</u> As the Bay Area’s population continues to grow, the region’s transportation infrastructure is being negatively impacted. Highways, local streets and roads are becoming heavily congested, Caltrain is nearing its capacity limits, and the demand for housing with easy access to public transit is increasing.</p> <p><u>Authority Supported Projects</u> Created to administer Measure A, San Mateo County’s ½ cent sales tax, the Authority provides funding to cities and San Mateo County transportation agencies for transportation and infrastructure improvement projects.</p> <p>The Authority provides funding through six key programs: transit, highway, local streets and transportation, grade separation, pedestrian and bicycles, and alternative congestion relief.</p> <p><u>Caltrain Modernization Program (CalMod)</u> In 2012, the State Legislature appropriated \$705 million in Proposition 1A high-speed rail funds to modernize the Caltrain corridor and lay the foundation for future high-speed rail service. Under a multi-party regional funding agreement, this investment will be used to match a variety of local, regional, state and federal funding sources to electrify the corridor, install an advanced signaling system and replace Caltrain’s aging diesel trains with electric trains that will dramatically improve service between San Francisco and San Jose.</p> <p><u>Other Projects</u> Beyond the CalMod Program, Caltrain has identified capital projects such as a fully electrified 8-car EMU fleet with longer platforms that will provide additional capacity and service benefits to Caltrain commuters. The capital needs also include but are not limited to grade separations and station upgrades.</p> <p>In 2016, a new round of HSR Blended System planning, outreach and environmental clearance work kicked-off in the corridor. HSR anticipates environmental clearance by the end of 2017. While this project is not being led by the JPB, the agency owns the right-of-way and has a significant interest in the process and success of the project that will “blended” with Caltrain service.</p>	<p><u>General</u></p> <ul style="list-style-type: none"> • Work with partners in the region to bring business, community, and transportation stakeholders together to enhance, support and advocate for transportation and mobility in the Bay Area. <p><u>Authority Supported Projects</u></p> <ul style="list-style-type: none"> • Support San Mateo County cities and transportation agencies in their effort to secure state funding for projects that align with the Authority’s key programs <p><u>Caltrain Modernization Program (CalMod)</u></p> <ul style="list-style-type: none"> • Advocate for the sale and allocation of Proposition 1A bonds to meet the commitments specified in SB 1029 with respect to the Caltrain corridor. • Support the allocation of cap-and-trade funding to advance implementation of the Caltrain Modernization Program. • Work with state, local and regional partners to advance policies and actions that will help secure funding needed to fulfill local and regional commitments to the Caltrain Modernization Program. • Work to address regulatory challenges that limit the implementation of solutions that will maximize Caltrain capacity and service benefits. <p><u>Other Projects</u></p> <ul style="list-style-type: none"> • Support the allocation of cap-and-trade or other state / regional funding to advance implementation of JPB projects. • Work to address regulatory actions or policies that negatively impact future capacity or service improvements. • Consistent with existing agreements between JPB and CHSRA, support efforts to plan, engage stakeholders, and implement the Blended System project on the Caltrain corridor.

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STATE AND REGIONAL ISSUES

Regulatory and Administrative Issues

Issues and Background

General

Every year a variety of legislation or regulatory action is pursued that would affect regulations governing transportation-related service operations, administration, planning and project delivery. In addition, opportunities exist to reform or update existing regulations that are outdated, or can be improved to address potential burdens on transportation agencies without affecting regulatory goals.

Managed Lanes

Various local jurisdictions around the state are looking to expand managed lane programs as a way of generating additional funding for highway maintenance and operations, and, possibly to support public transit in managed lane corridors.

California Environmental Quality Act (CEQA)

Several regional and statewide transportation organizations continue working to modernize CEQA and minimize unnecessary delays during the environmental review process.

In 2017, California's (Caltrans) participation in the national pilot program established under SAFETEA-LU, which allows for continued streamlining of the environmental project review process with CEQA expires.

Sustainable Communities Strategies Implementation

In conjunction with AB 32 implementation, the Sustainable Communities and Climate Protection Act (SB 375) requires regions to develop Sustainable Communities Strategies (SCS) with integrated housing, land-use and transportation policies that will accommodate population growth and reduce regional greenhouse gas emissions by specific amounts. In 2013, regional authorities in the Bay Area approved Plan Bay Area, which includes the region's SCS.

Strategies

General

- Support opportunities to remove barriers to, and improve the ability to conduct, safe, efficient transportation operations, administration, planning and project delivery efforts, including alternative project delivery methods that provide flexibility to the Authority.
- Oppose efforts to impose unjustified and burdensome regulations or restrictions on the Authority's ability to conduct efficient transportation operations, administration, planning and project delivery efforts.

Managed Lanes

- Support legislation that streamlines and expedites construction and implementation of managed lanes
- Support legislation that works to ensure revenues generated through managed lane projects remain in the County of origin

California Environmental Quality Act (CEQA)

- Closely monitor efforts to modernize CEQA and support proposals that advantage transportation projects, including bicycle, pedestrian and transit-oriented development projects, without compromising CEQA's effectiveness as an environmental protection policy.
- Support efforts to streamline project delivery including expedited reviews and approvals for large transportation projects such as HWY 101 HOV/HOT lane conversion and projects within the Dumbarton Rail Corridor.
- Support legislative efforts to extend Caltrans' ability to streamline the environmental review process for critical transportation projects.

Sustainable Communities Strategies Implementation

- Advocate for policies that provide adequate and equitable funding to support increased demand and dependence on San Mateo County's transportation services associated with the implementation of SB 375 and Plan Bay Area.

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FEDERAL ISSUES

Budget and Transportation Funding Opportunities

Issues and Background

Federal Appropriations and Tax Extenders

Every year, Congress adopts several appropriations bills that cover 12 major issue areas, including the Transportation, Housing and Urban Development bill. These measures provide the authority for federal agencies to spend money during the upcoming fiscal year for the programs they administer.

In December 2016, Congress passed a Continuing Resolution (CR) that funds the federal government until April 28, 2017. Congress will then have to pass a short term CR or omnibus appropriations bill to fund the government for the remainder of fiscal year 2017, which ends on September 29, 2017.

Congress also considers legislation that governs tax and finance issues that impact transit agencies.

Surface Transportation and Rail Authorization

In 2015, Congress passed Fixing America's Surface Transportation (FAST) Act, a five year bill that establishes funding levels and federal policy for the nation's highways and public transit systems through Fiscal Year 2020. While the FAST Act included significant benefits for transportation agencies, it did not address several critical issues including the long-term solvency of the Highway Trust Fund.

In 2017, Congress will be holding hearings on FAST Act implementation.

Strategies

Federal Appropriations and Tax Extenders

- Partner with local, regional, State and national coalitions to advocate appropriation of the maximum authorized amount for programs that benefit San Mateo County's transportation services and needs.
- Work with local and regional coalitions to support requests for funding from discretionary programs.
- Continue to monitor legislation that impacts tax and finance issue relative to transit agencies.

Surface Transportation and Rail Authorization

- Advocate for a dedicated source of revenue that ensures long-term solvency of the Highway Trust fund; allows for the expansion of Federal transportation funding to cover transit state-of-good-repair and other transportation expansion needs.
- Highlight the importance of federal investments in transportation and transit operations, SOGR, and expansion projects.

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FEDERAL ISSUES

Transportation Projects – Funding Requests and Needs

Issues and Background

General

Support the efforts of partnering agencies to obtain federal funding for transit projects in San Mateo County.

Bus and Bus Facilities

Currently SamTrans has roughly 135 buses that were purchased in 2002-2003 that are near the end of their useful life. Federal grant funding must be pursued to replace the existing fleet.

In addition, the United States Department of Labor is releasing previously awarded grant funding until the State resolves the pending PEPR/ 13(c) conflict. Procurement of new buses is on hold until the issue is resolved.

Caltrain Modernization Program

The current Peninsula Corridor Electrification Project funding plan includes funding from several federal funding sources including the Federal Transit Administration (FTA) Core Capacity Program. To receive the funds, the JPB will need a Full Funding Grant Agreement (FFGA) with the FTA. The Core Capacity funding is an important part of the PCEP funding plan that will keep the project on track to start construction in 2017.

Other Projects

Beyond the CalMod Program, the JPB has identified capital projects such as a fully electrified 8-car EMU fleet with longer platforms that will provide additional capacity and service benefits to Caltrain commuters. The capital needs also include but are not limited to grade separations, station upgrades, and supporting regional projects that will increase Caltrain ridership.

Strategies

General

Work with federal delegation members, as well as local, regional, and state coalitions to support the federal funding requests for our partner transit agencies.

Bus and Bus Facilities

- Advocate for additional funding for bus and bus facilities.
- Pursue a fix to the PEPR/13(c) issue that prohibits the United States Department of Labor from withholding grant funding for transportation projects, capital and operations.

Caltrain Modernization Program

- Advocate for the PCEP to be included in the FY18 Core Capacity Program Presidential Budget and for a swift FFGA process with the FTA.
- Work with federal delegation members, as well as local, regional, and state coalitions to support the PCEP requests for funding.

Other Projects

- Support the allocation of federal funding to advance implementation of Caltrain projects.
- Work with federal delegation members, as well as local, regional, and state coalitions to support requests for federal funding that will benefit transit service and ridership projects.

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FEDERAL ISSUES

Regulatory and Administrative Issues

<i>Issues and Background</i>	<i>Strategies</i>
<p><u>FAST Act and other Regulations</u> Under FAST Act, the United States Department of Transportation (USDOT) will issue guidance and conduct rulemaking to implement various regulatory changes.</p> <p>USDOT will also issue guidance, new rulemaking, and take action in response to Executive Orders on a variety of issues outside the scope of the FAST Act.</p> <p><u>Aviation Fuel Tax Use</u> In 1999, the Federal Aviation Administration (FAA) instituted the Policy and Procedures Concerning the use of Airport Revenue (64 Fed. Reg. 7696) stating that state and local taxes on aviation fuel, whether part of a general tax or otherwise, are subject to federal restrictions on the use of airport revenue. This means proceeds from taxes on aviation fuel must be used for the capital or operating expenses of the airport where the fuel is sold. The FAA believes the Authority's San Mateo County Bradley-Burns Local Uniform Sales and Use Tax and Measure A tax are both subject to this policy.</p> <p>The FAA has provided a three year transition period, ending in December 2017, for state and local governments to comply. In December 2015, an action plan detailing the transition was submitted to FAA.</p> <p><u>New Administration</u> On January 20, 2017, a new Administration will begin. There will be also be new leadership at the Department of Transportation as well as other associated agencies (FRA, FTA, FHWA)</p>	<p><u>FAST Act and other Regulations</u></p> <ul style="list-style-type: none">• Monitor and review guidance and rulemaking proposals affecting FAST Act implementation and other transportation issues.• Collaborate with local, regional, state and national transportation advocacy groups to coordinate comments and advocacy efforts that support regulations that maximizes benefits for transportation programs, services and users. <p><u>Aviation Fuel Tax Use</u></p> <ul style="list-style-type: none">• Work with the State and County to develop an action plan response as it relates to necessary steps for assuring compliance related to the policy.• Show that the services and improvements funded by the Authority's programs exceed the affected sales tax revenues derived from the sale of aviation fuel.• Advocate for a solution that will not remove critical funds from Measure A. <p><u>New Administration</u></p> <ul style="list-style-type: none">• Monitor closely and take action as needed on new Administration policies that may have a significant impact on transit / transportation projects and programs.