

STAFF REPORT

SUBJECT: 2018 Legislative Program

FROM: Jennifer Yeamans, Senior Grants, Project Management & Contract Specialist

DATE: January 23, 2018

Action Requested

Refer Resolution 02-2018 affirming LAVTA's 2018 Legislative Program to the Board of Directors for approval.

Background

Each year the LAVTA Board of Directors approves a Legislative Program to guide staff and the Board for legislative issues to support, watch and monitor, stay neutral, or oppose. The proposed 2018 program builds upon many of the priorities in the 2017 program while acknowledging several potential legislative and regulatory challenges ahead.

LAVTA's 2017 Legislative Program helped bolster a watershed year for public transit in Sacramento, with several significant bills supported or sponsored by LAVTA having been enacted in support of the Authority's key goals, including:

- **AB 1444 (Baker)** was sponsored by LAVTA and authorizes a shared autonomous vehicle (SAV) demonstration project in the City of Dublin to be conducted by LAVTA.
- **AB 758 (Eggman)** was co-authored by Assembly Member Catharine Baker and established the Tri-Valley–San Joaquin Valley Regional Rail Authority to advance planning of an interregional connection between BART and Altamont Corridor Express rail services toward project implementation that is fast, cost-effective, and responsive to community goals and objectives.
- **SB 1 (Beall)** secured much-needed new sources of statewide transportation funding, providing ongoing funding from transportation user fees to local streets and roads, public transit, the state highway system, and bicycle and pedestrian funding, with an emphasis on roadway repairs.
- **SB 595 (Beall)** authorized the Bay Area Toll Authority to place a new regional bridge toll measure (Regional Measure 3) on the ballot in all nine Bay Area counties to increase tolls on state-owned bridges by up to \$3. The statute authorized \$100 million in funding for “Tri-Valley Transit Access Improvements” if the measure passes and is fully funded.
- **AB 1113 (Bloom)** updated State Transit Assistance statutes to stabilize revenue-based funding for public transit operators by providing clear direction to the State Controller

in how to calculate revenue-based shares and ensure that the formula was equitable across transit operators statewide.

Each of these measures went into effect January 1, 2018, with the exceptions of SB 1, which went into effect November 1, 2017, and AB 1113, which went into effect upon enactment in July 2017 as an urgency measure. In addition to the above bills, another significant legislative achievement last year was AB 398 (E. Garcia), which extends the statewide cap-and-trade program for an additional 10 years through 2030, helping to secure ongoing future allocations of Low Carbon Transit Operations Program funds for LAVTA. With the extension of the auction authority to 2030, the market has stabilized, and demand for carbon allowances has returned. As a result of the latest auction proceeds combined with the \$642 million generated in August, Greenhouse Gas Reduction Fund revenue is far exceeding estimates for the fiscal year.

Looking ahead to 2018, the proposed program in Attachment 2 continues last year's federal, state, and regional/local advocacy efforts centered around the following five principles in support of LAVTA's mission:

1. Protect existing transportation funding sources.
2. Enhance future transportation funding investments.
3. Enhance operating conditions to support safety and performance goals.
4. Enhance public transit's role in addressing climate change and air quality issues.
5. Leverage support from and with partners to promote mobility, improve service productivity, and enhance regional leadership.

Discussion

1. Federal

At the end of 2017, Congress passed a comprehensive tax overhaul that narrowly left existing transit commuter benefits intact in the conference committee report. However, the final bill eliminated employer tax deductions for costs associated with providing this benefit to employees, which may cause some employers to shift commuter benefits previously subsidized fully by employers to a pre-tax benefit.

Two prominent matters of interest to public transit currently on the Congressional agenda are the Administration's proposals on national infrastructure investment and ongoing negotiations to fund the federal government through FY 2018 and beyond.

LAVTA should join with the American Public Transit Association (APTA), the national association for public transit agencies; the California Transit Association (CTA) at the state level; and MTC, ACTC, and other transit agencies at the local level, in supporting the interests of public transportation providers and metropolitan mobility in any new national infrastructure initiatives proposed in Congress.

Meanwhile, LAVTA should advocate for full and complete appropriations for the remainder of FY 2018 and for FY 2019 at levels authorized under the Fixing America's Surface Transportation (FAST) Act, the five-year authorization enacted in December 2015 with

secured funding for the first three years. LAVTA should continue to advocate with its partners for full funding of the FAST Act, supported by a dedicated, stable revenue source.

2. State

The Legislature reconvened for the second year of the current legislative session on January 3. All two-year bills must be out of their house of origin by January 31 to continue forward in the legislative process for this session. Major new legislative efforts for the coming year involve housing and how to address the statewide housing crisis through various incentives and other legislative proposals.

On January 10, Governor Brown introduced his preliminary FY 2018-19 State Budget. At \$190.3 billion, the proposed budget is \$9.2 billion larger than last year's, while still growing the state's rainy-day fund to \$13.5 billion. The budget also reduces the state's debt to \$6 billion, down from \$35 billion in 2011. This budget represents the first full year of new revenues from SB 1. Specifically, the State Transit Assistance program is slated to receive an appropriation of \$355 million in FY 2019, a 27% increase over FY 2018 appropriations. Additional details about the Cap and Trade Expenditure Plan, which includes Low Carbon Transit Operating Program funds, are expected to be released with the Governor's State of the State address January 25. Following legislative deliberations and negotiations with the Governor, the Legislature must adopt a final budget by June 15 so the new fiscal year can begin on July 1.

In terms of potential challenges looming in 2018, the Secretary of State's Office announced in December that a campaign to repeal SB 1 has reached the 25 percent threshold on required signatures for a Constitutional amendment initiative that also prohibit the enactment of any fuel tax or vehicle fee without first being approved by a majority of the voters. The initiative campaign must submit 585,407 signatures by May 21, 2018, to qualify for the ballot. Staff recommends LAVTA advocate strongly against this and any other repeal efforts alongside our state and local advocacy partners by demonstrating the value additional funds for public transit will bring to our communities to improve mobility, reduce congestion, and protect the environment.

On the regulatory front, the California Air Resources Board continues to advance their proposed "Innovative Clean Transit" regulation with ongoing outreach to transit agencies and other interested stakeholders. CARB's most recent proposal from December aims to achieve CARB's long-term goal of a zero-emission transit system by 2040 with new mandates for transit agencies to convert all or part of their fleet to zero-emission buses (ZEBs). For transit agencies with fleets smaller than 100 buses, CARB's proposal requires 50% of bus purchases to be ZEBs by January 1, 2023; 75% by January 1, 2026; and 100% by January 1, 2029. LAVTA staff will work closely with its statewide advocacy partners to support a final rule that does not pose undue financial burdens and/or risk to smaller transit agencies. LAVTA's next bus purchases are currently scheduled for FY 2023 and FY 2024 and do not currently have funding committed to cover any incremental costs of ZEB technologies and related infrastructure upgrades compared to conventional diesel-hybrid buses.

3. Regional/Local:

LAVTA will have several opportunities to pursue regional and local leadership initiatives in 2018 and support our regional and local partners in shared advocacy efforts to promote the interests of public transportation.

New Bridge Toll Measure. MTC is currently seeking approval from the Bay Area Toll Authority to place Regional Measure 3 on the June 2108 ballot to fund congestion relief, rail connectivity, and improved mobility in bridge corridors by increasing tolls on the region's eight state-owned bridges by up to \$3 incrementally over the next seven years. This measure provides for \$100 million in capital funding for transit access improvements the Tri-Valley as well as operating funds for which LAVTA could be eligible to receive future allocations.

New Tri-Valley–San Joaquin Valley Regional Rail Authority. LAVTA is mandated by AB 758 to provide “all necessary administrative support” to the new Rail Authority for an initial 18-month period. At the conclusion of that period, the legislation provides for the Rail Authority's board to select LAVTA or the San Joaquin Regional Rail Commission to perform these functions, or alternately for the Rail Authority to hire additional staff to carry out these functions.

Advocacy Relationships. LAVTA should continue to strengthen local and regional legislative and advocacy partnerships to support its interests and oppose legislative or regulatory proposals counter to those interests.

Next Steps

If the Board of Directors approves the 2018 Legislative Program, staff will bring an update on new and continuing bills to a future Committee meeting for information and/or potential action as appropriate.

Fiscal Impact

None

Recommendation

Staff recommends the Finance and Administration Committee refer Resolution 02-2018 affirming LAVTA's 2018 Legislative Program to the Board of Directors for approval.

Attachments:

1. Resolution 02-2018
2. 2018 Legislative Program

RESOLUTION NO. 02-2018

**LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
2018 LEGISLATIVE PROGRAM**

WHEREAS, the U.S. Congress and the California Legislature convened their continuing legislative sessions in early 2018; and

WHEREAS, to promote the interests of the Livermore Amador Valley Transit Authority, the Board finds it desirable to adopt a Legislative Program; and

WHEREAS, the purpose of the Legislative Program is to guide the Board and staff's strategy and actions as it relates to various levels of government whose actions affect LAVTA.

NOW, THEREFORE, BE IT RESOLVED:

That the 2018 Legislative Program of the Livermore Amador Valley Transit Authority, included as Attachment 2, is hereby adopted and shall guide the Board and staff's actions; and furthermore

That the Executive Director shall operate within these guidelines in interactions with other levels of government in order to promote LAVTA's interests employing strategies including participation in advocacy activities and taking positions on state and federal legislation; and furthermore

Should issues arise that are not covered by this 2018 Legislative Program, that the Executive Director shall confer with the Chair of the Board to seek direction on a course of action.

PASSED AND ADOPTED by the governing body of the Livermore Amador Valley Transit Authority (LAVTA) this 5th day of February 2018.

BY _____
Karla Brown, Chair

ATTEST _____
Michael Tree, Executive Director

FEDERAL	
Goal or Principle	Strategy
1) Protect Existing Transportation Funding Sources	Ensure that implementation of the federal Fixing America’s Surface Transportation (FAST) Act advantages transit in all possible programs, including pending or future rule-making in the areas of transit asset management (TAM), flexibility in use of consolidated program funds, safety standards, innovation in research programs and procurement procedures, and reducing administrative burdens for small operators.
	Advocate that Congress appropriate the full amounts authorized by the FAST Act for FY 2018 & FY 2019, and that these vital federal funds are provided expeditiously to transit agencies for use on transit capital projects and operations. Support a minimum appropriations level in the FY 2018 & FY 2019 THUD for federal surface transportation programs equal to the authorized spending levels in the FAST Act, support increased funding levels for the Bus and Bus Facilities and Low or No Emission grant programs, and ensure that appropriations are allocated according to the program structure contained in the FAST Act and to the benefit of public transit.
2) Enhance Future Transportation Funding Investments	Seek funding for public transit from the federal infrastructure initiative and support legislation that would provide local transportation entities with the ability to enhance revenues for public transit improvements and to provide jobs for local workers.
	Work with state, regional, and local transportation agencies, and other state and national advocacy partners, to develop a FAST Act reauthorization agenda and support coalitions that support local, regional, and statewide priorities as well as those of public transit in general. Support new, stable federal funding to ensure the solvency of the Highway Trust Fund as part of the reauthorization agenda.
	In conjunction with state, local and regional advocacy partners, support renewed efforts to enact the Marketplace Fairness Act (MFA), which seeks to apply state and local sales tax rates to e-commerce transactions. The MFA has the prospect of increasing funding for Bay Area transportation agencies that derive funding from county-based transportation sales taxes, Transportation Development Act (TDA) funds, and AB 1107, the ½ cent sales tax for BART in Alameda, San Francisco, and Contra Costa Counties.
3) Enhance Operating Conditions to Support Safety and Performance Goals	Support legislative proposals that seek to improve the safety and security of transit systems and provide adequate funding and incentives to enable such proposals. Oppose unfunded mandates.

5) Leverage Support from and with Partners to Promote Mobility, Improve Service Productivity, and Enhance Regional Leadership	Expand legislative and policy partnerships in Washington, D.C.
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STATE	
Goal or Principle	Strategy
1) Protect Existing Transportation Funding Sources	Oppose statewide efforts to repeal Senate Bill 1 (SB 1) with a constitutional amendment initiative or by other means through joint advocacy that demonstrates the value of additional public transit funding in our communities.
	Protect existing State transit funds, including TDA, PTA and other revenues for transit, from being eliminated, terminated, shifted or otherwise used for no-transit purposes, without specific repayment terms, and restore or obtain repayment of all previous loans or shifts of transit funds, plus interest. Oppose attempts to reduce, divert or loan revenues legislatively and historically allocated to public transit from transfer to the State General Fund.
	Support existing long-term Cap and Trade revenue allocated to transit through the Low-Carbon Transit Operations Program, the Transit and Intercity Rail Capital Program, ensure more funding from the Affordable Housing and Sustainable Communities Program flows to transit and transit-supportive development. Support administrative and/or legislative efforts to streamline funding applications and simplify program administration.
2) Enhance Future Transportation Funding Investments	Advocate for a FY 2018-19 State Budget that enhances the state’s investment in public transportation, active transportation, and highway operations/system management.
	Support and advocate for new funding for transit agencies; that any new state solution achieving additional revenues for highways and local streets and roads should provide flexibility for projects to benefit transit service (i.e. complete streets and active transportation); and, that new funding programs include transit as an eligible expenditure (such as from the road-user charge or expansion of high-occupancy tolling).
	Support and advocate for additional dedicated, on-going funding for transit from the non-dedicated Cap and Trade revenues (almost 40% of all Cap & Trade funds).

	<p>Work with MTC and other partners to seek opportunities to broaden the inclusion of Low Income Communities provided by AB 1550 along with Disadvantaged Communities (DACs) in Cap & Trade statute and other relevant programs. Monitor and engage in administrative efforts related to updating the CalEnviroScreen, the state’s current DAC screening tool developed by the Office of Environmental Health Hazard Assessment (OEHHA).</p>
<p>3) Enhance Operating Conditions to Support Safety and Performance Goals</p>	<p>Work with MTC and other interested transit and regional agencies to define and seek, as appropriate, legislation to increase enforcement efforts for the region’s HOV and Express Lanes, including various options, including but not limited to securing additional state funding for dedicated HOV-lane enforcement units, whether staffed by California Highway Patrol or local law enforcement; and pilot programs to test the benefits of technology-based enforcement. Ensure affected stakeholders including transit agencies have input in the selection of HOV segments to prioritize for additional enforcement efforts. Support as appropriate other creative options to improve compliance and performance of the lanes.</p>
	<p>Work with CTA and other interested transit and regional agencies to support efforts to authorize buses to use the highway shoulder, known as “bus-on-shoulder” (BOS) during periods of heavy traffic. This is currently allowed in 13 metropolitan areas in the U.S. (including Seattle, San Diego, Miami, Minneapolis/ St. Paul, Atlanta, and the Washington, D.C. area) to help speed up bus service in highly-congested corridors. Require collaboration with the California Highway Patrol in the development of guidelines to determine which roadways qualify for the access to ensure public safety.</p>
<p>4) Enhance Public Transit’s Role in Addressing Climate Change and Air Quality Issues</p>	<p>Ensure a positive outcome for transit in the California Air Resources Board’s (ARB) proposed Innovative Clean Transit regulation, oppose any ZEB purchase mandate that would place undue burdens on transit agencies, and seek new sources of eligible funding to incentivize the adoption of ZEB technology.</p>
	<p>Support efforts to include transit projects in CEQA reform measures, working in coalition to advocate that any reforms to the CEQA process advantage public transit projects, including bicycle, pedestrian, and TOD projects.</p>
<p>5) Leverage Support from and with Partners to Promote Mobility, Improve Service Productivity, and Enhance Regional Leadership</p>	<p>Monitor legislation related to shared mobility, such as transportation network companies and connected and autonomous vehicles, to protect the public’s interest and ensure that mobility benefits are maximized and access to critical data for transportation and land use planning and operational purposes is assured.</p>
	<p>In partnership with local cities and counties, transit agencies, the business community, and other transportation organizations, engage in regulatory and legislative efforts related to connected and autonomous vehicles with the goal of accelerating their mobility, safety, and economic benefits.</p>

REGIONAL/LOCAL	
Goal or Principle	Strategy
1) Protect Existing Transportation Funding Sources	Support efforts of MTC to maximize the proportion of federal and statewide funding sources allocated to the Bay Area.
2) Enhance Future Transportation Funding Investments	Support MTC efforts to promote a June 2018 ballot measure to be known as “Regional Measure 3” asking voters in the nine Bay Area counties to approve a bridge toll increase of \$1 in 2019, an additional \$1 in 2022 and an additional \$1 in 2025 to fund congestion relief, rail connectivity, and improved mobility in bridge corridors.
3) Enhance Operating Conditions to Support Safety and Performance Goals	Monitor MTC’s implementation of the Transit Performance Initiative, CA High Speed Rail/Altamont Corridor activities, BART to ACE funding, planning and implementation activities, ACTC’s Countywide Transit Plan, and other potential activities that could affect LAVTA’s interests.
	Support and participate actively in regional efforts to coordinate disaster/emergency planning and be a partner in mutual assistance activities.
	Support the concept of coordinated fares and Clipper integration to serve as an incentive to ride public transit, particularly among transit agencies providing service within and adjacent to LAVTA’s service area.
	Advocate for improvements to the local and regional street networks that enhance transit operating speed and reliability
	Improve roadway safety for all users and support proposals to increase enforcement of traffic laws protecting pedestrians and bicyclists.
4) Enhance Public Transit’s Role in Addressing Climate Change and Air Quality Issues	Support jurisdiction advocacy of transit supportive land-uses and transit-oriented development projects that seek to join sensible land-use connections with robust transit services. Support local and regional efforts to identify and eliminate barriers to mixed-use, affordable housing development near transit.

<p>5) Leverage Support from and with Partners to Promote Mobility, Improve Service Productivity, and Enhance Regional Leadership</p>	<p>Support efforts of the newly established Tri-Valley–San Joaquin Valley Regional Rail Authority and its member agencies and stakeholders to connect the BART and ACE rail systems in the Tri-Valley.</p>
	<p>Continue to support efforts in conjunction with project partners to advance LAVTA’s ability to conduct shared autonomous vehicle (SAV) testing at a specific site or sites within its service area under authorizing legislation enacted in 2017.</p>
	<p>Continue to develop innovative partnerships with private transportation providers including taxi and transportation network companies to connect more people in the Tri-Valley to public transit.</p>
	<p>Support other members of the Cooperating Area Transit Systems group (suburban transit operators in Eastern Alameda County and Contra Costa County), if appropriate, and work together on regional programs of mutual interest.</p>
	<p>Work with local businesses to support their plans to improve transit use among their employees.</p>