

# ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



## STAFF REPORT

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**MEETING DATE:** 2/24/2021

**Staff Report No. 21-102**

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**TO:** AC Transit Board of Directors  
**FROM:** Michael A. Hursh, General Manager  
**SUBJECT:** Monthly Legislative Report

### ACTION ITEM

#### **RECOMMENDED ACTION(S):**

Consider receiving the Monthly Legislative Report and approval of legislative positions.

#### **STRATEGIC IMPORTANCE:**

Goal - Strong Public and Policymaker Support  
Initiative - Financial Efficiency and Revenue Maximization

The Monthly Legislative Report helps the District track state, regional and federal legislation to ensure alignment with the District's Strategic Plan and the specific goal of having strong public and policy maker support. Policy decisions at all levels of government can positively or negatively affect District operations and revenues and as such, are important to track and influence as needed.

#### **BUDGETARY/FISCAL IMPACT:**

There is no budgetary or fiscal impact associated with this report.

#### **BACKGROUND/RATIONALE:**

##### **Federal Update**

On January 20, Joe Biden and Kamala Harris were sworn-in as the 46th President and Vice President of the United States. Later that evening, President Biden swore into office over 1,000 new federal political appointees to positions that do not require Senate confirmation - among them, Nuria Fernandez as Deputy Administrator of the Federal Transit Administration (FTA). Ms. Fernandez was previously General Manager of the Santa Clara Valley Transportation Authority (VTA). It is anticipated that Deputy Administrators will eventually be nominated as the agency Administrators. By starting as deputies, those selected can begin to work right away without having to wait for Senate confirmation, which is required of Administrators.

The day following his inauguration, President Biden signed an Executive Order to promote safety in domestic and international travel, which included a directive for the Secretary of Transportation and other department heads to require face coverings in airports and on commercial aircraft, trains, public maritime vessels, intercity bus services, and all forms of public transportation. The Centers for Disease Control (CDC) implemented the

mandate at midnight, February 2.

On January 27, the Committee on Commerce, Science & Transportation voted 21-3 to approve the nomination of Pete Buttigieg to be the next Secretary of Transportation. After his appearance before the Senate Commerce Committee a spokesperson clarified that a "variety of options need to be on the table to ensure we can invest in our highways and create jobs but increasing the gas tax is not among them." In other comments, Buttigieg expressed support for a vehicle miles traveled program if privacy and technological concerns are addressed, for further streamlining or even removing duplicative steps in the permitting process as long as safety or the environment are not compromised, and for actions to leverage state, local or private dollars, such as new incentive programs or advanced refund bond programs. At the time of writing, the full Senate was expected to vote on his nomination on Tuesday, February 2.

Also in early February, the House and Senate are expected to begin debate on the FY 2021 Budget Resolution. Once adopted, this will lead to a fast-track process known as budget reconciliation - a procedure to expedite consideration of President Biden's \$1.9 trillion COVID-19 relief legislation. The President's proposal, which includes \$20 billion for public transportation agencies, received a mixed reaction from Capitol Hill. Speaker Pelosi signaled support from the House, but several Republican Senators have said that it is too soon to pass another bill after passing a \$900 billion COVID relief bill last month.

### **State Update**

On January 8, Governor Newsom unveiled a \$227 billion spending plan for Fiscal Year 2021-22. The Legislative Analyst's Office (LAO) initial review estimates that the Governor's spending plan assumes a windfall of \$15.5 billion, just over half of which (\$8.1 billion) is one-time or discretionary. District staff are advocating that \$3.1 billion of these funds be allocated to support California's transit operators and their central role in the state's reopening and recovery from the current pandemic.

Select transportation-related highlights are as follows:

- In addition to \$465 million in cap-and-trade revenue directed to zero emission vehicles, the budget proposes \$1 billion for zero emission vehicle fueling/charging infrastructure needs for light- and heavy-duty vehicles, including buses.
- The budget also proposes to exclude the construction or addition of electric vehicle charging and hydrogen fueling stations completed by January 1, 2024 from the definition of accessible new construction for ten years, so it would not trigger a property tax reassessment.
- The budget proposal outlines a total \$722.5 million in funds being allocated to transit operators via the State Transit Assistance (STA) formula in 2021-22. This total includes base STA as well as SB 1 State of Good Repair and Low Carbon Transportation Program (LCTOP) revenue.
- The current year budget includes temporary waivers relieving transit operators from complying with specified performance requirements in the Transportation Development Act. The Governor's proposed budget summary recommends "regulatory and reporting relief related to the Transportation Development Act on a permanent basis."

### **State Bills**

**ACA 1: Local government financing: affordable housing and public infrastructure: voter approval (Aguiar-Curry), staff recommends a support position.**

Identical to last session's proposal, ACA 1 would lower the voter threshold for property tax increases, parcel taxes and sales taxes to 55% if the funds are used for affordable housing and infrastructure projects. This includes capital improvements to transit and streets and highways.

However, ACA 1 does not allow for the 55% local measure to use the tax revenue for transit operations.

**SB 44: California Environmental Quality Act: streamlined judicial review: environmental leadership transit projects (Allen), staff recommends a support position.**

SB 44 is the reintroduction of SB 757 from last year. SB 757 was vetoed because it was double joined to another measure that failed to make it to the Governor's desk.

This proposal makes zero-emission, fixed guideway transit projects eligible for expedited CEQA administrative and judicial review procedures established by the Jobs and Economic Improvement Through Environmental Leadership Act.

**Updates on key legislation**

1. SB 1051 (Hancock): expand to allow forward-facing cameras to be used to enforce illegal parking at bus stops. *The California Transit Association (CTA) has agreed to advance this proposal. Staff is coordinating with CTA to identify a sponsor.*
2. AB 2777 (Quirk): modernize existing Transit District Law. *Staff is working with Assembly Member Quirk to reintroduce a bill during the 2021 legislative session.*
3. Dedicated transit lanes on the Bay Bridge. *Assembly Member Bonta intends to reintroduce a bill during the 2021 legislative session. Staff is in conversation with his office to support the proposal's reintroduction by the February 19 deadline for new bills.*
4. Creation of a Hybrid and Zero-Emission Truck & Bus Voucher Incentive Project (HVIP) program specific to public transit. *Staff is working with the California Transit Association (CTA) and the Zero Emission Taskforce to advance this proposal.*

**ADVANTAGES/DISADVANTAGES:**

This report is provided to inform the Board of monthly legislative activities. Ensuring favorable legislation is adopted by policymakers helps further the District's goal of having strong public and policymaker support.

**ALTERNATIVES ANALYSIS:**

There were no alternatives considered as this report provides an update of monthly legislative activities.

**PRIOR RELEVANT BOARD ACTION/POLICIES:**

Staff Report No. 20-412a: 2021 Federal and State Legislative Advocacy Programs

Staff Report No. 20-048a: Proposed Amendments to Transit District Law

**ATTACHMENTS:**

1. Att. 1 - Federal Update
2. Att. 2 - State Update
3. Att. 3 - State Matrix
4. Att. 4 - Federal Advocacy Program
5. Att. 5 - State Advocacy Program

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