

THE BAY AREA PARTNERSHIP

Partnership Technical Advisory Committee

April 17, 2017, 1:30 p.m. – 3:30 p.m.

Bay Area MetroCenter, 1st Floor, Yerba Buena

375 Beale Street, San Francisco 94105

AGENDA

Estimated Time
for Agenda Item

- 1) Introductions (Nancy Adams, Vice-Chair) **1:30 p.m.**
 - a) 2017 PTAC 2nd Vice Chair Nominee Approval (Anthony Adams, PTAC Chair)
(Effective January 1, 2017, Anthony Adams (STA) will become PTAC Chair and Nancy Adams (Santa Rosa) will become PTAC Vice-Chair. The Committee will consider a nominee from the Transit Finance Working Group to act as 2nd Vice Chair for 2017.)
- 2) Minutes from the September 19, 2016 Partnership Technical Advisory Committee* (Nancy Adams, Vice-Chair)
- 3) Partnership Reports:
 - a) Partnership Programming and Delivery Working Group (PDWG)*
Chair (PDWG): Danielle Schmitz, NVTA
(The Partnership Programming and Delivery Working Group met on April 17, 2017)
- 4) Committee Member Reports

INFORMATION ITEMS / OTHER BUSINESS

1:45 p.m.

- 5) TIP Update* (Adam Crenshaw; acrenshaw@mtc.ca.gov)
(The current TIP can be viewed at:
<http://mtc.ca.gov/our-work/fund-invest/transportation-improvement-program>)

DISCUSSION ITEMS

1:50 p.m.

- 6) Legislative Report* (Georgia Gann Dohrman; ggannndohrmann@mtc.ca.gov)
(Staff will provide an update on the Governor's transportation funding proposal. The Legislative Update can be found online at: <http://mtc.ca.gov/whats-happening/meetings?meeting=Legislation+Committee>)
- 7) Federal Performance Rulemaking and Implementation*
 - Pavement and Bridge Final Rule (Sui Tan; stan@mtc.ca.gov)
 - System Performance Final Rule (Dave Vautin; dvautin@mtc.ca.gov)
 - Transit Safety Final Rule (Dave Vautin; dvautin@mtc.ca.gov)
 - TIP Performance Implementation – Phase I (Mallory Atkinson; matkinson@mtc.ca.gov)
- 8) Plan Bay Area 2040:
 - a) Document, Action Plan and Public Outreach* (Kristen Villanueva; kvillanueva@mtc.ca.gov)
(Staff will present the next steps and public outreach schedule for Plan Bay Area 2040.)
 - i) Chapter 5 – Draft Plan Bay Area 2040 Action Plan
 - ii) Plan Bay Area 2040 Outreach Schedule
- 9) Recommended Future Agenda Items (All)

10) Public Comment

CONFERENCE CALL-IN:

Dial in: 877.873.8017

Passcode: 9045636

Partnership Board, TAC and Working Groups

2017 Tentative Meeting Calendar

March 29, 2017

(Subject to change. See agendas for final meeting date, time and location)

Month	Regional Advisory Working Group (RAWG) Yerba Buena, Room 109 (9:30a - 11:35a)	Partnership Transit Finance (TFWG) Yerba Buena, Room 109 (10:00a - 12:00p)	Partnership Local Streets & Roads (LSRWG) Ohlone Room 109, (9:30a - 11:30a)	Partnership Programming & Delivery (PDWG) Ohlone Room 109, (9:30a - 11:30a)	Joint Partnership (LSRPDWG) Yerba Buena, Room 109, (9:30a - 12:00p)	Partnership Technical Advisory Committee (PTAC) Yerba Buena, Room 109, (1:30p - 3:30p)	Partnership Board Location TBD Time TBD
January		Wed, Jan 4			Thu, Jan 12		
February	Tue, Feb 7	Wed, Feb 1	Thu, Feb 9			Mon, Feb 13	
March	Tue, Mar 7	Wed, Mar 1			Mon, Mar 20	Mon, Mar 20	Fri, Mar 3
April	Tue, Apr 4	Wed, Apr 5	Thu, Apr 13	Mon, Apr 17		Mon, Apr 17	
May	Tue, May 2	Wed, May 3			Thu, May 11	Mon, May 22	
June	Tue, Jun 6	Wed, Jun 7	Thu, Jun 8	Mon, Jun 19		Mon, Jun 19	
July	TBD*	Wed, Jul 5			Mon, Jul 17	Mon, Jul 17	
August		Wed, Aug 2	NO AUGUST PARTNERSHIP MEETINGS				
September	Tue, Sep 5	Wed, Sep 6			Mon, Sep 18	Mon, Sep 18	
October	Tue, Oct 3	Wed, Oct 4	Thu, Oct 12	Mon, Oct 16		Mon, Oct 16	
November	Tue, Nov 7	Wed, Nov 1			Thu, Nov 9	Mon, Nov 20	
December	Tue, Dec 5	Wed, Dec 6	Thu, Dec 14	Mon, Dec 18		Mon, Dec 18	

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Changes are highlighted.

Please email the appropriate meeting manager if you would like to be added or removed from the distribution list

RAWG Meeting Manager: Martha Silver, msilver@mtc.ca.gov

TFWG Meeting Manager: Theresa Hannon, thannon@mtc.ca.gov

LSRWG/PDWG/PTAC Meeting Manager: Marcella Aranda, marand@mtc.ca.gov

PARTNERSHIP BOARD: Meeting Manager: Beba Jimenez, bjimenez@mtc.ca.gov

* Agenda Items attached

** Agenda Items with attachments to be distributed at the meeting.

MTC Staff Liaison: Contact Kenneth Folan at 415.778.5204 or kfolan@mtc.ca.gov regarding this agenda.

Accessibility and Title VI: MTC provides services/accommodations upon request to persons with disabilities and individuals who are limited-English proficient who wish to address Commission matters. For accommodations or translations assistance, please call 415.778.6757 or 415.778.6769 for TDD/TTY. We require three working days' notice to accommodate your request.

Public Comment: The public is encouraged to comment on agenda items at Committee meetings by completing a request-to-speak card (available from staff) and passing it to the Committee secretary. Public comment may be limited by any of the procedures set forth in Section 3.09 of MTC's Procedures Manual (Resolution No. 1058, Revised) if, in the chair's judgment, it is necessary to maintain the orderly flow of business.

Meeting Conduct: If this meeting is willfully interrupted or disrupted by one or more persons rendering orderly conduct of the meeting unfeasible, the Chair may order the removal of individuals who are willfully disrupting the meeting. Such individuals may be arrested. If order cannot be restored by such removal, the members of the Committee may direct that the meeting room be cleared (except for representatives of the press or other news media not participating in the disturbance), and the session may continue.

Record of Meeting: Committee meetings are recorded. Copies of recordings are available at a nominal charge, or recordings may be listened to at MTC offices by appointment.

可及性和法令第六章： MTC 根據要求向希望來委員會討論有關事宜的殘疾人士及英語有限者提供服務/方便。需要便利設施或翻譯協助者，請致電 415.778.6757 或 415.778.6769 TDD / TTY。我們要求您在三個工作日前告知，以滿足您的要求。

Acceso y el Título VI: La MTC puede proveer asistencia/facilitar la comunicación a las personas discapacitadas y los individuos con conocimiento limitado del inglés quienes quieran dirigirse a la Comisión. Para solicitar asistencia, por favor llame al número 415.778.6757 o al 415.778.6769 para TDD/TTY. Requerimos que solicite asistencia con tres días hábiles de anticipación para poderle proveer asistencia.

PARTNERSHIP TECHNICAL ADVISORY COMMITTEE (PTAC) MINUTES

September 19, 2016

Page 1 of 1

1. Introductions

The meeting was called to order and introductions were requested.

2. Minutes from the July 18, 2016 Partnership Technical Advisory Committee (PTAC) Meeting

The minutes from the July 18, 2016 PTAC meeting were accepted.

3. Partnership Reports**a. Partnership Programming and Delivery Working Group (PDWG).**

The PDWG met on September 19, 2016. *Joel Goldberg (SFMTA)* summarized the September PDWG meeting.

b. Partnership Transit Finance Working Group (TFWG)

The TFWG met on September 7, 2016. *Lauren Gradia (Marin Transit)* summarized the September TFWG meeting.

4. Information Items:**a. TIP Update**

Adam Crenshaw (MTC) provided an update on recently approved TIP revisions.

5. Discussion Items**a. Legislative Update**

Rebecca Long (MTC) provided a legislative update. PTAC members requested information on Regional Measure 3 development. Rebecca stated that MTC staff would be seeking direction from the Commission in late 2016 or early 2017.

b. PBA 2040:

Matt Maloney (MTC) presented the draft preferred land use and transportation strategy for Plan Bay Area 2040. Staff presented the performance results of the draft preferred scenario against the Plan's adopted targets and equity framework.

c. One Bay Area Grant (OBAG) Cycle 2

Mallory Atkinson (MTC) summarized the proposed program revision recently approved by the MTC Commission and provided information on next steps.

6. Public Comment



METROPOLITAN
TRANSPORTATION
COMMISSION

PARTNERSHIP PROGRAMMING AND DELIVERY
WORKING GROUP MEETING
375 Beale Street, San Francisco
1st Floor, Yerba Buena
Monday, April 17, 2017
10:00 a.m. – 11:30 a.m.

AGENDA

Topic	Estimated Time
1) Introductions (<i>Danielle Schmitz, PDWG Chair</i>)	5 min
2) Informational Items: (<i>"Memo Only" unless otherwise noted</i>)	
A. TIP Update* (Adam Crenshaw; acrenshaw@mtc.ca.gov) (<i>The current TIP can be viewed at:</i> http://mtc.ca.gov/our-work/fund-invest/transportation-improvement-program)	5 min
B. PMP Certification Status* (<i>Current PMP Certification status is available online at:</i> http://mtc.ca.gov/sites/default/files/PMP_Certification_Status_Listing.xlsx).	
C. State Programming/ CTC Actions*: (Kenneth Kao; kkao@mtc.ca.gov)	15 min
i ATP Update	
ii STIP Update	
iii Freight Update	
D. Federal/State Programming Announcements:	
3) Discussion Items:	
A. OBAG2 Update (<i>Mallory Atkinson, matkinson@mtc.ca.gov</i>)	10 min
B. Federal Delivery Monitoring Update* (<i>Marcella Aranda; maranda@mtc.ca.gov</i>)	20 min
• FFY2016-17 Annual Obligation Plan Project Sponsor Status Reporting* (<i>CMAs will be asked to provide verbal updates on unobligated projects</i>)	
C. Federal Efficiencies Subgroup Update (<i>Danielle Schmitz, PDWG Chair</i>)	30 min
• SPOC Workshop Update	
D. Other Discussion Items (<i>All</i>)	5 min
4) Recommended Agenda Items for Next Meeting: (<i>All</i>)	

CONFERENCE CALL-IN:

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[https://metrotrans-my.sharepoint.com/personal/marand_mtc_ca_gov/Documents/Shared with Everyone/\[Meeting Calendar_WG_PTAC.xlsx\]2017](https://metrotrans-my.sharepoint.com/personal/marand_mtc_ca_gov/Documents/Shared%20with%20Everyone/[Meeting%20Calendar_WG_PTAC.xlsx]2017)

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PARTNERSHIP BOARD: Meeting Manager: Beba Jimenez, bjimenez@mtc.ca.gov

* = Attachment in Packet

** = Handouts Available at Meeting

Contact Marcella Aranda at maranda@mtc.ca.gov if you have questions regarding this agenda.



METROPOLITAN
TRANSPORTATION
COMMISSION

Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105
TEL 415.778.6700
WEB www.mtc.ca.gov

Memorandum

TO: Partnership Technical Advisory Committee

DATE: April 17, 2017

FR: Adam Crenshaw

RE: Transportation Improvement Program (TIP) Update

TIP Revision 2017-14 – RTP Reconciliation Amendment (Pending)

Amendment 2017-14 is a revision to the 2017 TIP that will reconcile the 2017 TIP to the newly developed *Plan Bay Area 2040*. This revision is currently under development and a draft version is scheduled to be released for public review and comment on May 1, 2017. The public review and comment period is scheduled to close on June 1, 2017 at 4 PM. The Final TIP Revision 2017-14 is scheduled to be approved concurrently with *Plan Bay Area 2040*.

TIP Revision 2017-13 – Amendment (Pending)

Amendment 2017-13 is under development.

TIP Revisions 2017-11 and 2017-12 – Administrative Modifications (Pending)

Administrative Modifications 2017-11 and 2017-12 are under development.

TIP Revision 2017-10 – Amendment (Proposed)

Amendment 2017-10 makes revisions to 14 projects with a net increase in funding of approximately \$101 million. Commission approval is scheduled for April 26, 2017, Caltrans approval is expected in May, 2017, and final federal approval is expected in June, 2017. Among other changes, the revision:

- Amends three new exempt Transit Performance Initiative Program funded projects into the TIP;
- Updates the funding plans of two projects to reflect the programming of funds from fiscal year 2016-17 of the Transit Capital Priorities program;
- Updates the funding plans and back-up listings of two grouped listings and adds one new grouped listing to reflect the latest information from Caltrans including the addition of \$55.8 million in State Highway Operation and Protection Program funds and \$3.8 million in Section 130 Railroad/Highway Crossing funds;
- Amends AC Transit's Five Battery-Electric Bus Purchase project into the TIP to reflect the recent award of \$1.5 million in Federal Transit Administration (FTA) Low or No Emission Vehicle Deployment Program funds;
- Amends Bay Area Rapid Transit's Integrated Carpool to Transit Access Program into the TIP to reflect the award of \$358,000 in FTA Mobility on Demand Sandbox Program funds; and
- Amends on new exempt and one previously archived project into the TIP.

Changes made with this revision do not affect the air quality conformity finding or conflict with the financial constraint requirements.

TIP Revision 2017-09 – Administrative Modification (Pending)

Administrative Modification 2017-09 is under development.

TIP Revision 2017-08 – Amendment (Proposed)

Amendment 2017-08 makes revisions to 73 projects with a net increase in funding of approximately \$840 million. Commission approval was received on March 22, 2017, Caltrans was received on March 29, 2017, and final federal approval is expected in April, 2017. Among other changes, the revision:

- Amends 37 new exempt projects into the TIP and updates the funding plans of 35 existing projects to reflect the programming of funds for FY2016-17 in the Transit Capital Priorities program; and
- Archives one project as it has been completed.

Changes made with this revision do not affect the air quality conformity finding or conflict with the financial constraint requirements.

TIP Revision 2017-07 – Administrative Modification (Pending)

Administrative Modification 2017-07 is under development.

TIP Revision 2017-06 – Amendment (Approved)

Amendment 2017-06 makes revisions to 11 projects with a net increase in funding of approximately \$68 million. Commission approval was received on February 22, 2017. Caltrans approval was received on February 24, 2017, and final federal approval was received on March 14, 2017. Among other changes, the revision:

- Updates the scope and funding plan of the Central Contra Costa Transit Authority's Replace 18 30-foot Buses project to reflect the award of approximately \$2.7 million in FTA Low or No Emission Vehicle Deployment Program funds;
- Amends the City of Palo Alto's exempt Bay Area Fair Value Commuting Program into the TIP to reflect the award of approximately \$1 million in FTA Mobility on Demand Sandbox Program funds;
- Amends two additional exempt projects into the TIP; and
- Updates the funding plan of one individually listed Highway Safety Improvement Program (HSIP) funded project and updates the funding plan and back-up listing of the HSIP grouped listing to reflect the latest information from Caltrans, including the addition of approximately \$25.5 million in HSIP funds.

Changes made with this revision do not affect the air quality conformity finding or conflict with the financial constraint requirements.

TIP Revision 2017-05 – Administrative Modification (Approved)

Administrative Modification 2017-05 makes revisions to 12 projects with a net increase in funding of \$22.7 million. This revision was approved by the deputy executive director on April 5, 2017. Among other changes, the revision:

- Updates the funding plans of seven projects to reflect the programming of funds for FY2016-17 in the Transit Capital Priorities program;
- Updates the funding plans of two Surface Transportation Block Grant Program/Congestion Mitigation and Air Quality Improvement Program (STP/CMAQ) funded projects to reflect planned obligations;
- Updates the funding plan of the Metropolitan Transportation Commission's Clipper Fare Collection System project to reflect the programming of \$7.4 million in bridge toll funds; and
- Updates the funding plan and back-up listing of the Caltrans managed State Highway Operation and Protection Program (SHOPP) Emergency Response grouped listing to reflect the latest information from Caltrans, including the addition of \$5.3 million to the SHOPP.

Changes made with this revision do not affect the air quality conformity finding or conflict with the financial constraint requirements.

TIP Revision 17-04 – Administrative Modification (Approved)

Administrative Modification 2017-04 makes revisions to 15 projects with a net decrease in funding of \$111,504. This revision was approved by the deputy executive director on March 6, 2017. Among other changes, the revision:

- Updates the funding plans of five Surface Transportation Program/Congestion Mitigation and Air Quality Improvement Program (STP/CMAQ) funded projects to reflect programming decisions and past and planned obligations;
- Updates the funding plans of three other federally funded projects to reflect planned obligations;
- Updates the funding plan of the Sonoma County Transportation Authority's portion of the US 101 Marin/Sonoma Narrows project to reflect the programming of \$15 million in repurposed federal earmark funds;
- Splits out the I-880 Integrated Corridor Management project from the region-wide Incident Management Program; and
- Updates the funding plan and back-up listing of the Caltrans managed Highway Maintenance Program grouped listing to reflect the latest information from Caltrans.

Changes made with this revision do not affect the air quality conformity finding or conflict with the financial constraint requirements.

The 2017 TIP revision schedule (Attachment A) has been posted at the following link:

http://mtc.ca.gov/sites/default/files/2017_TIP_Revision_Schedule.pdf and project sponsors are requested to submit revision requests before 5:00 PM on the stated deadlines.

Information on TIP revisions is also available through the TIPINFO notification system (electronic mails). Anyone may sign up for this service by sending an email address and affiliation to: tipinfo@mtc.ca.gov. FMS is available at the following link: <http://fms.mtc.ca.gov/fms/>. Projects in all the revisions can be viewed at: <http://mtc.ca.gov/our-work/fund-invest/tip/tip-revisions-and-amendments>.

If you have any questions regarding any TIP project, please contact Adam Crenshaw at (415) 778-6794 or acrenshaw@mtc.ca.gov. The Fund Management System (FMS) system has also been updated to reflect the approvals received.

Attachments:

- A. 2017 TIP Revision Schedule as of April 5, 2017

METROPOLITAN TRANSPORTATION COMMISSION TRANSPORTATION IMPROVEMENT PROGRAM (TIP) Tentative 2017 TIP REVISION SCHEDULE - Sorted by Revision Request Submission Deadline April 5, 2017							
REVISION TYPE	REVISION NUMBER	REVISION REQUEST SUBMISSION DEADLINE	MTC APPROVAL *	STATE APPROVAL *	FEDERAL APPROVAL *	APPROVAL STATUS	TIP REVISION FINAL APPROVAL DATE
2017 TIP Update	17-00	Thu, Apr 14, 2016	Wed, Sep 28, 2016	Wed, Nov 16, 2016	Fri, Dec 16, 2016	Approved	Fri, Dec 16, 2016
Amendment	17-03	Tue, Nov 1, 2016	Wed, Dec 21, 2016	Thu, Jan 19, 2017	Wed, Feb 8, 2017	Approved	Wed, Feb 8, 2017
Admin Mod	17-01	Wed, Nov 23, 2016	Wed, Dec 21, 2016	N/A	N/A	Approved	Wed, Dec 21, 2016
Admin Mod	17-02	Sun, Jan 1, 2017	Tue, Jan 31, 2017	N/A	N/A	Approved	Tue, Jan 31, 2017
Amendment	17-06	Sun, Jan 1, 2017	Wed, Feb 22, 2017	Fri, Feb 24, 2017	Tue, Mar 14, 2017	Approved	Tue, Mar 14, 2017
Admin Mod	17-04	Wed, Feb 1, 2017	Mon, Mar 6, 2017	N/A	N/A	Approved	Mon, Mar 6, 2017
Amendment	17-08	Wed, Feb 1, 2017	Wed, Mar 22, 2017	Wed, Mar 29, 2017	Estimated 4 weeks after State Approval	Pending	Pending
Admin Mod	17-05	Wed, Mar 1, 2017	Wed, Apr 5, 2017	N/A	N/A	Approved	Wed, Apr 5, 2017
Amendment	17-10	Wed, Mar 1, 2017	Wed, Apr 26, 2017	Estimated 4 weeks after MTC Approval	Estimated 4 weeks after State Approval	Pending	Pending
Amendment (RTP Reconciliation)	17-14	Fri, Mar 31, 2017	TBD	TBD	TBD	Pending	Pending
Admin Mod	17-07	Sat, Apr 1, 2017	Fri, Apr 28, 2017	N/A	N/A	Pending	Pending
Admin Mod	17-09	Mon, May 1, 2017	Wed, May 31, 2017	N/A	N/A	Pending	Pending
Amendment	17-13	Mon, May 1, 2017	Thu, Jun 22, 2017	Estimated 4 weeks after MTC Approval	Estimated 4 weeks after State Approval	Pending	Pending
Admin Mod	17-11	Thu, Jun 1, 2017	Fri, Jun 30, 2017	N/A	N/A	Pending	Pending
Admin Mod	17-12	Sat, Jul 1, 2017	Mon, Jul 31, 2017	N/A	N/A	Pending	Pending
TBD - To Be Determined N/A - Not Applicable / Not Required The schedule is also available on the MTC's website at: http://mtc.ca.gov/our-work/fund-invest/transportation-improvement-program Note: * MTC has delegated authority to approve TIP administrative modifications, and may approve administrative modifications on, prior to, or after the tentative date listed							

Agenda Item 3a

**METROPOLITAN
TRANSPORTATION
COMMISSION**

Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105
TEL 415.778.6700
WEB www.mtc.ca.gov

Memorandum

TO: Legislation Committee

DATE: April 7, 2017

FR: Deputy Executive Director, Operations

W. I. 1131

RE: SB 1 (Beall and Frazier): Transportation Funding Package Update

For the first time since 1983, when the Legislature voted to increase the fuel user fee from seven cents to nine cents, the Legislature has approved a major state transportation funding package with ongoing revenue backed by new transportation-related taxes and fees. Senate Bill 1 (Beall and Frazier), formally known as the Road Repair and Accountability Act of 2017, is expected to generate \$52.4 billion for transportation investments over the next decade, with the funding sources continuing in perpetuity and indexed to keep pace with inflation. This memo describes the new programs and funding sources established by the legislation and provides an estimate of how much funding individual Bay Area cities, counties and public transit agencies can expect from increased formula-funded programs, as well as statewide funding levels for the various competitive programs. Attachment A includes details on the new programs and revenue sources established by the bill. For a preliminary estimate of local road and public transit formula funding for individual jurisdictions and public transit agencies, see Attachment B.

A Fix-it-First Focus

SB 1 has a “fix-it-first” emphasis with most of the funds allocated to restore the condition of the state highway system and local streets and roads. However, in the negotiations over the last few months, led in part by former MTC Commissioner Senator Scott Wiener, a substantial new program was added to support public transit. The table below provides an overview by program.

Estimate of Ten-Year Funding by Program	Amount (in 1,000s)
Local Street & Road Maintenance	\$15,000,000
State Highway Maintenance & Rehabilitation	\$15,000,000
Public Transit Operations & Capital	\$7,500,000
Highway Bridge and Culvert Maintenance & Rehabilitation	\$4,000,000
High Priority Freight Corridors	\$3,000,000
Congested Corridor Relief	\$2,500,000
Local Partnership Program	\$2,000,000
Active Transportation Program	\$1,000,000
Regional Transportation Improvement Program (RTIP)	\$825,000
Parks, Off-highway Vehicle, Agriculture Programs	\$800,000
Interregional Transportation Improvement Program (ITIP)	\$275,000
Local Planning Grants	\$250,000
Freeway Service Patrol	\$250,000
Transportation Research	\$70,000

Performance Measures

In addition to an historic infusion of new funding, SB 1 is notable for including specific state highway system performance goals for Caltrans to meet by 2027 as a result of the new funding, including:

- Not less than 98 percent of state highway system pavement in good or fair condition
- Not less than 90 percent level of service achieved for maintenance of potholes, spalls and cracks
- Not less than 90 percent of culverts in good or fair condition
- Not less than 90 percent of the transportation management system units in good condition
- At least 500 bridges fixed

While performance measures are not specified for local streets and roads, cities and counties are required to track and report on their progress, as described in more detail in Attachment A.

Overview of Revenue Increases

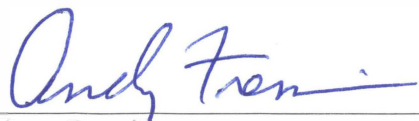
Funding Source	Estimate of 10-Year Revenue (in 1,000s)
12-cent per gallon gas tax	\$24,400,000
Vehicle Registration Surcharge (Transportation Improvement Fee)	\$16,300,000
20-cent/gallon diesel excise tax	\$7,300,000
4% increase in diesel sales tax	\$3,500,000
\$100 zero emission vehicle fee	\$200,000
General Fund loan repayments	\$706,000

Reduced Funding Volatility

SB 1 would also, beginning in 2019, eliminate the annual adjustment in the excise tax, a policy that has resulted in volatile swings in transportation revenues. The bill restores the variable rate to 17.3-cents/gallon (a 7.5-cent/gallon increase from the current rate), where it was originally set when the gas tax swap was enacted in 2011.

Constitutional Amendment Proposed to Secure New Vehicle Fee

An accompanying bill, Assembly Constitutional Amendment 5 (Frazier) would ensure that the increases in the vehicle registration surcharge and diesel sales tax included in SB 1 are dedicated to transportation purposes. The bill is still pending final approval in the Assembly but passed the Senate. It is expected to appear on the November, 2018 statewide ballot. It further prohibits the funds from being loaned to the General Fund and used to pay for debt service on transportation general obligation bonds already authorized by the voters or submitted on a future ballot, unless expressly allowed for that purpose.


Andrew Fremier

Attachments:

- Attachment A: MTC Overview of SB 1 (Beall and Frazier)
- Attachment B: Estimate of Bay Area Local Road Funding from SB 1 (Beall and Frazier)

SH/rl

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MTC OVERVIEW OF SB 1 (BEALL AND FRAZIER)

NEW & AUGMENTED FUNDING PROGRAMS

Below is a summary of the funding provided by program and the new revenue sources authorized in Senate Bill 1 (Beall and Frazier).

Road Maintenance and Rehabilitation Program

SB 1 establishes the Road Maintenance and Rehabilitation Program (RMRP) to address deferred maintenance on the state highway and local street and road systems. The California Transportation Commission (CTC) will allocate the funds and is required to develop guidelines by January 1, 2018. The bill provides that funds shall be used for projects that include, but aren't limited to, the following:

- Road maintenance and rehabilitation
- Safety projects
- Railroad grade separations
- Complete street components, including active transportation purposes, pedestrian and bicycle safety projects, transit facilities, and drainage and stormwater capture projects in conjunction with any other allowable project
- Traffic control devices

The RMRP, which would receive approximately \$3.7 billion annually once all new revenue streams take effect, is funded by the newly established Road Maintenance and Rehabilitation Account (RMRA), which receives four sources of new revenue:

- A new 12-cent/gallon gasoline excise tax, effective November 1, 2017.
- Monies remaining from a new vehicle registration surcharge (called a Transportation Improvement Fee) after \$600 million annually is set aside for public transit, intercity/commuter rail and a new Congested Corridors program. These programs are described in more detail on pages 2-5. The vehicle surcharge takes effect on January 1, 2018.
- A new \$100/year zero-emission vehicle registration surcharge, which takes effect on July 1, 2020.
- 50 percent of the 20-cent/gallon diesel excise tax increase, effective November 1, 2017.

RMRP Takedowns

Before program funds are distributed to cities, counties and Caltrans, there are several annual takedowns, which are bulleted below:

- Cost of administration – unspecified
- \$200 million for a self-help counties partnership program limited to counties that have voter-approved dedicated transportation taxes or uniform developer fees dedicated to transportation. Funds would be continuously appropriated to a county and each city within the county for road maintenance and rehabilitation purposes.
- \$100 million for the Active Transportation Program
- \$400 million to Caltrans for bridge and culvert maintenance and rehabilitation

- \$25 million for Freeway Service Patrol
- \$25 million for local planning grants to be administered by Caltrans
- \$5 million for the California Workforce Development Board to assist local agencies to implement policies that promote pre-apprenticeship training programs from FY 2017-18 through FY 2021-22.
- \$7 million for transportation research and workforce training including \$5 million for the University of California and \$2 million for the California State University.

Local Street & Road Funding

SB 1 continuously appropriates 50 percent of the RMRA revenues remaining after the takedowns described above to cities and counties using the same formula that applies to the existing base 18-cent per gallon gasoline excise tax. The bill includes a “maintenance of effort” requirement for local funds contributed to street and road repairs to help ensure that the new funding augments existing budgets for road repairs. Specifically, it requires each city and county to spend no less than the annual average from its general fund during 2009-10 through 2011-12. It also requires that a local jurisdiction submit a detailed list of proposed projects to be funded to the CTC prior to receiving an allocation, but authorizes cities and counties to fund projects outside of that list in accordance with local needs and priorities, so long as they are consistent with the program’s project eligibility provisions. If a city or county can demonstrate that it has attained a pavement condition index of 80 or higher, it may spend the funds on other transportation priorities.

State Highway Maintenance & Rehabilitation

The remaining 50 percent of RMRA revenues are provided to Caltrans for maintenance of the state highway system or for purposes of the State Highway Operations and Protection Program (SHOPP). The bill requires Caltrans to report annually to the CTC on its use of these funds, including detailed project descriptions, and its progress to achieving the performance goals listed in the accompanying memo. In addition, the CTC is required to report annually on the department’s progress and may withhold funds if it determines funding is not being spent appropriately.

Requirements and Policies Applicable to RMRP Funding

SB 1 provides that, to the extent possible and cost effective, Caltrans and local agencies:

- Use materials that reduce the life cycle cost and minimize greenhouse gas (GHG) emissions.
- Accommodate advance automotive technologies, such as charging or fueling for zero-emission vehicles.
- Include features in the project that make it more resilient to climate change risks, such as fire, flood and sea level rise.
- Incorporate complete streets elements that improve the quality of bicycle and pedestrian facilities, where feasible and practicable.

There is also a requirement that by July 1, 2023, Caltrans and local agencies that receive RMRA funds through follow new workforce training guidelines developed by the California Workforce Development Board, pursuant to SB 1.

PUBLIC TRANSIT FUNDING

Public Transit Formula Funding

SB 1 provides a significant infusion of funding for public transit, including formula-based and competitive funding. The State Transit Assistance (STA) program, the state's flexible transit funding program which may be used for capital or operating purposes, would be boosted by approximately \$250 million per year from an increase in the diesel sales tax rate of 3.5 percent. These funds would augment the existing STA program and would not be subject to additional requirements or conditions. MTC estimates the Bay Area would receive approximately \$70 million more per year in revenue-based STA funds and \$24 million more per year in population-based funds.

Another \$105 million per year derived from a new Transportation Improvement Fee (TIF) would also be distributed using the STA formula but would be limited largely to capital improvements focused on modernizing transit vehicles and facilities. The Bay Area would receive approximately \$39 million per year total from this capital-only component, including \$29 million in revenue-based STA funds and \$10 million more per year in population-based funds. Finally, the bill provides a substantial one-time infusion and an annual supplement to the competitive Transit and Intercity Rail Capital Program (TIRCP), as well as new funding for intercity and commuter rail, as described below.

Transit and Intercity Rail Capital

SB 1 provides additional one-time and ongoing funding to the TIRCP, a heavily oversubscribed program that is currently reliant upon somewhat unpredictable Cap-and-Trade funds and administered by the California State Transportation Agency (CalSTA). The TIRCP would receive a one-time infusion of at least \$236 million as a result of a General Fund loan repayment as well as an additional \$245 million annually from the TIF starting in FY 2018-19. This amount is set forth in the statute and will not escalate even though the TIF rate is indexed to inflation. In FY 2017-18, the TIRCP should receive approximately half the annual amount (\$123 million) from the TIF since the new fee is not effective until January 1, 2018.

Intercity and Commuter Rail Funding

The bill boosts funding for intercity rail and commuter rail by dedicating a new 0.5 percent diesel sales tax to this purpose. Similar to the TIRCP, projects would be selected by CalSTA. Of the approximately \$37.5 million available each year, funds would be distributed as follows:

- 50 percent to CalSTA for "state-supported intercity rail services." Of that amount, at least 25 percent shall be allocated to each of the state's three intercity rail corridors that provide regularly scheduled intercity rail service (the Capitol Corridor, San Joaquin, Pacific Surfliner routes).
- 50 percent to CalSTA to be allocated to public agencies responsible for commuter rail service. For FY 2018-19 and FY 2019-20, each of the state's five commuter rail agencies (including ACE, Caltrain and SMART) would receive 20 percent. Subsequent to that, CalSTA would allocate funds pursuant to guidelines to be adopted by July 1, 2019.
- Funds may be spent for operations or capital.
- Similar to the STA program, the actual amount of revenue each year will depend on diesel prices and sales.

OTHER PROGRAMS

State Transportation Improvement Program (STIP) Funding

While the bill doesn't include any specific provisions applicable to the STIP, effective July 1, 2019, it boosts funding for the STIP by virtue of eliminating the annual adjustment pegged to the price of fuel for what is known as the "price-based excise tax." Instead, SB 1 sets the rate at 17.3 cents/gallon on July 1, 2019, plus an annual adjustment to keep pace with inflation that will begin in July 1, 2020.¹ This tax is a major source of STIP funding, receiving 44 percent of its revenue after backfilling the SHOPP for the loss of weight fees. Since the existing rate of 9.8 cents/gallon already offsets weight fees, any increase above that is distributed directly according to a 44/44/12 percent formula where the other 44 percent goes to cities and counties for local streets and roads, and the 12 percent goes to Caltrans for highway maintenance and rehabilitation.

While it's impossible to predict exactly how this will affect STIP funding in the future relative to what would have occurred if the rate were pegged to the price of fuel, the Department of Finance estimates a net benefit to the STIP over 10 years of \$1.1 billion, or \$825 million for the Regional Transportation Improvement Program. For the Bay Area, this amounts to approximately \$140 million over 10 years. This estimate may be on the conservative side. If we assume the price-based excise tax would not go above the 11.7 cents/gallon rate in effect on July 1, 2017 then the 17.3 cents/gallon rate amounts to a 5.6 cents/gallon increase – equating to \$840 million more per year statewide, including approximately \$370 million per year in new STIP funding statewide. Note that this increase will not begin until the FY 2019-20 year.

State-Local Partnership Program for "Self-Help" Counties

As noted above, SB 1 authorizes \$200 million per year to be continuously appropriated for a new program for counties that have dedicated transportation funding from uniform developer fees or voter-approved taxes. The program is similar to the State-Local Partnership Program established by Proposition 1B except it is limited to counties, so unfortunately transit agencies with voter-approved taxes are not eligible. Another important difference is that funds are to be distributed to counties and each city within the county and are limited to local road maintenance purposes as set forth in the RMRP program (which does include complete streets elements). The bill requires the CTC to adopt guidelines for the program on or before January 1, 2018.

Bicycle and Pedestrian Access Improvements

In addition to augmenting the Active Transportation Program by \$100 million per year, SB 1 requires that Caltrans update the Highway Design Manual to incorporate the "complete streets" design concept. No other limitations or conditions on the use of funds are included in the bill.

Local Planning Grants

As noted above, the bill provides \$25 million from the RMRA to be available to Caltrans for local planning grants on an annual basis, subject to appropriation. The bill states that the purpose

¹ 17.3 cents/gallon is the rate that was set when the price-based excise tax was established as part of the Gas Tax Swap, replacing the state portion of the sales tax on gasoline (see AB x8-6 (2010), SB 70 (2010) and AB 105 (2011). It was set at this rate so as to be revenue neutral to the sales tax on fuel. The legislation required an annual adjustment to maintain this revenue neutrality and it has caused a steep cut in the rate, currently set at 9.8 cents/gallon but scheduled to rise to 11.7 cents/gallon on July 1, 2017.

of the grants is to “encourage local and regional planning that furthers state goals as provided in the regional transportation guidelines” adopted by the CTC. The bill requires Caltrans to develop a grant guide in consultation with the Air Resources Board, the Governor’s Office of Planning and Research and the Department of Housing and Community Development. In addition, up to \$20 million is available on a one-time basis from FY 2018 through FY 2020 for local and regional agencies for climate change adaptation planning. This is funded from the Public Transportation Account as a result of a General Fund loan repayment.

Congested Corridors Program

The bill establishes a new “Solutions for Congested Corridors Program” and authorizes \$250 million per year for annual appropriation in the budget act from revenue generated by the TIF. The program, to be administered by the California Transportation Commission (CTC), focuses on multi-modal solutions to the most congested corridors in the state and takes a performance-based approach. To qualify for funding a project must be included in a “comprehensive corridor plan designed to reduce congestion in highly traveled corridors by providing more transportation choices for residents, commuters and visitors to the area of the corridor while preserving the character of the local community and creating opportunities for neighborhood enhancement projects.”

Eligible projects for this new program include improvements to state highways, public transit facilities, local streets and roads, bicycle and pedestrian facilities, and restoration or preservation work that protects critical local habitat or open space. Highway capacity expansion projects are not eligible, with the exception of high-occupancy vehicle lanes (HOV) and high-occupancy toll (HOT) lanes or non-general purpose lane improvements designed primarily to improve safety for all modes of travel, such as auxiliary lanes, truck-climbing lanes or dedicated bicycle lanes.

The bill requires the CTC to score each project on the following criteria:

- Safety
- Congestion
- Accessibility
- Economic development and job creation and retention
- Furtherance of state and federal air quality and GHG reduction
- Efficient land use
- Matching funds
- Project deliverability

Either Caltrans or agencies responsible for developing the Regional Transportation Improvement Program (RTIP) (MTC in the Bay Area) can nominate projects, but a maximum of 50 percent can be awarded to projects nominated *only* by Caltrans. With respect to how projects will be scored, the bill emphasizes that preference will be given to projects that are developed as a result of collaboration between Caltrans and regional or local agencies “that reflect a comprehensive approach to addressing congestion and quality-of-life issues within the affected corridor through investment in transportation and related environmental solutions.”

As for the mechanics of the program, the CTC is required to develop guidelines for the program in consultation with the Air Resources Board and after conducting at least one hearing in northern California and one hearing in southern California. CTC is also required to provide draft guidelines to the Joint Legislative Budget Committee and the transportation policy committees in each house and adopt the guidelines no sooner than 30 days after that submission to the Legislature. The bill requires the CTC to adopt an initial program based on the first appropriation of funds, but such program may cover a multiyear programming period. Subsequently, the program shall be adopted on a biennial basis. Beginning in March 2019, the CTC is required to provide project updates in its annual report to the Legislature, including an assessment of how each project is performing relative to the quantitative and qualitative measurements outlined in its application.

Trade Corridors

SB 1 creates a new Trade Corridor Enhancement Account, and allocates to this account 50 percent of the diesel excise tax increase, or approximately \$300 million annually. In an unusual move, the bill provides the Legislature with full discretion over project selection for this program specifying only that funds shall be available for “corridor-based freight projects nominated by local agencies and the state.”

Advance Mitigation

SB 1 requires \$30 million to be set aside annually from FY 2017 through FY 2020 from funding appropriated for the STIP and the SHOPP for an Advance Mitigation Program to protect natural resources through project mitigation, accelerate project delivery and to fully mitigate environmental impacts of transportation projects. The bill provides that the annual budget act or subsequent legislation may provide additional provisions for the program.

Job Training/Contracting Provisions

SB 1 requires that Caltrans develop a plan by January 1, 2020 to increase by up to 100 percent the dollar value of contracts and procurements awarded to small business, disadvantaged business enterprises, and disabled veteran business enterprises. In addition, the bill requires the Legislature appropriate \$5 million per year for five years starting in FY 2017-18 to the California Workforce Development Board to assist local agencies with promoting pre-apprenticeship programs. As noted above, SB 1 also requires Caltrans and cities and counties receiving funding from the RMRA follow guidelines to be developed by the California Workforce Development Board regarding pre-apprenticeship training programs no later than January 1, 2023.

EFFICIENCY, ACCOUNTABILITY & OTHER RELATED PROVISIONS

New Caltrans Audit Office Established

The bill requires the creation of an Independent Office of Audits and Investigations within Caltrans. The director of the office, whose title would be inspector general, would be appointed for a six-year term by the Governor and confirmed by the Senate, with significant restrictions and transparency required for his/her removal from office. The office would be responsible for ensuring compliance by Caltrans and all entities receiving state and federal transportation funds with state and federal requirements and ensuring Caltrans follows accounting standards and

practices and manages its programs in a financially responsible manner. The inspector general shall be required to report annually on any audit or investigation findings and recommendations.

Capital Outlay Support and SHOPP Oversight Strengthened

The bill adds additional transparency requirements with respect to Caltrans support funding for projects in the State Highway Operation & Protection Program (SHOPP), requiring that such costs be identified up front for every SHOPP project by project phase and a delivery date for each project phase, including “project approval,” be provided. In addition, starting July 1, 2017, the bill requires that the CTC allocate the department’s capital outlay support (COS) resources by project phase to provide greater transparency in the development of the Caltrans budget.

Caltrans is Required to Implement Efficiency Measures

The bill requires Caltrans to implement efficiency measures with goal of saving \$100 million/year in savings to invest in maintenance and rehabilitation of the state highway system. No specific efficiency measures are suggested in the bill.

OVERVIEW OF REVENUE INCREASES

Funding Source	Estimate of 10-Year Revenue (in 1,000s)
12-cent per gallon gas tax	\$24,400,000
Vehicle Registration Surcharge (Transportation Improvement Fee)	\$16,300,000
20-cent/gallon diesel excise tax	\$7,300,000
4% increase in diesel sales tax	\$3,500,000
\$100 zero emission vehicle fee	\$200,000
General Fund loan repayments	\$706,000

Gasoline and Diesel Fuel Tax Increases

SB 1 increases the fuel tax on gasoline by 12-cents per gallon and the diesel excise tax by 20-cents per gallon effective November 1, 2017. In addition, the bill eliminates the variable portion of the gasoline excise tax, which is currently set at 9.8-cents per gallon, but is scheduled to rise to 11.7-cents per gallon on July 1, 2017 due to the statutorily required adjustments that the Board of Equalization makes each year based on the price of fuel. On July 1, 2019, the bill restores the portion of the gas tax to 17.3-cent per gallon rate that was in effect when the gasoline tax swap was enacted in 2010. Given the Board of Equalization forecasts an increase in gasoline prices over the next several years, establishing a rate of 17.3-cent per gallon on July 1, 2019 may in fact not constitute an increase at all. Effective July 1, 2020, all fuel taxes will be indexed annually each July by the Department of Finance based on the California Consumer Price Index.

New Annual Vehicle Registration Surcharge

Section 31 of the bill creates a new annual Transportation Improvement Fee (TIF), based on the value of the vehicle, as shown below, which would go into effect on January 1, 2018. Commercial vehicles weighing more than 10,000 pounds would be exempt from the tax. Effective January 1, 2020 and annually thereafter, the fee would be indexed annually by the

Department of Finance based on the Consumer Price Index. The new fee is estimated to generate \$16.3 billion over ten years, with \$350 million annually dedicated to public transit and TIRCP, \$250 million set-aside for the new Congested Corridor Program and the remaining revenues allocated to the new RMRA account.

Vehicle's Value	Amount of Fee
\$0-\$4,999	\$25
\$5,000-\$24,999	\$50
\$25,000-\$34,999	\$100
\$35,000-\$59,999	\$150
\$60,000 +	\$175

Diesel Sales Tax

SB 1 increases the diesel sales tax rate by an additional 4 percent, bringing it to a total of 13 percent. The new funds would be deposited in the Public Transportation Account. Of this 4 percent rate, 3.5 percent is for the State Transit Assistance (STA) program, while 0.5 percent is for the new Intercity and Commuter Rail program.

OTHER PROVISIONS AND RELATED LEGISLATION

Zero-Emission Vehicle Registration Surcharge

SB 1 includes a \$100 vehicle registration surcharge applicable to zero-emission motor vehicles model year 2020 and later vehicle that takes effect on July 1, 2020. The charge is indexed to inflation with the first adjustment scheduled for January 1, 2021 and subsequent adjustments to be made every January 1 thereafter. The charge is estimated to generate about \$20 million per year.

Truck Emissions

SB 1 includes a provision that limits the State Air Resources Board (ARB) from requiring truck owners to retire or retrofit trucks that meet existing ARB emissions standards (by 2023, all trucks must have 2010 model year engines or equivalent) before they are 13 years old or reach 800,000 miles. According to the California Trucking Association, this will ensure truck owners have time to recoup their investment in more efficient technology before being faced with a newer, stricter mandate. Environmental and health advocates raised concerns that the provision was overly broad and would prevent regulators from developing other air quality rules, such as capping emissions at warehouses and ports. In response, SB 1 was amended to clarify that the provision is not intended to undermine regional efforts. Though ARB expressed support for the deal, it was not sufficient to alleviate the aforementioned concerns and a number of groups opposed the bill.

Related Legislation

In parallel to the negotiations on SB 1 to secure two-thirds support, several other bills were amended including, SB 132, a budget trailer bill and SB 496, a companion bill that must pass for the trailer bill to take effect. The April 6th version of SB 132 includes several very large earmarks, notably:

- 427 million for the Riverside County Transportation Efficiency Corridor for five specific projects, including grade separation projects, bridge widening, an interchange and the 91 Toll Connector to Interstate 15 North.
- \$400 million for the extension of the Altamont Commuter Express to Ceres and Merced from the TIRCP
- \$100 million for the University of California, Merced Campus Parkway Project from the State Highway Account

SB 496 (Canella), whose provisions were recently amended into a bill originally authored by Senate President Pro Tempore Kevin DeLéon (who remains as a coauthor) now pertains to indemnity agreements with design professionals. SB 496 provides that with respect to all contracts for design services entered into after January 1, 2018, indemnity agreements are unenforceable, except under certain circumstances. The bill is similar – though not identical – to SB 885 (Wolk, 2016), which MTC opposed last year and which did not ultimately reach the Governor’s desk. MTC staff will review the bill in detail and with confer with our public agency partners and the Self-Help Counties Coalition, which actively opposed SB 885.

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Estimate of Bay Area Local Road Funding from SB 1 (Beall/Frazier)

(Dollars in millions)

COUNTY TOTALS (includes city and county portions)	Estimate of Current FY 2017 State Funding from Gas Tax Subventions	Estimated Increase from SB 1 (FY 2018-19)
Alameda	52	\$ 49
Contra Costa	37	\$ 36
Marin	8	\$ 8
Napa	5	\$ 5
San Francisco	25	\$ 18
San Mateo	26	\$ 25
Santa Clara	64	\$ 61
Solano	15	\$ 15
Sonoma	17	\$ 17
Regional Total	\$ 250	\$ 232
STATE TOTAL	1,276	\$ 1,240

Note: Totals do not sum due to rounding

Assumes \$1.2 billion available from SB 1 for local streets and roads in FY 2018-19, actual amount will depend on revenue collected from various sources deposited in the Road Maintenance & Rehabilitation Account and amount deducted for administrative purposes.

Estimate of Bay Area City and County Funding for Local Roads from SB 1 (Beall/Frazier)

County/City	Estimate of FY 2016-17 Baseline Gas Tax Subvention Funding	Estimated Funding Increase in FY 2018-19*	Combined Total
ALAMEDA			
ALAMEDA	\$ 1,504,098	\$ 1,463,764	\$ 2,967,862.65
ALBANY	\$ 369,740	\$ 354,001	\$ 723,740.58
BERKELEY	\$ 2,325,880	\$ 2,210,754	\$ 4,536,633.49
DUBLIN	\$ 1,098,619	\$ 1,061,881	\$ 2,160,499.94
EMERYVILLE	\$ 213,183	\$ 221,677	\$ 434,859.40
FREMONT	\$ 4,423,329	\$ 4,215,942	\$ 8,639,271.07
HAYWARD	\$ 2,989,712	\$ 2,926,807	\$ 5,916,519.72
LIVERMORE	\$ 1,685,324	\$ 1,626,164	\$ 3,311,487.11
NEWARK	\$ 870,643	\$ 829,342	\$ 1,699,985.30
OAKLAND	\$ 8,005,367	\$ 7,762,889	\$ 15,768,256.05
PIEDMONT	\$ 223,751	\$ 212,477	\$ 436,227.11
PLEASANTON	\$ 1,468,516	\$ 1,385,048	\$ 2,853,564.21
SAN LEANDRO	\$ 1,733,025	\$ 1,618,137	\$ 3,351,162.04
UNION CITY	\$ 1,427,528	\$ 1,347,844	\$ 2,775,371.91
City Total	\$ 28,337,930	\$ 27,236,726	\$ 55,574,656
County Total	\$ 23,655,413	\$ 21,491,532	\$ 45,146,945
Grand Total	\$ 51,993,343	\$ 48,728,258	\$ 100,721,600

CONTRA COSTA			
ANTIOCH	\$ 2,121,877	\$ 2,083,433	\$ 4,205,310.66
BRENTWOOD	\$ 1,111,250	\$ 1,088,180	\$ 2,199,429.96
CLAYTON	\$ 227,156	\$ 212,294	\$ 439,449.97
CONCORD	\$ 2,467,739	\$ 2,390,217	\$ 4,857,955.49
DANVILLE	\$ 860,659	\$ 795,106	\$ 1,655,765.65
EL CERRITO	\$ 482,079	\$ 455,407	\$ 937,486.63
HERCULES	\$ 491,557	\$ 462,976	\$ 954,532.43
LAFAYETTE	\$ 498,933	\$ 465,413	\$ 964,346.51
MARTINEZ	\$ 737,912	\$ 688,660	\$ 1,426,572.08
MORAGA	\$ 328,889	\$ 310,382	\$ 639,270.82
OAKLEY	\$ 765,256	\$ 745,182	\$ 1,510,437.99
ORINDA	\$ 370,655	\$ 351,362	\$ 722,017.01
PINOLE	\$ 377,155	\$ 351,179	\$ 728,334.51
PITTSBURG	\$ 1,327,961	\$ 1,253,732	\$ 2,581,692.85
PLEASANT HILL	\$ 675,205	\$ 634,045	\$ 1,309,249.98
RICHMOND	\$ 2,103,350	\$ 2,035,966	\$ 4,139,315.60
SAN PABLO	\$ 588,950	\$ 574,517	\$ 1,163,466.31
SAN RAMON	\$ 1,540,739	\$ 1,447,013	\$ 2,987,752.35
WALNUT CREEK	\$ 1,313,169	\$ 1,294,071	\$ 2,607,240.17
City Total	\$ 18,390,491	\$ 17,639,136	\$ 36,029,627
County Total	\$ 18,122,496	\$ 18,090,536	\$ 36,213,032
Grand Total	\$ 36,512,987	\$ 35,729,672	\$ 72,242,659

MARIN			
BELVEDERE	\$ 46,832	\$ 44,726	\$ 91,557.86
CORTE MADERA	\$ 191,226	\$ 177,234	\$ 368,459.76
FAIRFAX	\$ 155,084	\$ 142,357	\$ 297,440.90
LARKSPUR	\$ 247,767	\$ 234,946	\$ 482,713.75
MILL VALLEY	\$ 288,481	\$ 279,573	\$ 568,054.66
NOVATO	\$ 1,054,459	\$ 1,014,229	\$ 2,068,687.88
ROSS	\$ 54,073	\$ 51,415	\$ 105,488.17
SAN ANSELMO	\$ 254,053	\$ 242,680	\$ 496,733.58
SAN RAFAEL	\$ 1,164,206	\$ 1,121,133	\$ 2,285,338.81
SAUSALITO	\$ 148,584	\$ 138,250	\$ 286,834.25
TIBURON	\$ 185,563	\$ 180,147	\$ 365,709.53
City Total	\$ 3,790,330	\$ 3,626,689	\$ 7,417,019
County Total	\$ 4,689,540	\$ 4,463,079	\$ 9,152,619
Grand Total	\$ 8,479,870	\$ 8,089,768	\$ 16,569,638

NAPA			
AMERICAN CANYON	\$ 401,526	\$ 382,024	\$ 783,550
CALISTOGA	\$ 108,901	\$ 100,917	\$ 209,819
NAPA	\$ 1,548,719	\$ 1,487,572	\$ 3,036,291
ST HELENA	\$ 124,549	\$ 116,020	\$ 240,569
YOUNTVILLE	\$ 64,270	\$ 59,846	\$ 124,116
City Total	\$ 2,247,965	\$ 2,146,379	\$ 4,394,344
County Total	\$ 3,068,597	\$ 2,972,755	\$ 6,041,352
Grand Total	\$ 5,316,562	\$ 5,119,134	\$ 10,435,695

SAN FRANCISCO

City Total	\$ 16,480,936	\$ 9,136,753	\$ 25,617,689
County Total	\$ 8,989,540	\$ 8,496,895	\$ 17,486,435
Grand Total	\$ 25,470,477	\$ 17,633,648	\$ 43,104,125

SAN MATEO			
ATHERTON	\$ 141,480	\$ 137,023	\$ 278,503
BELMONT	\$ 530,914	\$ 519,626	\$ 1,050,540
BRISBANE	\$ 93,931	\$ 91,223	\$ 185,154
BURLINGAME	\$ 592,063	\$ 554,265	\$ 1,146,329
COLMA	\$ 40,429	\$ 32,758	\$ 73,187
DALY CITY	\$ 2,073,456	\$ 2,013,258	\$ 4,086,713
EAST PALO ALTO	\$ 577,408	\$ 569,312	\$ 1,146,720
FOSTER CITY	\$ 640,719	\$ 617,990	\$ 1,258,708
HALF MOON BAY	\$ 241,049	\$ 235,588	\$ 476,636
HILLSBOROUGH	\$ 229,725	\$ 221,054	\$ 450,779
MENLO PARK	\$ 657,903	\$ 630,123	\$ 1,288,026
MILLBRAE	\$ 455,027	\$ 432,644	\$ 887,671
PACIFICA	\$ 760,625	\$ 702,387	\$ 1,463,012
PORTOLA VALLEY	\$ 93,659	\$ 92,175	\$ 185,834
REDWOOD CITY	\$ 1,604,516	\$ 1,586,833	\$ 3,191,349
SAN BRUNO	\$ 874,633	\$ 840,833	\$ 1,715,466
SAN CARLOS	\$ 583,480	\$ 541,143	\$ 1,124,623
SAN MATEO	\$ 1,988,192	\$ 1,894,496	\$ 3,882,688
SOUTH SAN FRANCISCO	\$ 1,300,032	\$ 1,194,498	\$ 2,494,530
WOODSIDE	\$ 114,311	\$ 109,789	\$ 224,100
City Total	\$ 13,593,553	\$ 13,017,016	\$ 26,610,569
County Total	\$ 12,852,053	\$ 12,075,580	\$ 24,927,633
Grand Total	\$ 26,445,606	\$ 25,092,596	\$ 51,538,202

SANTA CLARA			
CAMPBELL	\$ 824,966	\$ 789,956	\$ 1,614,922
CUPERTINO	\$ 1,174,755	\$ 1,079,346	\$ 2,254,101
GILROY	\$ 1,043,268	\$ 1,021,945	\$ 2,065,213
LOS ALTOS	\$ 594,904	\$ 584,121	\$ 1,179,025
LOS ALTOS HILLS	\$ 168,845	\$ 164,661	\$ 333,505
LOS GATOS	\$ 604,032	\$ 584,542	\$ 1,188,574
MILPITAS	\$ 1,424,842	\$ 1,394,927	\$ 2,819,769
MONTE SERENO	\$ 72,717	\$ 68,790	\$ 141,507
MORGAN HILL	\$ 823,448	\$ 809,401	\$ 1,632,849
MOUNTAIN VIEW	\$ 1,528,147	\$ 1,438,986	\$ 2,967,133
PALO ALTO	\$ 1,314,415	\$ 1,260,879	\$ 2,575,294
SAN JOSE	\$ 19,806,562	\$ 19,120,736	\$ 38,927,298
SANTA CLARA	\$ 2,368,559	\$ 2,281,076	\$ 4,649,635
SARATOGA	\$ 609,754	\$ 563,337	\$ 1,173,091
SUNNYVALE	\$ 2,895,107	\$ 2,732,298	\$ 5,627,405
City Total	\$ 35,254,321	\$ 33,895,002	\$ 69,149,322
County Total	\$ 28,353,947	\$ 26,628,916	\$ 54,982,863
Grand Total	\$ 63,608,268	\$ 60,523,918	\$ 124,132,185

SOLANO			
BENICIA	\$ 549,227	\$ 513,523	\$ 1,062,750
DIXON	\$ 381,281	\$ 356,292	\$ 737,574
FAIRFIELD	\$ 2,191,805	\$ 2,077,367	\$ 4,269,172
RIO VISTA	\$ 165,964	\$ 163,616	\$ 329,580
SUISUN CITY	\$ 572,562	\$ 542,664	\$ 1,115,226
VACAVILLE	\$ 1,854,877	\$ 1,800,807	\$ 3,655,683
VALLEJO	\$ 2,343,453	\$ 2,163,231	\$ 4,506,685
City Total	\$ 8,059,169	\$ 7,617,500	\$ 15,676,669
County Total	\$ 7,226,249	\$ 6,951,859	\$ 14,178,108
Grand Total	\$ 15,285,418	\$ 14,569,359	\$ 29,854,777

SONOMA			
CLOVERDALE	\$ 175,987	\$ 167,721	\$ 343,708
COTATI	\$ 149,479	\$ 139,131	\$ 288,610
HEALDSBURG	\$ 234,922	\$ 221,274	\$ 456,196
PETALUMA	\$ 1,170,550	\$ 1,117,339	\$ 2,287,889
ROHNERT PARK	\$ 809,786	\$ 779,308	\$ 1,589,093
SANTA ROSA	\$ 3,382,496	\$ 3,232,546	\$ 6,615,042
SEBASTOPOL	\$ 152,613	\$ 143,932	\$ 296,545
SONOMA	\$ 220,248	\$ 205,989	\$ 426,237
WINDSOR	\$ 542,338	\$ 504,909	\$ 1,047,247
City Total	\$ 6,838,418	\$ 6,512,149	\$ 13,350,567
County Total	\$ 10,522,307	\$ 10,196,323	\$ 20,718,631
Grand Total	\$ 17,360,725	\$ 16,708,472	\$ 34,069,198

REGION			
City Total	\$ 132,993,112	\$ 120,827,350	\$ 253,820,463
County Total	\$ 117,480,143	\$ 111,367,475	\$ 228,847,618
Grand Total	\$ 250,473,255	\$ 232,194,825	\$ 482,668,080

Note: Cities and counties will see an increase in funding in FY 2017-18, but much larger increases in FY 2018-19 and FY 2019-20 due to phasing in of new taxes, including new vehicle charge which takes effect January 1, 2018 and adjustment to variable rate excise tax, which is adjusted to 17.3 cents/gallon July 1, 2019 and indexed annually thereafter.

Estimate of State Transit Assistance Funding in Senate Bill 1 (Beall/Frazier)

Bay Area Transit Operators Estimates	Baseline Current STA Funding (FY 2016-17 Estimate)	Estimate of <i>Net Increase</i> in FY 2017-18*	Estimate of <i>Net Increase</i> in FY 2018-19 Estimate*
Statewide STA Funding	\$ 266,873,000	\$ 166,666,500	\$ 250,000,000
Alameda CTC - Corresponding to ACE	\$ 186,347	\$ 116,275	\$ 174,413
Caltrain	\$ 3,877,168	\$ 2,419,246	\$ 3,628,873
County Connection	\$ 438,211	\$ 273,431	\$ 410,147
City of Dixon	\$ 3,400	\$ 2,121	\$ 3,182
ECCTA (Tri Delta Transit)	\$ 202,949	\$ 126,635	\$ 189,952
City of Fairfield	\$ 85,636	\$ 53,434	\$ 80,151
Golden Gate Transit	\$ 3,432,072	\$ 2,141,518	\$ 3,212,280
City of Healdsburg	\$ (744)	\$ 224	\$ 336
Livermore Amador Transit Authority	\$ 177,130	\$ 110,524	\$ 165,786
Marin Transit	\$ 639,229	\$ 398,861	\$ 598,293
Napa Valley Transit Authority	\$ 44,265	\$ 27,620	\$ 41,430
City of Petaluma	\$ 9,942	\$ 6,204	\$ 9,306
City of Rio Vista	\$ 530	\$ 488	\$ 732
SamTrans	\$ 2,384,429	\$ 1,487,818	\$ 2,231,729
City of Santa Rosa	\$ 97,323	\$ 60,727	\$ 91,090
Solano County Transit	\$ 199,935	\$ 124,754	\$ 187,131
Sonoma County Transit	\$ 105,377	\$ 65,752	\$ 98,628
City of Union City	\$ 29,967	\$ 18,698	\$ 28,048
Valley Transportation Authority	\$ 9,173,929	\$ 5,724,279	\$ 8,586,427
VTA - Corresponding to ACE	\$ 199,485	\$ 124,473	\$ 186,710
WCCTA (Western Contra Costa Transit Authority)	\$ 229,652	\$ 143,296	\$ 214,945
WETA	\$ 943,358	\$ 588,629	\$ 882,945
SUBTOTAL	\$ 22,459,586	\$ 14,015,008	\$ 21,022,533
AC Transit	\$ 6,938,750	\$ 4,329,588	\$ 6,494,389
BART	\$ 15,941,572	\$ 9,947,101	\$ 14,920,667
SFMTA	\$ 29,034,278	\$ 18,116,589	\$ 27,174,911
SUBTOTAL	\$ 51,914,600	\$ 32,393,279	\$ 48,589,967
Total Revenue Based Funds	\$ 74,374,186	\$ 46,408,287	\$ 69,612,500
Population Based Funds	\$ 26,001,993	\$ 16,249,984	\$ 24,375,000
Bay Area Grand Total	\$ 100,376,179	\$ 62,658,271	\$ 93,987,500

* \$250 million assumed statewide. FY 2017-18 amount is estimated at 66 percent of revenue forecast since diesel sales tax increase takes effect November 1, 2017. Also note transit operator shares are based on FY 2014-15 revenue-based STA factors. Actual funding amounts should be expected to change and will not be known until State Controller issues fund estimate in August 2017.

Estimate of Annual Transit Capital Funding Distributed via STA Formula in SB 1 (Beall/Frazier)

Bay Area Transit Operators Estimates	FY 2017-18
Statewide Funding for STA Capital	\$ 105,000,000
Alameda CTC - Corresponding to ACE	\$ 73,254
Caltrain	\$ 1,524,127
County Connection	\$ 172,262
City of Dixon	\$ 1,336
ECCTA (Tri Delta Transit)	\$ 79,780
City of Fairfield	\$ 33,664
Golden Gate Transit	\$ 1,349,158
City of Healdsburg	\$ 141
Livermore Amador Transit Authority	\$ 69,630
Marin Transit	\$ 251,283
Napa Valley Transit Authority	\$ 17,401
City of Petaluma	\$ 3,908
City of Rio Vista	\$ 307
SamTrans	\$ 937,326
City of Santa Rosa	\$ 38,258
Solano County Transit	\$ 78,595
Sonoma County Transit	\$ 41,424
City of Union City	\$ 11,780
Valley Transportation Authority	\$ 3,606,299
VTa - Corresponding to ACE	\$ 78,418
WCCTA (Western Contra Costa Transit Authority)	\$ 90,277
WETA	\$ 370,837
SUBTOTAL	\$ 8,829,464
AC Transit	\$ 2,727,643
BART	\$ 6,266,680
SFMTA	\$ 11,413,463
SUBTOTAL	\$ 20,407,786
Total Revenue Based Funds	\$ 29,237,250
Population Based Funds	\$ 10,237,500
Bay Area Grand Total	\$ 39,474,750

Note: Shares are based on FY 2014-15 operator shares. Actual amount will vary based on each transit operator's share of statewide qualifying revenue.

Estimate of Bay Area STIP Funding Over 10 Years from SB 1 (Beall/Frazier)

(Dollars in millions)

County	
Alameda	\$ 28.56
Contra Costa	\$ 19.54
Marin	\$ 5.34
Napa	\$ 3.51
San Francisco	\$ 14.49
San Mateo	\$ 14.76
Santa Clara	\$ 33.93
Solano	\$ 8.85
Sonoma	\$ 10.88
Region	\$ 139.86
Statewide	\$ 825.00

Note: Amount shown depicts a forecast of *change* from current law with price-based excise tax, not a forecast of STIP funding levels. They can be expected to be substantially higher than today, given gas tax is currently only 9.8 cents/gallon but under SB 1 will be set at 17.3 cents/gallon on July 1, 2019 and indexed for inflation annually thereafter.



METROPOLITAN
TRANSPORTATION
COMMISSION

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Memorandum

TO: Partnership Technical Advisory Committee

DATE: April 17, 2017

FR: Dave Vautin and Mallory Atkinson

RE: Federal Performance Rulemaking and Implementation Update

Since MAP-21 was signed into law in July 2012 – mandating new performance management requirements for states and MPOs – no month of the implementation process has been as eventful as January 2017. By mid-January, all of the remaining performance management rules required under MAP-21/FAST Act were finalized, which included 20 performance measures for transit safety, highway asset management, and system performance. While the new Administration subsequently put a combined 120-day hold on these recently-finalized performance regulations (as well as many other regulations), MTC staff believes that there is a relatively strong likelihood that most of these performance requirements will go into effect in the coming months.

Given substantial steps forward on performance rulemaking in January, this memorandum is designed to provide an update on the regulatory process, including revisions made to each rule based on comments submitted by MTC and peer agencies. It also discusses the integration of new Phase 2 and Phase 3 performance targets into the next cycle of the TIP, which will begin collecting project data later this year. Finally, it identifies the next steps in target-setting work for the coming months, including regional target-setting work that will need to be updated on a regular basis in the years to come in order to comply with federal requirements.

Regulatory Process Update

As discussed above, all remaining performance measures were identified in the three final rules published by FHWA and FTA in mid-January. The topic areas covered in the rules include highway asset management, system performance, and transit safety. Refer to the sections below as well as **Attachment A** for a more detailed description of the final performance measures.

While previous performance rules (which MTC refers to as Phase 1 rules and targets) are not subject to the Congressional Review Act as they have been in effect for a number of months already, the three new January 2017 rules could theoretically be overturned by Congress. However, each was identified in MAP-21/FAST Act and therefore overturning them would restart the regulatory process, setting it back by one to two years and potentially changing the ultimate performance measures for a given topic area.

There is also a risk that the new Administration may defund enforcement of a particular aspect of any of these rules – for example, the greenhouse gas target-setting requirement for states and MPOs included in the system performance rule. This would be a way of more precisely targeting language the new Administration does not support while leaving the remainder of the rule intact. At this

time, MTC staff does not have any indication that these specific rules are at risk, so staff continues to work on implementation assuming they will indeed go into effect in late May.

Final Rules Released in January 2017

Pavement and Bridge Performance (Phase 2)

The final rule for pavement and bridge performance remains relatively similar to the notice of proposed rulemaking (NPRM), proposing four measures for pavement condition and two measures for bridge condition. However, several positive changes were made to the rule:

- FHWA provided an option for agencies to use Present Serviceability Rating (PSR) in lieu of roughness, cracking, rutting, and faulting on roads with speed limits under 40 mph. This change will allow PCI data to be leveraged on these facilities, as PCI can be converted to PSR using standardized formulas. As a result, Caltrans and MTC will not need to collect a new suite of pavement data (i.e., roughness, cracking, rutting, faulting) on these facilities. Note that data will still need to be collected for arterials with higher speeds, which are more common in suburban and rural areas.
- FHWA incorporated MTC's request to standardize the definition of poor IRI condition between urban and rural areas, a change that puts rural and urban areas on a level playing field and simplifies the performance calculation.
- FHWA changed some thresholds for defining "good" and "poor" condition pavement, which should marginally increase the share of "good" pavement and marginally decrease the share of "poor" pavement.

Assuming no further extension of the effective date past May, state DOTs would have until May 2018 to set their targets for these issue areas. MTC would then need to set its regional targets by November 2018, updating them every 4 years thereafter.

System Performance (Phase 2)

The final rule for system performance was notably improved from what FHWA included in the NPRM in 2016, reflecting broad opposition to the draft rule's narrow focus on vehicle mobility. FHWA incorporated many of the suggested changes proposed by MTC, Caltrans, and other MPOs across the country:

- Vehicle mobility measures were replaced with person-throughput measures that will capture the benefits of HOV/HOT lanes, public transit, and non-motorized modes. The new measures are more forward-looking, recognizing that rapidly-improving "big data" will likely enable even better monitoring of this going forward. However, they may ultimately prove to be more difficult to calculate.
- In lieu of some of the congestion measures proposed earlier, a new performance measure related to mode share was added to capture the benefits associated with carpooling, transit, walking, biking, and telecommuting. Regions can either rely on the American Community Survey or localized datasets like travel surveys to track this measure.
- The speed used to define congestion on various facilities was linked to the speed limit of the facility, rather than a flat speed for all facilities of a given type. While this change makes sense given the application of the measure across the NHS, it will require the state to submit up-to-date speed limit data on a regular basis.
- FHWA ultimately decided to include a greenhouse gas reduction performance measure, requiring states and MPOs to set targets to reduce tailpipe emissions when compared to a

2017 baseline year. This is likely the most controversial change to all of the performance rules, as a GHG performance measure was not specifically authorized by Congress.

- The total number of measures was reduced from eight to seven to limit the burden on states and MPOs.

Assuming no further extension of the effective date past May, state DOTs would have until May 2018 to set their targets for these issue areas. For CMAQ targets, MTC would have to set its regional targets by May 2018 as well – in sync with the state – and update those targets every 2 years. For all other targets under this issue area, MTC would need to set its regional targets by November 2018, updating them every 4 years thereafter.

Transit Safety (Phase 3)

Finally, FTA also released its final rule for the National Public Transportation Safety Plan, which includes the performance measures it intends to require operators and MPOs to track and report. The proposed measures are already included in the National Transit Database (NTD), but a subsequent rule is required to implement the target-setting language in MAP-21/FAST Act. The seven performance measures are relatively straightforward and similar to those used for roadway safety, seeking to reduce total fatalities, injuries, and incidents, the rates of such events, and the mean distance between vehicle failures. Once the subsequent rule goes into effect – operationalizing these identified measures – transit operators are expected to have three months to set targets, and MPOs are expected to have six more months to set regional targets.

TIP Performance Implementation – Phases 2 and 3 Performance Targets

For all federally-required targets, MTC is required to show (1) that the TIP “makes progress towards achieving [the region’s] performance targets” and (2) that the TIP includes, “to the maximum extent practicable, a description of the anticipated effect of the TIP towards achieving the performance targets” in the RTP. In order to report on both directionality and magnitude of impact, staff has proposed selecting the most appropriate analytical approach for each performance target. The approaches available to MTC are summarized in **Attachment B**.

Staff circulated proposed additions to FMS to the various Partnership working groups to incorporate previously-finalized Phase 1 performance measures (related to road safety and transit asset management) into the TIP process, in order to comply with the metropolitan planning final rule. Based on feedback received, slight revisions to questions proposed were incorporated in the FMS update underway.

Building on top of the work done for the Phase 1 targets in 2016 – which has already been shared at prior Partnership working group meetings – staff has identified a preferred approach for tackling each of the Phase 2 and Phase 3 performance targets in **Attachment C**. As discussed in the previous memorandums, MTC proposes to collect performance data on all existing and future projects submitted for inclusion in the TIP. The new questions associated with each target will be added to a Performance module for MAP-21/FAST Act compliance, regardless of project size.

For Phase 2 performance targets (pavement & bridge + system performance), these targets are not required to be incorporated into the 2019 TIP at the time of its adoption in late 2018. This is due to the two-year phase-in provision in the metropolitan planning final rule. However, these targets will be required just a few months later in May 2019, at which time FHWA and FTA will not

approve a TIP amendment that does not fully reflect the performance requirements and rulemakings in effect. Because deferring Phase 2 performance targets until the next TIP in 2021 would limit the region's ability to amend the TIP in a timely manner, staff is now proposing that Phase 2 performance requirements be incorporated into the 2019 TIP as part of a single streamlined process. Proposed questions to be added to FMS are included in **Attachment D**; staff is seeking comment from project sponsors before integrating these questions into FMS.

For Phase 3 performance targets (solely related to transit safety), the schedule for implementation will be dependent on the rulemaking schedule in 2017. Given the lack of clarity from FTA on the rulemaking timeline, it is unclear when the NPRM and final rule for operators will be released. Staff is deferring identifying a schedule for incorporating these measures into the TIP process until further rulemaking actions do indeed take place. However, staff has included draft FMS questions for Phase 3 targets in **Attachment D** for preliminary review and comment.

Next Steps

Given the tight schedule for implementation and relatively low risk of performance regulations' repeal by Congress, MTC is proceeding with work on federal performance implementation for our planning and programming processes.

Key milestones ahead for the TIP include:

- **March 2017:** seek feedback on new FMS questions from Partnership Local Streets and Roads Working Group, Partnership Project Delivery Working Group, Partnership Transit Finance Working Group, and Partnership Technical Advisory Committee
- **Spring 2017:** make updates to FMS and test new features
- **TBD 2017:** determine approach for handling Phase 3 (transit safety) targets in 2019 TIP cycle
- **Fall 2017 & Winter 2018:** collect data from all projects in TIP to meet Phase 1 and Phase 2 performance requirements
- **Late 2018:** adopt 2019 TIP

Key milestones ahead for target-setting include:

- **Spring 2017:** seek feedback from Partnership Transit Asset Management Working Group on proposed 1st cycle of transit asset management targets
- **June 2017:** adopt 1st cycle of regional transit asset management targets
- **Summer & Fall 2017:** seek feedback on 1st cycle of road safety targets from appropriate working groups
- **January 2018:** adopt 1st cycle of regional road safety targets
- **Winter 2018:** seek feedback on 1st cycle of all Phase 2 targets (highway & bridge + system performance) from appropriate working groups
- **Spring 2018:** adopt 1st cycle of CMAQ Phase 2 targets
- **Summer 2018:** adopt 1st cycle of regional non-CMAQ Phase 2 targets

Attachment A: Summary of Federally-Required Performance Measures & Target-Setting Activities

FEDERAL GOALS & PROGRAMS	GENERAL MEASURES IN LAW	FINAL PERFORMANCE MEASURES	TARGET-SETTING FREQUENCY	1 ST CYCLE TARGET-SETTING DUE DATES	CURRENT STATUS
Safety HSIP TSOP	Number of Fatalities on Roads	1. Total number of road fatalities	Annual	State: August 31, 2017 MPO: February 28, 2018	Staff is currently preliminary target-setting analyses. On the state level, MTC is participating in the state workgroup process, which is expected to unveil draft targets this month.
	Rate of Fatalities on Roads	2. Road fatalities per VMT	Annual	State: August 31, 2017 MPO: February 28, 2018	
	Number of Serious Injuries on Roads	3. Total number of serious injuries on roads	Annual	State: August 31, 2017 MPO: February 28, 2018	
	Rate of Serious Injuries on Roads	4. Serious injuries on roads per VMT	Annual	State: August 31, 2017 MPO: February 28, 2018	
	Non-Motorized Safety on Roads	5. Combined total number of non-motorized fatalities and serious injuries	Annual	State: August 31, 2017 MPO: February 28, 2018	
	Safety of Public Transit Systems	6. Total number of reportable transit fatalities	Annual	Operators: TBD* MPO: TBD* * = measures approved in January 2017 regulatory action but transit & MPO safety target-setting requirements are slated for additional regulation later this year	On hold pending secondary rule process and establishment of deadlines. Operators will likely have 3 months to set targets, followed by 6 months for MTC to set regional targets.
		7. Reportable transit fatalities per RVM by mode (example below) a. Motor bus b. Light rail c. Heavy rail d. etc.			
		8. Total number of reportable transit injuries			
		9. Reportable transit injuries per RVM by mode (example below) a. Motor bus b. Light rail c. Heavy rail d. etc.			
		10. Total number of reportable transit safety events			
		11. Reportable transit safety events per RVM by mode (example below) a. Motor bus b. Light rail c. Heavy rail d. etc.			

FEDERAL GOALS & PROGRAMS	GENERAL MEASURES IN LAW	FINAL PERFORMANCE MEASURES	TARGET-SETTING FREQUENCY	1 ST CYCLE TARGET-SETTING DUE DATES	CURRENT STATUS
Safety <i>(continued)</i> TSOP	Safety of Public Transit Systems <i>(continued)</i>	12. Mean distance between major mechanical failures by mode <i>(example below)</i> a. Motor bus b. Light rail c. Heavy rail d. etc.	Annual	Operators: TBD* MPO: TBD* * = measures approved in January 2017 regulatory action but transit & MPO safety target-setting requirements are slated for additional regulation later this year	On hold pending secondary rule process and establishment of deadlines. Operators will likely have 3 months to set targets, followed by 6 months for MTC to set regional targets.
Infrastructure Condition NHPP NTAMS	Pavement Condition on the IHS	13. Percentage of pavements on the IHS in good condition 14. Percentage of pavements on the IHS in poor condition	Every 2-4 years	State: May 21, 2018 MPO: November 21, 2018	Process will begin on the statewide and regional levels later this year.
	Pavement Condition on the NHS	15. Percentage of pavements on the non-IHS NHS in good condition 16. Percentage of pavements on the non-IHS NHS in poor condition	Every 2-4 years	State: May 21, 2018 MPO: November 21, 2018	
	Bridge Condition on the NHS	17. Percentage of NHS bridges classified in good condition 18. Percentage of NHS bridges classified in poor condition	Every 2-4 years	State: May 21, 2018 MPO: November 21, 2018	
	State of Good Repair for Public Transit Assets	19. Percentage of revenue vehicles that have met or exceeded their ULB by asset class <i>(example below)</i> a. 40-foot bus b. 30-foot bus c. Light rail vehicle d. etc. 20. Percentage of facilities within a condition rating below fair by asset class <i>(example below)</i> a. Maintenance yards b. Stations c. Electrical substations d. etc.	Annual	Operators: January 1, 2017 MPO: July 1, 2017	Operators have set their targets by FTA's January 1 st deadline. Staff is working on aggregating data submitted to develop a regional target proposal; the proposed targets will be shared with the transit asset management group this spring.

FEDERAL GOALS & PROGRAMS	GENERAL MEASURES IN LAW	FINAL PERFORMANCE MEASURES	TARGET-SETTING FREQUENCY	1 ST CYCLE TARGET-SETTING DUE DATES	CURRENT STATUS
Infrastructure Condition <i>(continued)</i> NTAMS	State of Good Repair for Public Transit Assets <i>(continued)</i>	21. Percentage of guideway directional route-miles with performance restrictions 22. Percentage of non-revenue vehicles that have met or exceeded their ULB	Annual	Operators: January 1, 2017 MPO: July 1, 2017	Operators have set their targets by FTA's January 1 st deadline. Staff is working on aggregating data submitted to develop a regional target proposal; the proposed targets will be shared with the transit asset management workgroup this spring.
System Reliability NHPP	Performance of the Interstate System	23. Percentage of person-miles traveled on the IHS that are reliable	Every 2-4 years	State: May 21, 2018 MPO: November 21, 2018	Process will begin on the statewide and regional levels later this year.
	Performance of the NHS	24. Percentage of person-miles traveled on the non-IHS NHS that are reliable 25. Percent change in NHS tailpipe CO₂ emissions (compared to 2017 baseline)	Every 2-4 years	State: May 21, 2018 MPO: November 21, 2018	
Freight Movement and Economic Vitality NHFP	Freight Movement on the Interstate System	26. Percentage of IHS mileage providing reliable truck travel times	Every 2-4 years	State: May 21, 2018 MPO: November 21, 2018	Process will begin on the statewide and regional levels later this year.
Congestion Reduction CMAQ	Traffic Congestion	27. Annual hours of peak-hour excessive delay per capita by urbanized area a. San Francisco-Oakland UA b. San Jose UA c. Concord UA** d. Santa Rosa UA** e. Antioch UA** ** = not required during 1 st target-setting cycle	Every 2 years	State: May 21, 2018 MPO: May 21, 2018	Process will begin on the statewide and regional levels later this year.

FEDERAL GOALS & PROGRAMS	GENERAL MEASURES IN LAW	FINAL PERFORMANCE MEASURES	TARGET-SETTING FREQUENCY	1 ST CYCLE TARGET-SETTING DUE DATES	CURRENT STATUS
Congestion Reduction <i>(continued)</i> CMAQ	Traffic Congestion <i>(continued)</i>	28. Percent of non-SOV travel by urbanized area <ol style="list-style-type: none"> San Francisco-Oakland UA San Jose UA Concord UA** Santa Rosa UA** Antioch UA** <p><i>** = not required during 1st target-setting cycle</i></p>	Every 2 years	State: May 21, 2018 MPO: May 21, 2018	Process will begin on the statewide and regional levels later this year.
Environmental Sustainability CMAQ	On-Road Mobile Source Emissions	29. Total emissions reductions from CMAQ-funded projects by pollutant <ol style="list-style-type: none"> PM_{2.5} PM₁₀ CO VOC NO_x 	Every 2 years	State: May 21, 2018 MPO: May 21, 2018	Process will begin on the statewide and regional levels later this year.
Reduced Project Delivery Delays	<i>none</i>	<i>none</i> <i>(neither MAP-21 nor FAST included performance measures for this goal)</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>

Summary of Key Acronyms:

VMT: vehicle miles traveled
RVM: revenue vehicle miles
IHS: Interstate Highway System
NHS: National Highway System
ULB: useful life benchmark
CO₂: carbon dioxide
SOV: single-occupant vehicle
UA: urbanized area
PM: particulate matter
CO: carbon monoxide
VOC: volatile organic compounds
NO_x: nitrogen oxides

Attachment B: Approaches for Evaluating TIP Impacts

- **Approach 1: Qualitative Questions**

Add qualitative questions to FMS about project goals and directionality of project impacts, summarizing TIP impact in terms of the number and total dollar value of projects that are focused on federally-identified measures and goals.

- Pros: requires the least amount of sponsor and staff time; relatively straightforward
- Cons: no quantification of benefits; no auditing of sponsor submissions

- **Approach 2: Sponsor Submission + MTC Compilation**

Add quantitative questions to FMS about the magnitude of annual project benefits or disbenefits for a given performance measure; MTC staff would lightly audit results and sum them up to develop a measurement of TIP impact overall for that measure.

- Pros: works best for easily-quantifiable measures that require no forecasting; relies on sponsors to provide detailed data; incorporates data from all projects in TIP
- Cons: high risk for inconsistencies between sponsors if forecast data is required

- **Approach 3: MTC Analysis Using Existing Tools**

Use existing models run for TIP conformity purposes – e.g., Travel Model One – to estimate performance benefits associated with the TIP investment package.

- Pros: ensure consistency across projects; leverages same tool as used for RTP target work
- Cons: multiple TIP coding or runs may be required to quantify benefits for one-year targets; benefits from non-capacity-increasing projects will not be captured

- **Approach 4: MTC Analysis Using New Tools**

Enhance existing models or build new models or sub-models to estimate the performance benefits associated with the TIP investment package.

- Pros: ensure consistency across projects; could be used for RTP analyses as well; would improve methodologies and benefit other MTC projects; “gold standard” approach
- Cons: requires significant additional staff time and/or consultant resources to conduct research on a variety of topic areas; multiple TIP coding or runs may be required to quantify benefits for one-year targets; even an improved consistent methodology will still have limitations with specific projects

Attachment C: Summary of Proposed Approach by Target – Phases 2 and 3

Note: proposed approaches and FMS questions for Phase 1 targets were shown to Partnership working groups in late 2016. Therefore, the approach for targets 1 through 5 and targets 19 through 22 are not shown below.

FEDERAL GOAL	PHASE 2 + PHASE 3 TARGETS	QUALITATIVE QUESTIONS	SPONSOR SUBMISSION + MTC COMPILATION	MTC ANALYSIS USING EXISTING TOOLS	MTC ANALYSIS USING NEW TOOLS
Safety	6. Total number of reportable transit fatalities	<i>Staff Recommended</i>			<i>Ideal Approach</i>
	7. Reportable transit fatalities per RVM	<i>Staff Recommended</i>			<i>Ideal Approach</i>
	8. Total number of reportable transit injuries	<i>Staff Recommended</i>			<i>Ideal Approach</i>
	9. Reportable transit injuries per RVM	<i>Staff Recommended</i>			<i>Ideal Approach</i>
	10. Total number of reportable transit safety events	<i>Staff Recommended</i>			<i>Ideal Approach</i>
	11. Reportable transit safety events per RVM	<i>Staff Recommended</i>			<i>Ideal Approach</i>
	12. Mean distance between major mechanical failures	<i>Staff Recommended</i>		<i>Ideal Approach</i>	
Infrastructure Condition	13. Percentage of pavements on the IHS in good condition		<i>Staff Recommended</i> <i>Ideal Approach</i>		
	14. Percentage of pavements on the IHS in poor condition		<i>Staff Recommended</i> <i>Ideal Approach</i>		
	15. Percentage of pavements on the non-IHS NHS in good condition		<i>Staff Recommended</i> <i>Ideal Approach</i>		
	16. Percentage of pavements on the non-IHS NHS in poor condition		<i>Staff Recommended</i> <i>Ideal Approach</i>		
	17. Percentage of NHS bridges classified in good condition		<i>Staff Recommended</i> <i>Ideal Approach</i>		
	18. Percentage of NHS bridges classified in poor condition		<i>Staff Recommended</i> <i>Ideal Approach</i>		

FEDERAL GOAL	PHASE 2 + PHASE 3 TARGETS	QUALITATIVE QUESTIONS	SPONSOR SUBMISSION + MTC COMPILATION	MTC ANALYSIS USING EXISTING TOOLS	MTC ANALYSIS USING NEW TOOLS
System Reliability	23. Percentage of person-miles traveled on the IHS that are reliable	<i>Staff Recommended</i>			<i>Ideal Approach</i>
	24. Percentage of person-miles traveled on the non-IHS NHS that are reliable	<i>Staff Recommended</i>			<i>Ideal Approach</i>
	25. Percent change in NHS tailpipe CO ₂ emissions	<i>Staff Recommended</i>			<i>Ideal Approach</i>
Freight Movement and Economic Vitality	26. Percentage of IHS mileage providing reliable truck travel times	<i>Staff Recommended</i>			<i>Ideal Approach</i>
Congestion Reduction	27. Annual hours of peak-hour excessive delay per capita by urbanized area			<i>Staff Recommended</i> <i>Ideal Approach</i>	
	28. Percent of non-SOV travel by urbanized area			<i>Staff Recommended</i>	<i>Ideal Approach</i>
Environmental Sustainability	29. Total emissions reductions from CMAQ-funded projects by pollutant		<i>Staff Recommended</i>		<i>Ideal Approach</i>

Attachment D: Proposed New Questions for TIP Project Submission Related to Targets for Phases 2 and 3

Phase 2

- **Infrastructure Condition (*Pavement Condition*)**
 - Does the project make any pavement improvements on the NHS? – **Yes/No**
 - If no, skip remaining questions in this section
 - How many interstate highway lane-miles does this project upgrade from poor condition to fair condition? – **one-decimal precision required**
 - How many interstate highway lane-miles does this project upgrade from poor condition to good condition? – **one-decimal precision required**
 - How many interstate highway lane-miles does this project upgrade from fair condition to good condition? – **one-decimal precision required**
 - How many non-interstate NHS lane-miles does this project upgrade from poor condition to fair condition? – **one-decimal precision required**
 - How many non-interstate NHS lane-miles does this project upgrade from poor condition to good condition? – **one-decimal precision required**
 - How many non-interstate NHS lane-miles does this project upgrade from fair condition to good condition? – **one-decimal precision required**
- **Infrastructure Condition (*Bridge Condition*)**
 - Does the project make any bridge improvements on the NHS? – **Yes/No**
 - If no, skip remaining questions in this section
 - Does this project upgrade one or more bridges from poor condition to fair condition? – **Yes/No**
 - If yes, what is the total bridge deck area benefiting from this upgrade in square meters? – **integer value required**
 - Does this project upgrade one or more bridges from poor condition to good condition? – **Yes/No**
 - If yes, what is the total bridge deck area benefiting from this upgrade in square meters? – **integer value required**
 - Does this project upgrade one or more bridges from fair condition to good condition? – **Yes/No**
 - If yes, what is the total bridge deck area benefiting from this upgrade in square meters? – **integer value required**
- **System Reliability**
 - Is improving system reliability the primary purpose or goal of this project? – **Yes/No**
 - Does the project improve reliability of NHS roadways? – **Yes/No**
Projects of all modes – road, transit, non-motorized, etc. – can improve reliability, even if the project itself is on a parallel corridor or non-NHS facility.
 - If no, skip remaining questions in this section
 - What impact will the project have on the interstate highway reliability, based upon the magnitude of impact and the number of people who benefit? – **Significant Improvement/Moderate Improvement/Minimal Impact/Adverse Impact [drop-down menu; well-known example projects noted for each rating]**
 - What impact will the project have on the non-interstate NHS reliability, based upon the magnitude of impact and the number of people who benefit? – **Significant Improvement/Moderate Improvement/Minimal Impact/Adverse Impact [drop-down menu; well-known example projects noted for each rating]**

- What impact will the project have on the tailpipe CO₂ emissions for all vehicles? – **Significant Reduction/Moderate Reduction/Minimal Impact/Adverse Impact** [drop-down menu; well-known example projects noted for each rating]
- **Freight Movement**
 - Does improving reliability for goods movement the primary purpose or goal of this project? – **Yes/No**
 - Does the project affect truck reliability of interstate highways? – **Yes/No**
Projects of all modes – road, transit, non-motorized, etc. – can improve reliability for trucks, even if the project itself is on a parallel corridor (i.e., not an interstate).
 - If no, skip remaining question in this section
 - What impact will the project have on the interstate highway reliability for trucks? – **Significant Improvement/Moderate Improvement/Minimal Impact/Adverse Impact** [drop-down menu; well-known example projects noted for each rating]
- **Congestion Reduction**
 - Is reducing traffic congestion the primary purpose or goal of this project? – **Yes/No**
 - Which urbanized area(s) does the project impact, if any? – **San Francisco-Oakland UA, San Jose UA, Concord UA, Santa Rosa UA, Antioch UA, other Bay Area UA with less than 200,000 inhabitants** [checklist; user can select more than one]
 - If the project can be explicitly represented in the regional travel demand model, please submit the project modeling worksheet: *[file upload feature]*
- **Environmental Sustainability**
 - Is improving air quality the primary purpose or goal of this project? – **Yes/No**
 - *Note that CMAQ questions are already addressed in the funding section of FMS; relevant data will be displayed in this section of the performance section.*

Phase 3 (draft; based on national transit safety rule)

- **Safety (Transit Safety)**
 - Is improving transit safety the primary purpose or goal of this project? – **Yes/No**
Only projects whose primary purpose is reducing transit safety events should mark Yes.
 - If yes, for what mode(s) of transit does this project have a safety benefit or impact? – **Cable car/commuter rail/heavy rail/hybrid rail/light rail/automated guideway/streetcar rail/commuter bus/bus/bus rapid transit/demand responsive/ferryboat/jitney/trolley bus/vanpool** [checklist; user can select more than one]
 - What impact will the project have on reportable transit fatalities? – **Significant Reduction/Moderate Reduction/Minimal Impact/Adverse Impact** [drop-down menu; well-known example projects noted for each rating]
 - What impact will the project have on reportable transit injuries? – **Significant Reduction/Moderate Reduction/Minimal Impact/Adverse Impact** [drop-down menu; well-known example projects noted for each rating]
 - What impact will the project have on reportable transit safety events? – **Significant Reduction/Moderate Reduction/Minimal Impact/Adverse Impact** [drop-down menu; well-known example projects noted for each rating]
 - What impact will the project have on the mean distance between major mechanical failures? – **Significant Reduction/Moderate Reduction/Minimal Impact/Adverse Impact** [drop-down menu]

Agenda Item 4a



TO: Joint MTC Planning Committee with the
ABAG Administrative Committee

DATE: April 7, 2017

FR: Brad Paul, ABAG Acting Executive Director
Steve Heminger, MTC Executive Director

RE: Plan Bay Area 2040 – Document, Action Plan and Public Outreach

MTC and ABAG released Draft Plan Bay Area 2040 on March 31st. The Plan document and associated supplemental reports incorporate the last two years of planning and outreach, including the forecasted development pattern, the transportation investment strategy, and the regional context of economic and demographic change. The Draft Plan also includes a Draft Action Plan, which delves more deeply into short- and medium-term actions to address issue areas where the Plan itself falls short. Later this month, MTC and ABAG will release the associated Draft Environmental Impact Report (EIR) for the Plan, identifying impacts and mitigation measures as required by the California Environmental Quality Act.

Over the next two months, staff will be seeking feedback on the Draft Plan, Draft Action Plan, Draft EIR, and other associated reports from policymakers and the public across the nine-county region. Comments on the various documents will be reviewed during the revision process this summer, and staff will provide a summary to joint MTC Planning Committee / ABAG Administrative Committee in June.

Plan Document Release

The Draft Plan can be accessed at <http://2040.planbayarea.org>. Although it is best accessed using the website – which works on desktop computers, tablets, and smartphones – users can also download a PDF copy if they would like to print the Plan at home. Limited paper copies will be made available to elected officials and other members of the public on an as-needed basis. Numerous supplemental reports are also available on the website, as will the Draft EIR when it is released.

The Draft Plan incorporates the Final Preferred Scenario¹ adopted by MTC and ABAG in November, with two important improvements. First, the Draft Plan provides a narrative to orient the regional planning process in the context of the current housing crisis and data from our Vital Signs performance monitoring work. Second, the Draft Plan incorporates a Draft Action Plan as its final chapter in accordance with policy direction approved by MTC and ABAG in November. Staff looks forward to receiving feedback on these elements.

¹ The MTC Commission and ABAG Executive Board approved the Final Preferred Scenario of Plan Bay Area 2040 on November 17, 2016. The Preferred Scenario included a growth pattern for housing, population and jobs as well as a list of transportation investments through 2040. After adoption, the Preferred Scenario became the *Proposed Plan*, which is fully described in the Draft Plan Document and forthcoming Draft EIR.

Draft Action Plan

At the same time MTC and ABAG adopted the Final Preferred Scenario, they also approved the creation of an Action Plan to “identify concrete near- and medium-term action items for MTC, ABAG, and other stakeholders to make meaningful progress on the Plan’s performance targets.” Since then, staff have solicited policy and implementation ideas from the Regional Advisory Working Group, the Policy Advisory Council and County Congestion Management Agencies. The Draft Action Plan is the culmination of that input and provides strategic direction on three issue areas: housing, economic development and resilience. **Attachment A** includes the Draft Action Plan, which can also be found online as part of the Draft Plan document.


Road to Adoption

In January, MTC staff presented the proposed public engagement strategy for the release of the draft Plan to MTC’s Planning Committee. Staff is moving forward with a range of outreach methods, including open houses, public hearings, presentations to local elected officials and the Native American Tribal Summit, community outreach, online survey and media briefing webinar. A general timeline is included below and a more detailed outreach schedule is in **Attachment B**.

- **March 31:** Draft Plan and associated supplemental reports released to the public
- **April – May:** Local elected official presentations at CMA meetings in each county
- **April 17:** Draft EIR released to the public
- **May:** Open houses in each county, public hearings across the region, and outreach events with community-based organizations
- **May 31:** end of Draft Plan and Draft EIR comment periods
- **June 9:** presentation to joint MTC Planning/ABAG Administrative Committee on outreach meetings and other public feedback
- **July:** final adoption of Plan Bay Area 2040 (Plan, Action Plan, and EIR) by MTC and ABAG



Brad Paul



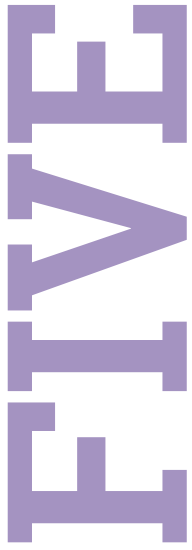
Steve Heminger

Attachments:

- Attachment A: Plan Bay Area 2040 Draft Action Plan
- Attachment B: Detailed Outreach Schedule
- Presentation

MM:kv&dv

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Action Plan*

The Bay Area's housing and transportation crisis reflects the cumulative impacts of the region's robust job market and acute failure to keep pace with housing need, especially near growing job centers. Plan Bay Area 2040 projects these problems will intensify if the region does not take significant corrective steps. As a path forward, MTC and ABAG developed an "Action Plan" to focus on performance targets where the plan is moving in the wrong direction, as well as emerging issues that require proactive regional policy solutions.

MTC and ABAG propose a multi-pronged strategy to address housing affordability, the region's widening income disparities and economic hardships faced by low and middle-income workers, and finally the Bay Area's vulnerabilities to natural disasters such as earthquakes and floods. These three issue areas — Housing, Economic Development, and Resilience — form the core of the Action Plan.

* Note: This section is preliminary and may be refined based upon further development.



Similar to past regional achievements in the environment, transportation, and economy, successfully addressing these needs during the implementation of Plan Bay Area 2040 will require a shared commitment among regional policymakers, local governments and civic organizations.

Housing Production, Preservation and Protection

Regional agencies currently lack the tools, resources, and authority to directly address the issues of production, affordability and displacement identified earlier in “The Bay Area Today.” In response, the Action Plan recommends strengthening and expanding existing regional housing initiatives and pursuing more ambitious policy solutions at the state, regional, and local levels. Regional agencies are committed to partnering with local governments, business leaders, and non-governmental organizations to identify and implement game-changing housing solutions.

Connection to Targets

The recommendations in this Action Plan address multiple performance target areas.

- **Housing:** Share of income spent on housing and transportation costs, displacement risk, and affordable housing
- **Economic development:** Access to jobs, middle wage job creation, and pavement maintenance
- **Resilience:** Climate protection, open space protection, and healthy and safe communities

What Actions Have the Regional Agencies Already Implemented for Housing?

To date, regional agencies have largely focused housing actions on funding planning grants, conducting the Regional Housing Needs Allocation (RHNA), conditioning transportation funds on local planning and the production of housing, using existing fund sources for incentives and direct investments in affordable housing, providing best practices and technical assistance, advocating the state legislature for statewide legislative proposals to reduce barriers to housing production, and hosting forums to further information sharing and policy solutions.

More specifically, MTC and ABAG have:

- Produced Regional Housing Needs Allocations (RHNA) and monitored RHNA performance by income-level
- Invested in the Transit Oriented Affordable Housing (TOAH) revolving loan fund
- Conditioned approximately \$600 million in One Bay Area Grant (OBAG) funds on the adoption of an approved housing element and conditioned nearly \$20 billion in transit expansion priorities on minimum zoning via TOD policy
- Awarded 51 PDA Planning grants to-date, which have led to increased zoning capacity for 70,000 housing units, 110,000 jobs and 26 million sq. ft. of commercial development. PDA Plans remove barriers to infill development by creating a predictable permitting process aligned with community objectives.
- Adopted a new OBAG framework in 2016 to increase incentives and direct investments for affordable housing
- Convened regional committees for housing including the Housing Forum, Housing Subcommittee of the Regional Planning Committee, and the upcoming Committee for Affordable and Sustainable Accommodations (CASA)
- Supported CEQA modernization and created an online guide to CEQA streamlining provisions

Two upcoming endeavors will improve the region's ability to address its chronic housing affordability challenges. The integration of MTC and ABAG staff will lead to more effective long-range planning and increase the region's housing policy capacities. The newly created CASA initiative will bring together

diverse interests to develop a Regional Housing Implementation Strategy. This work will likely evaluate and recommend a range of legislative, regulatory, financial, and market-related measures needed to provide for the region's housing needs at all income levels.



Housing in Santa Clara County.
Credit: Karl Nielsen

CASA

MTC and ABAG are coordinating the CASA initiative, a multi-sector blue-ribbon committee that will bring together diverse interests to identify game-changing solutions to the region's chronic housing affordability challenges. Core to this strategy will include an effort to replicate the region's success in generating local revenues for transportation by pursuing a regional "self-help" strategy for funding housing investments. A multi-county fee or bond measure, for example, could be among the suite of recommendations put forward by CASA.

This Action Plan makes the following recommendations for Housing:







Housing Actions	Partners and Timeframe
Advance funding and legislative solutions for housing: Implement the recommendations of CASA, in coordination with ABAG's Regional Planning Committee.	MTC/ABAG, CASA committee, local jurisdictions 
Continue recent housing successes: Implement the housing initiatives adopted in the One Bay Area Grant (OBAG) program, including the Naturally Occurring Affordable Housing (NOAH) preservation fund, JumpStart program, and funding for transportation conditioned on RHNA performance (80k by 2020 initiative).	MTC/ABAG, CMAs 
Spur housing production at all income levels and invest directly in affordable housing: Seek to include housing provisions or conditions in upcoming new funding sources (including planning grants), analyze applicability for additional regional funding sources to incentivize housing production and affordability. Continue to monitor and evaluate PDA performance.	MTC/ABAG, the Partnership, regional leaders 
Use housing performance to prioritize funding for long-range transportation projects: Continue to evolve RTP/SCS Project Performance methods to seek stronger alignment between prioritizing transportation projects and housing performance.	MTC/ABAG, CMAs 
Strengthen policy leadership on housing: Expand and transform regional agency technical assistance for local jurisdictions tailored to both Bay Area-wide challenges and challenges unique to specific parts of the region. Focus areas for technical assistance could include guidance on implementing state legislation for housing production, guidance on housing preservation and community stabilization policies and coordination of neighboring jurisdictions along transit corridors and in sub-regions to identify shared solutions to housing challenges.	MTC/ABAG, local jurisdictions 
Close data gaps for housing: Continue to collect, analyze, and disseminate information about housing opportunity sites, zoning, development trends and policy implementation by local governments to inform local, regional, and state policy development and evaluation; create accessible database of major development and publicly owned sites.	MTC/ABAG 

TABLE 5.1 Housing action plan.

Source: Metropolitan Transportation Commission, 2016

Economic Development

Creating a more affordable region also requires a Bay Area economy with greater economic opportunity and mobility. The Action Plan recommends expanding regional economic development capacity through establishing an Economic Development District while also focusing on increasing pathways to middle-wage jobs, preserving infrastructure, and increasing affordable transportation access to job centers.

Regional agencies — in partnership with business, workforce agencies and local jurisdictions — are working to establish a regional Economic Development District and accompanying Economic Development Strategy. This work will advance regional solutions related to business expansion and retention, workforce training, housing and workspace, and infrastructure improvements. This work will also enable the region to compete for public and private funding that can help leverage local assets in places poised for growth, particularly in communities of concern and other economically distressed areas.

Long-term economic growth also requires infrastructure investment. While the region has made substantial transportation investments, it still has unmet capital maintenance needs exceeding \$30 billion and some of the worst transit crowding and traffic congestion in the nation. Relieving transit crowding and increasing transit access will require broad regional coordination and planning. The region should also continue advocating for increases in funding for critical expansion projects, as well as maintenance of existing infrastructure.



Construction in San Francisco.
Credit: Karl Nielsen

This Action Plan makes the following recommendations for Economic Development:

Economic Development Actions	Partners and Timeframe
<p>Coordinate regional economic solutions and increase funding for economic development: Continue work on developing the region's Economic Development District and implement the action plan of the Comprehensive Economic Development Strategy.</p>	<p>MTC/ABAG, economic organizations, EDA, megaregional partners</p> <p>1-2 YEARS</p>
<p>Strengthen middle-wage job career paths for goods movement: Implement the recommendations of the Megaregional Goods Movement Cluster Study, which will focus on emerging industries and middle-wage jobs.</p>	<p>MTC/ABAG, freight businesses, megaregional partners</p> <p>1 - 4 YEARS</p>
<p>Increase transportation access to growing job centers: Broaden core capacity transit study partnership to cover a larger geography to plan for major transportation capital investments; move forward on planning efforts for a second Transbay Tube; continue to evaluate a means-based fare or other methods for reducing transportation costs for lower-wage workers.</p>	<p>MTC/ABAG, transit agencies, the Partnership, megaregional partners</p> <p>2 - 4 YEARS</p>
<p>Preserve existing infrastructure: Advocate for new revenues for transportation and continue focusing on "Fix It First" investments in keeping with long-standing MTC policy.</p>	<p>MTC/ABAG, state legislature</p> <p>1 YEAR</p>
<p>Preserve and enhance existing industrial lands: Establish criteria for Priority Production Areas to encourage local jurisdictions to plan for space needed for manufacturing, distribution and repair while assessing ways of meeting other critical needs such as housing.</p>	<p>MTC/ABAG, local jurisdictions</p> <p>2 - 4 YEARS</p>

TABLE 5.2 Economic Development Actions.

Source: Metropolitan Transportation Commission, 2016

Resilience

In response to emerging and increasingly pressing threats to the Bay Area's communities, ecosystem and economy, the Action Plan recommends continuing and expanding existing resilience efforts and developing creative funding solutions to implementing resilience projects.

Regional agencies have initiated several programs advancing resilience against sea level rise, flooding, and extreme events including earthquakes. In 2010, the Bay Conservation and Development District (BCDC) kicked off the Adapting to Rising Tides program, which evaluated vulnerability and risk along the shoreline of several communities and continues to be a platform for sharing best practices. More recently, the Bay Area Regional Collaborative (BARC), along with BCDC, have been awarded planning and design grants for assessing transportation vulnerability and developing design solutions for climate-related challenges.

Regional agencies have also collaborated with the Environmental Protection Agency, FEMA, and the California Earthquake Authority on recommendations for resilient housing, both for earthquakes and flooding. This collaboration established the Resilient Housing Policy Initiative that helps jurisdictions access analysis and policy tools for the seismic retrofit of existing housing. The region should expand these efforts through outreach and technical assistance, as well as develop financial solutions to resilient housing and green infrastructure, especially for communities with high social vulnerability and exposure to natural hazards.

Recent Funding Successes for Resilience

Two recent grant awards will significantly advance the regional dialogue on climate vulnerability and develop workable solutions:

- **Caltrans and the Bay Area Toll Authority allocated \$1.2 million to continue to conduct a regional vulnerability assessment for transportation infrastructure, Priority Development Areas (PDA), Priority Conservation Areas (PCA) and disadvantaged and vulnerable communities. In addition to a regional vulnerability assessment, the project goals include developing a regional framework for identifying solutions and strategies to address vulnerability on an ongoing basis.**
- **The Rockefeller Foundation awarded a \$4.6 million grant to create the Bay Area: Resilient by Design Challenge. Bay Area leaders will work with international design teams to develop innovative and implementable design solutions for climate-related challenges in 10 sites across the Bay Area region. This project will last through 2018.**

This Action Plan makes the following recommendations for Resilience:







Resilience Actions	Partners and Timeframe
Develop a regional governance strategy for climate adaptation projects: Develop an institutional strategy for managing, coordinating, and implementing regional and local projects related to sea level rise.	BARC, MTC/ABAG, BCDC, Caltrans, local jurisdictions 
Provide stronger policy leadership on resilient housing and infrastructure: Expand guidance on resilient housing policies for earthquake, flooding, and fire, working in coordination with state and federal agencies and focusing on communities with high social vulnerability and exposure to natural hazards. Strengthen infrastructure lifelines to ensure that utilities can provide services under a variety of conditions and future scenarios.	MTC/ABAG, local jurisdictions 
Create new funding sources for adaptation and resilience: Pursue new funding opportunities, including innovative financing, for retrofits of buildings, retrofits of existing infrastructure, and infrastructure solutions to protect against flooding, earthquakes, and exposure to environmental health risks.	MTC/ABAG, BARC, BCDC 
Establish and provide a resilience technical services team: Broadly share best practices and grant opportunities for climate adaptation and natural hazard mitigation. Continue to assess vulnerabilities and identify workable solutions through public and private avenues. Integrate resilience into Priority Development Area (PDA) planning.	BARC, MTC/ABAG, BCDC 
Expand the region's network of natural infrastructure: Coordinate regional programs to preserve and expand natural features that reduce flood risk, strengthen biodiversity, enhance air quality, and improve access to urban and rural public space. Leverage existing initiatives—including Priority Conservation Areas (PCAs), the Resilient by Design Challenge, San Francisco Estuary Partnership, and Bay Restoration Authority—and partner with special districts and cities.	MTC/ABAG, BCDC, jurisdictions, utilities 
Establish the Regional Advance Mitigation Program (RAMP): Advance mitigation for infrastructure projects to strengthen regional biological conservation priorities. Work to secure off-site compensatory mitigation lands for multiple infrastructure projects in-advance of environmental reviews to improve both project delivery and conservation outcomes.	MTC/ABAG, Caltrans, RAMP coalition 

TABLE 5.3 Plan Bay Area 2040 “Action Plan” recommendations for resilience.

Source: Metropolitan Transportation Commission, 2016

Plan Bay Area 2040 Outreach Schedule

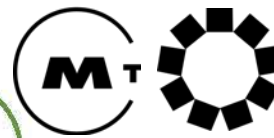
After a multi-year planning effort, the Draft Plan Bay Area 2040 will be released for public review and comment on March 31, 2017. With this major milestone comes a round of public engagement, including nine open houses and three public hearings.

Open Houses and Public Hearings	Venue/ Address	Date/ Time
Alameda County Open House	Fremont City Hall (City Council Chambers) 3300 Capitol Avenue Fremont	Thursday, May 4 6:30 p.m. to 8:30 p.m.
Contra Costa County Open House	Embassy Suites (Contra Costa Ballroom) 1345 Treat Blvd. Walnut Creek	Wednesday, May 10 6:30 p.m. to 8:30 p.m.
Marin County Public Workshop and Open House	Mill Valley Community Center 180 Camino Alto Mill Valley	Saturday, May 20 8:30 a.m. Registration/Open House 9 a.m. Presentation
Napa County Open House	Elks Lodge 2840 Soscol Avenue Napa	Monday, May 15 6 p.m. to 8 p.m.
San Francisco Open House	Bay Area Metro Center 375 Beale Street San Francisco	Wednesday, May 17 6:30 p.m. to 8:30 p.m.
San Mateo County Open House	Sequoia High School (Multi-Purpose Room) 1201 Brewster Avenue Redwood City	Thursday, May 4 6:30 p.m. to 8:30 p.m.
Santa Clara County Open House	Marriott Hotel (San Jose Ballroom IV-VI) 301 S. Market Street San Jose	Monday, May 22 6:30 p.m. to 8:30 p.m.
Solano County Open House	Solano County Events Center 601 Texas Street Fairfield	Monday, May 15 6 p.m. to 8 p.m.
Sonoma County Open House	Finley Community Center 2060 W. College Ave. Santa Rosa	Monday, May 22 6 p.m. to 8 p.m.
Public Hearing in San Francisco	Joint MTC Planning/ ABAG Administrative Committees Bay Area Metro Center, 375 Beale Street San Francisco	Friday, May 12 9:40 a.m. or immediately following Legislation Committee, whichever occurs later
Public Hearing in San Jose	MLK Library (Room 225) 150 E. San Fernando Street San Jose	Tuesday, May 16 6 p.m. to 8 p.m.
Public Hearing in Vallejo	Vallejo Naval and Historical Museum 734 Marin Street Vallejo	Thursday May 18 6 p.m. to 8 p.m.

In addition to the open houses and public hearings, we will hold four meetings with community-based organizations and nine briefings with elected officials (one in each county) during the months of April and May.

The deadline for public comment is 4 p.m., June 1, 2017. Submit comments to info@PlanBayArea.org.

Plan BayArea 2040

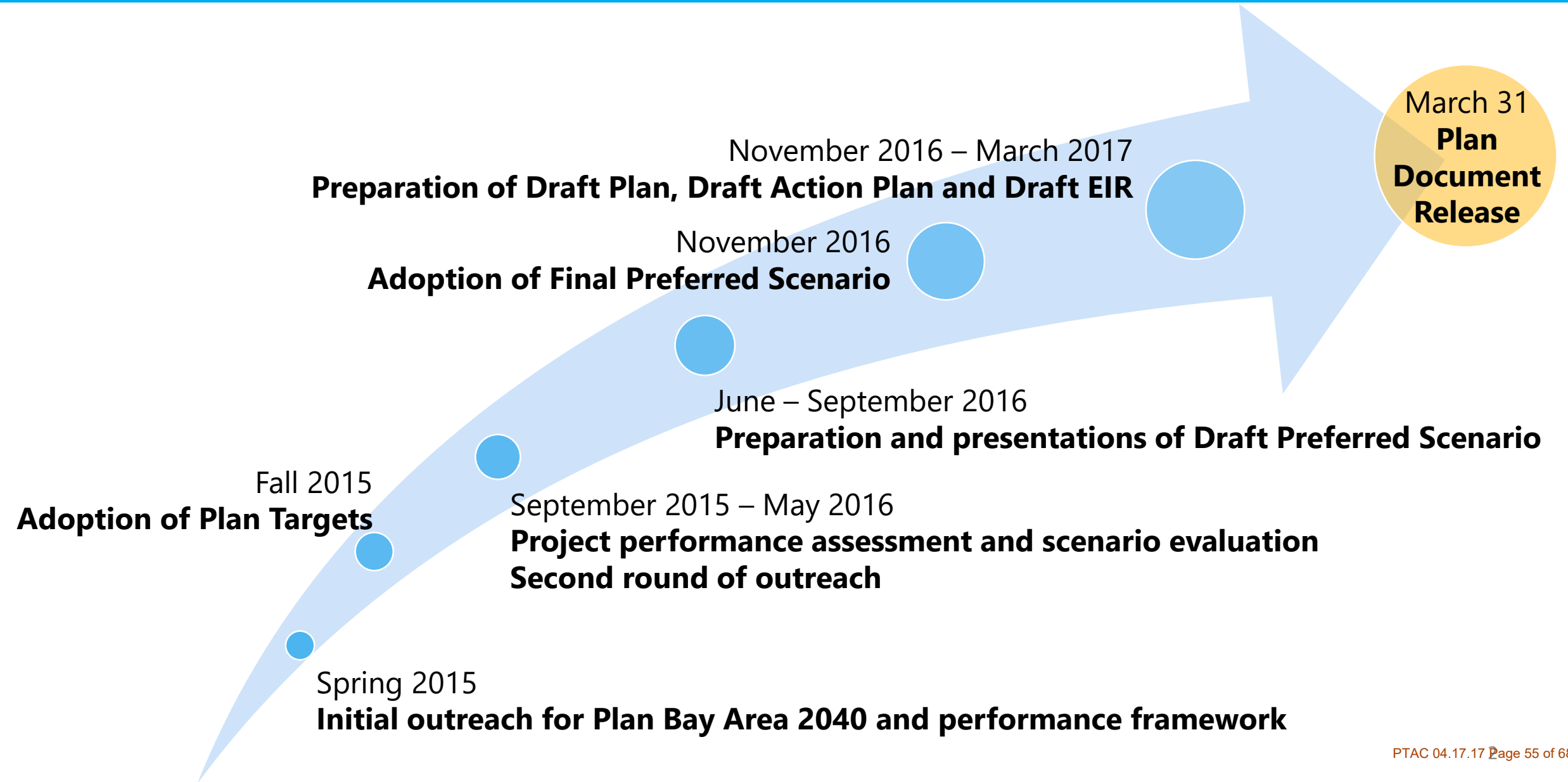


RELEASE OF DRAFT
PLAN

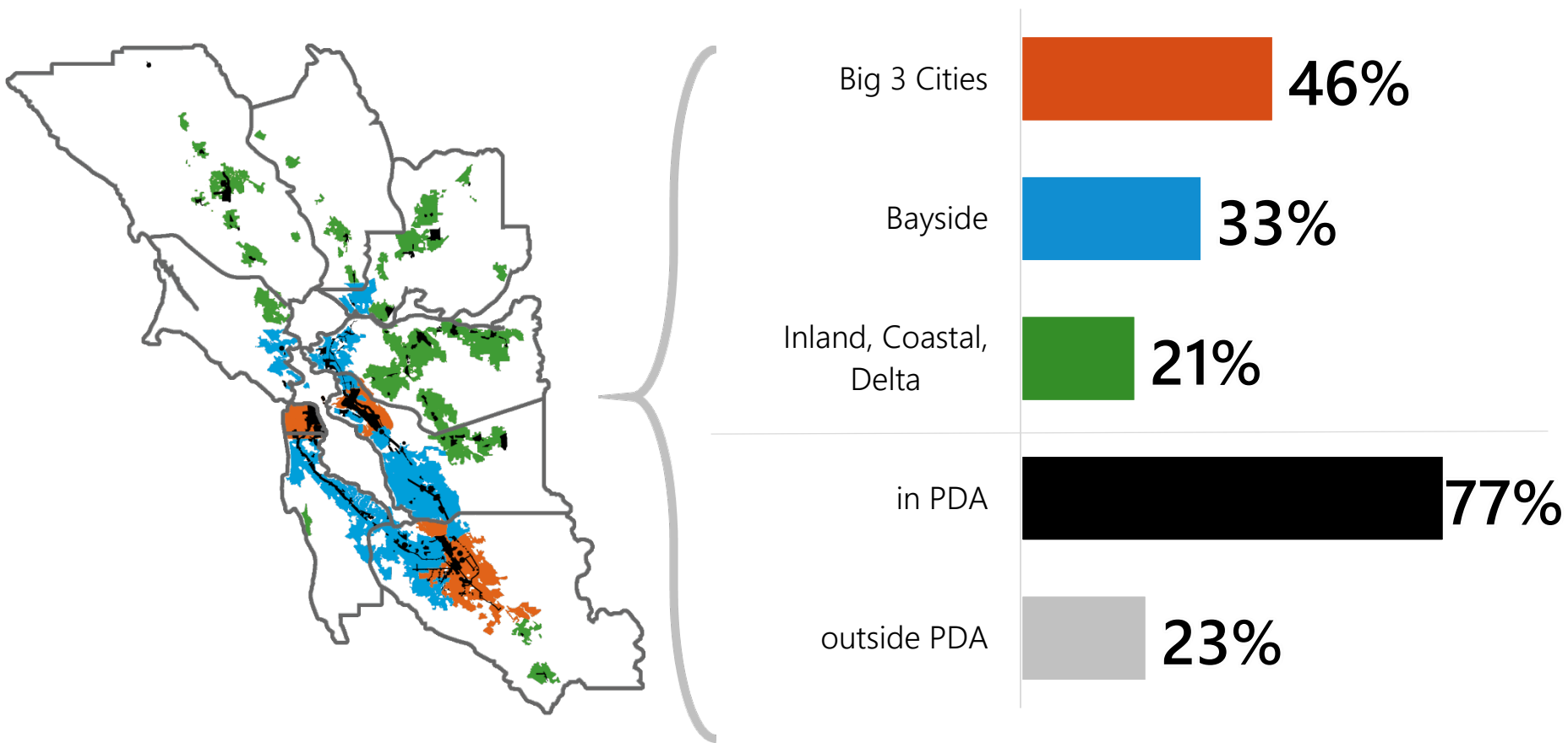


April 14, 2017

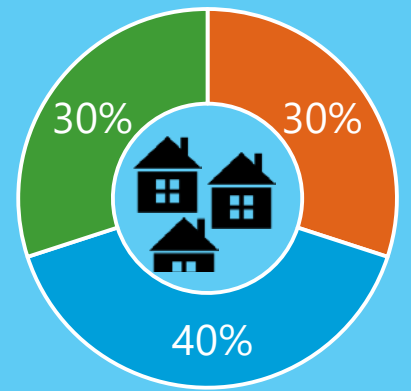
*Joint MTC Planning
Committee with the ABAG
Administrative Committee*



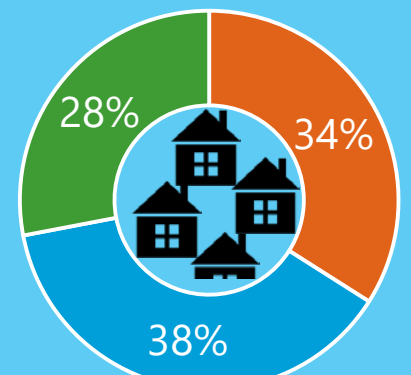
Where will the region plan for the 820,000 new households?



2010: **2.6 million** households



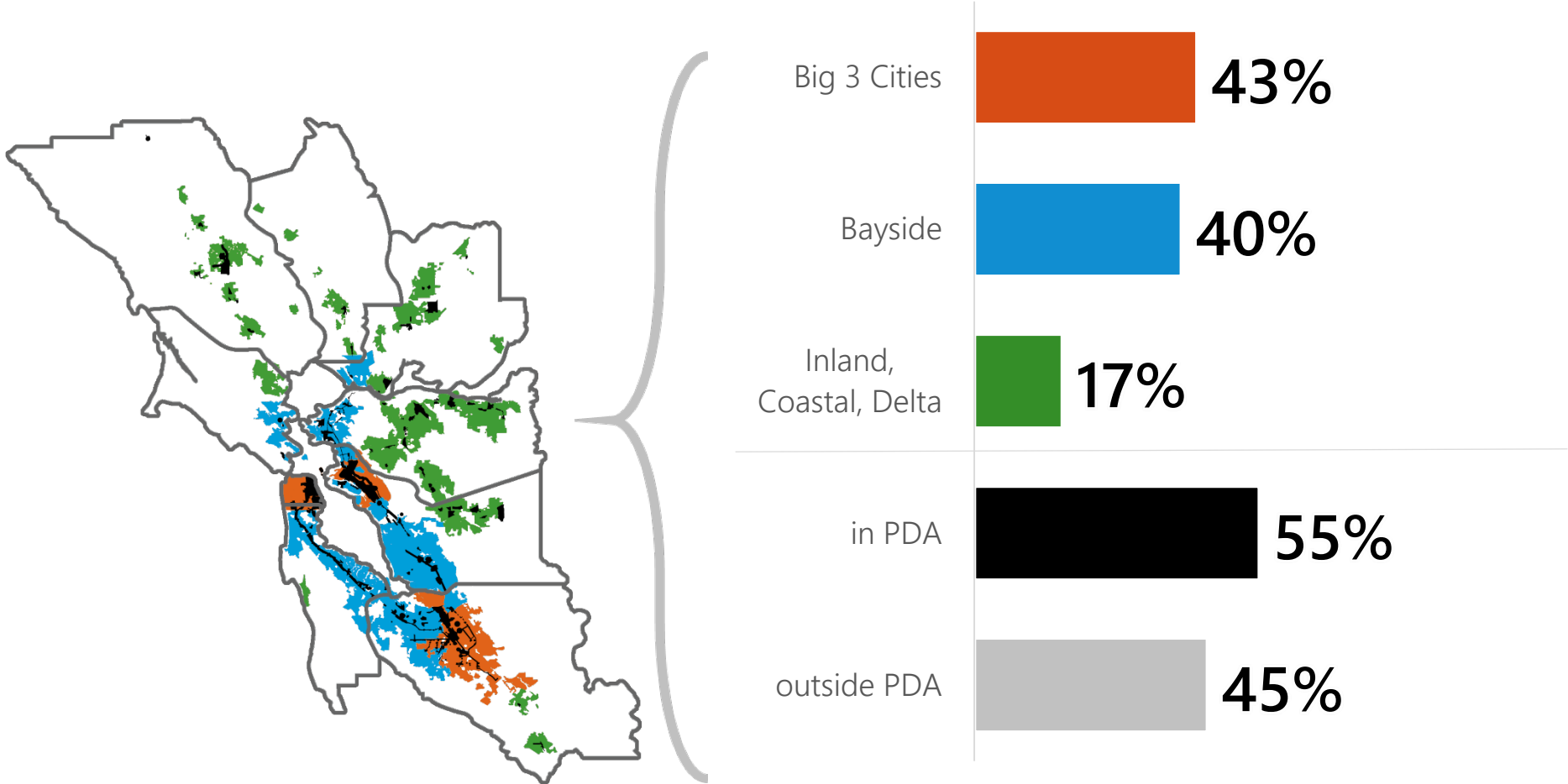
2040: **3.4 million** households



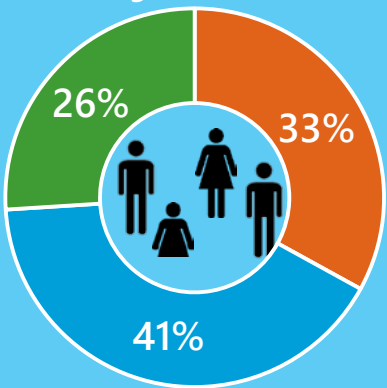
Fewer strategies exist to encourage shifts in job locations – meaning that the West Bay and South Bay remain primary centers.

Plan BayArea
2040

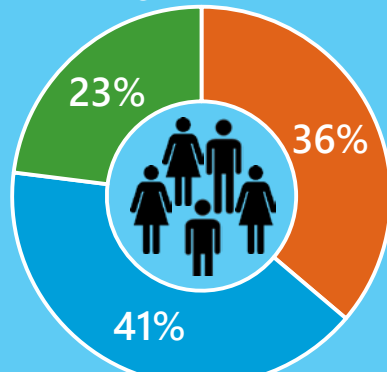
Where will the region plan for the 1.3 million new jobs?



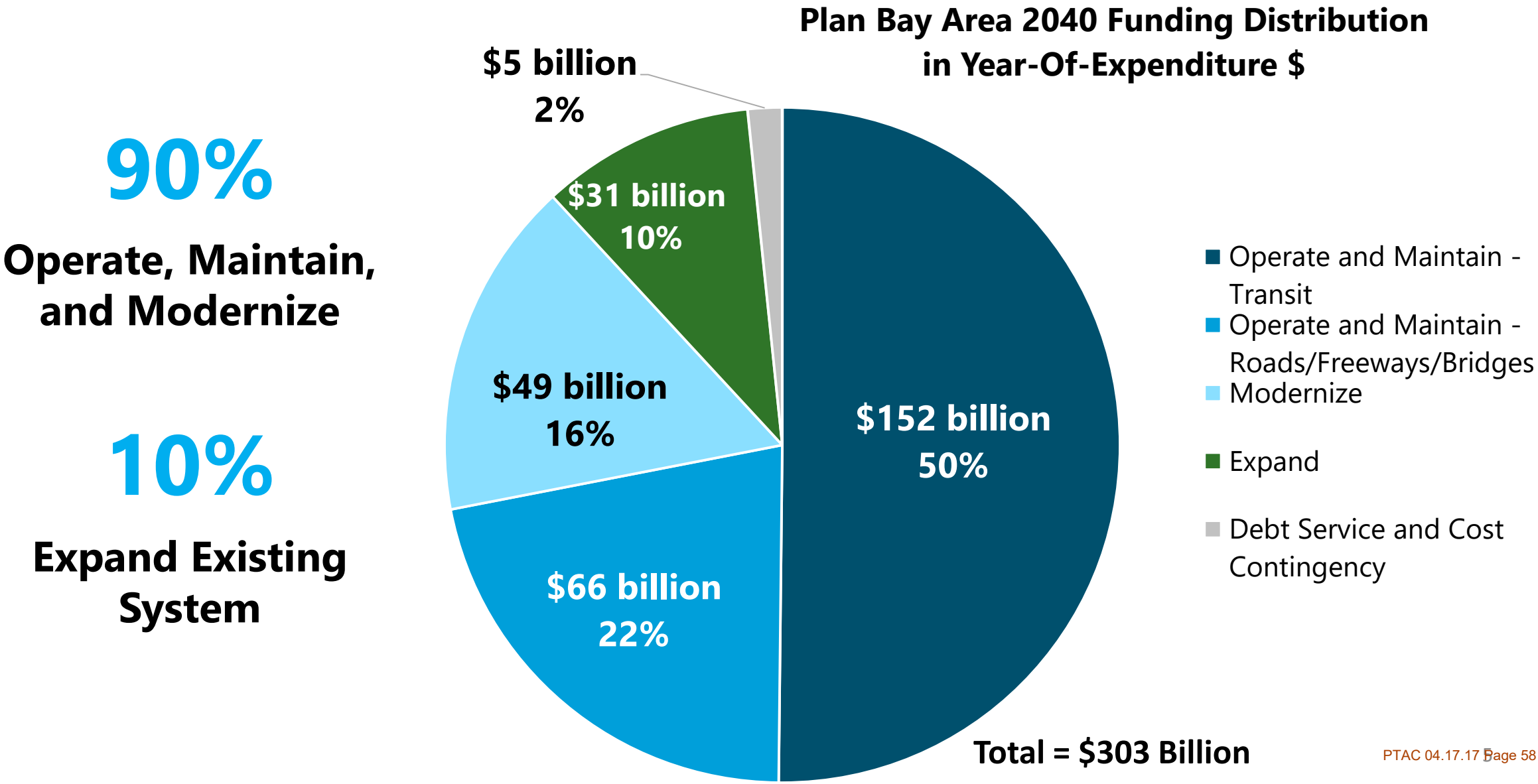
2010: **3.4 million** jobs



2040: **4.7 million** jobs



Transportation investments support land use through emphasis in operations, maintenance, and modernization



The Draft Plan meets our environmental goals, but it does not solve the region's affordability issues.

PERFORMANCE
TARGET SUMMARY
FOR THE DRAFT
PLAN

TARGET ACHIEVED (5)

-  Climate Protection
-  Adequate Housing
-  Open Space and Agricultural Preservation
-  Middle-Wage Job Creation
-  Goods Movement/ Congestion Reduction

RIGHT DIRECTION (4)

-  Healthy and Safe Communities
-  Affordable Housing
-  Non-Auto Mode Shift
-  Transit Maintenance

WRONG DIRECTION (4)

-  Housing + Transportation Affordability
-  Displacement Risk
-  Access to Jobs
-  Road Maintenance

Plan Bay Area 2040

- The **Draft Plan**, including the **Draft Action Plan**, was released for public comment on **March 31**.
- The **Draft EIR** is slated for release **later this month**.
- Comments on all of these draft documents will be accepted **through June 1, 2017**.

Plan Bay Area 2040

Section 1 – The Bay Area Today

Section 2 – What is Plan Bay Area 2040?

Section 3 – Forecasting the Future

Section 4 – Strategies and Performance

Section 5 – Action Plan

16 Supplemental Reports

Environmental Impact Report

Per SB 375:

55
day comment
period for
Draft Plan

45
day comment
period for
Draft EIR

Read the Draft Plan online at: **<http://2040.planbayarea.org>**

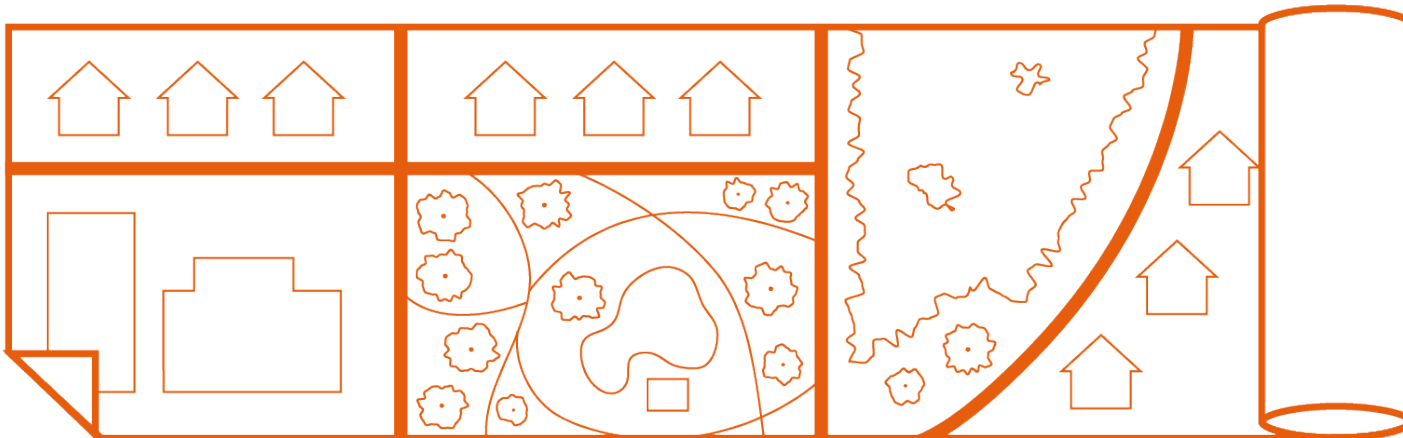


Section 1: The Bay Area Today



- Provides context for the overall Plan
- Highlights existing regional challenges – with a central focus on the housing crisis
- Links the Plan to Vital Signs performance monitoring work

Section 2: What is Plan Bay Area 2040?



- Explains what the Plan is – a regional blueprint for growth and investment
- Highlights the goals and targets of the Plan

Section 3: Forecasting the Future



- Discusses overall forecasts for regional population, jobs, and housing through 2040
- Catalogues expected transportation revenue availability and flexibility over the next two decades

Section 4: Strategies and Performance



- Delves into the specifics of the Final Preferred Scenario – land use policy assumptions, growth distributions, and transport funding priorities
- Indicates successes and shortcomings based on targets

Section 5: Action Plan



- Summarizes progress on Plan Bay Area implementation to date
- Proposes specific shorter-term actions focused on areas where Plan falls short: *affordability, displacement risk, access to jobs, road maintenance*

Housing

**Economic
Development**

Resilience

	Proposed Housing Actions
1	Advance funding and legislative solutions for housing
2	Continue recent housing successes
3	Spur housing production at all income levels and invest directly in affordable housing
4	Use housing performance to prioritize funding for long-range transportation projects
5	Strengthen policy leadership on housing
6	Close data gaps for housing

	Proposed Economic Development Actions
1	Coordinate regional economic solutions & increase funding for economic development
2	Strengthen middle-wage job career paths for goods movement
3	Increase transportation access to growing job centers
4	Preserve existing infrastructure
5	Preserve and enhance existing industrial lands

	Proposed Resilience Actions
1	Develop a regional governance strategy for climate adaptation projects
2	Provide stronger policy leadership on resilient housing and infrastructure
3	Create new funding sources for adaptation and resilience
4	Establish and provide a resilience technical services team
5	Expand the region's network of natural infrastructure
6	Strengthen conservation efforts through funding advance mitigation

Outreach Schedule

- 9** briefings of elected officials (*one in each county*)
- During the months of April and May
- 4** meetings with community-based organizations (CBOs)
- Throughout the month of May
- 3** public hearings on the Draft Plan and Draft EIR
- *In San Francisco, San Jose and Vallejo in May*
- 9** open houses (tentative, check **www.PlanBayArea.org** for updates)
- Alameda County: **Fremont** – May 4 – 6:30 PM
 - Contra Costa County: **Walnut Creek** – May 10 – 6:30 PM
 - Marin County (workshop/open house): **Mill Valley** – May 20 – 8:30 AM
 - Napa County: **Napa** – May 15 – 6 PM
 - San Francisco County: **San Francisco** – May 17 – 6:30 PM
 - San Mateo County: **Redwood City** – May 4 – 6:30 PM
 - Santa Clara County: **San Jose** – May 22 – 6:30 PM
 - Solano County: **Fairfield** – May 15 – 6 PM
 - Sonoma County: **Santa Rosa** – May 22 – 6 PM

Submit comments **anytime through June 1** at **info@PlanBayArea.org**.



Based on feedback received, staff will finalize the Draft Plan and Draft EIR, preparing for MTC/ ABAG consideration for adoption in July.

