

San Francisco Bay Area Rapid Transit District

2150 Webster Street, P. O. Box 12688, Oakland, CA 94604-2688



BOARD MEETING AGENDA

The Board Meeting will be held in person in the BART Board Room, 2150 Webster Street, 1st Floor, Oakland, CA 94612 with an option for public participation via teleconference.

Thursday, March 28, 2024

9:00 AM

BART Board Room, 2150 Webster Street, 1st Floor, Oakland, CA 94612.

Zoom Link: <https://us06web.zoom.us/j/88453404384>

Board of Directors

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
2150 Webster Street, P.O. Box 12688, Oakland, CA 94604-2688

BOARD MEETING AGENDA

March 28, 2024

9:00 a.m.

A regular meeting of the Board of Directors will be held at 9:00 a.m. on Thursday, March 28, 2024, in the BART Board Room, 2150 Webster Street, 1st Floor, Oakland, California 94612.

Please note that this meeting will be held in person in the BART Board Room, 2150 Webster Street, 1st Floor, Oakland, California 94612 with an option for public participation via teleconference.

You may watch the Board Meeting live or archived at <https://bart.gov/boardtv>

Presentation and agenda materials will be available via Legistar at <https://bart.legistar.com>

You may attend the Board Meeting in person or join the Board Meeting via Zoom by calling 833-548-0282 and entering access code 884 5340 4384; logging in to Zoom.com and entering access code 884 5340 4384; or typing the following Zoom link into your web browser:

<https://us06web.zoom.us/j/88453404384>

Members of the public may address the Board of Directors regarding any matter on this agenda. If you wish to discuss a matter that is not on the agenda during a regular meeting, you may do so under Public Comment.

If you wish to make a public comment:

- 1) Submit written comments via email to board.meeting@bart.gov, using “public comment” as the subject line. Your comment will be provided to the Board and will become a permanent part of the file. Please submit your comments as far in advance as possible. Emailed comments must be received before 4:00 p.m. on March 27, 2024, in order to be included in the record.
- 2) Complete a “Request to Address the Board of Directors” form (available at the entrance to the Board Room) and give it to the District Secretary before the Item is considered by the Board.
- 3) Call 833-548-0282, enter access code 884 5340 4384, dial *9 to raise your hand when you wish to speak, and dial *6 to unmute when you are requested to speak; log in to Zoom.com, enter access code 884 5340 4384, and use the raise hand feature; or join the Board Meeting via the Zoom link (<https://us06web.zoom.us/j/88453404384>) and use the raise hand feature.

Public comment is limited to three (3) minutes per person.

Any action requiring more than a majority vote for passage will be so noted.

Items placed under “consent calendar” are considered routine and will be received, enacted, approved, or adopted by one motion unless a request for removal for discussion or explanation is received from a Director or from a member of the audience.

Please refrain from wearing scented products (perfume, cologne, after-shave, etc.) to these meetings, as there may be people in attendance susceptible to environmental illnesses.

BART provides services/accommodations upon request to persons with disabilities and individuals who are limited English proficient who wish to address BART Board matters. A request must be made within one and five days in advance of Board meetings, depending on the service requested. Please contact the Office of the District Secretary at 510-464-6083 for information.

Rules governing the participation of the public at meetings of the Board of Directors and Standing Committees are available for review on the District's website (<https://www.bart.gov/about/bod>).

Meeting notices and agendas are available at bart.legistar.com; via email (<https://cloud.info.bart.gov/signup>); or via regular mail upon request submitted to the District Secretary.

Complete agenda packets (in PDF format) are generally available for review at bart.legistar.com no later than 48 hours in advance of the meeting.

Please submit your requests to the District Secretary via email to BoardofDirectors@bart.gov; in person or U.S. mail at 2150 Webster Street, 10th Floor, Oakland, California 94612; or telephone at 510-464-6083.

April B. A. Quintanilla
District Secretary

Regular Meeting of the
BOARD OF DIRECTORS

The purpose of the Board Meeting is to consider and take such action as the Board may desire in connection with:

1. CALL TO ORDER

- A. Roll Call.
- B. Pledge of Allegiance.
- C. Introduction of Special Guests.

2. REPORT OF THE BOARD PRESIDENT

3. BOARD COMMITTEE REPORTS

(An opportunity for Committee Chairpersons to report out on the activities of Board Committees that have met since the last Board Meeting.)

4. CONSENT CALENDAR

- A. Approval of Minutes of the Meetings of January 11, 2024 and February 8, 2024. [24-137](#)
Board requested to authorize.
- B. Award of Agreement No. 6M4847 with Alliant Insurance Services, Inc., for Benefit Broker and Consulting Services. [24-135](#)
Board requested to authorize.
- C. Award of Agreement No. 6M4858 with Athens Administrators, for Workers' Compensation Third Party Administration and Related Services. [24-136](#)
Board requested to authorize.
- D. Amendment No. Three (3) to the San Francisco Bay Area Rapid Transit District Money Purchase Pension Plan. [24-139](#)
Board requested to authorize.
- E. Procurement with Downtown Ford of Sacramento, CA Using State of California Contract No. 1-22-23-20F for Up to Eight (8) F-150 Lightning Pro Electric Vehicles. [24-134](#)
Board requested to authorize.
- F. Procurement with Beam Global Using State of California Statewide [24-133](#)

Contract No. 1-22-61-16 for Up to Four (4) EV Arc 2020
Transportable Solar Powered Electric Vehicle Charging Stations.
Board requested to authorize.

- G. Change Orders to Contract No. 47CJ-230A, Procurement of Fare Gates, with STraffic America, LLC, for Fare Gate Enhancements (Barrier Material Selection and Mechanical Locking Mechanism).
Board requested to authorize.

[24-114](#)

5. GENERAL MANAGER'S REPORT

- A. Report of Activities, including Updates of Operational, Administrative, and Roll Call for Introductions Items.

6. PUBLIC COMMENT

(An opportunity for members of the public to address the Board of Directors on matters under their jurisdiction and not on the agenda. Public comment is limited to three (3) minutes per person.)

7. ADMINISTRATION ITEMS

Janice Li, Chairperson

NO ITEMS.

8. ENGINEERING AND OPERATIONS ITEMS

Lateefah Simon, Chairperson

NO ITEMS.

9. PLANNING, PUBLIC AFFAIRS, ACCESS, AND LEGISLATION ITEMS

Robert Raburn, Chairperson

- A. Federal and State Legislation for Consideration.
Board requested to authorize.

[24-083](#)

10. BOARD MATTERS

- A. Board Member Reports.

(Board member reports as required by Government Code Section 53232.3(d) are available through the Office of the District Secretary. An opportunity for Board members to report on their District activities and observations since the last Board Meeting.)

- B. Roll Call for Introductions.

(An opportunity for Board members to introduce a matter for consideration at a future Committee or Board Meeting or to request District staff to prepare items or reports.)

C. In Memoriam.

(An opportunity for Board members to introduce individuals to be commemorated.)

11. CLOSED SESSION

A. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

Name of Case: Pyro-Comm Systems, Inc. v. Becker Electric, Inc.; Beci Electric, Inc.; Bay Area Rapid Transit; Argonaut Insurance Company

Case No.: 23CV027184

Government Code Section: 54956.9(d)(1)

12. OPEN SESSION

A. Announcement from Closed Session, if any.

13. ADJOURNMENT

San Francisco Bay Area Rapid Transit District

2150 Webster Street, P. O. Box 12688, Oakland, CA 94612-2688



BOARD OF DIRECTORS DRAFT MINUTES OF THE 1,948TH MEETING THURSDAY, JANUARY 11, 2024

Members of the Board of Directors
Bevan Dufty, President (District 9)
Mark Foley, Vice President (District 2)
Debora Allen (District 1)
Rebecca Saltzman (District 3)
Robert Raburn (District 4)
John McPartland (District 5)
Elizabeth Ames (District 6)
Lateefah Simon (District 7)
Janice Li (District 8)

MEETING DESCRIPTION

A Regular Meeting of the Board of Directors was held on January 11, 2024, convening at 9:01 a.m. in the BART Board Room, 2150 Webster Street, 1st Floor, Oakland, California. President Dufty presided, April B. A. Quintanilla, District Secretary.

1. CALL TO ORDER

President Dufty called the Meeting to order at 9:01 a.m.

A. Roll Call.

Directors Present in Oakland: Directors Ames, Foley, Li, McPartland, Raburn, Saltzman, Simon, and Dufty.

Directors Present via Teleconference: None.

Absent: None. Director Allen entered the Meeting later.

B. Pledge of Allegiance: Director McPartland led the Pledge of Allegiance.

C. Introduction of Special Guests. President Dufty acknowledged that the Mayor of San Leandro, Juan González III, may join the Meeting.

Director Simon gave remarks regarding Tuan Le, Oakland Police Officer, who was killed in the line of duty, and thanked Kevin Franklin, Chief of Police, and Robert Powers, General Manager, for demonstrating BART's support of Officer Le.

Chief Franklin expressed gratitude for the Board's recognition of Officer Le and gave remarks regarding Officer Le's life and service.

2. REPORT OF THE BOARD PRESIDENT

President Dufty brought the item before the Board. President Dufty briefly reported on the upcoming annual Board Workshop scheduled for February 8, 2024, to be held at BART Headquarters.

Public Comment

Aleta Dupree addressed the Board.

Director Allen entered the Meeting in Oakland.

3. BOARD COMMITTEE REPORTS

There were no Board Committee Reports.

4. CONSENT CALENDAR

President Dufty brought the following Consent Calendar items before the Board.

- A. Approval of Minutes of the Meeting of August 24, 2023.
- B. 2024 Organization of Committees and Special Appointments.
- C. Change Orders to Contract No. 54RR-260, Hayward Yard Fire Protection, for Estimated Contract Quantity Overruns and Underground Boring Work.
- D. Procurement with Fastenal Company, as the Official National Association of State Procurement Officials (NASPO) Provider, for Mechanical Materials and Miscellaneous Components in Support of the Next Generation Fare Gates.

Vice President Foley moved to approve all Consent Calendar items by one motion.

Director Saltzman seconded the motion.

Public Comment

Aleta Dupree addressed the Board.

Action

Upon motion by Vice President Foley and second by Director Saltzman, the Board took the following actions by unanimous roll call vote.

Vote Summary:

Moved / Seconded: Vice President Foley / Director Saltzman

Aye: Directors Allen, Ames, Foley, Li, McPartland, Raburn, Saltzman, Simon, and Dufty.

No: 0.

Abstain: 0.

Result: 9-0, motion carried by unanimous roll call vote.

- A. The Minutes of the Meeting of August 24, 2023, were approved. *(Vote: 9-0)*
- B. The Board of Directors (Board) ratified the proposed Organization of Committees and Special Appointments for 2024 (attached) and authorized all 2024 appointments, including any revisions, to continue in effect until the Board ratifies the proposed Organization of Committees and Special Appointments for 2025. (The ratified Organization of Committees and Special Appointments for 2024 is attached and hereby made a part of these Minutes.) *(Vote: 9-0)*
- C. The General Manager was authorized to execute Change Order No. 13 and Change Order No. 14 to Contract No. 54RR-260, Hayward Yard Fire Protection, in the amount of NTE (Not to Exceed) \$1,209,700.00. *(Vote: 9-0)*

- D. The Board authorized the General Manager to enter into a procurement agreement with Fastenal Company for mechanical materials and miscellaneous components in support of the District-wide deployment of Next Generation fare gates in an amount not to exceed \$400,000.00. (*Vote: 9-0*)

5. **BOARD MATTERS - PART I**

- A. Appointment of Audit Committee Public Member.

President Dufty brought the item before the Board.

Stephanie Noble and Melissa Wong were presented as candidates and addressed the Board.

Public Comment

Juan González III, Mayor of San Leandro, addressed the Board.

Discussion

The item was discussed, with the following highlights:

Director Raburn praised both candidates and commented on Melissa Wong's extensive experience and credentials.

Director Raburn moved that the Board of Directors appoints Melissa Wong as a public member of the Audit Committee for a two-year term, beginning on January 11, 2024.

Director Allen seconded the motion and expressed appreciation for both candidates.

Director Saltzman also commended the candidates, expressing regret that both could not be appointed to the Committee.

Action

Upon motion by Director Raburn and second by Director Allen, the Board of Directors appointed Melissa Wong as a public member of the Audit Committee for a two-year term, beginning on January 11, 2024.

Vote Summary:

Moved / Seconded: Director Raburn / Director Allen

Aye: Directors Allen, Ames, Foley, Li, McPartland, Raburn, Saltzman, Simon, and Dufty.

No: 0.

Abstain: 0.

Result: 9-0, motion carried by unanimous roll call vote.

6. GENERAL MANAGER'S REPORT

A. Report of Activities, including Updates of Operational, Administrative, and Roll Call for Introductions Items.

Robert Powers, General Manager, reported on ridership statistics for 2023, highlighting a 33% increase in total ridership compared to the previous year; minor schedule changes; the upcoming launch of Clipper® START; a new initiative called "Managers Riding Transit," involving teams of two BART employees walking trains to engage with riders; BART's recent awards for workforce development, marketing, and communications; and a derailment incident on January 1st, noting a field interface protocol failure and its impact on train control and communications at the Orinda station.

Shane Edwards, Assistant General Manager, Engineering and Operations, elaborated on the January 1st derailment incident's details and the subsequent steps taken to address it.

Fred Edwards, Assistant Chief Transportation Officer, provided details of the January 1st derailment incident and Gina Galetti, Deputy Chief of Police, highlighted the coordinated response of the BART Police Department and other agencies, including securing the scene, assisting with evacuations, and setting up an incident command post.

Discussion

The item was discussed, with the following highlights:

Director Raburn thanked staff for their efforts to address the incident; shared his experience as a rider on the derailed train; and commended all for their efforts to resolve the situation and resume service.

Director Allen thanked staff, the Contra Costa Fire Department, Contra Costa EMS, Caltrans, and California Highway Patrol for their efforts to address the incident; noted that she was present on the scene; inquired about the plan for completing unfinished work related to the network failure and the magnitude of riders' injuries; extended sympathy to all the riders who experienced the situation; and expressed hope that BART will apply lessons learned from this incident moving forward.

Director McPartland inquired about the source of the fire, whether new lessons had been learned from the incident, and whether any of the riders' injuries were associated with disembarking the train. Director McPartland also commended the response efforts, expressing appreciation for law enforcement and mutual aid partners.

Vice President Foley thanked staff and mutual aid partners for their response to the incident; inquired about outside investigations into the incident; and requested that staff provide the Board with a memo to address the root cause, outcomes, and recommendations regarding the incident.

Director Simon inquired about federal reporting and investigation requirements for rare incidents such as derailments, as well as, billing for mutual aid support.

Public Comment

Aleta Dupree addressed the board.

Discussion

Discussion continued, with the following highlights:

President Dufty thanked Board Members for their comments, particularly those regarding the benefits of the investments in State of Good Repair work, and staff for their leadership and efforts to address the incident.

Director Ames suggested conducting a deep dive evaluation of the asset management system and prioritizing improvements to prevent similar incidents in the future.

7. PUBLIC COMMENT

President Dufty called for general Public Comment, an opportunity for members of the public to address the Board of Directors on matters under their jurisdiction and not on the agenda.

Barney Smits and Aleta Dupree addressed the Board.

8. ADMINISTRATION ITEMS

Director Li, Chairperson of the Administration Committee, had no report and no items were presented.

9. ENGINEERING AND OPERATIONS ITEMS

A. Next Generation Fare Gates Update.

Director Simon, Chairperson of the Engineering and Operations Committee, brought the item before the Board.

Sylvia Lamb, Assistant General Manager, Infrastructure Delivery, and Michael Wong, Project Manager, presented the item.

Ken Cho, Chief Executive Officer, STraffic America, LLC, addressed the Board.

Core team members of the project stood and were recognized by the Board and staff.

Public Comment

Aleta Dupree and Laura Hill addressed the Board.

Discussion

The item was discussed, with the following highlights:

Director Simon expressed gratitude to the Bay Area Council for their partnership on the fare gates project.

Vice President Foley commended the progress made, expressing appreciation for STraffic America LLC's efforts and the functionality of the fare gates.

Director McPartland commended the team for their hard work and inquired about potential bottlenecks during rush hour and the duration of fare gate installations.

Director Raburn expressed gratitude to the teams involved and acknowledged the immediate dividends from the project, such as a cleaner station.

Director Allen thanked all those involved in the project for their work; inquired about the projected timeline for the other BART stations; indicated that the fare gates project aims to reduce fare evasion but not eliminate it entirely, highlighting the need for human complementarity; and inquired about revenue increases and rider counts at the West Oakland station.

Director Li commended the entire team for their dedication and professionalism with the fare gates project; highlighted comparisons with similar projects in other cities; and indicated that the success of the project should be measured by the modernization of the system and the positive experience for riders.

Director Ames expressed appreciation for everyone's work and described the fare gates project as a testament to BART's ability to come together as a team; emphasized the importance of monitoring the project's impact on revenue and ridership; and expressed optimism about the project's benefits for BART and its passengers.

Director Saltzman emphasized the importance of completing the project correctly rather than quickly and expressed gratitude for the upcoming replacement of fare gates at Richmond Station, citing the poor condition of the existing gates and the anticipated appreciation from Richmond Station users.

President Dufty highlighted the positive impact of the fare gates project on stations such as 24th Street and Civic Center / UN Plaza in San Francisco and acknowledged the partnership with labor unions and community stakeholders in making the project successful, while emphasizing the importance of showcasing BART's achievements to federal officials and reiterating his commitment to providing a clean, safe, and reliable transit system.

Director Simon praised the entire team for their expertise and dedication to the project; emphasized the holistic approach to safety within the BART system; and thanked everyone for their work.

Action

No Board action was taken, as the item was presented for information only.

10. PLANNING, PUBLIC AFFAIRS, ACCESS, AND LEGISLATION ITEMS

Director Raburn, Chairperson of the Planning, Public Affairs, Access, and Legislation Committee, had no report and no items were presented.

11. BOARD MATTERS – PART II

- A. Board Member Reports.
- B. Roll Call for Introductions.
- C. In Memoriam.

President Dufty called for Items 11-A, Board Member Reports; 11-B, Roll Call for Introductions; and 11-C, In Memoriam.

Director McPartland requested that the Meeting be adjourned in honor of Tuan Le, fallen Oakland Police Officer, and Bill Elliott, Oakland Fire Lieutenant, who died in the Transbay Tube fire 45 years ago.

Director Raburn reported on his participation in the Three Kings event at Fruitvale on January 6, 2024, and recognized the presence of the Progressive Policing and Community Engagement Bureau staff members who participated in the event, namely Susie Johnston, Community Services Officer; Brianna Frank, Transit Ambassador; Nequavis Brown, Transit Ambassador; and Ja'Son Scott, Deputy Police Chief.

Director Saltzman expressed concern over Berkeley Councilmember Rigel Robinson's decision to resign from his position, highlighting it as a significant loss for the City, particularly regarding areas such as transportation, biking, walking, and housing.

Director Simon noted her request for the Meeting to be adjourned in honor of Tuan Le, fallen Oakland Police Officer. Director Simon also expressed enthusiasm about the City of Oakland's new Fire Chief, Damon Covington, a native of Oakland and a graduate of Bishop O'Dowd High School. Director Simon highlighted Chief Covington's deep connection to BART and suggested that staff send him a letter of congratulations on his appointment, emphasizing the importance of partnerships and engagement.

Vice President Foley extended New Year wishes to everyone and reminded his colleagues on the Board about the upcoming payment deadline for the Secretary of State campaign committee annual fee.

Director Li reported on her visit to the Samoan Community Development Center, which was one of the recipients of BART's 2023 holiday toy drive and described the center's location as a run-down building in a marginalized area of San Francisco, highlighting the impact of BART's support on such communities. Director Li also reported on her role with the Office of Community Investment and Infrastructure (OCII) Oversight Board, discussing Senate Bill 593, which aims to address the displacement of families due to redevelopment that occurred decades ago.

Public Comment

Joe Kunzler addressed the Board.

12. CLOSED SESSION

A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Name of Case: Maria Tapia vs. San Francisco Bay Area Rapid Transit District

Case No.: RG18930947

Government Code Section: 54956.9(a)

B. PUBLIC EMPLOYEE EMPLOYMENT

Title: General Counsel

Government Code Section: 54957(b)(1)

President Dufty brought the item before the Board. April B. A. Quintanilla, District Secretary, indicated that the Board would enter Closed Session under Items 12-A (Conference with Legal Counsel – Existing Litigation) and 12-B (Public Employee Employment) of the Regular Meeting agenda, and that the Board would reconvene in Open Session upon conclusion of the Closed Session.

Public Comment

No comments were received.

The Board Meeting recessed at 11:28 a.m.

The Board reconvened in Closed Session at 11:35 a.m.

Directors Present in Oakland: Directors Allen, Ames, Foley, Li, McPartland, Raburn, Saltzman, Simon, and Dufty.

Directors Present via Teleconference: None.

Absent: None.

The Board Meeting recessed at 12:42 p.m.

13. OPEN SESSION

The Board reconvened in Open Session at 12:45 p.m.

Directors Present in Oakland: Directors Allen, Ames, Li, McPartland, and Dufty.

Directors Present via Teleconference: None.

Absent: Directors Foley, Raburn, Saltzman, and Simon.

A. Announcements from Closed Session, if any.

President Dufty announced that the Board had concluded its Closed Session under Items 12-A and 12-B and that there were no announcements to be made.

14. ADJOURNMENT

The Meeting adjourned at 12:45 p.m. in honor of Tuan Le, Oakland Police Officer, and Bill Elliott, Oakland Fire Lieutenant.

April B. A. Quintanilla
District Secretary

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT ORGANIZATION OF COMMITTEES AND SPECIAL APPOINTMENTS

STANDING COMMITTEES

ADMINISTRATION**	
Janice Li	Chairperson
Robert Raburn	Vice Chairperson
Debora Allen	

ENGINEERING & OPERATIONS**	
Lateefah Simon	Chairperson
Elizabeth Ames	Vice Chairperson
John McPartland	

PLANNING, PUBLIC AFFAIRS, ACCESS & LEGISLATION**	
Robert Raburn	Chairperson
Rebecca Saltzman	Vice Chairperson
Elizabeth Ames	

AUDIT**	
Rebecca Saltzman	Chairperson
Mark Foley	Vice Chairperson
Debora Allen	

SPECIAL COMMITTEES

LABOR NEGOTIATIONS REVIEW**	
Mark Foley	Chairperson
Lateefah Simon	Vice Chairperson
Janice Li	

PERSONNEL REVIEW**	
Bevan Dufty	Chairperson
Mark Foley	Vice Chairperson
Lateefah Simon	

SANTA CLARA VALLEY TRANSPORTATION AUTHORITY PARTNERSHIP**	
Elizabeth Ames	
Robert Raburn	
Janice Li	
John McPartland	
Bevan Dufty	Alternate

AD HOC COMMITTEE

FINANCIAL STRUCTURE**	
Lateefah Simon	Chairperson
Rebecca Saltzman	Vice Chairperson
Debora Allen	

**Brown Act Committee, subject to public meeting requirements

***Brown Act Board, subject to public meeting requirements

NOTE: BART Directors discharging liaison function do not serve as members of either a committee of BART or the other organization, nor as members of a joint committee. Any action on behalf of BART must be taken by the full Board.

Ratified 01/11/2024

SPECIAL APPOINTMENTS - LIAISON

CONTRA COSTA TRANSPORTATION AUTHORITY**	
Mark Foley	Primary
Debora Allen	Alternate

PARATRANSIT SERVICE REVIEW ADVISORY COMMITTEE	
Lateefah Simon	
Robert Raburn	

SAN FRANCISCO TRANSPORTATION AUTHORITY**	
Janice Li	Primary
Bevan Dufty	Alternate

SPECIAL APPOINTMENTS - EXTERNAL

ALAMEDA COUNTY TRANSPORTATION COMMISSION**	
Rebecca Saltzman	Primary
Elizabeth Ames	Alternate

ALTERNATE REPRESENTATIVE TO THE AMERICAN PUBLIC TRANSPORTATION ASSOCIATION BOARD OF DIRECTORS	
Robert Raburn	Primary
Mark Foley	Alternate

BART AND AC TRANSIT COORDINATION COMMITTEE**	
Robert Raburn	Co-Chairperson
Rebecca Saltzman	

CAPITOL CORRIDOR JOINT POWERS BOARD***	
John McPartland	Alameda
Robert Raburn	Alameda
Debora Allen	Contra Costa
Rebecca Saltzman	Contra Costa
Bevan Dufty	San Francisco
Janice Li	San Francisco

DIRIDON STATION AREA JOINT POLICY ADVISORY BOARD***	
Robert Raburn	Primary
Janice Li	Alternate

INNOVATE 680 POLICY ADVISORY COMMITTEE**	
Mark Foley	Primary
Debora Allen	Alternate

THE OFFICE OF COMMUNITY INVESTMENT AND INFRASTRUCTURE OVERSIGHT BOARD ***	
Janice Li	

PLEASANT HILL BART STATION LEASING AUTHORITY BOARD OF DIRECTORS***	
Debora Allen	
Mark Foley	

TRI-VALLEY – SAN JOAQUIN REGIONAL RAIL AUTHORITY***	
John McPartland	

WEST CONTRA COSTA TRANSPORTATION ADVISORY COMMITTEE**	
Rebecca Saltzman	Primary
Mark Foley	Alternate

METROPOLITAN TRANSPORTATION COMMISSION REGIONAL NETWORK MANAGEMENT COMMITTEE**	
Janice Li	Primary
Mark Foley	Alternate

**Brown Act Committee, subject to public meeting requirements

***Brown Act Board, subject to public meeting requirements

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Ratified 01/11/2024

San Francisco Bay Area Rapid Transit District

2150 Webster Street, P. O. Box 12688, Oakland, CA 94612-2688



BOARD OF DIRECTORS DRAFT MINUTES OF THE 1,950TH MEETING THURSDAY, FEBRUARY 8, 2024

Members of the Board of Directors
Bevan Dufty, President (District 9)
Mark Foley, Vice President (District 2)
Debora Allen (District 1)
Rebecca Saltzman (District 3)
Robert Raburn (District 4)
John McPartland (District 5)
Elizabeth Ames (District 6)
Lateefah Simon (District 7)
Janice Li (District 8)

MEETING DESCRIPTION

A Regular Meeting of the Board of Directors was held on February 8, 2024, convening at 9:11 a.m. in the BART Board Room, 2150 Webster Street, 1st Floor, Oakland, California. The Meeting was a Board Workshop. President Dufty presided, April B. A. Quintanilla, District Secretary.

1. CALL TO ORDER

President Dufty called the Meeting to order at 9:11 a.m.

A. Roll Call.

Directors Present in Oakland: Directors Allen, Ames, Foley, Li, Raburn, Saltzman, Simon, and Dufty.

Directors Present via Teleconference: None.

Absent: Director McPartland.

B. Pledge of Allegiance. Director Raburn led the Pledge of Allegiance.

C. Introduction of Special Guests. President Dufty thanked Rashidi Barnes, Chief Executive Officer, Tri Delta Transit, for attending the Workshop and thanked the Metropolitan Transportation Commission (MTC) for its efforts on potential ballot measures and improving transit throughout the Bay Area. President Dufty also thanked Rebecca Long, Director of Legislation and Public Affairs, MTC, for participating in the Workshop.

President Dufty welcomed and thanked Hannah Lindelof, Group Manager, Policy Planning, for her efforts to plan the Workshop.

2. CONSENT CALENDAR

President Dufty brought the following Consent Calendar items before the Board:

A. Approval of Minutes of the Meetings of October 26, 2023 (Regular) and December 4, 2023 (Special).

B. Revision of 2024 Organization of Committees and Special Appointments.

Vice President Foley moved that all items on the Consent Calendar be approved by one motion.

Director Saltzman seconded the motion.

Action

Upon motion by Vice President Foley and second by Director Saltzman, the Board took the following actions by unanimous roll call vote.

Vote Summary:

Moved / Seconded: Vice President Foley / Director Saltzman

Aye: Directors Allen, Ames, Foley, Li, Raburn, Saltzman, Simon, and Dufty.

No: 0.

Abstain: 0.

Absent: Director McPartland.

Result: 8–0, motion carried by unanimous roll call vote.

- A. The Minutes of the Meetings of October 26, 2023 (Regular) and December 4, 2023 (Special) were approved. *(Vote: 8-0)*
- B. The Board of Directors ratified the proposed revisions to the Organization of Committees and Special Appointments for 2024 (attached). (The Revised Organization of Committees and Special Appointments for 2024 is attached and hereby made a part of these Minutes). *(Vote: 8-0)*

3. PUBLIC COMMENT

President Dufty called for general Public Comment, an opportunity for members of the public to address the Board of Directors on matters under their jurisdiction and not on the agenda.

Aleta Dupree and Glenn Overton addressed the Board.

4. WORKSHOP – PART I

President Dufty introduced Robert Powers, General Manager, who gave opening remarks and an overview of the Workshop and 2023 Key Initiatives and Outcomes.

- A. Insights for a Successful Regional Transportation Measure: Panel Discussion.

President Dufty brought the item before the Board.

Policy Planning Group Manager Lindelof and MTC Legislation and Public Affairs Director Long presented the item.

Karen Philbrick, PhD, Executive Director, Mineta Transportation Institute, San Jose State University, moderated a panel discussion among the following panel members: Alicia John-Baptiste, President and Chief Executive Officer, San Francisco Bay Area Planning and Urban Research Association (SPUR); Darrell Owens, Policy and Data Analyst and Advocate, East Bay Transit Riders Union; Emily Loper, Vice President of Public Policy, Bay Area Council; Ian Griffiths, Co-Founder and Policy Director, Seamless Bay Area; and Jeff Shaffer, President/Business Agent, Local 1277, Amalgamated Transit Union (ATU).

Vice President Foley reported on BART's State Capitol advocacy meetings on January 23, 2024, and January 24, 2024.

President Dufty commented on BART's employee career fair event and developing the workforce.

Discussion

The item was discussed.

Public Comment

The following individuals addressed the Board:

Jerry Grace
Aleta Dupree
Sara Greenwald
Glenn Overton
Brian Whitney
Wendy Yang
Adrian Brandt
Eugene Bradley
Dan Bell
Adina Levin

Action

No Board action was taken, as the item was presented for information and discussion only.

5. CLOSED SESSION

A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Titles: General Manager, Interim General Counsel, Interim Controller-Treasurer, District Secretary, Independent Police Auditor, and Inspector General

Government Code Section: 54957

President Dufty brought the item before the Board and indicated that the Board would enter into Closed Session under Item 5-A (Public Employee Performance Evaluation) of the Regular Meeting agenda, and that the Board would reconvene in Open Session upon conclusion of the Closed Session.

Public Comment

Aleta Dupree addressed the Board.

The Board Meeting recessed at 12:02 p.m.

The Board reconvened in Closed Session at 12:08 p.m.

Directors Present in Oakland: Directors Allen, Ames, Foley, Li, Raburn, Saltzman, Simon, and Dufty.

Directors Present via Teleconference: None.

Absent: Director McPartland.

The Board Meeting recessed at 1:34 p.m.

6. OPEN SESSION

The Board reconvened in Open Session at 1:37 p.m.

Directors Present in Oakland: Directors Li, Raburn, Saltzman, Simon, and Dufty.

Directors Present via Teleconference: None.

Absent: Director McPartland. Directors Allen, Ames, and Foley entered the Meeting later.

A. Announcement from Closed Session, if any.

No announcement was made.

7. WORKSHOP – PART II

A. Customer Commitment, Workforce, and Operating Budget.

President Dufty brought the item before the Board.

Alicia Trost, Chief Communications Officer; Alaric Degrafinried, Assistant General Manager, Administration; Shane Edwards, Assistant General Manager, Operations; Michael Jones, Deputy General Manager; and Christopher Simi, Director of Budgets, presented the item.

Director Ames entered the Meeting in Oakland.

Director Allen entered the Meeting in Oakland.

Vice President Foley entered the Meeting in Oakland.

Discussion

The presentation was discussed.

Public Comment

Aleta Dupree addressed the Board.

Action

No Board action was taken, as the item was presented for information and discussion only.

B. Delivering Our Customer Commitment: Capital Program and Investment Plan.

President Dufty brought the item before the Board.

Sylvia Lamb, Assistant General Manager, Infrastructure Delivery; Priya Mathur, Director of Funding Strategy; Mitra Moheb, Senior Manager of Engineering Programs; and Anais Malinge, Manager of Financial Planning, presented the item.

Public Comment

The following individuals addressed the Board:

Sal Cruz
John Arantes
Jesse Hunt

Discussion

The presentation was discussed.

Public Comment

Aleta Dupree addressed the Board.

Discussion

Discussion of the presentation continued.

Action

No Board action was taken, as the item was presented for information and discussion only.

President Dufty indicated that the order of agenda items would be changed.

E. In Memoriam.

Item 7-E was heard before Item 7-C, Rider Stories.

Director Simon requested that the Meeting be adjourned in honor of Irma Anderson, former Mayor of the City of Richmond.

C. Rider Stories.

President Dufty brought the item before the Board.

Michelle Robertson, Senior Marketing Representative, and Chief Communications Officer Trost presented the item.

A video showcasing rider stories was shown.

Discussion

The presentation was discussed.

Action

No Board action was taken, as the item was presented for information and discussion only.

D. Board Workshop Summary.

President Dufty brought the item before the Board.

Policy Planning Group Manager Lindelof presented the item.

Board Members applauded Policy Planning Group Manager Lindelof's work.

President Dufty thanked Deputy General Manager Jones for his work on organizing the Workshop; Vice President Foley for his participation and feedback in the Workshop preparation meetings; and Val Menotti, Chief Planning and Development Officer, for his involvement in developing the Workshop.

Public Comment

Aleta Dupree addressed the Board.

President Dufty thanked April B. A. Quintanilla, District Secretary; Louis Ósémwegie, Assistant District Secretary; and the District Secretary's Office team for their work to prepare for the Workshop. President Dufty also thanked General Manager Powers for his leadership and work on matters of interest to Board Members.

Action

No Board action was taken, as the item was presented for information and discussion only.

8. **ADJOURNMENT**

The Meeting adjourned at 4:08 p.m. in honor of Irma Anderson, former Mayor of the City of Richmond.

April B. A. Quintanilla
District Secretary

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT ORGANIZATION OF COMMITTEES AND SPECIAL APPOINTMENTS

STANDING COMMITTEES

ADMINISTRATION**	
Janice Li	Chairperson
Robert Raburn	Vice Chairperson
Debora Allen	

ENGINEERING & OPERATIONS**	
Lateefah Simon	Chairperson
Elizabeth Ames	Vice Chairperson
John McPartland	

PLANNING, PUBLIC AFFAIRS, ACCESS & LEGISLATION**	
Robert Raburn	Chairperson
Rebecca Saltzman	Vice Chairperson
Elizabeth Ames	

AUDIT**	
Rebecca Saltzman	Chairperson
Mark Foley	Vice Chairperson
Debora Allen	

SPECIAL COMMITTEES

LABOR NEGOTIATIONS REVIEW**	
Mark Foley	Chairperson
Lateefah Simon	Vice Chairperson
Janice Li	

PERSONNEL REVIEW**	
Bevan Dufty	Chairperson
Mark Foley	Vice Chairperson
Lateefah Simon	

SANTA CLARA VALLEY TRANSPORTATION AUTHORITY PARTNERSHIP**	
Elizabeth Ames	
Robert Raburn	
Janice Li	
John McPartland	
Bevan Dufty	Alternate

AD HOC COMMITTEE

FINANCIAL STRUCTURE**	
Lateefah Simon	Chairperson
Rebecca Saltzman	Vice Chairperson
Debora Allen	

**Brown Act Committee, subject to public meeting requirements

***Brown Act Board, subject to public meeting requirements

NOTE: BART Directors discharging liaison function do not serve as members of either a committee of BART or the other organization, nor as members of a joint committee. Any action on behalf of BART must be taken by the full Board.

Ratified 02/08/2024

SPECIAL APPOINTMENTS - LIAISON

CONTRA COSTA TRANSPORTATION AUTHORITY**	
Mark Foley	Primary
Debora Allen	Alternate

EAST BAY PARATRANSIT ACCESS COMMITTEE – LIAISONS	
Lateefah Simon	
Robert Raburn	

SAN FRANCISCO TRANSPORTATION AUTHORITY**	
Janice Li	Primary
Bevan Dufty	Alternate

SPECIAL APPOINTMENTS - EXTERNAL

ALAMEDA COUNTY TRANSPORTATION COMMISSION**	
Rebecca Saltzman	Primary
Elizabeth Ames	Alternate

ALTERNATE REPRESENTATIVE TO THE AMERICAN PUBLIC TRANSPORTATION ASSOCIATION BOARD OF DIRECTORS	
Robert Raburn	Primary
Mark Foley	Alternate

BART AND AC TRANSIT COORDINATION COMMITTEE**	
Robert Raburn	Co-Chairperson
Rebecca Saltzman	
John McPartland	

CAPITOL CORRIDOR JOINT POWERS BOARD***	
John McPartland	Alameda
Robert Raburn	Alameda
Debora Allen	Contra Costa
Rebecca Saltzman	Contra Costa
Bevan Dufty	San Francisco
Janice Li	San Francisco

DIRIDON STATION AREA JOINT POLICY ADVISORY BOARD***	
Robert Raburn	Primary
Janice Li	Alternate

INNOVATE 680 POLICY ADVISORY COMMITTEE**	
Mark Foley	Primary
Debora Allen	Alternate

THE OFFICE OF COMMUNITY INVESTMENT AND INFRASTRUCTURE OVERSIGHT BOARD ***	
Janice Li	

PLEASANT HILL BART STATION LEASING AUTHORITY BOARD OF DIRECTORS***	
Debora Allen	
Mark Foley	

TRI-VALLEY – SAN JOAQUIN REGIONAL RAIL AUTHORITY***	
John McPartland	

WEST CONTRA COSTA TRANSPORTATION ADVISORY COMMITTEE**	
Rebecca Saltzman	Primary
Mark Foley	Alternate

METROPOLITAN TRANSPORTATION COMMISSION REGIONAL NETWORK MANAGEMENT COMMITTEE**	
Janice Li	Primary
Mark Foley	Alternate

**Brown Act Committee, subject to public meeting requirements

***Brown Act Board, subject to public meeting requirements

NOTE: BART Directors discharging liaison function do not serve as members of either a committee of BART or the other organization, nor as members of a joint committee. Any action on behalf of BART must be taken by the full Board.

Ratified 02/08/2024



Award of Agreement No. 6M4847 for Benefit Broker and Consulting Services

To obtain Board authorization for the General Manager to award Agreement No. 6M4847 to Alliant Insurance Services, Inc. to provide benefit broker and consulting services. The term of the Agreement is five (5) years with options to extend the term for two (2) additional one-year periods.

This Agreement is for benefit broker and consulting services to assist the District by providing expertise in administration, cost containment, federal, state, and local regulatory compliance, and labor negotiations related to benefits and health insurance. Services include but are not limited to obtaining competitive quotes and proposals, negotiating rates, advising on plan compliance, identifying industry trends, proposing cost saving plan options, and developing communication strategies. Given the complexity involved in administering and securing employee health insurance plans and addressing key labor relations issues that may arise during contract negotiations, it is vital to partner with a broker consultant to provide these necessary services.

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An Advance Notice to Proposers was issued on September 28, 2023, to sixteen (16) potential Proposers from a vendor list of known consultants within the field. One hundred thirty-nine (139) bidder invitations were sent to firms via BART's Procurement Portal website, and three hundred twenty-one (321) certified Small Businesses were sent invitations via the B2Gnow database. In addition, the RFP was advertised in newspapers during the public solicitation period. Advertisements/Notice to Proposers regarding the RFP were placed in ten (10) Bay Area Newspapers. A Pre-Proposal meeting and networking session was conducted on October 12, 2023, with eight (8) companies in attendance. Five (5) proposals were received on Tuesday, December 5, 2023, from the following firms:

1. Alliant Insurance Services, Inc.
2. Aon Consulting, Inc.
3. Keenan & Associates
4. Mercer Health & Benefits, LLC
5. USI Insurance Services, LLC

The District's Selection Committee, chaired by Contract Administration, consisted of representatives from Benefits, Leave Management, Labor Relations, and the Office of Civil Rights. All proposals were found to be responsive to the RFP requirements and were in the competitive range. All five (5) of the above listed proposing firms participated in the oral interviews that were held on February 21, 2024. Based on the written and oral evaluations using the Best Value method, the Committee determined that the most qualified firm was Alliant Insurance Services, Inc.

Pursuant to the District's Non-Federal Small Business Program, the Office of Civil Rights set a 5% Small Business Prime Preference for this Agreement for Small Businesses certified by the California Department of General Services (DGS). It was determined that there were no certified Small Businesses certified by the DGS among the responsive Proposers and, therefore, the Small Business Prime Preference is not applicable.

Pursuant to the District's Non-Discrimination Program for Subcontracting, the Availability Percentages for this Agreement are 8.4% for Minority Business Enterprises (MBEs) and 5.7% for Women Business Enterprises (WBEs). Alliant Insurance Services, Inc. will not be subcontracting any portion of the Work and therefore, the provisions of the District's Non-Discrimination Program for Subcontracting do not apply.

The Office of the General Counsel will approve the agreement and any subsequent amendments as to form.

FISCAL IMPACT:

The proposed Agreement has a 5-year term with options to renew for two additional one-year periods. The maximum compensation under this Agreement is not-to-exceed \$3,200,000. The fixed cost for broker and advisory services is approximately \$1,460,000 and the remainder may be used for ad hoc consulting services if needed.

This Agreement will be funded by the Benefits Division (0502426, Account 681300, Professional and Technical Services). Funding for the current fiscal year is included in the existing operating budget. Funding for subsequent years will be included in future proposed annual operating budgets, subject to Board approval.

This action is not anticipated to have any fiscal impact on unprogrammed District reserves in the current fiscal year.

ALTERNATIVES:

The alternative is to not award this Agreement and re-bid the services. Re-issuing the RFP is not likely to return different results.

RECOMMENDATION:

Adopt the following motion.

MOTION:

That the Board authorize the General Manager to award Agreement No. 6M4847 to Alliant Insurance Services, Inc. for benefit broker and consulting services in an amount not-to-exceed \$3,200,000, inclusive of the options to extend and pursuant to notification to be issued by the General Manager and subject to compliance with the District's Protest Procedures.



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <div style="float: right; border: 1px solid black; padding: 2px; margin-top: 5px;"> <small>DocuSigned by:</small> <small>47000790F2D7463...</small> </div>		GENERAL MANAGER ACTION REQ'D:		
DATE: 3/7/2024 3/21/2024		BOARD INITIATED ITEM: No		
Originator/Prepared by: Rod Maplestone Dept: Leave & Absence Mgmt <div style="border: 1px solid black; padding: 2px; margin-top: 5px;"> <small>DocuSigned by:</small> <small>397087B9BAB946F...</small> </div> Signature/Date: <div style="text-align: right;">3/19/2024</div>	General Counsel <div style="border: 1px solid black; padding: 2px; margin-top: 5px;"> <small>DocuSigned by:</small> <small>AC4833F2CF9B4C5...</small> </div> Signature/Date: <div style="text-align: right;">3/19/2024 []</div>	Controller/Treasurer <div style="border: 1px solid black; padding: 2px; margin-top: 5px;"> <small>DocuSigned by:</small> <small>EE11C8CEEEA04FD...</small> </div> Signature/Date: <div style="text-align: right;">3/19/2024 []</div>	District Secretary <div style="border: 1px solid black; padding: 2px; margin-top: 5px;"> <small>DocuSigned by:</small> <small>3BB24D65B8724F5...</small> </div> Signature/Date: <div style="text-align: right;">3/19/2024 []</div>	BARC <div style="border: 1px solid black; padding: 2px; margin-top: 5px;"> <small>DocuSigned by:</small> <small>3BB24D65B8724F5...</small> </div> Signature/Date: <div style="text-align: right;">3/19/2024 []</div>

Award of Agreement No. 6M4858 for Workers' Compensation Third Party Administration and Related Services

PURPOSE:

To obtain Board authorization for the General Manager to award Agreement No. 6M4858 to Athens Administrators to provide Workers' Compensation Third Party Administration and related services.

DISCUSSION:

This Agreement is for Workers' Compensation Third Party Administration and related services. These services fall into three separate categories:

Workers' Compensation Third Party Administration Services. The Third Party Administrator (TPA) assumes overall responsibility for the administration of the Workers' Compensation (WC) program, including the processing of WC claims in accordance with State law and legislation, providing procedural oversight, recordkeeping, administrative functions, and coordinating all ancillary services necessary to effectively address an injured worker's claim.

Medical Case Management Services. Medical case management services provide oversight and proactive management of medical treatment with the objective of assuring timely and appropriate treatment for employees that also remains focused on their return to work. Specifically, these services include recommending and coordinating treatment plans that are medically appropriate, defensible, improve the quality of care, control long-term costs, and facilitate a prompt return to work.

Utilization and Bill Review Services. Utilization and bill review services assure that procedures and treatments ordered are supported by peer-review and objective medical

guidelines, and that billing is for services actually rendered, at rates that are consistent with the fee schedule.

A Best Value Memo was approved by the GM on June 6, 2023. Under the Best Value approach, the District retained the right to award any of the three services, above, individually to other than the lowest cost proposals, based upon a determination that certain technical advantages available from a proposal will equate to added value to the District.

A Request for Proposals (RFP) utilizing the District's Small Business Program provisions was advertised in 10 newspapers on February 6, 2024. Advanced Notices were given to 102 certified Small Businesses via the B2Gnow database throughout the State of California, with 12 planholders downloading the RFP. A Pre-Proposal Meeting was held on February 12, 2024, and was attended by four (4) firms. Under the three (3) separate categories, one (1) proposal was received for Workers' Compensation Third Party Administration Services, four (4) proposals were received for Medical Case Management Services, and four (4) proposals for Utilization and Bill Review Services. In total, nine (9) proposals were received for the Workers' Compensation Third Party Administration and related services RFP as follows:

Workers' Compensation Third Party Administration Services:

1. Athens Administrators

Medical Case Management Services:

1. Athens Administrators
2. CareWorks Managed Care Services, Inc.
3. EK Health Services, Inc.
4. Genex Services, LLC

Utilization and Bill Review Services:

1. Athens Administrators
2. CareWorks Managed Care Services, Inc.
3. EK Health Services, Inc.
4. Genex Services, LLC

The District's Selection Committee, chaired by Contract Administration, consisted of representatives from Human Resources and the Office of Civil Rights. All proposals were found to be responsive to the RFP requirements and were in the competitive range. Oral interviews were held on Thursday, March 14, 2024, and Friday March 15, 2024. Based on the written and oral evaluations using the best value method, the Committee determined that Athens Administrators was the most qualified firm to provide all three (3) services.

Pursuant to the District's Non-Federal Small Business Program, the Office of Civil Rights

set a 5% Small Business Prime Preference for this Agreement for Small Businesses certified by the California Department of General Services ("DGS"). It was determined that there were no certified Small Businesses certified by the DGS among the responsive Proposers and, therefore, the Small Business Prime Preference is not applicable.

Pursuant to the District's Non-Discrimination Program for Subcontracting, the Availability Percentages for this Agreement are 8.4% for Minority Business Enterprises ("MBEs") and 5.7% for Women Business Enterprises ("WBEs"). Athens committed to 0% MBE and 0% WBE participation. Athens did not meet either the MBE or WBE Availability Percentages; therefore, Athens was requested to provide the Office of Civil Rights with supporting documentation to determine if it had discriminated on the basis of race, national origin, color, gender or ethnicity. Based on the review of the information submitted by Athens, the Office of Civil Rights found no evidence of discrimination.

FISCAL IMPACT:

The proposed Agreement has a three-year term with options to renew for two additional one-year periods. The maximum compensation for Workers' Compensation Third Party Administration Services will be \$3,495,663 for the 3-year base period and \$6,019,596, including all option years. This Agreement will be funded by the Leave and Absence Management Division (0502421, Account 681300, Professional and Technical Services). Funding for the current Fiscal year is included in the existing operating budget. Funding for subsequent years will be included in future proposed annual operating budgets, which are subject to Board approval.

The maximum compensation for Medical Case Management Services will be \$3,372,925 for the base three years and \$5,821,075, including all option years. The maximum compensation for Utilization and Bill Review Services will be \$1,676,914 for the base three years and \$2,873,518, including all option years. Funding for Medical Case Management and Utilization and Bill Review services will come from the District's Workers' Compensation reserve fund which is funded by the General Fund.

In total, all services under this Agreement will not exceed \$14,714,189. This action is not anticipated to have any fiscal impact on unprogrammed District reserves in the current Fiscal year.

ALTERNATIVES:

The alternative is to not award this Agreement and re-bid the services. Re-issuing the RFP could cause delays in the production of required documents and impact reporting. Not providing these services would result in the District not meeting its statutory obligation to provide Workers' Compensation benefits to employees.

RECOMMENDATION:

Adopt the following motion.

MOTION:

The General Manager is authorized to award Agreement No. 6M4858 to Athens Administrators for Workers' Compensation Third Party Administration and related services in an amount not-to-exceed \$14,714,189 pursuant to notification to be issued by the General Manager and subject to compliance with the District's Protest Procedures.



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL:		GENERAL MANAGER ACTION REQ'D:		
DocuSigned by: <i>Michael Jones</i> 47000790F2D7463...				
DATE: 3/19/2024		3/21/2024		
BOARD INITIATED ITEM: No				
Originator/Prepared by: Diane Iwata Dept: Benefits	General Counsel	Controller/Treasurer	District Secretary	BARC
DocuSigned by: <i>Diane Iwata</i> B2B28E38D3F14F1...	DocuSigned by: <i>Rayon K. Zema</i> AC4833F2CF9B4C5...	DocuSigned by: <i>Chris Gan</i> EE11C8CEEEA04FD...		DocuSigned by: <i>Pamela Herhold</i> 3BB24D65B8724F5...
Signature/Date: 3/20/2024	3/20/2024 []	3/20/2024 []	[]	3/20/2024 []

Amendment No. 3 to the Money Purchase Pension Plan

PURPOSE

To obtain Board approval of an amendment to the San Francisco Bay Area Rapid Transit District Money Purchase Pension Plan (the "MPPP") to delete an additional contribution to the MPPP on behalf of the General Counsel, and to authorize the Board President to sign the amendment on behalf of the Board.

DISCUSSION

In 1981, the District established, and has continued to sponsor, the MPPP as a defined contribution plan. This supplemental retirement plan is intended to qualify under Section 401(a) of the Internal Revenue Code of 1986. The MPPP is funded on an individual employee account basis through District contributions and voluntary after-tax employee contributions.

In 2016, the Board amended the MPPP to provide an additional District contribution on behalf of the General Counsel, effective July 1, 2016. With the former General Counsel's retirement, the MPPP now requires amendment to delete this additional contribution. The amendment is effective as of the date of the former General Counsel's retirement.

The Office of the General Counsel has approved the amendment as to form.

FISCAL IMPACT

The additional contribution that is being deleted from the MPPP was 2.7214 percent of the General Counsel's regular earnings.

ALTERNATIVE

Failure to amend the MPPP to reflect actual District contributions could impact the qualified status of the plan.

RECOMMENDATION

Adopt the following motion.

MOTION

That the Board approves and authorizes the Board President to execute Amendment No. 3 to the 2019 Restatement of the San Francisco Bay Area Rapid Transit District Money Purchase Pension Plan (MPPP) deleting Section 3.01(e), which provided an additional contribution on behalf of the General Counsel.

**AMENDMENT NO. THREE TO THE
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
MONEY PURCHASE PENSION PLAN
(As restated effective September 1, 2019)**

The San Francisco Bay Area Rapid Transit District Money Purchase Pension Plan (as restated effective September 1, 2019) (the "Plan") is hereby amended as follows:

Effective January 3, 2024, Section 3.01 of the Plan, "Determination of Contribution," is hereby amended to delete subsection (e) as follows:

SECTION 3.01 Determination of Contribution. With respect to each Plan Year the Employer shall pay to the Trustee as its contribution to the Plan an amount equal to the sum of the following:

(a) 6.65% of the Compensation of each Participant for such Plan Year, provided, however, that in determining this portion of the contribution, the following shall not be taken into account:

(i) Compensation on or after January 1, 2010 and before July 1, 2013 of Participants who are represented by BART Police Managers Association;

(ii) Compensation on or after July 1, 2010 and before July 1, 2013 of Participants who are represented by BART Police Officers Association; and

(b) 1.627% of Payroll, provided, however, that in determining this portion of the contribution, the following shall not be taken into account:

(i) \$37 per month on or after March 1, 2014 for Participants who are members of Amalgamated Transit Union, Local 1555 or Service Employees International Union, Local 1021 and who participate in a District medical plan;

(ii) \$37 per month on or after February 1, 2014 for Participants who are members of American Federation of State, County and Municipal Employees, Local Union 3993 and who participate in a District medical plan;

(iii) An additional .0888% of Payroll on or after March 1, 2014 for Participants who are members of Amalgamated Transit Union, Local 1555 or Service Employees International Union, Local 1021;

(iv) An additional .0888% of Payroll on or after February 1, 2014 for Participants who are members of American Federation of State, County and Municipal Employees, Local Union 3993;

(v) Payroll of Participants who are members of the BART Police Officers Association and are sworn police officers with full peace officer powers pursuant to the California Penal Code;

- (vi) Payroll of Participants who are either the BART Chief of Police or are represented by the BART Police Managers Association and are sworn police officers with full peace officer powers pursuant to the California Penal Code;
 - (vii) Payroll on or after July 1, 1992 and before July 1, 2013 of Participants who are members of the BART Police Managers Association, other than sworn police officers with full peace officer powers pursuant to the California Penal Code;
 - (viii) Payroll on or after July 1, 1992 and before July 1, 2013 of Participants who are represented by the BART Police Officers Association other than sworn police officers with full peace officer powers pursuant to the California Penal Code; and
 - (ix) .0888% of Payroll on or after March 1, 2014 for non-represented Participants; and
- (c) From October 1, 2001, until the Employer's account within the California Public Employees' Retirement System (CalPERS) ceases to be "superfunded," as determined by CalPERS, 3.5% of the Reportable Compensation of non-represented Participants (other than the Chief of Police as of April 25, 2002) and of Participants who are members of the Amalgamated Transit Union, Local No. 1555, the Service Employees International Union, Local No. 790, the American Federation of State, County and Municipal Employees, Local No. 3993, the BART Police Officers' Association, or the BART Police Managers' Association, provided such members of the BART Police Officers Association and BART Police Managers' Association are also local miscellaneous members of CalPERS, provided further, however, that in determining this portion of the contribution, Reportable Compensation on or after July 1, 2003 and before July 1, 2004 of the following Participants shall not be taken into account: the General Manager, the Controller-Treasurer, the General Counsel, the District Secretary, the Deputy General Manager, the Executive Assistant to the General Manager, the Assistant General Managers of Administration and Operations, the Executive Managers of External Affairs, Planning & Budget, Transit System Compliance and Transit System Development, the Managing Director, Capitol Corridor, and members of the Service Employees International Union, Local 790, whose classifications are in the Clerical Subunit, but are not in the Professional Chapter
- (d) On behalf of the General Manager, for the five-year period beginning January 1, 2016 and ending December 31, 2020 (the "Payment Period"), an additional amount equal to \$36,000 per year. The Employer contribution described in this subsection (d) shall be contributed to the General Manager's Plan Account ratably for each payroll period occurring during the Payment Period. Furthermore, such contribution is conditioned on the General Manager electing to defer to the San Francisco Bay Area Rapid Transit District's Deferred Compensation Plan, for each Plan Year, the maximum annual applicable dollar amount described in Internal Revenue Code Sections 457(e)(15) and (18) (the "Maximum Deferral Amount").

In the event the General Manager does not, for any Plan Year, defer to the Deferred Compensation Plan the Maximum Deferral Amount, then any Employer contribution described in this subsection (d), for such Plan Year, shall be forfeited from the General Manager's Plan Account.

(e) ~~On behalf of the General Counsel, additional contributions equal to 2.7214 percent of Payroll, on or after July 1, 2016.~~

(fe) On behalf of the General Manager appointed July 25, 2019, an additional amount equal to \$30,000 per year. The Employer contribution described in this subsection (fe) shall be contributed to the General Manager's Plan Account ratably for each payroll period occurring during the Plan Year; provided, however in the event the General Manager terminates employment during the Plan Year, the remaining balance of such contribution for such year shall be contributed in a lump-sum amount for the General Manager's final payroll period. Furthermore, such contribution is conditioned on the General Manager electing to defer to the San Francisco Bay Area Rapid Transit District's Deferred Compensation Plan, for each Plan Year, the maximum annual applicable dollar amount described in Code Sections 457(e)(15) and (18) (the "Maximum Deferral Amount"). In the event the General Manger does not, for any Plan Year, defer to the Deferred Compensation Plan the Maximum Deferral Amount, then any Employer contribution described in this subsection (fe), for such Plan Year, shall be forfeited from the General Manager's Plan Account.

(gf) On behalf of Participants who satisfy the eligibility requirements of the 2020 District Retirement Incentive Program ("DRIP"), an additional amount equal to one (1) week of normal, regular earnings, including regular salary or wages, excluding special payments ("base pay") per full year of BART service, capped at twenty (20) years, plus an additional four (4) weeks of base pay. Only base pay will be used to calculate the DRIP contribution described in this subsection (gf). The DRIP contribution will be paid to the Participant's Account in accordance with Article IV and Article V prior to the DRIP required separation from service date of March 21, 2021.

The contributions shall be paid in cash and allocated as described in Article IV of the Plan. The Trustee shall not be responsible for the collection of any contributions to the Trust Fund.

IN WITNESS WHEREOF, this Amendment No. Three to the Plan has been executed on this _____ day of _____, 2024.

SAN FRANCISCO BAY AREA RAPID
TRANSIT DISTRICT

By: _____
Its: Board President

**AMENDMENT NO. THREE TO THE
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
MONEY PURCHASE PENSION PLAN
(As restated effective September 1, 2019)**

The San Francisco Bay Area Rapid Transit District Money Purchase Pension Plan (as restated effective September 1, 2019) (the "Plan") is hereby amended as follows:

Effective January 3, 2024, Section 3.01 of the Plan, "Determination of Contribution," is hereby amended to delete subsection (e) as follows:

SECTION 3.01 Determination of Contribution. With respect to each Plan Year the Employer shall pay to the Trustee as its contribution to the Plan an amount equal to the sum of the following:

(a) 6.65% of the Compensation of each Participant for such Plan Year, provided, however, that in determining this portion of the contribution, the following shall not be taken into account:

(i) Compensation on or after January 1, 2010 and before July 1, 2013 of Participants who are represented by BART Police Managers Association;

(ii) Compensation on or after July 1, 2010 and before July 1, 2013 of Participants who are represented by BART Police Officers Association; and

(b) 1.627% of Payroll, provided, however, that in determining this portion of the contribution, the following shall not be taken into account:

(i) \$37 per month on or after March 1, 2014 for Participants who are members of Amalgamated Transit Union, Local 1555 or Service Employees International Union, Local 1021 and who participate in a District medical plan;

(ii) \$37 per month on or after February 1, 2014 for Participants who are members of American Federation of State, County and Municipal Employees, Local Union 3993 and who participate in a District medical plan;

(iii) An additional .0888% of Payroll on or after March 1, 2014 for Participants who are members of Amalgamated Transit Union, Local 1555 or Service Employees International Union, Local 1021;

(iv) An additional .0888% of Payroll on or after February 1, 2014 for Participants who are members of American Federation of State, County and Municipal Employees, Local Union 3993;

(v) Payroll of Participants who are members of the BART Police Officers Association and are sworn police officers with full peace officer powers pursuant to the California Penal Code;

- (vi) Payroll of Participants who are either the BART Chief of Police or are represented by the BART Police Managers Association and are sworn police officers with full peace officer powers pursuant to the California Penal Code;
 - (vii) Payroll on or after July 1, 1992 and before July 1, 2013 of Participants who are members of the BART Police Managers Association, other than sworn police officers with full peace officer powers pursuant to the California Penal Code;
 - (viii) Payroll on or after July 1, 1992 and before July 1, 2013 of Participants who are represented by the BART Police Officers Association other than sworn police officers with full peace officer powers pursuant to the California Penal Code; and
 - (ix) .0888% of Payroll on or after March 1, 2014 for non-represented Participants; and
- (c) From October 1, 2001, until the Employer's account within the California Public Employees' Retirement System (CalPERS) ceases to be "superfunded," as determined by CalPERS, 3.5% of the Reportable Compensation of non-represented Participants (other than the Chief of Police as of April 25, 2002) and of Participants who are members of the Amalgamated Transit Union, Local No. 1555, the Service Employees International Union, Local No. 790, the American Federation of State, County and Municipal Employees, Local No. 3993, the BART Police Officers' Association, or the BART Police Managers' Association, provided such members of the BART Police Officers Association and BART Police Managers' Association are also local miscellaneous members of CalPERS, provided further, however, that in determining this portion of the contribution, Reportable Compensation on or after July 1, 2003 and before July 1, 2004 of the following Participants shall not be taken into account: the General Manager, the Controller-Treasurer, the General Counsel, the District Secretary, the Deputy General Manager, the Executive Assistant to the General Manager, the Assistant General Managers of Administration and Operations, the Executive Managers of External Affairs, Planning & Budget, Transit System Compliance and Transit System Development, the Managing Director, Capitol Corridor, and members of the Service Employees International Union, Local 790, whose classifications are in the Clerical Subunit, but are not in the Professional Chapter
- (d) On behalf of the General Manager, for the five-year period beginning January 1, 2016 and ending December 31, 2020 (the "Payment Period"), an additional amount equal to \$36,000 per year. The Employer contribution described in this subsection (d) shall be contributed to the General Manager's Plan Account ratably for each payroll period occurring during the Payment Period. Furthermore, such contribution is conditioned on the General Manager electing to defer to the San Francisco Bay Area Rapid Transit District's Deferred Compensation Plan, for each Plan Year, the maximum annual applicable dollar amount described in Internal Revenue Code Sections 457(e)(15) and (18) (the "Maximum Deferral Amount").

In the event the General Manager does not, for any Plan Year, defer to the Deferred Compensation Plan the Maximum Deferral Amount, then any Employer contribution described in this subsection (d), for such Plan Year, shall be forfeited from the General Manager's Plan Account.

- (e) On behalf of the General Manager appointed July 25, 2019, an additional amount equal to \$30,000 per year. The Employer contribution described in this subsection (e) shall be contributed to the General Manager's Plan Account ratably for each payroll period occurring during the Plan Year; provided, however in the event the General Manager terminates employment during the Plan Year, the remaining balance of such contribution for such year shall be contributed in a lump-sum amount for the General Manager's final payroll period. Furthermore, such contribution is conditioned on the General Manager electing to defer to the San Francisco Bay Area Rapid Transit District's Deferred Compensation Plan, for each Plan Year, the maximum annual applicable dollar amount described in Code Sections 457(e)(15) and (18) (the "Maximum Deferral Amount"). In the event the General Manger does not, for any Plan Year, defer to the Deferred Compensation Plan the Maximum Deferral Amount, then any Employer contribution described in this subsection (e), for such Plan Year, shall be forfeited from the General Manager's Plan Account.
- (f) On behalf of Participants who satisfy the eligibility requirements of the 2020 District Retirement Incentive Program ("DRIP"), an additional amount equal to one (1) week of normal, regular earnings, including regular salary or wages, excluding special payments ("base pay") per full year of BART service, capped at twenty (20) years, plus an additional four (4) weeks of base pay. Only base pay will be used to calculate the DRIP contribution described in this subsection (f). The DRIP contribution will be paid to the Participant's Account in accordance with Article IV and Article V prior to the DRIP required separation from service date of March 21, 2021.

The contributions shall be paid in cash and allocated as described in Article IV of the Plan. The Trustee shall not be responsible for the collection of any contributions to the Trust Fund.

IN WITNESS WHEREOF, this Amendment No. Three to the Plan has been executed on this _____ day of _____, 2024.

SAN FRANCISCO BAY AREA RAPID
TRANSIT DISTRICT

By: _____
Its: Board President



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <div style="border: 1px solid black; padding: 2px; display: inline-block;"> DocuSigned by: <i>Michael Jones</i> 47000790F2D7463... </div>		GENERAL MANAGER ACTION REQ'D: Authorize expenditure of \$575,000 for up to eight Ford F-150 Lightning Pro Vehicles		
DATE: 12/7/2023 3/21/2024		BOARD INITIATED ITEM: No		
Originator/Prepared by: David Murphy Dept: Planning and Development <div style="border: 1px solid black; padding: 2px; display: inline-block;"> DocuSigned by: 43D0E413AD6D491... </div> Signature/Date: <div style="text-align: right;">3/14/2024</div>	General Counsel <div style="border: 1px solid black; padding: 2px; display: inline-block;"> DocuSigned by: <i>Jana Belan</i> F8FD7B3A73E74E8... </div> <div style="text-align: right;">3/15/2024 []</div>	Controller/Treasurer <div style="border: 1px solid black; padding: 2px; display: inline-block;"> DocuSigned by: <i>Chris Gan</i> EE11C8CEEEA04FD... </div> <div style="text-align: right;">3/14/2024 []</div>	District Secretary <div style="text-align: right;">[]</div>	BARC <div style="border: 1px solid black; padding: 2px; display: inline-block;"> DocuSigned by: <i>Shane Edwards</i> 8128A2EB2F014F3... </div> <div style="text-align: right;">3/15/2024 []</div>

Ford F-150 Lightning Pro Electric Vehicles

PURPOSE:

To seek Board authorization to procure up to eight (8) F-150 Lightning Pro Electric Extended Range vehicles from Downtown Ford of Sacramento, CA using State of California Vehicle Contract No. 1-22-23-20F for an amount not to exceed \$575,000.

DISCUSSION:

This proposed purchase of F-150 Lightning Pro Electric Extended Range vehicles will directly replace an equal number of Ford F-150 internal combustion engine (ICE) vehicles which have exceeded their serviceable life expectancy in accordance with District guidelines. Retired ICE vehicles will be removed from service and sold at an auction. The new electric vehicles are planned to be used by the Oakland Vehicle Shop, eLine, Logistics, and Rolling Stock and Shops for routine and emergency maintenance and for other District business as required throughout the Bay Area.

BART's Strategic Plan identifies Environment, Equity, and Economy as key goals. As part of its mission, BART is committed to integrating sustainability into its daily operations and future transit investments. In April 2017, the Board of Directors adopted an updated Sustainability Policy which frames BART's overarching sustainability actions and initiatives. In 2020, Governor Newsom issued Executive Order N-79-20, requiring California to phase out the sale of non-zero-emission vehicles by 2035, further reinforcing the state's long-term shift toward electric and other zero emission vehicles (ZEVs). This proposed procurement of electric vehicles is aligned with the Board's Sustainability Policy and moves BART forward in

compliance with the above Executive Order.

Local agencies and districts, including BART, are authorized to procure materials, equipment, and/or supplies from suppliers awarded statewide contracts in accordance with Section 10298 of the Public Contract Code. Historically, local agencies have realized significant cost and time savings by procuring automotive vehicles through the State's vehicle contract as a result of the volume discount that is provided to the State. These vehicles are currently available for purchase from Downtown Ford in Sacramento, CA and are available for delivery.

Pursuant to the District's Non-Federal Small Business Program, the Office of Civil Rights has determined that the District's Non-Federal Small Business Program is not applicable to this cooperative agreement. The District must utilize the services of Downtown Ford Sacramento, the designated service provider selected by the State of California Department of General Services. Therefore, no Small Business Prime Preference was set for this agreement.

Pursuant to the District's Non-Discrimination Program for Subcontracting, the Availability Percentages for this Contract are 5.5% for Minority Business (MBE's) and 2.8% for Women Business Enterprises (WBEs). Downtown Ford Sacramento will not be subcontracting any portion of the work and therefore, the provisions of the District's Non-Discrimination Program for Subcontracting do not apply.

CAPITAL FISCAL IMPACT:

Funding in the amount of \$575,000 for this electric vehicle procurement will come from the Electric Vehicle and EV Charging Station project, Project code 15JA004.

The table below lists total combined funding assigned to the above referenced projects and is included to track funding history against spending authority. Funds needed to meet this request will be expended from the following sources:

Source	Description	Fund Code	Amount
BART	Annual Capital Allocations- Sustainability Program	8602	\$2,000,000
		Total	\$2,000,000

As of January 19, 2024, the total project budget for projects, 15JA004, is \$2,000,000. BART has expended \$16,959; committed \$0; and reserved \$0 to date. This action will commit \$575,000 leaving an available fund balance of \$1,408,041 in the fund resource for

this project.

The Office of Controller/Treasurer certifies that funds are currently available to meet this obligation. This action is not anticipated to have any Fiscal Impact on unprogrammed District reserves.

ALTERNATIVES:

Do not authorize the General Manager to purchase replacement vehicles and maintain existing aging vehicles. This would result in higher vehicle maintenance, greater unscheduled vehicle downtime, higher operating costs, and will reduce staff's ability to maintain the System.

RECOMMENDATION:

Adopt the following motion.

MOTION:

The General Manager is authorized to procure up to eight (8) F-150 Lightning Pro electric vehicles from Downtown Ford of Sacramento, CA using State of California Contract No. 1-22-23-20F in an amount not to exceed \$575,000.



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <div style="float: right; border: 1px solid black; padding: 2px;"> <small>DocuSigned by:</small> <small>47000790F2D7463...</small> </div>		GENERAL MANAGER ACTION REQ'D: Authorize expenditure of \$375K for up to four Solar power EV charging stations		
DATE: 12/12/2023 3/21/2024		BOARD INITIATED ITEM: No		
Originator/Prepared by: David Murphy Dept: Planning and Development <div style="border: 1px solid black; padding: 2px; margin-top: 10px;"> <small>DocuSigned by:</small> <small>43D0E413AD6D491...</small> </div> Signature/Date: <div style="text-align: right;">3/14/2024</div>	General Counsel <div style="border: 1px solid black; padding: 2px; margin-top: 10px;"> <small>DocuSigned by:</small> <small>F8FD7B3A73E74E8...</small> </div> <div style="text-align: right;">3/15/2024 []</div>	Controller/Treasurer <div style="border: 1px solid black; padding: 2px; margin-top: 10px;"> <small>DocuSigned by:</small> <small>EE11C8CEEEA04FD...</small> </div> <div style="text-align: right;">3/14/2024 []</div>	District Secretary <div style="text-align: right;">[]</div>	BARC <div style="border: 1px solid black; padding: 2px; margin-top: 10px;"> <small>DocuSigned by:</small> <small>8128A2EB2F014F3...</small> </div> <div style="text-align: right;">3/15/2024 []</div>

Solar Powered Transportable Electric Vehicle (EV) Charging Station

PURPOSE:

To seek Board authorization to procure up to four (4) EV Arc 2020 solar powered transportable electric vehicle charging stations with a 40 kWh battery pack from Beam Global using the State of California Statewide Contract No. 1-22-61-16 for an amount not to exceed \$375,000.

DISCUSSION:

This proposed purchase of Beam Global solar powered transportable electric vehicle charging stations offer a sustainable way to quickly and easily deploy charging stations almost anywhere within the District with little or no site work required. These charging stations are designed to fit in an existing parking stall and can charge two vehicles at once. They can also be deployed, setup, and operational within one hour. The large 40 kWh battery pack can supply up to 5.8 kWh of power per hour allowing a typical EV to add approximately 23 miles of range per hour. The solar powered charging stations will assist the District become more sustainable and will help it transition to new energy vehicles. These charging stations will be initially deployed at the Hayward Maintenance Complex and E-Line Maintenance Facility (EMF).

BART's Strategic Plan identifies Environment, Equity, and Economy as key goals. As part of its mission, BART is committed to integrating sustainability into its daily operations and future transit investments. In April 2017, the Board of Directors adopted an updated Sustainability Policy which frames BART's overarching sustainability actions and initiatives. In 2020, Governor Newsom issued Executive Order N-79-20, requiring California to phase out the sale of non-zero-emission

vehicles by 2035, further reinforcing the State's long-term shift toward electric and other zero emission vehicles (ZEVs). This statewide contract is compliant with the State's Environmentally Preferable Purchasing (EPP) objectives for the procurement of goods and services that have a reduced impact on human health and the environment as compared to other goods and services serving the same purpose (Public Contract Code §12400-12404). This proposed procurement of solar powered electric vehicle chargers is aligned with the Board's Sustainability Policy and moves BART forward in compliance with the above executive order.

Local agencies and districts, including BART, are authorized to procure materials, equipment, and/or supplies from suppliers awarded statewide contracts in accordance with Section 10298 of the Public Contract Code. Historically, local agencies have realized significant cost and time savings by procuring items through the statewide contracts as a result of the volume discount that is offered to the State. This item is currently available for purchase from Beam Global and is available for local delivery in approximately 120 days.

Pursuant to the District's Non-Federal Small Business Program, the Office of Civil Rights has determined that the District's Non-Federal Small Business Program is not applicable to this cooperative agreement. The District must utilize the services of Beam Global, the designated service provider selected by the State of California Department of General Services. Therefore, no Small Business Prime Preference was set for this Agreement.

Pursuant to the District's Non-Discrimination Program for Subcontracting, the Availability Percentages for this Contract are 5.5% for Minority Business Enterprises (MBEs) and 2.8% for Women Business Enterprises (WBEs). Beam Global will not be subcontracting any portion of the Work and therefore, the provisions of the District's Non-Discrimination Program for Subcontracting do not apply.

FISCAL IMPACT:

Funding for this procurement of four electric vehicle charging stations in the amount of \$375,000 will come from the Electric Vehicle and EV Charging Station Project, project ID code 15JA004.

The table below lists total combined funding assigned to the above referenced projects and is included to track funding history against spending authority. Funds needed to meet this request will be expended from the following sources:

Source	Description	Fund Code	Amount
BART	Annual Capital Allocations- Sustainability Program	8602	\$2,000,000

	Total	\$2,000,000
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As of January 22, 2024, the total project budget for projects, 15JA004, is \$2,000,000. BART has expended \$16,959; committed \$0; and reserved \$575,000 to date. This action will commit \$375,000 leaving an available fund balance of \$1,033,041 in the fund resource for this project.

The Office of Controller/Treasurer certifies that funds are currently available to meet this obligation. This action is not anticipated to have any Fiscal Impact on unprogrammed District reserves.

ALTERNATIVES:

Do not authorize the General Manager to purchase solar powered electric vehicle charging stations and slow the transition to new energy vehicles resulting in greater environmental impacts and increased vehicle operating costs.

RECOMMENDATION:

Adopt the following motion.

MOTION:

The General Manager is authorized to procure up to four (4) EV Arc 2020 transportable solar powered electric vehicle charging stations from Beam Global utilizing State of California Statewide Contract No. 1-22-61-16 in an amount not to exceed \$375,000.



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <div style="border: 1px solid black; padding: 2px; display: inline-block;"> DocuSigned by: <i>Michael Jones</i> 47000790F2D7463... </div>		GENERAL MANAGER ACTION REQ'D: Yes		
DATE: 3/13/2024 3/21/2024		BOARD INITIATED ITEM: No		
Originator/Prepared by: Michael Wong Dept: PM/CM - Facilities <div style="border: 1px solid black; padding: 2px; display: inline-block;"> DocuSigned by: <i>Michael Wong</i> 30CB20F33DFB42A... </div> Signature/Date: <div style="text-align: right;">3/20/2024</div>	General Counsel <div style="border: 1px solid black; padding: 2px; display: inline-block;"> DocuSigned by: <i>Raymond K. Zema</i> AC4833F2CF9B4C5... </div> <div style="text-align: right;">3/20/2024 []</div>	Controller/Treasurer <div style="border: 1px solid black; padding: 2px; display: inline-block;"> DocuSigned by: <i>Chris Gan</i> EE11C8CEEEA04FD... </div> <div style="text-align: right;">3/20/2024 []</div>	District Secretary <div style="text-align: right;">[]</div>	BARC <div style="border: 1px solid black; padding: 2px; display: inline-block;"> DocuSigned by: <i>Shane Edwards</i> 8128A2EB2F014F3... </div> <div style="text-align: right;">3/20/2024 []</div>

Procurement of Fare Gates, Change Orders for Fare Gate Enhancements

PURPOSE:

To obtain Board authorization for the General Manager to execute Change Orders with STraffic America, LLC, Vienna, Virginia, for Fare Gate Enhancements in an amount not to exceed \$3,600,000.

DISCUSSION:

These Change Orders will allow BART to incorporate design changes into the Next Generation Fare Gates which will enhance the performance of the originally designed fare gates.

During the design phase, one of the main concerns was the durability and maintainability of STraffic's barrier doors. STraffic originally proposed a laminated glass barrier, however, after consideration of past experience and concerns regarding potential vandalism and damage, STraffic offered three different fare gate material options. These prototype options included (1) full polycarbonate, (2) metal frame with a perforated metal insert, and (3) metal frame with a polycarbonate insert, all of which were installed at West Oakland station. Based on evaluation and feedback received, project staff have concluded to proceed with STraffic's Option 3, metal frame with a polycarbonate insert material, which provides a stiff and firm fare gate barrier door.

Additionally, to further improve fare evasion deterrence efforts, STraffic designed a mechanical door braking system to be integrated into the barrier door which works towards significantly improving resistance of constant push-through event. The proposed mechanism, retrofitted into one of the West Oakland prototype gates has shown tremendous improvement. Implementing these Change Orders now will allow remaining fare gate installations throughout the BART system to include this additional feature.

The Office of the General Counsel will review and approve these Change Orders as to form prior to execution. The Procurement department will review these Change Orders for compliance with its procedures.

FISCAL IMPACT:

Funding in the amount of \$3,600,000 for the award of STraffic's Fare Gate Barrier Material Panel and Mechanical Locking Mechanism contract change order is included in the combined budgets for projects 47CJ112/47CJ012 Next Generation Fare Gates 1 and 2.

The table below lists funding assigned to the referenced project and is included to track funding history against spending authority.

As of March 8, 2024, \$76,531,469 has been secured for the Next Generation Fare Gates project. Of that amount, \$32,771,799 has been allocated to the project and \$43,759,670 is yet to be allocated to the project. An additional \$13,468,531 is planned and not yet secured. The \$90,000,000 funding plan is shown below:

Fund Source	Total Secured Funds	Secured/ Allocated Funds	Secured/ Unallocated Funds	Unsecured/ Planned Funds	Total Forecast Funds
Federal Formula, Earmark and OBAG2 Funds	16,046,799	16,046,799	-	-	16,046,799
State STIP, Earmark and AHSC funds	17,282,047	-	17,282,047	-	17,282,047
County and Local Funds	43,202,623	16,725,000	26,477,623	13,468,531	56,671,154
Total	\$76,531,469	\$32,771,799	\$43,759,670	\$13,468,531	\$90,000,000

The following is the project expenditures summary as of March 8, 2024, for the Next Generation Fare Gate project:

Total Project Estimate	\$ 90,000,000
Secured Funding	\$76,531,469
Expense to Date	\$15,370,681
Encumbrances	\$8,524,103
Reserved	\$ 6,270,676

This Action	\$3,600,000
Remaining Balance	\$ 42,766,009

This action is not anticipated to have any Fiscal Impact on unprogrammed District Reserves.

ALTERNATIVES:

Decline to authorize the procurement of the Fare Gate Enhancements (barrier material selection and mechanical locking mechanism) as proposed. The new fare gates can utilize the other two barrier door material options described above and decline to add the mechanical locking mechanism. Such options will not lead to effectiveness in enhancing fare evasion deterrence, and security.

RECOMMENDATION:

That the Board adopt the following motion.

MOTION:

Authorize the General Manager to execute Change Orders with STraffic America, LLC for an amount not to exceed \$3,600,000 for Next Generation Fare Gates.

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

MEMORANDUM

TO: Board of Directors

DATE: March 21, 2024

FROM: General Manager

SUBJECT: Federal and State Legislation for Consideration

At the March 28, 2024, Board of Directors meeting, staff will present federal and state legislation for your consideration. An update on two-year bills with a Board position and BART's sponsored legislation will also be provided.

The new legislation presented has a nexus to BART policies or programs and aligns with the Board's adopted Legislative Advocacy Program for 2024.

Attached are staff's analyses and text for each bill. Following the staff presentation, a request will be made of the Board to consider passing the draft motion shown below.

LEGISLATION FOR CONSIDERATION AND ACTION

SUPPORT

H.R. 7039 (H. Johnson)
AB 817 (Pacheco)
AB 2302 (Addis)
SB 1227 (Wiener)

The Stronger Communities Through Better Transit Act
Open meetings: teleconferencing: subsidiary body
Open meetings: local agencies: teleconferencing
Housing: San Francisco: downtown revitalization zone:
welfare tax and California Environmental Quality Act
(CEQA) exemptions

SUPPORT AND SEEK AMENDMENTS

SB 1031 (Wiener and Wahab)

The Connect Bay Area Act

If you have any questions, please contact Rodd Lee, Assistant General Manager of External Affairs, at (510) 464-6235.


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Robert M. Powers

Attachments

cc: Board Appointed Officers
Deputy General Manager
Executive Staff

DRAFT MOTIONS:

- 1) The Board of Directors supports H.R. 7039, AB 817, AB 2302, and SB 1227.
- 2) The Board of Directors supports and authorizes staff to seek amendments on SB 1031.

H.R. 7039 (Johnson) Analysis and Recommendation

TITLE: The Stronger Communities through Better Transit Act

AUTHORS: Rep. Hank Johnson (D-GA)

CO-SPONSORS: 101 co-sponsors including the following from BART's service area: Reps. Pelosi, DeSaulnier, Khanna, Lee, Lofgren, and Mullin.

RECOMMENDATION: Support

BACKGROUND: The COVID-19 pandemic and subsequent recovery have highlighted that public transit is essential to our local economy and the lives of millions of people across the Bay Area. Essential workers, small businesses, and marginalized communities depend on public transit and BART is a key component to our region's economic recovery and environmental sustainability. Due to low return-to-office rates and public perceptions of transit, BART has only recovered approximately 42% of its pre-pandemic ridership. The resulting loss of fare revenue has contributed to an annual operating deficit averaging \$300 million. Federal, state, and regional funding will avert BART's fiscal cliff through Fiscal Year 2026; however, after that point additional operating assistance will need to be secured.

PURPOSE: House Resolution (H.R.) 7039, known as The Stronger Communities Through Better Transit Act, would create a new formula grant program under the Department of Transportation to provide \$20 billion annually over four years (\$80 billion total) for projects that make substantial improvement to transit service. Up to 50% of project costs could be covered and operating costs are an eligible expense.

Funding would be available to projects that:

- Decrease headways and expand service area/hours/days
- Improve reliability and travel times, including transit priority lanes
- Upgrade technology for real-time information and safety
- Connect different transit systems and improve signage/fare coordination
- Plan for future needs based on demographics and travel patterns
- Measure access to jobs and essential services for non-drivers
- Enhance safety and security, including outreach to vulnerable populations
- Improve the transit environment (cleaning)
- Develop the transit agency's workforce

The grant formula allocates to each state an amount equal to 50% of its constituent agencies' operating costs over the three-year period preceding each fiscal year, and each urbanized area, as defined, would receive 50% of the area's average annual operating costs over the preceding three-year period, based on data contained in the National Transit Database. Annually, California could receive approximately \$3 billion, and the nine-county Bay Area region approximately \$1.03 billion, according to an analysis by the National Campaign for Transit Justice.

DISTRICT IMPACT: Several BART projects and initiatives could qualify for funding under the bills proposed categories. Examples include, but are not limited to, the hiring of critical operations staff, BART's Safe & Clean efforts, fare coordination, and wayfinding improvements. Project costs, including operating costs, could receive up to a 50% federal cost share.

KNOWN SUPPORT/OPPOSITION: Support: Community Transportation Association of America (CTAA), Natural Resources Defense Council (NRDC), Transportation for America, Environment America, Alliance for a Just Society, San Francisco Transit Riders, Move LA/Move CA, Active Transportation Alliance, Amalgamated Transit Union (ATU), National Association of City Transportation Officials

118TH CONGRESS
2D SESSION

H. R. 7039

To amend title 49, United States Code, to establish a program to provide grants to eligible recipients for eligible operating support costs of public transportation, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 18, 2024

Mr. JOHNSON of Georgia (for himself, Ms. ADAMS, Mr. AUCHINCLOSS, Ms. BARRAGA ´N, Mrs. BEATTY, Mr. BISHOP of Georgia, Mr. BLUMENAUER, Ms. BLUNT ROCHESTER, Mr. BOWMAN, Mr. BOYLE of Pennsylvania, Ms. BROWN, Ms. BUSH, Mr. C ´ARDENAS, Mr. CARSON, Mrs. CHERFILUS-McCORMICK, Mr. COHEN, Mr. DAVIS of Illinois, Ms. DELBENE, Mr. ESPAILLAT, Mr. EVANS, Mrs. FOUSHEE, Mr. FROST, Mr. GARC ´IA of Illinois, Ms. GARCIA of Texas, Mr. GOLDMAN of New York, Mr. GOMEZ, Mr. GRIJALVA, Ms. NORTON, Mr. HUFFMAN, Mr. IVEY, Mr. JACKSON of Illinois, Ms. JACKSON LEE, Ms. JAYAPAL, Ms. KAMLAGER-DOVE, Mr. KRISHNAMOORTHY, Ms. LEE of California, Ms. LEE of Pennsylvania, Mr. LYNCH, Ms. MCCLELLAN, Ms. MENG, Ms. MOORE of Wisconsin, Mr. MOULTON, Mr. MULLIN, Mr. NADLER, Mrs. NAPOLITANO, Ms. OCASIO-CORTEZ, Ms. OMAR, Mr. PAYNE, Ms. PELOSI, Ms. ROSS, Mr. RUPPERS-BERGER, Ms. SALINAS, Ms. S ´ANCHEZ, Ms. SCHAKOWSKY, Mr. SCHIFF, Ms. STANSBURY, Mr. THANEDAR, Ms. TITUS, Ms. TLAIB, Mr. TORRES of New York, Mr. VARGAS, Mr. VASQUEZ, Ms. VELA ´ZQUEZ, Mrs. WATSON COLEMAN, Ms. WILSON of Florida, and Ms. PORTER) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure

A BILL

To amend title 49, United States Code, to establish a program to provide grants to eligible recipients for eligible operating support costs of public transportation, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Stronger Communities
5 through Better Transit Act”.

6 **SEC. 2. HIGH QUALITY TRANSIT OPERATING SUPPORT PRO-**
7 **GRAM.**

8 (a) IN GENERAL.—Chapter 53 of title 49, United
9 States Code, is amended by inserting after section 5307
10 the following:

11 **“§ 5308. High quality transit operating support pro-**
12 **gram**

13 “(a) IN GENERAL.—The Secretary of Transportation
14 shall establish a program under which the Secretary may
15 make grants to eligible recipients to enhance mobility and
16 improve environmental sustainability through investing in
17 public transportation service improvements.

18 “(b) ALLOCATION OF FUNDING.—For each fiscal
19 year, the Secretary shall allocate funding as follows:

20 “(1) Each urbanized area, State, and Indian
21 Tribe that is an eligible recipient shall receive an ap-
22 portionment based on data contained in the National
23 Transit Database such that—

24 “(A) each urbanized area shall receive an
25 amount equal to 50 percent of the urbanized

1 area's average annual operating costs over the
2 3-year period preceding such fiscal year;

3 “(B) each State shall receive an amount
4 equal to 50 percent of the subrecipients in such
5 State under section 5311 average operating
6 costs over the 3-year period preceding such fis-
7 cal year; and

8 “(C) each Indian Tribe shall receive an
9 amount equal to 50 percent of the Indian
10 Tribe's average operating costs over the 3-year
11 period preceding such fiscal year.

12 “(2) For funds remaining after the apporportion-
13 ment described in paragraph (1), such funds shall be
14 apportioned such that each urbanized area, State,
15 and Indian Tribe that is an eligible recipient shall
16 receive an apportionment equal to the proportion of
17 all operating costs reported to the National Transit
18 Database over the 3-year period preceding the fiscal
19 year in which such funds are apportioned.

20 “(3) In any given year, no urbanized area,
21 State, or Indian Tribe may receive an apportionment
22 under this subsection that is greater than 80 percent
23 of the average operating costs over the 3-year period
24 preceding the fiscal year in which such funds are ap-
25 portioned.

1 “(c) ELIGIBLE PROJECTS.—

2 “(1) IN GENERAL.—Eligible recipients may use
3 funding provided under this section for operating
4 costs associated with projects eligible under this
5 chapter and title 23 that improve public transpor-
6 tation service for transit dependent populations and
7 support increased transit ridership, including—

8 “(A) projects that decrease headways;

9 “(B) projects for new or expanded service
10 area, hours, or days;

11 “(C) projects to improve transit reliability
12 or travel time savings, including transit
13 prioritization;

14 “(D) IT enhancements to improve cus-
15 tomer information and customer and employee
16 safety such as implementation of real-time tran-
17 sit data;

18 “(E) projects to support seamless complete
19 trips, including—

20 “(i) projects to improve transit net-
21 work connectivity;

22 “(ii) signage and wayfinding;

23 “(iii) fare coordination; and

24 “(iv) multimodal payment integration;

1 “(F) service planning related to funding
2 provided under this section, including planning
3 to address changing demographics, changing
4 travel movement, network redesign (including
5 the implementation of a plan that results in a
6 net increase in service hours across a region,
7 subregion, or study area), and accommodating
8 essential service trips (including service trips
9 for employment, healthcare facilities, child care,
10 education and workforce training, food sources,
11 banking and other financial institutions, and
12 other retail shopping establishments);

13 “(G) measuring access to work and essen-
14 tial services, particularly for non-drivers, for the
15 purpose of developing projects to be funded
16 under this section, including data acquisition
17 and acquiring outside support for conducting
18 analysis of such data;

19 “(H) measures to enhance customer sense
20 of safety and security, including public safety
21 measures and outreach to unhoused persons in
22 the transit system;

23 “(I) initiatives to improve the transit envi-
24 ronment, such as additional or enhanced clean-
25 ing; and

1 “(J) workforce development initiatives nec-
2 essary to improve or maintain service.

3 “(2) NO EFFECT ON OTHER LAWS.—The use of
4 funds from this section for operating costs of
5 projects described in paragraph (1) may not affect
6 the eligibility of such projects to receive funding
7 from other sections of this chapter or title 23.

8 “(d) REQUIREMENT.—A preponderance of a grant
9 received by a recipient under this section in a fiscal year
10 shall be used for projects that benefit underserved commu-
11 nities or areas of persistent poverty.

12 “(e) FEDERAL SHARE.—

13 “(1) IN GENERAL.—The Federal share of a
14 project or program carried out using a grant award-
15 ed under this section shall be not greater than 50
16 percent.

17 “(2) FEDERAL SHARE FOR OPERATING EX-
18 PENSES.—In the case that a project includes both
19 operating components funded from this section and
20 non-operating components, the Federal share for op-
21 erating components shall be 50 percent and for non-
22 operating components shall be consistent with the
23 requirements of the funding source for those compo-
24 nents.

1 “(3) INCREASED FEDERAL SHARE FOR CERTAIN
2 AREAS.—Notwithstanding paragraph (2), the Fed-
3 eral share of an operating assistance component of
4 a project or program carried out in an area of per-
5 sistent poverty or an underserved community using
6 a grant awarded under this section shall be not
7 greater than 80 percent.

8 “(4) FEDERAL SHARE FOR INDIAN TRIBES.—
9 Notwithstanding paragraphs (1) through (3), for In-
10 dian Tribes receiving funding allocated under sub-
11 section (b)(1)(C), the Federal share of a project or
12 program carried out using a grant awarded under
13 this section shall be 100 percent.

14 “(5) IN KIND MATCH.—Of the non-Federal
15 share required under this subsection, 25 percent
16 may be derived from amounts (other than amounts
17 received from the Federal Transit Administration)
18 expended for associated capital improvements related
19 to a project or program carried out using a grant
20 awarded under this section.

21 “(f) PERIOD OF AVAILABILITY.—An amount appor-
22 tioned under this section may be obligated by the recipient
23 for 2 years after the fiscal year in which the amount is
24 apportioned. Not later than 30 days after the end of the
25 2-year period, an amount that is not obligated at the end

1 of that period shall be added to the amount that may be
2 apportioned under this section in the following fiscal year.

3 “(g) CONDITIONS FOR OPERATING ASSISTANCE.—As
4 a condition of receiving a grant under this section, an eli-
5 gible recipient shall—

6 “(1) in the case of a recipient in an urbanized
7 area—

8 “(A) agree to report to the Federal Transit
9 Administration, for inclusion in the National
10 Transit Database—

11 “(i) service frequency and revenue ve-
12 hicle hours, including revenue vehicle hours
13 and unlinked passenger trips originating
14 and terminating in areas of persistent pov-
15 erty and underserved communities, to-
16 gether with such other specific data as the
17 Secretary shall find necessary and appro-
18 priate; and

19 “(ii) the number of jobs and essential
20 services accessible by transit, and improve-
21 ment in such access, including specific re-
22 porting on access by transit for areas of
23 persistent poverty and underserved com-
24 munities; and

1 “(B) demonstrate that such recipient has
2 surveyed, within the past year and at least
3 every 2 years thereafter, current transit riders
4 as well as non-riding residents of areas of per-
5 sistent poverty and underserved communities
6 regarding transit service improvements, using
7 means designed to maximize participation from
8 both riders and non-riders, and has published
9 the survey in an online format;

10 “(2) in the case of a recipient that is an Indian
11 Tribe—

12 “(A) agree to report to the Federal Transit
13 Administration, for inclusion in the National
14 Transit Database, revenue vehicle hours and
15 unlinked passenger trips, together with such
16 other specific data as the Secretary shall find
17 necessary and appropriate; and

18 “(B) demonstrate that such recipient has
19 surveyed, within the past year and at least
20 every 2 years thereafter, current transit riders
21 as well as non-riding residents of the Tribe’s
22 service area regarding transit service improve-
23 ments, using means designed to maximize par-
24 ticipation from both riders and non-riders, and

1 has published the survey in an online format;
2 and

3 “(3) in the case of a recipient that is a State
4 or other possession receiving assistance under sec-
5 tion 5311—

6 “(A) agree to report to the Federal Transit
7 Administration, for inclusion in the National
8 Transit Database, revenue vehicle hours for
9 each subrecipient receiving assistance under
10 this section, including revenue vehicle hours and
11 unlinked passenger trips originating and termi-
12 nating in areas of persistent poverty and under-
13 served communities, together with such other
14 specific data as the Secretary shall find nec-
15 essary and appropriate;

16 “(B) provide an annually updated report to
17 the Secretary identifying those underserved
18 communities and areas of persistent poverty in
19 the non-urbanized areas of the State or posses-
20 sion that do not have any reported public tran-
21 sit services, or in which either the availability or
22 utilization of rural public transit is in the bot-
23 tom quintile as compared to all rural public
24 transit services in the United States, using such
25 measurements as shall be identified by the Sec-

1 retary, together with annually updated progress
2 toward achieving the State’s or possession’s
3 strategy for establishing high-quality transit
4 service in these unserved and underserved com-
5 munities and areas of persistent poverty; and

6 “(C) demonstrate that every subrecipient
7 of the State or possession has surveyed, within
8 the past year and at least every 2 years there-
9 after, current transit riders as well as non-
10 riding residents of areas of persistent poverty
11 and underserved communities within the sub-re-
12 cipient’s service area regarding transit service
13 improvements, using means designed to maxi-
14 mize participation from both riders and non-rid-
15 ers, and has published the survey in an online
16 format.

17 “(h) REGULATIONS.—Not later than 1 year after the
18 date of enactment of this section, the Secretary shall issue
19 such regulations as are necessary to carry out the program
20 established under subsection (a), including defining the
21 terms ‘preponderance of a grant’, and ‘access to jobs and
22 essential service’ for purposes of this section and taking
23 into account any necessary difference in the definition of
24 such terms required for urbanized areas, rural areas lo-
25 cated near urbanized areas, and remote rural areas.

1 “(i) ACCESS MEASUREMENT.—

2 “(1) IN GENERAL.—In carrying out the pro-
3 gram under this section, the Secretary shall set up
4 a multimodal access measurement interface that is
5 open to any public agency through the program
6 under section 5505 to aid transit agencies in deter-
7 mining and reporting on access to jobs and essential
8 services.

9 “(2) INTERIM DATA.—Until the access meas-
10 urement interface under paragraph (1) is estab-
11 lished, an eligible recipient may use other data
12 sources to determine and report on access to jobs
13 and essential services.

14 “(j) MAINTENANCE OF EFFORT.—

15 “(1) IN GENERAL.—Not later than 30 days
16 after the beginning of each fiscal year, recipients of
17 funds under this section shall certify to the Sec-
18 retary that such recipients will, with funding pledged
19 by all sources, maintain effort with regard to transit
20 service. As part of such certification, the transit
21 agency shall submit to the Secretary a statement
22 identifying the amount of funds from all sources
23 (other than funds provided under this section and
24 related non-Federal match) expended on transit op-
25 erations during the prior fiscal year, and the amount

1 expected to be expended on transit operations from
2 all sources during the current fiscal year.

3 “(2) FAILURE TO MAINTAIN EFFORT.—If a re-
4 cipient of funds under this section is unable to main-
5 tain the level of effort certified pursuant to para-
6 graph (1) for any fiscal year, the amount such re-
7 cipient would have received under this section in the
8 following fiscal year shall be reduced by one-third.

9 “(k) RULE OF CONSTRUCTION.—Nothing in this sec-
10 tion shall be construed to prevent an eligible recipient
11 from increasing service through the use of any other Fed-
12 eral or non-Federal funds.

13 “(l) AUTHORIZATION OF APPROPRIATIONS.—There is
14 authorized to be appropriated to carry out this section
15 \$20,000,000,000 for each of fiscal years 2024 through
16 2027.

17 “(m) DEFINITIONS.—In this section:

18 “(1) AREAS OF PERSISTENT POVERTY.—The
19 term ‘area of persistent poverty’ means—

20 “(A) a county that has consistently had
21 greater than or equal to 20 percent of the pop-
22 ulation of such county living in poverty during
23 the most recent 30-year period for which data
24 is available, as measured by the 1990 and 2000
25 decennial censuses; or

1 “(B) a census tract with a poverty rate of
2 at least 20 percent as measured by the 2014
3 through 2018 5-year data series available from
4 the American Community Survey of the Bureau
5 of the Census.

6 “(2) ASSOCIATED CAPITAL IMPROVEMENTS.—
7 The term ‘associated capital improvements’ means a
8 capital project described in subparagraphs (B)
9 through (G) of section 5302(4).

10 “(3) ELIGIBLE RECIPIENT.—The term ‘eligible
11 recipient’ means a recipient or subrecipient of funds
12 under section 5307 or 5311.

13 “(4) UNDERSERVED COMMUNITY.—The term
14 ‘underserved community’ means—

15 “(A) a census tract or block numbering
16 area in which the median income does not ex-
17 ceed 80 percent of the area median income;

18 “(B) families with income not greater than
19 100 percent of the area median income that re-
20 side in minority census tracts;

21 “(C) families with income not greater than
22 100 percent of the area median income that re-
23 side in areas affected by disasters, as deter-
24 mined by the Administrator of the Federal
25 Transit Administration;

1 “(D) a census tract that has a minority
2 population of at least 30 percent or a median
3 income of less than 100 percent of the area me-
4 dian income;

5 “(E) a community that has low access to
6 jobs and essential services, as determined by
7 the Secretary; or

8 “(F) a census block or group of geographi-
9 cally contiguous census blocks in which the pop-
10 ulation of any racial or ethnic minority individ-
11 uals, individually or in combination, comprises
12 30 percent or more of the population of persons
13 in the census block or group of geographically
14 contiguous census blocks.”.

15 (b) FEDERAL TRANSIT PROGRAM GENERAL PUR-
16 POSES.—Section 5301(b) of title 49, United States Code,
17 is amended by adding at the end the following:

18 “(9) support public transportation’s role in
19 combating climate change through growing/retaining
20 transit ridership.”.

21 (c) APPLICABILITY OF LAW.—The Secretary of
22 Transportation shall ensure that the requirements of sec-
23 tion 5333 of title 49, United States Code, are applied to
24 section 5308 of such title (as added by subsection (a)).

1 (d) GAO REPORT.—Not later than 4 years after the
2 date of enactment of this Act, the Comptroller General
3 of the United States shall submit to the Committee on
4 Transportation and Infrastructure of the House of Rep-
5 resentatives and the Committee on Banking, Housing, and
6 Urban Affairs of the Senate a report that reviews the out-
7 comes of the program established under section 5308 of
8 title 49, United States Code, as added by subsection (a),
9 including new service produced and improvements in ac-
10 cess to work and essential services, particularly for areas
11 of persistent poverty and underserved communities.

12 (e) CLERICAL AMENDMENT.—The analysis for chap-
13 ter 53 of title 49, United States Code, is amended by in-
14 serting after the item relating to section 5307 the fol-
15 lowing:

“5308. High quality transit operating support program.”.

16 (f) SENSE OF CONGRESS.—It is the sense of Con-
17 gress that capital funding for transit should be increased.

18 **SEC. 3. INCREASED FEDERAL SHARE OF OPERATING COSTS**
19 **FOR RURAL AREAS.**

20 Section 5311(g)(2) of title 49, United States Code,
21 is amended to read as follows:

22 “(2) OPERATING ASSISTANCE.—A grant made
23 under this section for operating assistance may not

17

- 1 exceed 80 percent of the net operating costs of the
- 2 project, as determined by the Secretary.”.

○

AB 817 (Pacheco) Analysis and Recommendation

TITLE: Open meetings: teleconferencing: subsidiary body

AUTHOR: Assemblymember Pacheco (D-Downey)

CO-AUTHOR: Assemblymember Wilson (D-Suisun City)

SPONSORS: California Association of Recreation and Parks Districts, League of California Cities, Urban Counties of California, Rural County Representatives of California, California State Association of Counties, California Association of Public Authorities for In-Home Supportive Services

RECOMMENDATION: Support

BACKGROUND: The Ralph M. Brown Act (the Brown Act) requires that all meetings of a legislative body of a local agency be open and public and that all persons be permitted to attend and participate. The Brown Act also requires that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public.

AB 2449 (Chapter 285, Statutes of 2022) authorizes, until January 1, 2026, a legislative body of a local agency to use alternative teleconferencing in specified circumstances if at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda, that is open to the public, and situated within the boundaries of the territory over which the local agency exercises jurisdiction. AB 2449 prescribes other requirements including a limit on the number of meetings a member may participate in solely by teleconference from a remote location.

PURPOSE: AB 817 would authorize, until January 1, 2026, a subsidiary body, defined as one that serves in an advisory capacity and is not empowered with decision making authority, to use teleconferencing provisions without complying with certain requirements of the Brown Act related to posting of agendas at each location, identifying each teleconference location, public accessibility, and quorum. To use teleconferencing pursuant to this bill, the legislative body that established the subsidiary body is required to make specified findings by majority vote before the subsidiary body uses teleconferencing for the first time and every 12 months thereafter.

According to the bill sponsors, local governments across the state have faced an ongoing challenge to recruit and retain members of the public on advisory bodies, boards, and commissions. This bill is intended to remove barriers for individuals who could not otherwise accommodate the time, distance, or mandatory physical participation requirements to serve on these bodies, providing access to leadership opportunities and more diverse input on critical issues.

DISTRICT IMPACT: AB 817 would allow applicable Brown Act subsidiary bodies within BART, such as certain advisory committees, advisory councils, and task forces, to utilize alternative teleconferencing provisions, while still providing a means for the public to observe and provide comment. The bill would help address ongoing recruitment issues and avoid the need to cancel meetings due to a lack of a quorum of members physically present at the meeting location.

KNOWN SUPPORT/OPPOSITION: Support: Bill sponsors in addition to AARP, Agency on Aging, Alameda County Transportation Commission, Association of California School Administrators, Association of California Healthcare Districts, Bay Area Air Quality Management District, Bay Area Digital Inclusion Coalition, California Air Pollution Control Officers Association, California Association of Clerks & Election Officials, California Association of Councils of Governments, California Association of Public Authorities for IHSS, California Commission on Aging, California Municipal Utilities Association, California Special

(NACTO), Disability Rights Education & Defense Fund, Transport Workers Union of America (TWU), Atlanta Bicycle Coalition, Transportation Equity Caucus, Center for Disability Rights, Smart Growth America, Dream Corps Green For All, Transportation Trades Department, AFL-CIO, Sierra Club, Center for Neighborhood Technology, Union of Concerned Scientists, Southern Environmental Law Center (SELC), Labor Network for Sustainability. No known opposition.

STATUS: H.R. 7039 has been referred to the House Committee on Transportation and Infrastructure.

Districts Association, City Clerks Association of California, Disability Rights California, Disability Rights Education & Defense Fund, Los Angeles County Division, League of California Cities, Los Angeles County Metropolitan Transportation Authority, Los Angeles County Sanitation Districts, Napa Valley Transportation Authority, Orange County Transportation Authority, Peninsula Traffic Congestion Relief Alliance (COMMUTE.ORG), Sacramento Area Council of Governments, San Gabriel Valley Council of Governments, San Mateo County Board of Supervisors, San Mateo County Transit District, San Mateo County-city/county Association of Governments, Santa Barbara County Association of Governments, Sonoma Clean Power, Sonoma County Transportation Authority, Tuolumne County Board of Supervisors, Village Movement California, Water Replenishment District of Southern California, and several local jurisdictions.

Opposition: ACLU California Action, California Broadcasters Association, California Common Cause California News Publishers Association, Californians Aware, First Amendment Coalition, Howard Jarvis Taxpayers Association, Leadership Council for Justice and Accountability, National Press Photographers Association, Association of LGBTQ+ Journalists; Northern California Society of Professional Journalists; Radio Television Digital News Association; San Diego Pro Chapter of The Society of Professional Journalists; Society of Professional Journalists, Greater Los Angeles Chapter; Society of Professional Journalists, Northern California Chapter

STATUS: Passed the Assembly (54-8) on January 25 and pending policy committee referral in the Senate.

AMENDED IN ASSEMBLY JANUARY 17, 2024

AMENDED IN ASSEMBLY MARCH 16, 2023

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

ASSEMBLY BILL

No. 817

**Introduced by Assembly Member Pacheco
(Coauthor: Assembly Member Wilson)**

February 13, 2023

An act to add *and repeal* Section 54953.05 ~~to~~ of the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 817, as amended, Pacheco. Open meetings: teleconferencing: subsidiary body.

Existing law, the Ralph M. Brown Act, requires, with specified exceptions, each legislative body of a local agency to provide notice of the time and place for its regular meetings and an agenda containing a brief general description of each item of business to be transacted. The act also requires that all meetings of a legislative body be open and public, and that all persons be permitted to attend unless a closed session is authorized. The act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Existing law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction.

~~Existing law, until January 1, 2024, law~~ authorizes the legislative body of a local agency to use alternate teleconferencing provisions during a proclaimed state of emergency ~~or in other situations related to public health that exempt a legislative body from the general requirements~~ (emergency provisions) ~~and impose and, until January 1, 2026, in certain circumstances related to the particular member if at least a quorum of its members participate from a singular physical location that is open to the public and situated within the agency's jurisdiction and other requirements are met (nonemergency provisions).~~ Existing law imposes different requirements for notice, agenda, and public participation, as ~~prescribed. The emergency provisions specify that they do not require a legislative body to provide a physical location from which the public may attend or comment.~~ *prescribed, when a legislative body is using alternate teleconferencing provisions. The nonemergency provisions impose restrictions on remote participation by a member of the legislative body and require the legislative body to specific means by which the public may remotely hear and visually observe the meeting.*

~~Existing law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in certain circumstances related to the particular member if at least a quorum of its members participate from a singular physical location that is open to the public and situated within the agency's jurisdiction and other requirements are met, including restrictions on remote participation by a member of the legislative body.~~

~~This bill~~ *bill, until January 1, 2026,* would authorize a subsidiary body, as defined, to use *similar* alternative teleconferencing provisions similar to the emergency provisions indefinitely and without regard to ~~a state of emergency, and would impose requirements for notice, agenda, and public participation, as prescribed.~~ In order to use teleconferencing pursuant to this act, the bill would require the legislative body that established the subsidiary body by charter, ordinance, resolution, or other formal action to make specified findings by majority vote, before the subsidiary body uses teleconferencing for the first time and every 12 months thereafter.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 54953.05 is added to the Government
2 Code, to read:
3 54953.05. (a) (1) The definitions in Section 54953, as that
4 section may be amended from time to time, apply for purposes of
5 this section.
6 (2) For purposes of this section, “subsidiary body” means a
7 legislative body that meets all of the following:
8 (A) Is described in subdivision (b) of Section 54952.
9 (B) Serves exclusively in an advisory capacity.
10 (C) Is not authorized to take final action on legislation,
11 regulations, contracts, licenses, permits, or any other entitlements.
12 (b) A subsidiary body may use teleconferencing without
13 complying with paragraph (3) of subdivision (b) of Section 54953,
14 if the subsidiary body complies with all of the following:
15 (1) The teleconferenced meetings shall be conducted in a manner
16 that protects the statutory and constitutional rights of the parties
17 or the public appearing before the subsidiary body.
18 (2) Each member of the subsidiary body shall participate through
19 both audio and visual technology.
20 (3) The subsidiary body shall provide at least one of the
21 following as a means by which the public may remotely hear and
22 visually observe the meeting, and remotely address the subsidiary
23 body:
24 (A) A two-way audiovisual platform.
25 (B) A two-way telephonic service and a live webcasting of the
26 meeting.

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(4) The subsidiary body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(5) In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the subsidiary body shall also give notice of the means by which members of the public may access the meeting and offer public comment.

(6) The agenda shall identify and include an opportunity for all persons to attend and address the subsidiary body directly pursuant to Section 54954.3 via a call-in option or via an internet-based service option.

(7) In the event of a disruption that prevents the subsidiary body from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the subsidiary body's control that prevents members of the public from offering public comments using the call-in option or internet-based service option, the subsidiary body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption that prevents the subsidiary body from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(8) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the subsidiary body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(9) The subsidiary body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the subsidiary body and offer comment in real time.

(A) A subsidiary body that provides a timed public comment period for each agenda item shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to paragraph (8), to provide public comment until that timed public comment period has elapsed.

(B) A subsidiary body that does not provide a timed public comment period, but takes public comment separately on each

1 agenda item, shall allow a reasonable amount of time per agenda
2 item to allow public members the opportunity to provide public
3 comment, including time for members of the public to register
4 pursuant to paragraph (8), or otherwise be recognized for the
5 purpose of providing public comment.

6 (C) A subsidiary body that provides a timed general public
7 comment period that does not correspond to a specific agenda item
8 shall not close the public comment period or the opportunity to
9 register, pursuant to paragraph (8), until the timed general public
10 comment period has elapsed.

11 (c) In order to use teleconferencing pursuant to this section, the
12 legislative body that established the subsidiary body by charter,
13 ordinance, resolution, or other formal action shall make the
14 following findings by majority vote before the subsidiary body
15 uses teleconferencing pursuant to this section for the first time,
16 and every 12 months thereafter:

17 (1) The legislative body has considered the circumstances of
18 the subsidiary body.

19 (2) Teleconference meetings of the subsidiary body would
20 enhance public access to meetings of the subsidiary body.

21 (3) Teleconference meetings of the subsidiary body would
22 promote the attraction, retention, and diversity of subsidiary body
23 members.

24 (d) *This section shall remain in effect only until January 1, 2026,*
25 *and as of that date is repealed.*

26 SEC. 2. The Legislature finds and declares that Section 1 of
27 this act, which adds *and repeals* Section 54953.05-~~to~~ of the
28 Government Code, imposes a limitation on the public's right of
29 access to the meetings of public bodies or the writings of public
30 officials and agencies within the meaning of Section 3 of Article
31 I of the California Constitution. Pursuant to that constitutional
32 provision, the Legislature makes the following findings to
33 demonstrate the interest protected by this limitation and the need
34 for protecting that interest:

35 By removing the requirement for agendas to be placed at the
36 location of each public official participating in a public meeting
37 remotely, this act protects the personal, private information of
38 public officials and their families while preserving the public's
39 right to access information concerning the conduct of the people's
40 business.

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1 SEC. 3. The Legislature finds and declares that Section 1 of
2 this act, which adds Section 54953.05 to the Government Code,
3 furthers, within the meaning of paragraph (7) of subdivision (b)
4 of Section 3 of Article I of the California Constitution, the purposes
5 of that constitutional section as it relates to the right of public
6 access to the meetings of local public bodies or the writings of
7 local public officials and local agencies. Pursuant to paragraph (7)
8 of subdivision (b) of Section 3 of Article I of the California
9 Constitution, the Legislature makes the following findings:
10 This act is necessary to provide opportunities for public
11 participation in meetings of specified public agencies and to
12 promote the attraction and retention of members of those agencies.

O

AB 2302 (Addis) Analysis and Recommendation

TITLE: Open meetings: local agencies: teleconferences.

AUTHOR: Assemblymember Addis (D-Morro Bay)

CO-AUTHOR: Senator Laird (D-Santa Cruz)

SPONSOR: City of Pismo Beach

RECOMMENDATION: Support

BACKGROUND: The Ralph M. Brown Act (the Brown Act) requires that all meetings of a legislative body of a local agency be open and public and that all persons be permitted to attend and participate. The Brown Act generally requires that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Existing law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined.

AB 2449 (Chapter 285, Statutes of 2022) authorizes, until January 1, 2026, a legislative body of a local agency to use alternative teleconferencing in specified circumstances if at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda, that is open to the public, and situated within the boundaries of the territory over which the local agency exercises jurisdiction. AB 2449 also imposes restrictions on remote participation including a limit on the number of meetings a member may participate in solely by teleconference from a remote location, to no more than 3 consecutive months or 20% of the regular meetings for the local agency within a calendar year, or no more than 2 meetings if the legislative body regularly meets fewer than 10 times per calendar year.

PURPOSE: AB 2302 would allow any member of a legislative body to participate by teleconference from a remote location for the following number of meetings:

- Up to two per year, if the body regularly meets once per month or less;
- Up to five per year, if the body regularly meets twice per month; or
- Up to seven per year, if the body meets three or more times per month.

Additionally, the bill redefines the term “meeting” to mean any number of meetings of the legislative body of a local agency that begin on the same calendar day. Current law considers teleconference participation in more than one meeting on the same day, such as separate closed and open meetings, to count as multiple occurrences under the number of occurrences allowed. AB 2302 is intended to give reassurance that members of legislative bodies do not receive unexpected penalties related to attendance when conducting their duties remotely.

DISTRICT IMPACT: Current District practice under AB 2449 allows directors to participate via teleconference four times a year. Under AB 2302, directors would be able to participate via teleconference in up to five meetings per year, as the board meets twice per month, providing additional flexibility to Directors when deciding whether to exercise alternative teleconferencing provisions.

KNOWN SUPPORT/OPPOSITION: City of Pismo Beach (Sponsor). No opposition on file.

STATUS: Referred to the Assembly Committee on Local Government; no hearing set at this time.

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

ASSEMBLY BILL**No. 2302**

Introduced by Assembly Member Addis
(Coauthor: Senator Laird)

February 12, 2024

An act to amend Section 54953 of the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 2302, as introduced, Addis. Open meetings: local agencies: teleconferences.

Existing law, the Ralph M. Brown Act, requires, with specified exceptions, that all meetings of a legislative body, as defined, of a local agency be open and public and that all persons be permitted to attend and participate. The act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Existing law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined.

Existing law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in specified circumstances if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda that is open

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to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction, and the legislative body complies with prescribed requirements. Existing law imposes prescribed restrictions on remote participation by a member under these alternative teleconferencing provisions, including establishing limits on the number of meetings a member may participate in solely by teleconference from a remote location, prohibiting such participation for a period of more than 3 consecutive months or 20% of the regular meetings for the local agency within a calendar year, or more than 2 meetings if the legislative body regularly meets fewer than 10 times per calendar year.

This bill would revise those limits, instead prohibiting such participation for more than a specified number of meetings per year, based on how frequently the legislative body regularly meets. The bill, for the purpose of counting meetings attended by teleconference, would define a “meeting” as any number of meetings of the legislative body of a local agency that begin on the same calendar day.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 54953 of the Government Code, as
- 2 amended by Section 1 of Chapter 534 of the Statutes of 2023, is
- 3 amended to read:
- 4 54953. (a) All meetings of the legislative body of a local
- 5 agency shall be open and public, and all persons shall be permitted
- 6 to attend any meeting of the legislative body of a local agency,
- 7 except as otherwise provided in this chapter.
- 8 (b) (1) Notwithstanding any other provision of law, the
- 9 legislative body of a local agency may use teleconferencing for
- 10 the benefit of the public and the legislative body of a local agency
- 11 in connection with any meeting or proceeding authorized by law.
- 12 The teleconferenced meeting or proceeding shall comply with all

1 otherwise applicable requirements of this chapter and all otherwise
2 applicable provisions of law relating to a specific type of meeting
3 or proceeding.

4 (2) Teleconferencing, as authorized by this section, may be used
5 for all purposes in connection with any meeting within the subject
6 matter jurisdiction of the legislative body. If the legislative body
7 of a local agency elects to use teleconferencing, the legislative
8 body of a local agency shall comply with all of the following:

9 (A) All votes taken during a teleconferenced meeting shall be
10 by rollcall.

11 (B) The teleconferenced meetings shall be conducted in a
12 manner that protects the statutory and constitutional rights of the
13 parties or the public appearing before the legislative body of a
14 local agency.

15 (C) The legislative body shall give notice of the meeting and
16 post agendas as otherwise required by this chapter.

17 (D) The legislative body shall allow members of the public to
18 access the meeting and the agenda shall provide an opportunity
19 for members of the public to address the legislative body directly
20 pursuant to Section 54954.3.

21 (3) If the legislative body of a local agency elects to use
22 teleconferencing, it shall post agendas at all teleconference
23 locations. Each teleconference location shall be identified in the
24 notice and agenda of the meeting or proceeding, and each
25 teleconference location shall be accessible to the public. During
26 the teleconference, at least a quorum of the members of the
27 legislative body shall participate from locations within the
28 boundaries of the territory over which the local agency exercises
29 jurisdiction, except as provided in subdivisions (d) and (e).

30 (c) (1) No legislative body shall take action by secret ballot,
31 whether preliminary or final.

32 (2) The legislative body of a local agency shall publicly report
33 any action taken and the vote or abstention on that action of each
34 member present for the action.

35 (3) Prior to taking final action, the legislative body shall orally
36 report a summary of a recommendation for a final action on the
37 salaries, salary schedules, or compensation paid in the form of
38 fringe benefits of a local agency executive, as defined in
39 subdivision (d) of Section 3511.1, during the open meeting in
40 which the final action is to be taken. This paragraph shall not affect

1 the public's right under the California Public Records Act (Division
2 10 (commencing with Section 7920.000) of Title 1) to inspect or
3 copy records created or received in the process of developing the
4 recommendation.

5 (d) (1) Notwithstanding the provisions relating to a quorum in
6 paragraph (3) of subdivision (b), if a health authority conducts a
7 teleconference meeting, members who are outside the jurisdiction
8 of the authority may be counted toward the establishment of a
9 quorum when participating in the teleconference if at least 50
10 percent of the number of members that would establish a quorum
11 are present within the boundaries of the territory over which the
12 authority exercises jurisdiction, and the health authority provides
13 a teleconference number, and associated access codes, if any, that
14 allows any person to call in to participate in the meeting and the
15 number and access codes are identified in the notice and agenda
16 of the meeting.

17 (2) Nothing in this subdivision shall be construed as
18 discouraging health authority members from regularly meeting at
19 a common physical site within the jurisdiction of the authority or
20 from using teleconference locations within or near the jurisdiction
21 of the authority. A teleconference meeting for which a quorum is
22 established pursuant to this subdivision shall be subject to all other
23 requirements of this section.

24 (3) For purposes of this subdivision, a health authority means
25 any entity created pursuant to Sections 14018.7, 14087.31,
26 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare
27 and Institutions Code, any joint powers authority created pursuant
28 to Article 1 (commencing with Section 6500) of Chapter 5 of
29 Division 7 for the purpose of contracting pursuant to Section
30 14087.3 of the Welfare and Institutions Code, and any advisory
31 committee to a county-sponsored health plan licensed pursuant to
32 Chapter 2.2 (commencing with Section 1340) of Division 2 of the
33 Health and Safety Code if the advisory committee has 12 or more
34 members.

35 (e) (1) The legislative body of a local agency may use
36 teleconferencing without complying with the requirements of
37 paragraph (3) of subdivision (b) if the legislative body complies
38 with the requirements of paragraph (2) of this subdivision in either
39 of the following circumstances:

1 (A) The legislative body holds a meeting during a proclaimed
2 state of emergency for the purpose of determining, by majority
3 vote, whether as a result of the emergency, meeting in person
4 would present imminent risks to the health or safety of attendees.

5 (B) The legislative body holds a meeting during a proclaimed
6 state of emergency and has determined, by majority vote, pursuant
7 to subparagraph (A), that, as a result of the emergency, meeting
8 in person would present imminent risks to the health or safety of
9 attendees.

10 (2) A legislative body that holds a meeting pursuant to this
11 subdivision shall do all of the following:

12 (A) In each instance in which notice of the time of the
13 teleconferenced meeting is otherwise given or the agenda for the
14 meeting is otherwise posted, the legislative body shall also give
15 notice of the means by which members of the public may access
16 the meeting and offer public comment. The agenda shall identify
17 and include an opportunity for all persons to attend via a call-in
18 option or an internet-based service option.

19 (B) In the event of a disruption that prevents the legislative body
20 from broadcasting the meeting to members of the public using the
21 call-in option or internet-based service option, or in the event of
22 a disruption within the local agency's control that prevents
23 members of the public from offering public comments using the
24 call-in option or internet-based service option, the legislative body
25 shall take no further action on items appearing on the meeting
26 agenda until public access to the meeting via the call-in option or
27 internet-based service option is restored. Actions taken on agenda
28 items during a disruption that prevents the legislative body from
29 broadcasting the meeting may be challenged pursuant to Section
30 54960.1.

31 (C) The legislative body shall not require public comments to
32 be submitted in advance of the meeting and must provide an
33 opportunity for the public to address the legislative body and offer
34 comment in real time.

35 (D) Notwithstanding Section 54953.3, an individual desiring to
36 provide public comment through the use of an internet website, or
37 other online platform, not under the control of the local legislative
38 body, that requires registration to log in to a teleconference may
39 be required to register as required by the third-party internet
40 website or online platform to participate.

1 (E) (i) A legislative body that provides a timed public comment
2 period for each agenda item shall not close the public comment
3 period for the agenda item, or the opportunity to register, pursuant
4 to subparagraph (D), to provide public comment until that timed
5 public comment period has elapsed.

6 (ii) A legislative body that does not provide a timed public
7 comment period, but takes public comment separately on each
8 agenda item, shall allow a reasonable amount of time per agenda
9 item to allow public members the opportunity to provide public
10 comment, including time for members of the public to register
11 pursuant to subparagraph (D), or otherwise be recognized for the
12 purpose of providing public comment.

13 (iii) A legislative body that provides a timed general public
14 comment period that does not correspond to a specific agenda item
15 shall not close the public comment period or the opportunity to
16 register, pursuant to subparagraph (D), until the timed general
17 public comment period has elapsed.

18 (3) If a state of emergency remains active, in order to continue
19 to teleconference without compliance with paragraph (3) of
20 subdivision (b), the legislative body shall, not later than 45 days
21 after teleconferencing for the first time pursuant to subparagraph
22 (A) or (B) of paragraph (1), and every 45 days thereafter, make
23 the following findings by majority vote:

24 (A) The legislative body has reconsidered the circumstances of
25 the state of emergency.

26 (B) The state of emergency continues to directly impact the
27 ability of the members to meet safely in person.

28 (4) This subdivision shall not be construed to require the
29 legislative body to provide a physical location from which the
30 public may attend or comment.

31 (f) (1) The legislative body of a local agency may use
32 teleconferencing without complying with paragraph (3) of
33 subdivision (b) if, during the teleconference meeting, at least a
34 quorum of the members of the legislative body participates in
35 person from a singular physical location clearly identified on the
36 agenda, which location shall be open to the public and situated
37 within the boundaries of the territory over which the local agency
38 exercises jurisdiction and the legislative body complies with all
39 of the following:

1 (A) The legislative body shall provide at least one of the
2 following as a means by which the public may remotely hear and
3 visually observe the meeting, and remotely address the legislative
4 body:

5 (i) A two-way audiovisual platform.

6 (ii) A two-way telephonic service and a live webcasting of the
7 meeting.

8 (B) In each instance in which notice of the time of the
9 teleconferenced meeting is otherwise given or the agenda for the
10 meeting is otherwise posted, the legislative body shall also give
11 notice of the means by which members of the public may access
12 the meeting and offer public comment.

13 (C) The agenda shall identify and include an opportunity for all
14 persons to attend and address the legislative body directly pursuant
15 to Section 54954.3 via a call-in option, via an internet-based service
16 option, and at the in-person location of the meeting.

17 (D) In the event of a disruption that prevents the legislative body
18 from broadcasting the meeting to members of the public using the
19 call-in option or internet-based service option, or in the event of
20 a disruption within the local agency's control that prevents
21 members of the public from offering public comments using the
22 call-in option or internet-based service option, the legislative body
23 shall take no further action on items appearing on the meeting
24 agenda until public access to the meeting via the call-in option or
25 internet-based service option is restored. Actions taken on agenda
26 items during a disruption that prevents the legislative body from
27 broadcasting the meeting may be challenged pursuant to Section
28 54960.1.

29 (E) The legislative body shall not require public comments to
30 be submitted in advance of the meeting and must provide an
31 opportunity for the public to address the legislative body and offer
32 comment in real time.

33 (F) Notwithstanding Section 54953.3, an individual desiring to
34 provide public comment through the use of an internet website, or
35 other online platform, not under the control of the local legislative
36 body, that requires registration to log in to a teleconference may
37 be required to register as required by the third-party internet
38 website or online platform to participate.

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(2) A member of the legislative body shall only participate in the meeting remotely pursuant to this subdivision, if all of the following requirements are met:

(A) One of the following circumstances applies:

(i) The member notifies the legislative body at the earliest opportunity possible, including at the start of a regular meeting, of their need to participate remotely for just cause, including a general description of the circumstances relating to their need to appear remotely at the given meeting. The provisions of this clause shall not be used by any member of the legislative body for more than two meetings per calendar year.

(ii) The member requests the legislative body to allow them to participate in the meeting remotely due to emergency circumstances and the legislative body takes action to approve the request. The legislative body shall request a general description of the circumstances relating to their need to appear remotely at the given meeting. A general description of an item generally need not exceed 20 words and shall not require the member to disclose any medical diagnosis or disability, or any personal medical information that is already exempt under existing law, such as the Confidentiality of Medical Information Act (Chapter 1 (commencing with Section 56) of Part 2.6 of Division 1 of the Civil Code). For the purposes of this clause, the following requirements apply:

(I) A member shall make a request to participate remotely at a meeting pursuant to this clause as soon as possible. The member shall make a separate request for each meeting in which they seek to participate remotely.

(II) The legislative body may take action on a request to participate remotely at the earliest opportunity. If the request does not allow sufficient time to place proposed action on such a request on the posted agenda for the meeting for which the request is made, the legislative body may take action at the beginning of the meeting in accordance with paragraph (4) of subdivision (b) of Section 54954.2.

(B) The member shall publicly disclose at the meeting before any action is taken, whether any other individuals 18 years of age or older are present in the room at the remote location with the member, and the general nature of the member's relationship with any such individuals.

1 (C) The member shall participate through both audio and visual
2 technology.

3 (3) (A) The provisions of this subdivision shall not serve as a
4 means for any member of a legislative body to participate in
5 meetings of the legislative body solely by teleconference from a
6 remote location for ~~a period of more than three consecutive months~~
7 ~~or 20 percent of the regular meetings for the local agency within~~
8 ~~a calendar year, or more than two meetings if the legislative body~~
9 ~~regularly meets fewer than 10 times per calendar year. more than~~
10 ~~the following number of meetings, as applicable:~~

11 (i) *Two meetings per year, if the legislative body regularly meets*
12 *once per month or less.*

13 (ii) *Five meetings per year, if the legislative body regularly*
14 *meets twice per month.*

15 (iii) *Seven meetings per year, if the legislative body regularly*
16 *meets three or more times per month.*

17 (B) *For the purpose of counting meetings attended by*
18 *teleconference under this paragraph, a “meeting” shall be defined*
19 *as any number of meetings of the legislative body of a local agency*
20 *that begin on the same calendar day.*

21 (g) The legislative body shall have and implement a procedure
22 for receiving and swiftly resolving requests for reasonable
23 accommodation for individuals with disabilities, consistent with
24 the federal Americans with Disabilities Act of 1990 (42 U.S.C.
25 Sec. 12132), and resolving any doubt in favor of accessibility. In
26 each instance in which notice of the time of the meeting is
27 otherwise given or the agenda for the meeting is otherwise posted,
28 the legislative body shall also give notice of the procedure for
29 receiving and resolving requests for accommodation.

30 (h) The legislative body shall conduct meetings subject to this
31 chapter consistent with applicable civil rights and
32 nondiscrimination laws.

33 (i) (1) Nothing in this section shall prohibit a legislative body
34 from providing the public with additional teleconference locations.

35 (2) Nothing in this section shall prohibit a legislative body from
36 providing the public with additional physical locations in which
37 the public may observe and address the legislative body by
38 electronic means.

39 (j) For the purposes of this section, the following definitions
40 shall apply:

1 (1) “Emergency circumstances” means a physical or family
2 medical emergency that prevents a member from attending in
3 person.

4 (2) “Just cause” means any of the following:

5 (A) A childcare or caregiving need of a child, parent,
6 grandparent, grandchild, sibling, spouse, or domestic partner that
7 requires them to participate remotely. “Child,” “parent,”
8 “grandparent,” “grandchild,” and “sibling” have the same meaning
9 as those terms do in Section 12945.2.

10 (B) A contagious illness that prevents a member from attending
11 in person.

12 (C) A need related to a physical or mental disability as defined
13 in Sections 12926 and 12926.1 not otherwise accommodated by
14 subdivision (g).

15 (D) Travel while on official business of the legislative body or
16 another state or local agency.

17 (3) “Remote location” means a location from which a member
18 of a legislative body participates in a meeting pursuant to
19 subdivision (f), other than any physical meeting location designated
20 in the notice of the meeting. Remote locations need not be
21 accessible to the public.

22 (4) “Remote participation” means participation in a meeting by
23 teleconference at a location other than any physical meeting
24 location designated in the notice of the meeting. Watching or
25 listening to a meeting via webcasting or another similar electronic
26 medium that does not permit members to interactively hear,
27 discuss, or deliberate on matters, does not constitute remote
28 participation.

29 (5) “State of emergency” means a state of emergency proclaimed
30 pursuant to Section 8625 of the California Emergency Services
31 Act (Article 1 (commencing with Section 8550) of Chapter 7 of
32 Division 1 of Title 2).

33 (6) “Teleconference” means a meeting of a legislative body,
34 the members of which are in different locations, connected by
35 electronic means, through either audio or video, or both.

36 (7) “Two-way audiovisual platform” means an online platform
37 that provides participants with the ability to participate in a meeting
38 via both an interactive video conference and a two-way telephonic
39 function.

1 (8) “Two-way telephonic service” means a telephone service
2 that does not require internet access, is not provided as part of a
3 two-way audiovisual platform, and allows participants to dial a
4 telephone number to listen and verbally participate.

5 (9) “Webcasting” means a streaming video broadcast online or
6 on television, using streaming media technology to distribute a
7 single content source to many simultaneous listeners and viewers.

8 (k) This section shall remain in effect only until January 1, 2026,
9 and as of that date is repealed.

10 SEC. 2. The Legislature finds and declares that Section 1 of
11 this act, which amends Section 54953 of the Government Code,
12 furthers, within the meaning of paragraph (7) of subdivision (b)
13 of Section 3 of Article I of the California Constitution, the purposes
14 of that constitutional section as it relates to the right of public
15 access to the meetings of local public bodies or the writings of
16 local public officials and local agencies. Pursuant to paragraph (7)
17 of subdivision (b) of Section 3 of Article I of the California
18 Constitution, the Legislature makes the following findings:

19 This act is necessary to ensure minimum standards for remote
20 participation by a member of a legislative body in teleconference
21 meetings.

SB 1227 (Wiener) Analysis and Recommendation

TITLE: Housing: San Francisco: downtown revitalization zone: welfare tax and California Environmental Quality Act exemptions.

AUTHOR: Senator Wiener (D-San Francisco)

SPONSOR: Mayor London Breed

RECOMMENDATION: Support

BACKGROUND: Any time the state or a local government engages with a project that may cause significant environmental impacts, the project sponsors must complete an environmental review pursuant to the California Environmental Quality Act (CEQA). This work results in the issuance of an environmental impact report or adoption of a negative declaration. The CEQA process is subject to appeals and lawsuits that can increase project costs and often lead to lengthy delays. Due to the law's broad applicability and potential for abuse, the Legislature and courts have created numerous exemptions and carve outs to CEQA. For example, student housing, sustainable transportation projects, and supportive housing now all enjoy statutorily created exemptions.

Current law also provides for certain exemptions to property tax, known as the 'welfare exemption.' Property tax may be waived for certain projects used exclusively for religious, hospital, or charitable purposes. Housing developed by nonprofits that is rented at or below 80% of the area median income also qualifies for these tax exemptions.

PURPOSE: Senate Bill (SB) 1227 would, until January 1, 2035, provide CEQA exemptions and tax relief within a designated downtown "Revitalization Zone" in the City of San Francisco, with the intent to promote the addition of housing by converting commercial buildings to residential use and building new housing, as well as adding other drivers of activity such as academic and sports destinations. The bill does not change local permitting, zoning requirements, or inclusionary rates, and the city retains authority over allowable demolitions and historic preservation. Additionally, these exemptions cannot be used to demolish any building that has housed tenants within the past ten years.

Most projects within this zone, including academic institutions, athletic stadiums, laboratories, new office buildings, mixed-use projects, infrastructure, public works projects, tenant improvements, and remodels for small businesses, would be eligible for a CEQA exemption if they meet specific environmental, labor and tenant protections. This bill would also expand the 'welfare exemption' to rental housing affordable to households earning up to 120% of the area median income, so long as projects are rented for 10% below the market rate.

DISTRICT IMPACT: The exemptions included in SB 1227 aim to revitalize the core of downtown San Francisco. While BART does not own developable land in the Revitalization Zone that would be affected by the CEQA or tax exemptions, projects expedited by this legislation would undoubtedly benefit BART through additional ridership in and around the core downtown San Francisco stations.

KNOWN SUPPORT/OPPOSITION: Support: Mayor London Breed (Sponsor), San Francisco Chamber of Commerce, San Francisco Housing Accelerator Fund. Opposition: None known at this time.

STATUS: Set for hearing in the Senate Committee on Environmental Quality on April 3.

SENATE BILL**No. 1227****Introduced by Senator Wiener**

February 15, 2024

An act to add and repeal Section 21080.59 of the Public Resources Code, and to amend Section 214 of the Revenue and Taxation Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

SB 1227, as introduced, Wiener. Housing: San Francisco: downtown revitalization zone: welfare tax and California Environmental Quality Act exemptions.

(1) The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment.

This bill would, until January 1, 2035, exempt from the requirements of CEQA development projects, as defined, meeting certain requirements occurring within a specified area in the City and County of San Francisco. The bill would require the prime contractor and subcontractors on the development project to provide an affidavit under the penalty of perjury regarding the use of skilled and trained workforce on the development project, as provided. Because the bill would expand the crime of perjury and would increase the duties of the lead agency

by requiring it to determine the applicability of the exemption for projects located in the City and County of San Francisco, this bill would impose a state-mandated local program.

(2) Existing property tax law, in accordance with the California Constitution, provides for a “welfare exemption” for property used exclusively for religious, hospital, scientific, or charitable purposes and that is owned or operated by certain types of nonprofit entities, if certain qualifying criteria are met.

This bill would provide, for lien dates occurring on or after January 1, 2025, that property is within that welfare exemption and is entitled to a partial exemption equal to the percentage of the value of the property that is equal to the percentage that the number of units serving moderate-income households represents of the total number of residential units, if the property is used exclusively for rental housing and related facilities, is owned and operated by specified entities, and certain conditions are met. The bill would require, as part of those conditions, the owner of the property to certify, under penalty of perjury, specified information, the property to be located within the downtown revitalization zone of the City and County of San Francisco, as defined, and the owner of the property to claim the exemption within 5 years following the issuance of the first building permit for residential units on the property.

(3) This bill would make legislative findings and declarations as to the necessity of a special statute for the City and County of San Francisco.

(4) By expanding the crime of perjury, imposing additional duties on local tax officials, and increasing the duties of the lead agency by requiring it to determine the applicability of the CEQA exemption for projects located in the City and County of San Francisco, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for specified reasons.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

(5) Existing law requires the state to reimburse local agencies annually for certain property tax revenues lost as a result of any exemption or classification of property for purposes of ad valorem property taxation.

This bill would provide that, notwithstanding those provisions, no appropriation is made and the state shall not reimburse local agencies for property tax revenues lost by them pursuant to the bill.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 21080.59 is added to the Public Resources
2 Code, to read:
3 21080.59. (a) For purposes of this section, the following
4 definitions apply:
5 (1) (A) “Development project” means a project located within
6 the downtown revitalization zone.
7 (B) (i) “Development project” does not include either of the
8 following:
9 (I) A project that qualifies as a housing development project as
10 defined in Section 65589.5 of the Government Code, unless that
11 project is a student housing project.
12 (II) A project that contains any hotel use.
13 (ii) For purposes of determining whether a development project
14 qualifies as a housing development project pursuant to subclause
15 (I) of clause (i), in establishing the square footage, the development
16 project includes both of the following:
17 (I) All projects proposed to be developed on the development
18 project site, regardless of whether those projects occur.
19 (II) All projects developed on sites adjacent to the development
20 project site subject to this section if, after January 1, 2024, the
21 adjacent site had been subdivided from the site of the development
22 project.
23 (2) “Downtown revitalization zone” means an area in the City
24 and County of San Francisco bounded beginning at the intersection
25 of Washington Street and The Embarcadero, running southerly
26 along The Embarcadero and then King Street to 3rd Street, running
27 northwesterly on 3rd Street to Townsend Street, running
28 southwesterly along Townsend Street to 6th Street, running

1 northwesterly along 6th Street to Mission Street, running
 2 southwesterly along Mission Street to 10th Street, running
 3 southeasterly along 10th Street to Minna Street, running
 4 southwesterly along Minna Street to Lafayette Street, running
 5 southeasterly along Lafayette Street to Howard Street, running
 6 southerly along Howard Street to the junction with the Central
 7 Freeway, running westerly along the Central Freeway to Market
 8 Street, running northeasterly along Market Street to Franklin Street,
 9 running northerly along Franklin Street to Golden Gate Avenue,
 10 running easterly along Golden Gate Avenue to Taylor Street,
 11 running northerly along Taylor Street to Turk Street, running
 12 easterly along Turk Street to Mason Street, running northerly along
 13 Mason Street to Ellis Street, running westerly along Ellis Street
 14 to Taylor Street, running northerly along Taylor Street to O'Farrell
 15 Street, running westerly along O'Farrell Street to Shannon Street,
 16 running northerly along Shannon Street to Geary Street, running
 17 easterly along Geary Street to Taylor Street, running northerly
 18 along Taylor Street to Bush Street, running easterly along Bush
 19 Street to Kearny Street, running northerly along Kearny Street to
 20 Sacramento Street, running easterly along Sacramento Street to
 21 Montgomery Street, running northerly along Montgomery Street
 22 to Washington Street, running easterly along Washington Street
 23 to The Embarcadero.

24 (3) "Health care expenditures" includes contributions under
 25 Section 401(a), 501(c), or 501(d) of the Internal Revenue Code
 26 and payments toward "medical care," as defined in Section
 27 213(d)(1) of the Internal Revenue Code.

28 (4) "Project labor agreement" means a prehire collective
 29 bargaining agreement that establishes terms and conditions of
 30 employment for a specific construction project or projects and is
 31 an agreement described in Section 158(f) of Title 29 of the United
 32 States Code.

33 (5) "Skilled and trained workforce" has the same meaning as
 34 set forth in Section 2601 of the Public Contract Code.

35 (b) Subject to subdivisions (c) and (d), this division does not
 36 apply to a development project located in the downtown
 37 revitalization zone meeting all of the following:

38 (1) The development project is located at a site that has a general
 39 plan designation allowing for, and that is zoned for, commercial
 40 use, institutional use, student housing use, or mixed use.

1 (2) Portions of the development project for residential use, if
2 any, comply with applicable inclusionary housing requirements.

3 (3) The development project does not require the demolition of
4 any of the following:

5 (A) Housing that is subject to a recorded covenant, ordinance,
6 or law that restricts rents to levels affordable to persons and
7 families of moderate, low, or very low income.

8 (B) Housing that is subject to any form of rent or price control
9 through a public entity's valid exercise of its police power.

10 (C) Housing that has been occupied by tenants within 10 years
11 before the submission of an application for the development
12 project.

13 (D) A historic structure that is placed on a national, state, or
14 local historic register.

15 (E) An existing hotel that has operated within 10 years before
16 the submission of an application for the development project.

17 (c) Subdivision (b) applies only if the development project is
18 not located on a site that is any of the following:

19 (1) Either prime farmland or farmland of statewide importance,
20 as defined pursuant to United States Department of Agriculture
21 land inventory and monitoring criteria, as modified for California,
22 and designated on the maps prepared by the Farmland Mapping
23 and Monitoring Program of the Department of Conservation, or
24 land zoned or designated for agricultural protection or preservation
25 by a local ballot measure that was approved by the voters of that
26 jurisdiction.

27 (2) Wetlands, as defined in the United States Fish and Wildlife
28 Service Manual, Part 660 FW 2 (June 21, 1993).

29 (3) A site within a very high fire hazard severity zone, as
30 determined by the State Fire Marshal pursuant to Section 51178
31 of the Government Code, or within the state responsibility area,
32 as defined in Section 4102. This paragraph does not apply to sites
33 that have adopted fire hazard mitigation measures pursuant to
34 existing building standards or state fire mitigation measures
35 applicable to the development project, including, but not limited
36 to, standards established under all of the following or their
37 successor provisions:

38 (A) Section 4291 of this code or Section 51182 of the
39 Government Code, as applicable.

40 (B) Section 4290.

1 (C) Chapter 7A of Title 24 of the California Code of
2 Regulations.

3 (4) A hazardous waste site that is listed pursuant to Section
4 65962.5 of the Government Code or a hazardous waste site
5 designated by the Department of Toxic Substances Control
6 pursuant to Section 78765 of the Health and Safety Code, unless
7 either of the following apply:

8 (A) The site is an underground storage tank site that received a
9 uniform closure letter issued pursuant to subdivision (g) of Section
10 25296.10 of the Health and Safety Code based on closure criteria
11 established by the State Water Resources Control Board for
12 residential use or residential mixed uses. This section does not
13 alter or change the conditions to remove a site from the list of
14 hazardous waste sites listed pursuant to Section 65962.5 of the
15 Government Code.

16 (B) The State Department of Public Health, the State Water
17 Resources Control Board, the Department of Toxic Substances
18 Control, or a local agency making a determination pursuant to
19 subdivision (c) of Section 25296.10 of the Health and Safety Code,
20 has otherwise determined that the site is suitable for residential
21 use or residential mixed uses.

22 (5) Within a delineated earthquake fault zone as determined by
23 the State Geologist in any official maps published by the State
24 Geologist, unless the development project complies with applicable
25 seismic protection building code standards adopted by the
26 California Building Standards Commission under the California
27 Building Standards Law (Part 2.5 (commencing with Section
28 18901) of Division 13 of the Health and Safety Code), and by any
29 local building department under Chapter 12.2 (commencing with
30 Section 8875) of Division 1 of Title 2 of the Government Code.

31 (6) Within a special flood hazard area subject to inundation by
32 the 1 percent annual chance flood (100-year flood) as determined
33 by the Federal Emergency Management Agency in any official
34 maps published by the Federal Emergency Management Agency.
35 If a project applicant is able to satisfy all applicable federal
36 qualifying criteria in order to provide that the site satisfies this
37 paragraph and is otherwise eligible for an exemption under this
38 section, a local government shall not refuse to exempt the project
39 pursuant to this section on the basis that the project applicant did
40 not comply with any additional permit requirement, standard, or

1 action adopted by that local government that is applicable to that
2 site. A development project may be located on a site described in
3 this paragraph if either of the following are met:

4 (A) The site has been subject to a Letter of Map Revision
5 prepared by the Federal Emergency Management Agency and
6 issued to the local jurisdiction.

7 (B) The site meets Federal Emergency Management Agency
8 requirements necessary to meet minimum flood plain management
9 criteria of the National Flood Insurance Program pursuant to Part
10 59 (commencing with Section 59.1) and Part 60 (commencing
11 with Section 60.1) of Subchapter B of Chapter I of Title 44 of the
12 Code of Federal Regulations.

13 (C) Within a regulatory floodway as determined by the Federal
14 Emergency Management Agency in any official maps published
15 by the Federal Emergency Management Agency, unless the
16 development project has received a no-rise certification in
17 accordance with Section 60.3(d)(3) of Title 44 of the Code of
18 Federal Regulations. If a project applicant is able to satisfy all
19 applicable federal qualifying criteria in order to provide that the
20 site satisfies this paragraph and is otherwise eligible for an
21 exemption under this section, a local government shall not refuse
22 to exempt the development project under this section on the basis
23 that the project applicant did not comply with any additional permit
24 requirement, standard, or action adopted by that local government
25 that is applicable to that site.

26 (7) Lands identified for conservation in an adopted natural
27 community conservation plan pursuant to the Natural Community
28 Conservation Planning Act (Chapter 10 (commencing with Section
29 2800) of Division 3 of the Fish and Game Code), habitat
30 conservation plan pursuant to the federal Endangered Species Act
31 of 1973 (16 U.S.C. Sec. 1531 et seq.), or other adopted natural
32 resource protection plan.

33 (8) Habitat for protected species identified as candidate,
34 sensitive, or species of special status by state or federal agencies,
35 fully protected species, or species protected by the federal
36 Endangered Species Act of 1973 (16 U.S.C. Sec. 1531 et seq.),
37 the California Endangered Species Act (Chapter 1.5 (commencing
38 with Section 2050) of Division 3 of the Fish and Game Code), or
39 the Native Plant Protection Act (Chapter 10 (commencing with
40 Section 1900) of Division 2 of the Fish and Game Code).

1 (9) Lands under conservation easement.

2 (10) A site previously used for housing that was occupied by
3 tenants and the housing was demolished within 10 years from the
4 date of the submission of an application for the development
5 project.

6 (11) A site containing housing units that are occupied by tenants
7 and the units at the property are, or were, subsequently offered for
8 sale to the general public by a subdivider or subsequent owner of
9 the property.

10 (12) The site is subject to the Mobilehome Residency Law
11 (Chapter 2.5 (commencing with Section 798) of Title 2 of Part 2
12 of Division 2 of the Civil Code), the Recreational Vehicle Park
13 Occupancy Law (Chapter 2.6 (commencing with Section 799.20)
14 of Title 2 of Part 2 of Division 2 of the Civil Code), the
15 Mobilehome Parks Act (Part 2.1 (commencing with Section 18200)
16 of Division 13 of the Health and Safety Code), or the Special
17 Occupancy Parks Act (Part 2.3 (commencing with Section 18860)
18 of Division 13 of the Health and Safety Code).

19 (d) Except as provided in subdivision (e), an applicant of a
20 development project that is exempted from this division pursuant
21 to this section shall require in contracts with construction
22 contractors, and shall certify to the lead agency, that all of the
23 following requirements, as applicable, will be met in project
24 construction:

25 (1) The development project that is not in its entirety a public
26 work for purposes of Chapter 1 (commencing with Section 1720)
27 of Part 7 of Division 2 of the Labor Code shall be subject to all of
28 the following:

29 (A) All construction workers employed in the execution of the
30 development project shall be paid at least the general prevailing
31 rate of per diem wages for the type of work and geographic area,
32 as determined by the Director of Industrial Relations pursuant to
33 Sections 1773 and 1773.9 of the Labor Code, except that
34 apprentices registered in programs approved by the Chief of the
35 Division of Apprenticeship Standards may be paid at least the
36 applicable apprentice prevailing rate.

37 (B) The project applicant shall ensure that the prevailing wage
38 requirement is included in all contracts for the performance of the
39 work for those portions of the development project that are not a
40 public work.

1 (C) All contractors and subcontractors for those portions of the
2 development project that are not a public work shall comply with
3 both of the following:

4 (i) Pay to all construction workers employed in the execution
5 of the work at least the general prevailing rate of per diem wages,
6 except that apprentices registered in programs approved by the
7 Chief of the Division of Apprenticeship Standards may be paid at
8 least the applicable apprentice prevailing rate.

9 (ii) Maintain and verify payroll records pursuant to Section 1776
10 of the Labor Code and make those records available for inspection
11 and copying as provided in that section. This subclause does not
12 apply if all contractors and subcontractors performing work on the
13 development project are subject to a project labor agreement that
14 requires the payment of prevailing wages to all construction
15 workers employed in the execution of the development project
16 and provides for enforcement of that obligation through an
17 arbitration procedure.

18 (2) (A) The obligation of the contractors and subcontractors to
19 pay prevailing wages pursuant to this subdivision may be enforced
20 by any of the following:

21 (i) The Labor Commissioner through the issuance of a civil
22 wage and penalty assessment pursuant to Section 1741 of the Labor
23 Code, which may be reviewed pursuant to Section 1742 of the
24 Labor Code, within 18 months after the completion of the
25 development project.

26 (ii) An underpaid worker through an administrative complaint
27 or civil action.

28 (iii) A joint labor-management committee through a civil action
29 under Section 1771.2 of the Labor Code.

30 (B) If a civil wage and penalty assessment is issued pursuant to
31 this subdivision, the contractor, subcontractor, and surety on a
32 bond or bonds issued to secure the payment of wages covered by
33 the assessment shall be liable for liquidated damages pursuant to
34 Section 1742.1 of the Labor Code.

35 (C) This paragraph does not apply if all contractors and
36 subcontractors performing work on the development project are
37 subject to a project labor agreement that requires the payment of
38 prevailing wages to all construction workers employed in the
39 execution of the development project and provides for enforcement
40 of that obligation through an arbitration procedure.

(3) Notwithstanding subdivision (c) of Section 1773.1 of the Labor Code, the requirement that employer payments not reduce the obligation to pay the hourly straight time or overtime wages found to be prevailing does not apply to those portions of the development project that are not a public work if otherwise provided in a bona fide collective bargaining agreement covering the worker.

(4) The requirement of paragraph (1) to pay at least the general prevailing rate of per diem wages does not preclude use of an alternative workweek schedule adopted pursuant to Section 511 or 514 of the Labor Code.

(5) For a development project over 40,000 gross square feet, all of the following apply:

(A) The project applicant shall require in contracts with construction contractors and shall certify to the lead agency that each contractor of any tier who will employ construction craft employees or will let subcontracts for at least 1,000 hours shall satisfy the requirements in subparagraphs (B) and (C). A construction contractor is deemed in compliance with subparagraphs (B) and (C) if it is signatory to a valid collective bargaining agreement that requires the use of registered apprentices and expenditures on health care for employees and dependents.

(B) A contractor with construction craft employees shall either participate in an apprenticeship program approved by the California Division of Apprenticeship Standards pursuant to Section 3075 of the Labor Code, or request the dispatch of apprentices from a state-approved apprenticeship program under the terms and conditions set forth in Section 1777.5 of the Labor Code. A contractor without construction craft employees shall show a contractual obligation that its subcontractors comply with this subparagraph.

(C) Each contractor with construction craft employees shall make health care expenditures for each employee in an amount per hour worked on the development project equivalent to at least the hourly pro rata cost of a Covered California Platinum level plan for two adults 40 years of age and two dependents 0 to 14 years of age for the Covered California rating area in which the development project is located. A contractor without construction craft employees shall show a contractual obligation that its subcontractors comply with this subparagraph. Qualifying

1 expenditures shall be credited toward compliance with prevailing
2 wage payment requirements set forth in this paragraph.

3 (D) (i) The project applicant shall provide to the lead agency,
4 on a monthly basis while its construction contracts on the
5 development project are being performed, a report demonstrating
6 compliance with subparagraphs (B) and (C). The reports shall be
7 considered public records under the California Public Records Act
8 (Division 10 (commencing with Section 7920.000) of Title 1 of
9 the Government Code) and shall be open to public inspection.

10 (ii) A project applicant that fails to provide the monthly report
11 shall be subject to a civil penalty for each month for which the
12 report has not been provided, in the amount of 10 percent of the
13 dollar value of construction work performed by that contractor on
14 the development project in the month in question, up to a maximum
15 of ten thousand dollars (\$10,000). Any contractor or subcontractor
16 that fails to comply with subparagraph (B) or (C) shall be subject
17 to a civil penalty of two hundred dollars (\$200) per day for each
18 worker employed in contravention of subparagraph (B) or (C).

19 (iii) Penalties may be assessed by the Labor Commissioner
20 within 18 months of completion of the development project using
21 the procedures for issuance of civil wage and penalty assessments
22 specified in Section 1741 of the Labor Code, and may be reviewed
23 pursuant to Section 1742 of the Labor Code. Penalties shall be
24 deposited in the State Public Works Enforcement Fund established
25 pursuant to Section 1771.3 of the Labor Code.

26 (E) Each construction contractor shall maintain and verify
27 payroll records pursuant to Section 1776 of the Labor Code. Each
28 construction contractor shall submit payroll records directly to the
29 Labor Commissioner at least monthly in a format prescribed by
30 the Labor Commissioner in accordance with subparagraph (A) of
31 paragraph (3) of subdivision (a) of Section 1771.4 of the Labor
32 Code. The records shall include a statement of fringe benefits.
33 Upon request by a joint labor-management cooperation committee
34 established pursuant to the federal Labor Management Cooperation
35 Act of 1978 (29 U.S.C. Sec. 175a), the records shall be provided
36 pursuant to subdivision (e) of Section 1776 of the Labor Code.

37 (F) All construction contractors shall report any change in
38 apprenticeship program participation or health care expenditures
39 to the lead agency within 10 business days, and shall reflect those
40 changes on the monthly report. The reports shall be considered

1 public records pursuant to the California Public Records Act
2 (Division 10 (commencing with Section 7920.000) of Title 1 of
3 the Government Code) and shall be open to public inspection.

4 (G) A joint labor-management cooperation committee
5 established pursuant to the federal Labor Management Cooperation
6 Act of 1978 (29 U.S.C. Sec. 175a) shall have standing to sue a
7 construction contractor for failure to make health care expenditures
8 pursuant to subparagraph (C) in accordance with Section 218.7 or
9 218.8 of the Labor Code.

10 (6) For a development project over 40,000 square feet that does
11 not include residential use, or for a development project over
12 40,000 square feet that includes residential uses and that is over
13 85 feet in height above grade, all of the following skilled and
14 trained workforce provisions apply:

15 (A) Except as provided in subparagraph (B), the project
16 applicant shall enter into construction contracts with prime
17 contractors only if all of the following are satisfied:

18 (i) The contract contains an enforceable commitment that the
19 prime contractor and subcontractors at every tier will use a skilled
20 and trained workforce to perform work on the development project
21 that falls within an apprenticeable occupation in the building and
22 construction trades. However, this enforceable commitment
23 requirement shall not apply to any scopes of work if new bids are
24 accepted pursuant to clause (i) of subparagraph (B).

25 (ii) The project applicant or prime contractor shall establish
26 minimum bidding requirements for subcontractors that are
27 objective to the maximum extent possible. The project applicant
28 or prime contractor shall not impose any obstacles in the bid
29 process for subcontractors that go beyond what is reasonable and
30 commercially customary. The project applicant or prime contractor
31 shall accept bids submitted by any bidder that meets the minimum
32 criteria set forth in the bid solicitation.

33 (iii) The prime contractor has provided an affidavit under penalty
34 of perjury that, in compliance with this subparagraph, it will use
35 a skilled and trained workforce and will obtain from its
36 subcontractors an enforceable commitment to use a skilled and
37 trained workforce for each scope of work in which it receives at
38 least three bids attesting to satisfaction of the skilled and trained
39 workforce requirements.

1 (iv) If a prime contractor or subcontractor is required to provide
2 an enforceable commitment that a skilled and trained workforce
3 will be used to complete a contract or the development project,
4 the commitment shall be made in an enforceable agreement with
5 the project applicant that provides the following:

6 (I) The prime contractor and subcontractors at every tier will
7 comply with this subparagraph.

8 (II) The prime contractor will provide the project applicant, on
9 a monthly basis while the development project or contract is being
10 performed, a report demonstrating compliance by the prime
11 contractor.

12 (III) The prime contractor shall provide the project applicant,
13 on a monthly basis while the development project or contract is
14 being performed, the monthly reports demonstrating compliance
15 submitted to the prime contractor by the affected subcontractors.

16 (B) If a prime contractor fails to receive at least three bids in a
17 scope of construction work from subcontractors that attest to
18 satisfying the skilled and trained workforce requirements as
19 described in this paragraph, the prime contractor may accept new
20 bids for that scope of work. The prime contractor need not require
21 that a skilled and trained workforce be used by the subcontractors
22 for that scope of work.

23 (C) If the skilled and trained workforce requirements of this
24 paragraph apply, the prime contractor shall require subcontractors
25 to provide, and subcontractors on the development project shall
26 provide, both of the following to the prime contractor:

27 (i) An affidavit signed under penalty of perjury that a skilled
28 and trained workforce shall be employed on the development
29 project.

30 (ii) Reports on a monthly basis, while the development project
31 or contract is being performed, demonstrating compliance with
32 this paragraph.

33 (D) Upon issuing any invitation or bid solicitation for the
34 development project, but no less than seven days before the bid is
35 due, the project applicant shall send a notice of the invitation or
36 solicitation that describes the development project to the following
37 entities within the jurisdiction of the proposed development project
38 site:

39 (i) A bona fide labor organization representing workers in the
40 building and construction trades who may perform work necessary

1 to complete the development project and the local building and
2 construction trades council.

3 (ii) An organization representing contractors that may perform
4 work necessary to complete the development project, including
5 any contractors' association or regional builders' exchange.

6 (E) The project applicant or prime contractor shall, within three
7 business days of a request by a joint labor-management cooperation
8 committee established pursuant to the federal Labor Management
9 Cooperation 8 Act of 1978 (29 U.S.C. Sec. 175a), provide all of
10 the following:

11 (i) The names and Contractors State License Board numbers of
12 the prime contractor and any subcontractors that submitted a
13 proposal or bid for the development project.

14 (ii) The names and Contractors State License Board numbers
15 of contractors and subcontractors that are under contract to perform
16 construction work.

17 (F) (i) The project applicant shall provide to the lead agency,
18 on a monthly basis while the development project or contract is
19 being performed, a report demonstrating that the self-performing
20 prime contractor and all subcontractors used a skilled and trained
21 workforce. A monthly report provided to the lead agency pursuant
22 to this clause shall be a public record under the California Public
23 Records Act (Division 10 (commencing with Section 7920.000)
24 of Title 1 of the Government Code) and shall be open to public
25 inspection. A project applicant that fails to provide a complete
26 monthly report shall be subject to a civil penalty of 10 percent of
27 the dollar value of construction work performed by that contractor
28 on the development project in the month in question, up to a
29 maximum of ten thousand dollars (\$10,000) per month for each
30 month for which the report has not been provided.

31 (ii) Any subcontractors or prime contractor self-performing
32 work subject to the skilled and trained workforce requirements
33 under this paragraph that fails to use a skilled and trained workforce
34 shall be subject to a civil penalty of two hundred dollars (\$200)
35 per day for each worker employed in contravention of the skilled
36 and trained workforce requirement. Penalties may be assessed by
37 the Labor Commissioner within 18 months of completion of the
38 development project using the same issuance of civil wage and
39 penalty assessments pursuant to Section 1741 of the Labor Code
40 and may be reviewed pursuant to the same procedures in Section

1 1742 of the Labor Code. The prime contractor shall not be jointly
2 liable for violations of this paragraph by subcontractors. Penalties
3 shall be paid to the State Public Works Enforcement Fund or the
4 locality of the lead agency or its labor standards enforcement
5 agency, depending on the lead entity performing the enforcement
6 work.

7 (iii) Any provision of a contract or agreement of any kind
8 between a project applicant and a prime contractor that purports
9 to delegate, transfer, or assign to a prime contractor any obligations
10 of or penalties incurred by a project applicant shall be deemed
11 contrary to public policy and shall be void and unenforceable.

12 (G) (i) This paragraph does not apply if all contractors,
13 subcontractors, and craft unions performing work on the
14 development project are subject to a multicraft project labor
15 agreement that requires the payment of prevailing wages to all
16 construction workers employed in the execution of the development
17 project and provides for enforcement of that obligation through
18 an arbitration procedure. The multicraft project labor agreement
19 shall include all construction crafts with applicable coverage
20 determinations for the specified scopes of work on the development
21 project pursuant to Section 1773 of the Labor Code and shall be
22 executed by all applicable labor organizations regardless of
23 affiliation.

24 (ii) (I) A contractor, bidder, or other entity, or any of its
25 subcontractors at any tier, that is a signatory to a valid collective
26 bargaining agreement requiring participation in a state-approved
27 apprenticeship program is exempt from this paragraph for the scope
28 of work of that craft or trade covered by the collective bargaining
29 agreement upon providing the lead agency a one-time declaration
30 per development project verifying the existence of the collective
31 bargaining agreement to which it is a signatory before the due date
32 of the affidavit or reports required under subparagraph (C).

33 (II) A contractor, bidder, or other entity is not liable for any
34 penalty under this paragraph for a subcontractor that complies with
35 subclause (I).

36 (iii) A contractor, bidder, or other entity shall comply with this
37 paragraph for a contractor of any tier that is not a signatory to a
38 valid collective bargaining agreement and for a contractor that is
39 a signatory to a valid collective bargaining agreement but fails or
40 refuses to provide a declaration verifying the existence of the

1 collective bargaining agreement before the due date of the affidavit
2 or reports requirement under subparagraph (C).

3 (7) The lead agency shall have standing to take administrative
4 action or sue a construction contractor for failure to comply with
5 this subdivision. A prevailing lead agency shall distribute any
6 wages and penalties to workers in accordance with law and retain
7 any fees, additional penalties, or assessments.

8 (e) Subdivision (d) does not apply if the development project
9 meets both of the following:

10 (1) The development project consists of 10 or fewer units or
11 less than 10,000 square feet.

12 (2) The development project is not a public work for purposes
13 of Chapter 1 (commencing with Section 1720) of Part 7 of Division
14 2 of the Labor Code.

15 (f) Before making an exemption determination pursuant to this
16 section, the lead agency shall engage in a consultation with relevant
17 California Native American tribes in accordance with Sections
18 21080.3.1 and 21080.3.2

19 (g) (1) Except as provided in paragraph (2), subdivision (d) is
20 a material and integral part of this section and is not severable. If
21 a provision of subdivision (d) or its application is held invalid, this
22 section shall be null and void.

23 (2) Subparagraph (C) of paragraph (5) of subdivision (d) is
24 distinct and is severable from other provisions of this section. If
25 subparagraph (C) of paragraph (5) of subdivision (d) or its
26 application is held invalid, that invalidity shall not affect other
27 provisions or applications that can be given effect without the
28 invalid provision or application.

29 (h) This section shall remain in effect only until January 1, 2035,
30 and as of that date is repealed.

31 SEC. 2. Section 214 of the Revenue and Taxation Code is
32 amended to read:

33 214. (a) Property used exclusively for religious, hospital,
34 scientific, or charitable purposes owned and operated by
35 community chests, funds, foundations, limited liability companies,
36 or corporations organized and operated for religious, hospital,
37 scientific, or charitable purposes is exempt from taxation, including
38 ad valorem taxes to pay the interest and redemption charges on
39 any indebtedness approved by the voters prior to July 1, 1978, or
40 any bonded indebtedness for the acquisition or improvement of

1 real property approved on or after July 1, 1978, by two-thirds of
2 the votes cast by the voters voting on the proposition, if:

3 (1) The owner is not organized or operated for profit. However,
4 in the case of hospitals, the organization shall not be deemed to
5 be organized or operated for profit if, during the immediately
6 preceding fiscal year, operating revenues, exclusive of gifts,
7 endowments, and grants-in-aid, did not exceed operating expenses
8 by an amount equivalent to 10 percent of those operating expenses.
9 As used herein, operating expenses include depreciation based on
10 cost of replacement and amortization of, and interest on,
11 indebtedness.

12 (2) No part of the net earnings of the owner inures to the benefit
13 of any private shareholder or individual.

14 (3) The property is used for the actual operation of the exempt
15 activity, and does not exceed an amount of property reasonably
16 necessary to the accomplishment of the exempt purpose.

17 (A) For the purposes of determining whether the property is
18 used for the actual operation of the exempt activity, consideration
19 shall not be given to use of the property for either or both of the
20 following described activities if that use is occasional:

21 (i) The owner conducts fundraising activities on the property
22 and the proceeds derived from those activities are not unrelated
23 business taxable income, as defined in Section 512 of the Internal
24 Revenue Code, of the owner and are used to further the exempt
25 activity of the owner.

26 (ii) The owner permits any other organization that meets all of
27 the requirements of this subdivision, other than ownership of the
28 property, to conduct fundraising activities on the property and the
29 proceeds derived from those activities are not unrelated business
30 taxable income, as defined in Section 512 of the Internal Revenue
31 Code, of the organization, are not subject to the tax on unrelated
32 business taxable income that is imposed by Section 511 of the
33 Internal Revenue Code, and are used to further the exempt activity
34 of the organization.

35 (B) For purposes of subparagraph (A):

36 (i) "Occasional use" means use of the property on an irregular
37 or intermittent basis by the qualifying owner or any other qualifying
38 organization described in clause (ii) of subparagraph (A) that is
39 incidental to the primary activities of the owner or the other
40 organization.

(ii) “Fundraising activities” means both activities involving the direct solicitation of money or other property and the anticipated exchange of goods or services for money between the soliciting organization and the organization or person solicited.

(C) Subparagraph (A) shall have no application in determining whether paragraph (3) has been satisfied unless the owner of the property and any other organization using the property as provided in subparagraph (A) have filed with the assessor a valid organizational clearance certificate issued pursuant to Section 254.6.

(D) For the purposes of determining whether the property is used for the actual operation of the exempt activity, consideration shall not be given to the use of the property for meetings conducted by any other organization if the meetings are incidental to the other organization’s primary activities, are not fundraising meetings or activities as defined in subparagraph (B), are held no more than once per week, and the other organization and its use of the property meet all other requirements of paragraphs (1) to (5), inclusive, of this subdivision. The owner or the other organization also shall file with the assessor a copy of a valid, unrevoked letter or ruling from the Internal Revenue Service or the Franchise Tax Board stating that the other organization, or the national organization of which it is a local chapter or affiliate, qualifies as an exempt organization under Section 501(c)(3) or 501(c)(4) of the Internal Revenue Code or Section 23701d, 23701f, or 23701w.

(E) Subparagraph (A), (B), (C), or (D) shall not be construed to either enlarge or restrict the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the California Constitution and this section.

(4) The property is not used or operated by the owner or by any other person so as to benefit any officer, trustee, director, shareholder, member, employee, contributor, or bondholder of the owner or operator, or any other person, through the distribution of profits, payment of excessive charges or compensations, or the more advantageous pursuit of their business or profession.

(5) The property is not used by the owner or members thereof for fraternal or lodge purposes, or for social club purposes except where that use is clearly incidental to a primary religious, hospital, scientific, or charitable purpose.

1 (6) The property is irrevocably dedicated to religious, charitable,
2 scientific, or hospital purposes and, upon the liquidation,
3 dissolution, or abandonment of the owner, will not inure to the
4 benefit of any private person except a fund, foundation, or
5 corporation organized and operated for religious, hospital,
6 scientific, or charitable purposes.

7 (7) The property, if used exclusively for scientific purposes, is
8 used by a foundation or institution that, in addition to complying
9 with the foregoing requirements for the exemption of charitable
10 organizations in general, has been chartered by the Congress of
11 the United States (except that this requirement shall not apply
12 when the scientific purposes are medical research), and whose
13 objects are the encouragement or conduct of scientific
14 investigation, research, and discovery for the benefit of the
15 community at large.

16 The exemption provided for herein shall be known as the
17 “welfare exemption.” This exemption is in addition to any other
18 exemption now provided by law, and the existence of the
19 exemption provision in paragraph (2) of subdivision (a) of Section
20 202 does not preclude the exemption under this section for museum
21 or library property. Except as provided in subdivision (e), this
22 section shall not be construed to enlarge the college exemption.

23 (b) Property used exclusively for school purposes of less than
24 collegiate grade and owned and operated by religious, hospital, or
25 charitable funds, foundations, limited liability companies, or
26 corporations, which property and funds, foundations, limited
27 liability companies, or corporations meet all of the requirements
28 of subdivision (a), shall be deemed to be within the exemption
29 provided for in subdivision (b) of Section 4 and Section 5 of Article
30 XIII of the California Constitution and this section.

31 (c) Property used exclusively for nursery school purposes and
32 owned and operated by religious, hospital, or charitable funds,
33 foundations, limited liability companies, or corporations, which
34 property and funds, foundations, limited liability companies, or
35 corporations meet all the requirements of subdivision (a), shall be
36 deemed to be within the exemption provided for in subdivision
37 (b) of Section 4 and Section 5 of Article XIII of the California
38 Constitution and this section.

39 (d) Property used exclusively for a noncommercial educational
40 FM broadcast station or an educational television station, and

1 owned and operated by religious, hospital, scientific, or charitable
2 funds, foundations, limited liability companies, or corporations
3 meeting all of the requirements of subdivision (a), shall be deemed
4 to be within the exemption provided for in subdivision (b) of
5 Section 4 and Section 5 of Article XIII of the California
6 Constitution and this section.

7 (e) Property used exclusively for religious, charitable, scientific,
8 or hospital purposes and owned and operated by religious, hospital,
9 scientific, or charitable funds, foundations, limited liability
10 companies, or corporations or educational institutions of collegiate
11 grade, as defined in Section 203, which property and funds,
12 foundations, limited liability companies, corporations, or
13 educational institutions meet all of the requirements of subdivision
14 (a), shall be deemed to be within the exemption provided for in
15 subdivision (b) of Section 4 and Section 5 of Article XIII of the
16 California Constitution and this section. As to educational
17 institutions of collegiate grade, as defined in Section 203, the
18 requirements of paragraph (6) of subdivision (a) shall be deemed
19 to be met if both of the following are met:

20 (1) The property of the educational institution is irrevocably
21 dedicated in its articles of incorporation to charitable and
22 educational purposes, to religious and educational purposes, or to
23 educational purposes.

24 (2) The articles of incorporation of the educational institution
25 provide for distribution of its property upon its liquidation,
26 dissolution, or abandonment to a fund, foundation, or corporation
27 organized and operated for religious, hospital, scientific, charitable,
28 or educational purposes meeting the requirements for exemption
29 provided by Section 203 or this section.

30 (f) Property used exclusively for housing and related facilities
31 for elderly or handicapped families and financed by, including,
32 but not limited to, the federal government pursuant to Section 202
33 of Public Law 86-372 (12 U.S.C. Sec. 1701q), as amended, Section
34 231 of Public Law 73-479 (12 U.S.C. Sec. 1715v), Section 236 of
35 Public Law 90-448 (12 U.S.C. Sec. 1715z), or Section 811 of
36 Public Law 101-625 (42 U.S.C. Sec. 8013), and owned and
37 operated by religious, hospital, scientific, or charitable funds,
38 foundations, limited liability companies, or corporations meeting
39 all of the requirements of this section shall be deemed to be within
40 the exemption provided for in subdivision (b) of Section 4 and

1 Section 5 of Article XIII of the California Constitution and this
2 section.

3 The amendment of this paragraph made by Chapter 1102 of the
4 Statutes of 1984 does not constitute a change in, but is declaratory
5 of, existing law. However, no refund of property taxes shall be
6 required as a result of this amendment for any fiscal year prior to
7 the fiscal year in which the amendment takes effect.

8 Property used exclusively for housing and related facilities for
9 elderly or handicapped families at which supplemental care or
10 services designed to meet the special needs of elderly or
11 handicapped residents are not provided, or that is not financed by
12 the federal government pursuant to Section 202 of Public Law
13 86-372 (12 U.S.C. Sec. 1701q), as amended, Section 231 of Public
14 Law 73-479 (12 U.S.C. Sec. 1715v), Section 236 of Public Law
15 90-448 (12 U.S.C. Sec. 1715z), or Section 811 of Public Law
16 101-625 (42 U.S.C. Sec. 8013), shall not be entitled to exemption
17 pursuant to this subdivision unless the property is used for housing
18 and related facilities for low- and moderate-income elderly or
19 handicapped families. Property that would otherwise be exempt
20 pursuant to this subdivision, except that it includes some housing
21 and related facilities for other than low- or moderate-income elderly
22 or handicapped families, shall be entitled to a partial exemption.
23 The partial exemption shall be equal to that percentage of the value
24 of the property that is equal to the percentage that the number of
25 low- and moderate-income elderly and handicapped families
26 represents of the total number of families occupying the property.

27 As used in this subdivision, “low and moderate income” has the
28 same meaning as the term “persons and families of low or moderate
29 income” as defined by Section 50093 of the Health and Safety
30 Code.

31 (g) (1) Property used exclusively for rental housing and related
32 facilities and owned and operated by religious, hospital, scientific,
33 or charitable funds, foundations, limited liability companies, or
34 corporations, including limited partnerships in which the managing
35 general partner is an eligible nonprofit corporation or eligible
36 limited liability company, meeting all of the requirements of this
37 section, or by veterans’ organizations, as described in Section
38 215.1, meeting all the requirements of paragraphs (1) to (7),
39 inclusive, of subdivision (a), shall be deemed to be within the
40 exemption provided for in subdivision (b) of Section 4 and Section

1 5 of Article XIII of the California Constitution and this section
2 and shall be entitled to a partial exemption equal to that percentage
3 of the value of the property that is equal to the percentage that the
4 number of units serving lower income households represents of
5 the total number of residential units in any year in which any of
6 the following criteria applies:

7 (A) The acquisition, rehabilitation, development, or operation
8 of the property, or any combination of these factors, is financed
9 with tax-exempt mortgage revenue bonds, qualified 501(c)(3)
10 bonds, as that term is defined in Section 145 of Title 26 of the
11 United States Code, or general obligation bonds, or is financed by
12 local, state, or federal loans or grants and the rents of the occupants
13 who are lower income households do not exceed those prescribed
14 by deed restrictions or regulatory agreements pursuant to the terms
15 of the financing or financial assistance.

16 (B) The owner of the property is eligible for and receives
17 low-income housing tax credits pursuant to Section 42 of the
18 Internal Revenue Code of 1986, as added by Public Law 99-514.

19 (C) In the case of a claim, other than a claim with respect to
20 property owned by a limited partnership in which the managing
21 general partner is an eligible nonprofit corporation, that is filed
22 for the 2000–01 fiscal year or any fiscal year thereafter, 90 percent
23 or more of the occupants of the property are lower income
24 households whose rent does not exceed the rent prescribed by
25 Section 50053 of the Health and Safety Code. The total exemption
26 amount allowed under this subdivision to a taxpayer, with respect
27 to a single property or multiple properties for any fiscal year on
28 the sole basis of the application of this subparagraph, may not
29 exceed twenty million dollars (\$20,000,000) in assessed value.

30 (D) (i) The property was previously purchased and owned by
31 the Department of Transportation pursuant to a consent decree
32 requiring housing mitigation measures relating to the construction
33 of a freeway and is now solely owned by an organization that
34 qualifies as an exempt organization under Section 501(c)(3) of the
35 Internal Revenue Code.

36 (ii) This subparagraph does not apply to property owned by a
37 limited partnership in which the managing partner is an eligible
38 nonprofit corporation.

1 (2) In order to be eligible for the exemption provided by this
2 subdivision, the owner of the property shall do both of the
3 following:

4 (A) (i) For any claim filed for the 2000–01 fiscal year or any
5 fiscal year thereafter, certify and ensure, subject to the limitation
6 in clause (ii), that there is an enforceable and verifiable agreement
7 with a public agency, a recorded deed restriction, or other legal
8 document that restricts the project’s usage and that provides that
9 the units designated for use by lower income households are
10 continuously available to or occupied by lower income households,
11 subject to the exception in clause (iii), at rents that do not exceed
12 those prescribed by Section 50053 of the Health and Safety Code,
13 or, to the extent that the terms of federal, state, or local financing
14 or financial assistance conflicts with Section 50053 of the Health
15 and Safety Code, rents that do not exceed those prescribed by the
16 terms of the financing or financial assistance.

17 (ii) In the case of a limited partnership in which the managing
18 general partner is an eligible nonprofit corporation, the restriction
19 and provision specified in clause (i) shall be contained in an
20 enforceable and verifiable agreement with a public agency, or in
21 a recorded deed restriction to which the limited partnership
22 certifies.

23 (iii) (I) (ia) In the case of an owner of property that is eligible
24 for and receives a low-income housing tax credit pursuant to
25 Section 42 of the Internal Revenue Code, relating to low-income
26 housing credit, a unit shall continue to be treated as occupied by
27 a lower income household if the occupants were lower income
28 households on the lien date in the fiscal year in which their
29 occupancy of the unit commenced and the unit continues to be
30 rent restricted, notwithstanding an increase in the income of the
31 occupants of the unit to 140 percent of area median income,
32 adjusted for family size. However, the unit shall cease to be treated
33 as a lower income unit if the income of the occupants of the unit
34 increases above 140 percent of area median income, adjusted for
35 family size.

36 (ib) This subclause shall only be operative from the 2018–19
37 fiscal year through the 2027–28 fiscal year.

38 (II) (ia) In the case of an owner of property, other than a
39 property described in subclause (I), that is subject to an enforceable
40 and verifiable agreement with a public agency, a unit shall continue

1 to be treated as occupied by a lower income household if the
2 occupants were lower income households on the lien date in the
3 fiscal year in which their occupancy of the unit commenced and
4 the unit continues to be rent restricted, notwithstanding an increase
5 in the income of the occupants of the unit to 100 percent of area
6 median income, adjusted for family size. However, the unit shall
7 cease to be treated as a lower income unit if the income of the
8 occupants of the unit increases above 100 percent of area median
9 income, adjusted for family size.

10 (ib) This subclause shall only be operative from the 2024–25
11 fiscal year through the 2028–29 fiscal year.

12 (iv) (I) In the case of an owner of property that is a community
13 land trust and whose property is leased to a lower income
14 household, subject to a contract that complies with the requirements
15 of paragraph (11) of subdivision (a) of Section 402.1, a unit shall
16 continue to be treated as occupied by a lower income household
17 if the occupants were lower income households on the lien date
18 in the fiscal year in which their occupancy of the unit commenced
19 and the unit continues to be rent restricted, notwithstanding an
20 increase in the income of the occupants of the unit to 140 percent
21 of area median income, adjusted for family size. However, the unit
22 shall cease to be treated as a lower income unit if the income of
23 the occupants of the unit increases above 140 percent of area
24 median income, adjusted for family size.

25 (II) This clause shall only be operative from the 2022–23 fiscal
26 year through the 2027–28 fiscal year.

27 (B) Certify that the funds that would have been necessary to
28 pay property taxes are used to maintain the affordability of, or
29 reduce rents otherwise necessary for, the units occupied by lower
30 income households.

31 (3) As used in this subdivision:

32 (A) “Community land trust” has the same meaning as defined
33 in Section 402.1.

34 (B) “Lower income households” has the same meaning as the
35 term “lower income households” as defined by Section 50079.5
36 of the Health and Safety Code.

37 (C) “Related facilities” means any manager’s units and any and
38 all common area spaces that are included within the physical
39 boundaries of the rental housing development, including, but not
40 limited to, common area space, walkways, balconies, patios,

clubhouse space, meeting rooms, laundry facilities, and parking areas, except any portions of the overall development that are nonexempt commercial space.

(D) (i) “Units serving lower income households” shall mean units that are occupied by lower income households at an affordable rent, as defined in Section 50053 of the Health and Safety Code or, to the extent that the terms of federal, state, or local financing or financial assistance conflicts with Section 50053 of the Health and Safety Code, rents that do not exceed those prescribed by the terms of the financing or financial assistance. Units reserved for lower income households at an affordable rent that are temporarily vacant due to tenant turnover or repairs shall be counted as occupied.

(ii) (I) “Units serving lower income households” shall also mean units specified in clause (iii) of subparagraph (A) of paragraph (2).

(II) This clause shall only be operative from the 2018–19 fiscal year through the 2027–28 fiscal year.

(iii) (I) “Units serving lower income households” shall also mean units specified in clause (iv) of subparagraph (A) of paragraph (2).

(II) This clause shall only be operative from the 2022–23 fiscal year through the 2027–28 fiscal year.

(h) (1) *Property used exclusively for rental housing and related facilities and owned and operated by religious, hospital, scientific, or charitable funds, foundations, limited liability companies, or corporations, including limited partnerships in which the managing partner is an eligible nonprofit corporation or eligible limited liability company, meeting all of the requirements of this section, or by veterans’ organizations, as described in Section 215.1, meeting all of the requirements of paragraphs (1) to (7), inclusive, of subdivision (a), shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the California Constitution at this section and shall be entitled to a partial exemption equal to the percentage of the value of the property that is equal to the percentage that the number of units serving moderate-income households represents of the total number of residential units in any year in which all of the following conditions are met:*

1 (A) *The owner of the property certifies, under penalty of perjury,*
2 *all of the following:*

3 (i) *(I) That there is an enforceable and verifiable agreement*
4 *with a public agency, a recorded deed restriction, or other legal*
5 *document that restricts the applicable project's usage and that*
6 *provides that the units designated for use by moderate-income*
7 *households are continuously available to, or occupied by,*
8 *moderate-income households.*

9 (ii) *In the case of a limited partnership in which the managing*
10 *general partner is an eligible nonprofit corporation, the restriction*
11 *and provision specified in clause (i) shall be contained in an*
12 *enforceable and verifiable agreement with a public agency or in*
13 *a recorded deed restriction to which the limited partnership*
14 *certifies.*

15 (iii) *That the funds that would have been necessary to pay*
16 *property taxes are used to maintain the affordability of, or reduce*
17 *rents otherwise necessary for, the units occupied by*
18 *moderate-income households.*

19 (iv) *That the rents charged are at least 10 percent below the*
20 *fair market rent for the City and County of San Francisco, as*
21 *determined by the federal Department of Housing and Urban*
22 *Development. The City and County of San Francisco or a third*
23 *party may provide a market study that establishes a higher fair*
24 *market rent for the county than that determined by the federal*
25 *Department of Housing and Urban Development. The California*
26 *Housing Finance Agency shall review and certify the validity of*
27 *a market study provided by the City and County of San Francisco*
28 *or a third party pursuant to this subparagraph.*

29 (v) *A building permit or a site permit was filed for residential*
30 *units on the property before January 1, 2035.*

31 (B) *The property is located within the downtown revitalization*
32 *zone of the City and County of San Francisco. For purposes of*
33 *this paragraph, "downtown revitalization zone" means an area*
34 *in the City and County of San Francisco bounded beginning at the*
35 *intersection of Washington Street and The Embarcadero, running*
36 *southerly along The Embarcadero and then King Street to 3rd*
37 *Street, running northwesterly on 3rd Street to Townsend Street,*
38 *running southwesterly along Townsend Street to 6th Street, running*
39 *northwesterly along 6th Street to Mission Street, running*
40 *southwesterly along Mission Street to 10th Street, running*

1 southeasterly along 10th Street to Minna Street, running
2 southwesterly along Minna Street to Lafayette Street, running
3 southeasterly along Lafayette Street to Howard Street, running
4 southerly along Howard Street to the junction with the Central
5 Freeway, running westerly along the Central Freeway to Market
6 Street, running northeasterly along Market Street to Franklin
7 Street, running northerly along Franklin Street to Golden Gate
8 Avenue, running easterly along Golden Gate Avenue to Taylor
9 Street, running northerly along Taylor Street to Turk Street,
10 running easterly along Turk Street to Mason Street, running
11 northerly along Mason Street to Ellis Street, running westerly
12 along Ellis Street to Taylor Street, running northerly along Taylor
13 Street to O'Farrell Street, running westerly along O'Farrell Street
14 to Shannon Street, running northerly along Shannon Street to
15 Geary Street, running easterly along Geary Street to Taylor Street,
16 running northerly along Taylor Street to Bush Street, running
17 easterly along Bush Street to Kearny Street, running northerly
18 along Kearny Street to Sacramento Street, running easterly along
19 Sacramento Street to Montgomery Street, running northerly along
20 Montgomery Street to Washington Street, running easterly along
21 Washington Street to The Embarcadero.

22 (C) The owner of the property claims the exemption under this
23 subdivision within five years following the issuance of the first
24 building permit for residential units on the property.

25 (2) This subdivision shall apply with respect to lien dates
26 occurring on or after January 1, 2025.

27 ~~(h)~~

28 (i) Property used exclusively for an emergency or temporary
29 shelter and related facilities for homeless persons and families and
30 owned and operated by religious, hospital, scientific, or charitable
31 funds, foundations, limited liability companies, or corporations
32 meeting all of the requirements of this section shall be deemed to
33 be within the exemption provided for in subdivision (b) of Section
34 4 and Section 5 of Article XIII of the California Constitution and
35 this section. Property that otherwise would be exempt pursuant to
36 this subdivision, except that it includes housing and related
37 facilities for other than an emergency or temporary shelter, shall
38 be entitled to a partial exemption.

39 As used in this subdivision, "emergency or temporary shelter"
40 means a facility that would be eligible for funding pursuant to

Chapter 11 (commencing with Section 50800) of Part 2 of Division 31 of the Health and Safety Code.

~~(i)~~

(j) Property used exclusively for housing and related facilities for employees of religious, charitable, scientific, or hospital organizations that meet all the requirements of subdivision (a) and owned and operated by funds, foundations, limited liability companies, or corporations that meet all the requirements of subdivision (a) shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the California Constitution and this section to the extent the residential use of the property is institutionally necessary for the operation of the organization.

~~(j)~~

(k) For purposes of this section, charitable purposes include educational purposes. For purposes of this subdivision, “educational purposes” means those educational purposes and activities for the benefit of the community as a whole or an unascertainable and indefinite portion thereof, and do not include those educational purposes and activities that are primarily for the benefit of an organization’s shareholders. Educational activities include the study of relevant information, the dissemination of that information to interested members of the general public, and the participation of interested members of the general public.

~~(k)~~

(l) In the case of property used exclusively for the exempt purposes specified in this section, owned and operated by limited liability companies that are organized and operated for those purposes, the State Board of Equalization shall adopt regulations to specify the ownership, organizational, and operational requirements for those companies to qualify for the exemption provided by this section.

~~(l)~~

(m) The amendments made by Chapter 354 of the Statutes of 2004 apply with respect to lien dates occurring on and after January 1, 2005.

~~(m)~~

(n) The amendments made by Chapter 836 of the Statutes of 2016 apply with respect to lien dates occurring on and after January 1, 2017.

1 ~~(n)~~

2 ~~(o)~~ The amendments made by Chapter 694 of the Statutes of
3 2018 apply with respect to lien dates occurring on and after January
4 1, 2019.

5 ~~(t)~~

6 ~~(p)~~ Notwithstanding Section 20 or any other law, the State Board
7 of Equalization is responsible for administering the welfare
8 exemption provided by this section, except where the law places
9 responsibility for administering that exemption with the county
10 assessor.

11 SEC. 3. The Legislature finds and declares that a special statute
12 is necessary and that a general statute cannot be made applicable
13 within the meaning of Section 16 of Article IV of the California
14 Constitution because of the unique circumstances in the City and
15 County of San Francisco.

16 SEC. 4. No reimbursement is required by this act pursuant to
17 Section 6 of Article XIII B of the California Constitution because
18 a local agency or school district has the authority to levy service
19 charges, fees, or assessments sufficient to pay for the program or
20 level of service mandated by this act or because costs that may be
21 incurred by a local agency or school district will be incurred
22 because this act creates a new crime or infraction, eliminates a
23 crime or infraction, or changes the penalty for a crime or infraction,
24 within the meaning of Section 17556 of the Government Code, or
25 changes the definition of a crime within the meaning of Section 6
26 of Article XIII B of the California Constitution.

27 However, if the Commission on State Mandates determines that
28 this act contains other costs mandated by the state, reimbursement
29 to local agencies and school districts for those costs shall be made
30 pursuant to Part 7 (commencing with Section 17500) of Division
31 4 of Title 2 of the Government Code.

32 SEC. 5. Notwithstanding Section 2229 of the Revenue and
33 Taxation Code, no appropriation is made by this act and the state
34 shall not reimburse any local agency for any property tax revenues
35 lost by it pursuant to this act.

O

SB 1031 (Wiener & Wahab) Analysis and Recommendation

TITLE: San Francisco Bay area: local revenue measure: transportation improvements

AUTHOR: Senator Wiener (D-San Francisco) and Senator Wahab (D-Hayward)

SPONSOR: Metropolitan Transportation Commission (MTC)

RECOMMENDATION: Support and Seek Amendments

BACKGROUND: The COVID-19 pandemic drastically changed travel and commute behaviors in the Bay Area, leaving many transit agencies, including BART, with large operating deficits due to a loss in fare revenue. The federal government, state, and region are providing critical operating assistance to delay the District’s fiscal cliff until the end of Fiscal Year 2026; however a long-term, sustainable source of operations funding is needed. Initiatives outlined in the Metropolitan Transportation Commissions (MTC) Transit Transformation Action Plan to reshape the region’s transit system into a more connected, efficient, and user-focused mobility network also require a dedicated source of new funding.

In January 2024, MTC voted to pursue legislation in the 2024 legislative session that would enable Bay Area voters to consider a tax measure as early as November 2026. Since that time, MTC, transit operators, county transportation agencies, business groups, and transit advocates have come together to begin shaping the framework of a regional transportation measure and enabling legislation. This early work includes an identified set of core goals, proposed expenditure categories, and potential funding sources.

On January 11, Senator Wiener introduced SB 925, a spot bill authorizing MTC to place a regional transportation measure on the ballot in its nine-county jurisdiction or a subset thereof. At the same time, Senator Aisha Wahab introduced SB 926, directing the California State Transportation Agency (CalSTA) to develop a plan to consolidate all transit agencies under the geographic jurisdiction of MTC. At the request of Senate leadership, the two Senators have combined their efforts into SB 1031, the Connect Bay Area Act.

PURPOSE: The following is a section-by-section summary of SB 1031.

Section 1: Legislative Findings and Declarations

- Declares the Bay Area needs a world-class, reliable, affordable, efficient, and connected transportation network that meets the needs of residents, businesses, and visitors while also helping combat the climate crisis.
- Identifies that new transportation investments and reforms are needed to deliver on this vision.

Section 2: General Provisions

- States this act shall be known, and may be cited as, the ____ Act of 2024.

Section 3: Consolidation, Funding, and Transit Demand Management

- Defines “Commission” as MTC, “San Francisco Bay area” as the region comprising MTC’s jurisdiction, “Transit agency” as a State Transit Assistance-eligible transit operator, and “Transportation institute” as either the University of California Institute of Transportation Studies or the Mineta Transportation Institute of San Jose State University.

Consolidation Assessment

- Directs CalSTA to select a transportation institute to conduct an assessment of the advantages and disadvantages of consolidating all of the transit agencies that are located within the San Francisco Bay Area.

- Assessment shall be completed on or before January 1, 2026, and submitted to the Legislature, MTC, and each of the transit agencies located in the San Francisco Bay Area.
- Directs CalSTA to consult with impacted stakeholders, included, but not limited to, impacted transit agencies, transit unions, transit riders, and local governments.
- The transportation institute shall also study the impact regional consolidation would have on wages, work conditions, pension, and retirement benefits of workers covered by collective bargaining agreements at relevant agencies.
- As part of the assessment, the transportation institute shall provide recommendations on how to consolidate transit agencies in a manner that does all of the following:
 - Prioritizes cost savings to the public, the adoption of advanced technology, and other efficiencies.
 - Meets and exceeds climate goals.
 - Improves the speed of transit and the seamlessness of transfers.
 - Advances any other improvements to transit operations.
- The transportation institute shall do a comprehensive assessment of each transit agency's board, governance, funding structure and sources, fares or other fees imposed on riders, service routes and gaps, fleet type, subsidy programs or services, workforce, riders, connectivity to other transit systems, infrastructure gaps, and existing and planned regional network management efforts.

Comprehensive Plan for Consolidation

- Based on findings of the assessment, CalSTA shall recommend a comprehensive plan to consolidate all the transit agencies in the San Francisco Bay Area on or before January 1, 2027, and submit the plan to the Legislature, MTC, and each transit agency.
- In the plan, CalSTA shall do the following:
 - Design a plan that improves access to routes and connectivity, maintains affordable fares, promotes reliable, safe, and efficient service, simplifies accountability to the public and riders, supports great efficiency, and promotes equity for communities throughout the region.
 - Identify opportunities to consolidate agencies and provide specific recommendations for the consolidation or elimination of transit agencies and their governing bodies without resulting in the elimination of programs and transportation services.
 - Recommend a new governing structure and governing board member qualifications, as appropriate, for a new consolidated agency or agencies.
 - Identify and describe any relationship or impacts of the recommendations or elements of the plan on existing and planned regional network management efforts or structures.
 - Identify necessary local, state, or federal laws that may impact efforts to implement the consolidation of the transit agencies.
 - Identify steps to maintain and transfer labor agreements and bargaining units to maintain employee wages, benefits, protections, and working conditions secured by those agreements.
 - Identify barriers to consolidating or eliminating transit agencies and alternative actions, including memorandums of understanding between transit agencies, for the consolidation of services.
 - Describe the steps necessary for, and the feasibility of, interoffice and interagency coordination of programs, services, and resources for riders if consolidation is not feasible.
 - Recommend opportunities for securing federal, state, and local moneys that can be used to fund consolidation.
 - Recommend a strategy for a public education and outreach program on any proposed consolidation efforts and any proposed coordination services and programs.
- States "consolidation" may include reforms to transit agencies that include one or more of the following:
 - Combining staffs of transit agencies.

- Replacing multiple governing boards with a unified governing board representing a broader jurisdiction.
- Creating an umbrella structure under which existing transit agencies are brought together but still operate as distinct divisions with separate governing boards.

Bay Area Transit Consolidation Technical Assistance Fund

- Establishes the Bay Area Transit Consolidation Technical Assistance Fund in the State Treasury that can be used for following purposes:
 - Paying for the assessment and preparing the comprehensive plan.
 - Paying for expenses related to the implementation of consolidation.
- Any moneys deposited in the fund, shall be available to CalSTA, upon appropriation by the Legislature.
- CalSTA may accept private donations, which shall be deposited into this fund.

Section 4: Transportation Demand Management

- Requires, subject to voter approval, MTC and the Bay Area Air Quality Management District to update the Bay Area's commuter benefit ordinance to require large employers of 50 or more full-time employees to provide a subsidy to encourage commuting to work by means other than driving alone.
- Employers located in proximity to transit would be required to purchase a regional transit pass for reach of its employees that provides universal and unlimited access to transit services.
- Employers not in proximity to transit could choose to subsidize transit or other alternatives to driving alone, but the amount of the subsidy must be the same as the transit subsidy mandated for employers in proximity to transit.

Section 5: Regional Network Management

- Establishes that MTC is responsible for implementing a seamless transit rider experience across the nine county San Francisco Bay Area.
- Requires MTC to adopt and updates rules and regulations related to the following topics to promote the coordination of public transit agencies within its jurisdiction:
 - Fares, including fare payment and fare integration
 - Schedules
 - Mapping and wayfinding
 - Real-time transit information
 - Other customer-facing operating policies that would benefit from a regional approach
- States it is the Legislature's intent that MTC's rules and regulations are based on the central goal of increasing transit ridership by improving the customer experience of riding public and creating a seamless experience across all transit agencies.
- Conditions the receipt of State Transit Assistance (STA), Transportation Development Act Local Transportation Funds (TDA) and future regional transportation revenue measure funds on compliance with those rules and regulations.
- Provides Legislative direction to MTC to focus on specific outcomes when implementing the regional network management provisions. These outcomes are listed in the legislation and aligned with several of the "transformational outcomes" identified in the 2021 Bay Area Transit Transformation Action Plan.
- Requires each public transit agency in the region to fulfill all applicable requirements under Title VI of the federal Civil Rights Act of 1964 regarding service and fare changes.
- Requires MTC to submit an annual report to the Legislature beginning January 1, 2026, on the status of transit ridership in the Bay Area.

- Includes placeholder language stating Legislature’s intent to strengthen regional network management within the region, including the possibility of establishing a body within MTC to guide regional network management efforts.

Section 6: Division 1 MTC

- The heading of “Division 1” (commencing with Section 6650) is added to Title 7.1 of the Government Code to read – Division 1: Metropolitan Transportation Commission.

Section 7: Division 2 Taxing Authority and Transportation Funding

- “Division 2” (commencing with Section 66538) is added to Title 7.1. of the Government Code to read – Division 2 Taxing Authority and Transportation Funding

Definitions (Chapter 1)

- Provides definitions for the “Commission,” “public transit agency,” and “San Francisco Bay area.”

Special Taxes (Chapter 2)

Authorizes MTC, either directly or through a qualified voter initiative, to seek voter approval in all nine counties or a subset, to raise and allocate new revenue through a menu of revenue options. The menu includes:

- Sales tax: Regional sales tax on the sale of tangible items. Provides that the sales tax does not “count” toward the state’s two percent cap on total local transactions and use taxes.
- Regional payroll tax: Employer-based tax on wages paid to employees. The tax would be administered by California’s Employment Development Department.
- Regional square footage-based parcel tax: A special tax imposed upon a parcel of real property at a rate determined without regard to the property’s value.
- Regional vehicle registration charge: Bay Area-specific Transportation Improvement Fee with tiered rates based on the value of the vehicle following the same rate structure in SB 1.

Election Procedures (Chapter 3)

- Allows the measure to be placed on the ballot either by MTC directly or by a qualified voter initiative, which would be subject to a simple majority vote.
- Requires the counties in which MTC has determined to place a measure on the ballot to call a special election on the measure.
- The election may be held no sooner than November 2026.
- Allows for repeat ballot measure attempts and successive ballot measures.
- Defines MTC as a district for the purpose of placement of a measure on the ballot.
- If the measure is successful, requires MTC to establish an independent oversight committee within six months of the effective date of the tax increase to ensure that any revenues generated pursuant to this section are expended consistent with the statute.
- Allows MTC to expand the scope of the Regional Measure 3 Oversight Committee to assume this responsibility rather than having two separate oversight committees.

Expenditures (Chapter 4)

- States the Legislature’s intent that revenues generated from the measure fund the following transportation improvements:
 - **Transit transformation** including resources to sustain, expand, and improve transit service for current and future riders, accelerate customer-faced initiatives, support zero-emissions transit vehicles and infrastructure.
 - **Safe Streets** including investments in local roads to support safety, equity, and climate goals through bike/ped infrastructure investments, safe routes to transit, other safety enhancements and pothole repairs.

- **Connectivity** including mobility improvements that close gaps and relieve bottlenecks in the existing transportation network in a climate-neutral manner.
- **Climate Resilience** investments that support planning, design and/or construction activities that protect transportation infrastructure from rising sea levels, flooding, wildfires, and extreme heat.
- Includes placeholder language stating Legislature’s intent that need and geographic balance are considered in the distribution of regional transportation revenues.
- Directs MTC to annually allocate at least \$750 million of generated revenues to fund investments in transit operations and service improvements.
- States the Legislature’s intent to clarify roadway eligibility criteria, including potential criteria around roadway capacity increases.
- States the Legislature’s intent MTC prioritize the following focus areas when distributing new regional transportation measure revenues:
 - **Fund transit operations**, including through providing resources to address operating shortfalls and ensuring existing resources are maintained and used effectively. Directs MTC in funding transit operations to prioritize maintaining transit service for riders who rely on transit as their primary mode of transportation and sustaining services used by the greatest number of transit riders.
 - **Enhance frequency of service** and areas served where needed and financially sustainable.
 - **Create a seamless and convenient Bay Area transit system** that attracts far more riders by improving public safety on transit and implementing the Bay Area Transit Transformation Action Plan.
 - **Make it safer and easier for people of all ages and abilities** to get to where they need to go by preserving and enhancing access for all transportation system road users, including people walking, biking and wheeling.
- Includes “maintenance of effort” provision requiring transit agencies maintain their existing commitment of local funds to transit operations to be eligible for an allocation of new regional transportation revenue measure funds, allowing for exception if they reduce service/have lower operating costs.
- Allows MTC to retain up to one percent of allocated revenues to cover the cost of administering the measure.

Bonds (Chapter 5)

- Grants MTC authority to incur indebtedness and issue bonds and other securities from revenues raised by the regional transportation measure.

Miscellaneous (Chapter 6)

- States that any act or proceeding to contest the validity of the measure shall commence within 60 days from the date of the election at which the tax is approved. After that date, the measure shall be held valid and incontestable.
- Grants MTC authority to do all acts necessary or convenient for the purpose of carrying out its powers in Division 2 and the financing of programs, and projects, and purposes identified therein.

DISTRICT IMPACT: SB 1031 represents the first set of substantive amendments to enabling legislation for a regional transportation measure. With several areas of the bill still containing placeholder language and the recent addition of language regarding transit agency consolidation, staff recommend a “Support and Seek Amendments” position to continue conversations and the drafting of amendments with the authors, bill sponsor, and working group members in several key areas.

Consolidation Assessment and Implementation Plan

Given early concerns with the consolidation study proposed by SB 926, the scope of the consolidation assessment and plan in SB 1031 is likely to be amended. As written, the bill identifies specific outcomes and

improvements transit agency consolidation should achieve such as cost savings to the public, adoption of advanced technology, meeting climate goals, and improved speed of transit and transfers. Such outcomes may be beyond the scope of consolidation; therefore, the assessment and comprehensive plan should not limit recommendations to just consolidation but consider other coordinated agency efforts and governance models that may achieve the same results. The assessment and implementation plan should also recognize the ongoing efforts of the state's Transit Transformation Task Force and seek to incorporate recommendations coming out of that group.

The bill requires a completed consolidation assessment by January 2026. Funding for the assessment will likely come from existing state or regional sources, which is a concern raised by MTC and transit agencies. Future amendments may seek to limit the financial impacts placed on the region prior to funding from a regional measure being available. With the size of the measure still under consideration, MTC and the broader working group may also need to decide on an appropriate level of funding for the consolidation assessment, plan, and implementation noting it is a high priority for Senate leadership and the Bay Area Caucus as a whole.

Transportation Demand Management

Several outstanding questions remain regarding the bill's employer-provided regional transit pass. For example, the amount of the subsidy for the proposed regional transit pass and set pricing is yet to be determined as well as a definition of "proximity" to transit. The benefit provided by employers not located in proximity must be defined and more broadly the program must consider ways to mitigate loss commute fare revenue for individual transit agencies.

Regional Network Management (RNM)

As further language is developed to strengthen regional network management, BART and several transit agencies support recognizing in statute MTC's role as the convener of a Regional Network Management structure. Currently, MTC's Regional Network Management Committee, made up of MTC commissioners and some non-voting members with more transit-specific expertise, sets the regional vision for transit policy and provides leadership on the overall direction of the RNM's key initiatives.

Transit agencies also support the current RNM's steering level, known as the RNM Council, being codified in state law. The RNM Council is made up of General Managers of transit agencies and the MTC Executive Director and provides transit operational expertise and leadership in steering the RNM's work to ensure regional transit policies are feasible and consider the unique contexts of different operators. The RNM Council also allows operator and MTC executive leadership to proactively resolve potential implementation barriers.

To further ensure transit agencies are able to shape successful regional transit policy, the RNM Council should be granted the authority to recommend voting members to the policy-making/decision-making level of the RNM structure. Specifically, transit agencies request that MTC grant voting power to the ex-officio RNM Committee members (2 transit agency board members and 1 state appointee) to strengthen transit agency and state perspectives on this body.

Conditioning of New and Existing Funding

Existing law requires MTC to adopt rules and regulations to promote the coordination of fares and schedules for all public transit systems within its jurisdiction and requires every system to enter into a joint fare revenue sharing agreement with connecting systems. Conversations are ongoing between transit agencies and MTC about new accountability language that would allow MTC to condition existing STA, TDA, and potential new regional measure funding based on compliance with regional transit policies to promote the coordination of fares, schedules, mapping and wayfinding, real-time transit information, and other customer-facing improvements. To ensure regional transit policies are feasible and well-crafted, regional transit policies must be approved through the RNM Council and RNM Committee.

Transit Agency Board Authority

While transit agencies support empowering MTC to condition new funding on compliance with regional transit policies, transit agency boards, especially ones that are directly elected, should retain their authority to the greatest extent possible. Key areas where boards should maintain their existing authority include: control over operating budgets and fare policy; funding sources such that there will be no shifting of locally controlled resources from one transit agency to another; retaining rights to bargain with their respective unions; control over individual logos and brands; and final control over service planning and scheduling. Proposed “guardrails” around MTC’s network management authority are being drafted and seek to clarify the continued role transit agency boards will play under a new regional management structure.

Share of Funding for Expenditure Categories

Currently SB 1031 directs MTC to annually allocate at least \$750 million of generated revenues to stabilize transit systems’ operations, avoid service cuts, and enhance service. This is a direct benefit to BART, given the District’s projected deficits of \$300 million a year beginning in FY27. However, further decisions must be made regarding a minimum dollar or percentage amount for each of the expenditure categories, as well as any provisions for funding to remain flexible and be distributed based on future needs or changing circumstances. As negotiations continue, BART will advocate that funding, expressed as either a percentage or amount indexed to inflation, continue to be prioritized for transit operations and transit service improvements.

Highway Project Eligibility

BART supports criteria limiting to the greatest extent possible roadway capacity increases. If funding is provided to highway projects, language should be included requiring a reduction in greenhouse gas emissions.

Return-to-Source Provisions

With a multi-county service area, BART will want to ensure that its operating needs, geographically diverse ridership, and proportion of transit riders compared to other transit agencies are considered in the distribution of regional transportation revenues.

Maintenance of Effort Language

As legislation moves forward, BART will want to ensure language does not limit BART’s ability to allocate operating funds to the capital budget or have other unintended budget implications.

KNOWN SUPPORT/OPPOSITION: Support: MTC (Sponsor). Opposition: None known at this time.

STATUS: Introduced on March 18 and pending policy committee referral.

AMENDED IN SENATE MARCH 18, 2024

SENATE BILL**No. 1031**

Introduced by ~~Senator~~ Senators Wiener and Wahab
(Principal coauthor: Assembly Member Ting)

February 6, 2024

An act to amend ~~Section 9146 of the Government Code, relating to the Legislature. Sections 65081 and 66516 of,~~ to add Section 13978.9 to, to add the heading of Division 1 (commencing with Section 66500) to Title 7.1 of, and to add Division 2 (commencing with Section 66538) to Title 7.1 of, the Government Code, to amend Section 99270.5 of the Public Utilities Code, to add Section 976.9 to the Unemployment Insurance Code, and to add Section 9250.3 to the Vehicle Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 1031, as amended, Wiener. ~~Legislative review of state agency action.~~ *San Francisco Bay area: local revenue measure: transportation improvements.*

(1) Existing law creates the Metropolitan Transportation Commission as a local area planning agency for the 9-county San Francisco Bay area with comprehensive regional transportation planning and other related responsibilities. Existing law creates various transit districts located in the San Francisco Bay area, with specified powers and duties relating to providing public transit services.

This bill would authorize the commission to raise and allocate new revenue and incur and issue bonds and other indebtedness, as specified. In this regard, the bill would authorize the commission to impose a retail transactions and use tax, a regional payroll tax, a parcel tax, and a regional vehicle registration surcharge in all or a subset of the 9

counties of the San Francisco Bay area, in accordance with applicable constitutional requirements. The bill would require the parcel tax to be collected by counties and the other 3 taxes to be collected by specified state agencies, and would require the net revenues from those taxes to be remitted to the commission, as prescribed. The bill would require the revenue generated pursuant to these provisions to be used for transportation improvements in the San Francisco Bay area, including for various transit purposes, and would require the commission to distribute those revenues in accordance with specified requirements and expressions of legislative intent.

By adding to the duties of local officials with respect to elections procedures for revenue measures on behalf of the commission, this bill would impose a state-mandated local program.

(2) Existing law establishes the Transportation Agency, consisting of various state agencies under the supervision of an executive officer known as the Secretary of Transportation, who is required to develop and report to the Governor on legislative, budgetary, and administrative programs to accomplish comprehensive, long-range, and coordinated planning and policy formulation in the matters of public interest related to the agency.

This bill would require the Transportation Agency to select a transportation institute, as defined, to conduct an assessment of the associated advantages and disadvantages of consolidating all of the transit agencies, as defined, that are located in the 9-county San Francisco Bay area, as specified. The bill would require that assessment to be completed on or before January 1, 2026, and would require, as part of that assessment, the transportation institute to provide recommendations on how to consolidate those transit agencies and to include certain information in the assessment. Based on the findings of the assessment, the bill would require the Transportation Agency, on or before January 1, 2027, to recommend a comprehensive plan to consolidate all of the transit agencies located in the San Francisco Bay area, as provided. The bill would establish the Bay Area Transit Consolidation Technical Assistance Fund in the State Treasury for the deposit of moneys that can be used for specified purposes, including paying for the cost of conducting the assessment and preparing the comprehensive plan, as specified. The bill would require the assessment and the comprehensive plan to be submitted to the Legislature upon completion.

(3) Existing law requires the Metropolitan Transportation Commission to adopt rules and regulations to promote the coordination of fares and schedules for all public transit systems within its jurisdiction, as specified.

This bill would revise and recast this provision by, among other things, providing that the commission is responsible for implementing a seamless transit rider experience across the San Francisco Bay area and requiring those rules and regulations to also promote the coordination of mapping and wayfinding, real-time transit information, and other customer-facing operating policies, as specified. The bill would also declare that it is intent of the Legislature that the commission implement and sustain specified outcomes in undertaking these responsibilities. The bill would require the commission to submit an annual report to the Legislature on the status of those outcomes and the status of transit ridership in the San Francisco Bay area. By imposing additional duties on the commission, the bill would create a state-mandated local program.

(4) Under existing law, a transit operator within the jurisdiction of the commission is not eligible to receive funding allocated by the commission pursuant to the State Transit Assistance Program unless it has complied with the above-described rules and regulations adopted by the commission.

This bill would also make a transit operator ineligible to receive an allocation from the commission of the revenues generated by the new taxing authority authorized by the bill or to make a claim pursuant to the Transportation Development Act for an allocation of funds from a local transportation fund if the operator is not in compliance with those rules and regulations.

(5) Existing law authorizes the commission and the Bay Area Air Quality Management District to jointly adopt a commute benefit ordinance that requires covered employers operating within the common area of the 2 agencies with a specified number of covered employees to offer those employees certain commute benefits, as specified.

This bill would also authorize one of those commute benefit options to include an employer-provided regional transit pass.

This bill would authorize the commission, as part of a measure to impose a tax described above, to propose a ballot measure that would require a covered employer that is located in proximity to transit to purchase a regional transit pass for each of its employees and to require a covered employer that is not located in proximity to transit to provide

a subsidy to each of its employees corresponding in financial value to the regional transit pass, as specified. If the ballot measure is approved by the voters, the bill would require the commission and the district to update the ordinance accordingly.

(6) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

~~Existing law requires a state agency, as specified, to notify the Joint Legislative Budget Committee not less than 60 days prior to the effective date on which the state agency will establish or change a federal aid allocation formula to a local agency. If the chairman of the committee informs committee members of his intention to waive the 60-day notification period, existing law permits the chairman to grant a waiver of that notification period after receipt of the notification. Under existing law, upon the request of the chairman or any member of the committee, the committee must schedule a hearing on the proposed allocation formula to be established or changed.~~

~~This bill would make technical, nonsubstantive changes to those provisions to use gender-neutral language.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.
State-mandated local program: ~~no~~ yes.

The people of the State of California do enact as follows:

- 1 *SECTION 1. The Legislature finds and declares all of the*
- 2 *following:*
- 3 *(a) The San Francisco Bay area needs a world-class, reliable,*
- 4 *affordable, efficient, and connected transportation network that*
- 5 *meets the needs of bay area residents, businesses, and visitors*
- 6 *while also helping combat the climate crisis.*
- 7 *(b) A world-class transportation network will enhance access*
- 8 *to opportunity, lower greenhouse gas emissions, strengthen the*
- 9 *region's economy, and improve quality of life.*
- 10 *(c) To achieve that vision, the San Francisco Bay area needs*
- 11 *all of the following:*

1 (1) *A public transit network that offers safe, clean, frequent,*
2 *accessible, easy-to-navigate, and reliable service that gets transit*
3 *riders where they want and need to go safely, affordably, quickly,*
4 *and seamlessly.*

5 (2) *Local roads that are well maintained.*

6 (3) *Transit, biking, walking, and wheeling options that are safe,*
7 *convenient, and competitive alternatives to driving.*

8 (d) *Regional funding and reforms are necessary to create a*
9 *climate-friendly transportation system that is safe, accessible, and*
10 *convenient for all, including through doing all of the following:*

11 (1) *Protecting and enhancing transit service.*

12 (2) *Making transit faster, safer, and easier to use.*

13 (3) *Enhancing mobility and access for all.*

14 SEC. 2. *This act shall be known, and may be cited as, the _____*
15 *Act of 2024.*

16 SEC. 3. *Section 13978.9 is added to the Government Code, to*
17 *read:*

18 13978.9. (a) *For purposes of this section, the following*
19 *definitions apply:*

20 (1) *“Commission” means the Metropolitan Transportation*
21 *Commission.*

22 (2) *“San Francisco Bay area” means the region comprising*
23 *the commission’s jurisdiction, as prescribed by Section 66502.*

24 (3) *“Transit agency” has the same meaning as “public*
25 *transportation operator” as defined in subdivision (b) of Section*
26 *99312.2 of the Public Utilities Code.*

27 (4) *“Transportation institute” means either the University of*
28 *California Institute of Transportation Studies or the Mineta*
29 *Transportation Institute at San José State University.*

30 (b) (1) *The Transportation Agency shall select a transportation*
31 *institute to conduct an assessment of the associated advantages*
32 *and disadvantages of consolidating all of the transit agencies that*
33 *are located within the San Francisco Bay area, and shall oversee*
34 *the transportation institute in that regard. The transportation*
35 *institute shall complete the assessment on or before January 1,*
36 *2026, and upon completion, shall submit the assessment to the*
37 *Legislature in compliance with Section 9795, and to the*
38 *commission and each of the transit agencies located in the San*
39 *Francisco Bay area.*

1 (2) *In undertaking the duties set forth in paragraph (1), the*
2 *Transportation Agency shall consult with impacted stakeholders,*
3 *included, but not limited to, impacted transit agencies, transit*
4 *unions, transit riders, and local governments.*

5 (3) *If the Transportation Agency selects the University of*
6 *California Institute of Transportation Studies to complete the*
7 *assessment, the requirement to complete the assessment shall only*
8 *apply to the University of California to the extent that the Regents*
9 *of the University of California, by appropriate resolution, make*
10 *that requirement applicable.*

11 (4) *In conducting the assessment, the transportation institute*
12 *shall also study the impact that regional consolidation would have*
13 *on wages, work conditions, pension, and retirement benefits of*
14 *workers covered by collective bargaining agreements at relevant*
15 *agencies.*

16 (5) *As part of the assessment, the transportation institute shall*
17 *provide recommendations on how to consolidate those transit*
18 *agencies in a manner that does all of the following:*

19 (A) *Prioritizes cost savings to the public, the adoption of*
20 *advanced technology, and other efficiencies.*

21 (B) *Meets and exceeds climate goals.*

22 (C) *Improves the speed of transit and the seamlessness of*
23 *transfers.*

24 (D) *Advances any other improvements to transit operations.*

25 (6) *The transportation institute shall identify, at a minimum, all*
26 *of the following information in the assessment:*

27 (A) *Each transit agency, and each agency that has authority to*
28 *create policy or assess charges with regard to transit, that is*
29 *located in the San Francisco Bay area and whether the governing*
30 *body of those agencies is appointed or elected.*

31 (B) *The size of the membership, terms of service of the members,*
32 *and whether the members are voting members, for each governing*
33 *body of an agency described in subparagraph (A).*

34 (C) *Whether the governing body of an agency described in*
35 *subparagraph (A) was created pursuant to state statute, local*
36 *ordinance, city charter, federal law, or ballot measure or initiative.*

37 (D) *The county where each agency described in subparagraph*
38 *(A) and its governing body is located.*

39 (E) *Any qualifications required to serve as a member of the*
40 *governing board of an agency described in subparagraph (A).*

1 (F) *The funding structures, including any tax assessments, and*
2 *revenue mechanisms, including any temporary or permanent state*
3 *or federal support, or both, established for each agency described*
4 *in subparagraph (A).*

5 (G) *The fares or other fees imposed on riders by each transit*
6 *agency and the available routes provided by each transit agency.*

7 (H) *The fleet type and size of each transit agency.*

8 (I) *The programs and services offered to riders by each transit*
9 *agency, including any subsidies offered to riders.*

10 (J) *The workforce size and type of each agency described in*
11 *subparagraph (A), whether there are any applicable labor*
12 *contracts for that workforce, and the socioeconomic makeup of*
13 *that workforce.*

14 (K) *The socioeconomic makeup of the riders of each transit*
15 *agency.*

16 (L) *The continuity of travel between public transit systems*
17 *operated by different transit agencies and between different*
18 *services or programs operated by the same transit agency.*

19 (M) *Infrastructure gaps between routes of regional travel.*

20 (N) *Service gaps between routes of travel.*

21 (O) *Existing and planned regional network management efforts,*
22 *including efforts to modify and improve the commission's regional*
23 *network management authority, and how consolidation would*
24 *relate to, or impact, those efforts.*

25 (c) *Based on the findings of the assessment conducted pursuant*
26 *to subdivision (b), the Transportation Agency shall recommend a*
27 *comprehensive plan to consolidate all of the transit agencies that*
28 *are located in the San Francisco Bay area. The Transportation*
29 *Agency shall complete the plan on or before January 1, 2027, and,*
30 *upon completion, shall submit the plan to the Legislature in*
31 *compliance with Section 9795, and to the commission and each*
32 *of the transit agencies located in the San Francisco Bay area. In*
33 *the plan, the Transportation Agency shall do all of the following:*

34 (1) *Design the plan in a manner that provides benefits to riders,*
35 *including paratransit riders, and that does all of the following:*

36 (A) *Improves access to routes and services, including across*
37 *city and county boundaries, and improves connections to regional*
38 *and interregional transit service in a manner that competes with*
39 *private automobile travel.*

1 (B) Maintains affordable fares and reliable, safe, and efficient
2 service.

3 (C) Improves and simplifies the accountability of the
4 transportation system to the public and riders.

5 (D) Supports greater efficiency and cost-effectiveness, and
6 reduces administrative costs.

7 (E) Provides more equitable access to quality, connected transit
8 services to communities throughout the region.

9 (2) (A) Identify opportunities to consolidate agencies and
10 provide specific recommendations for the consolidation or
11 elimination of transit agencies and their governing bodies without
12 resulting in the elimination of programs and transportation
13 services.

14 (B) For the purposes of this paragraph, “consolidation” may
15 include reforms to transit agencies that include one or more of the
16 following:

17 (i) Combining staffs of transit agencies.

18 (ii) Replacing multiple governing boards with a unified
19 governing board representing a broader jurisdiction.

20 (iii) Creating an umbrella structure under which existing transit
21 agencies are brought together but still operate as distinct divisions
22 with separate governing boards.

23 (3) Recommend a new governing structure and governing board
24 member qualifications, as appropriate, for a new consolidated
25 agency or agencies based on research of effective international
26 models of transit delivery excellence, and consideration of recent
27 regional and state studies of effective transit governance. In making
28 these recommendations, the Transportation Agency shall do both
29 of the following:

30 (A) Identify any future legislative steps required to implement
31 the recommended governing structure.

32 (B) Consider other reforms necessary to ensure that commission
33 policy is democratically accountable and serves the regional
34 welfare.

35 (4) Identify and describe any relationship or impacts of the
36 recommendations or elements of the plan on existing and planned
37 regional network management efforts or structures.

38 (5) Identify necessary local, state, or federal laws that may
39 impact efforts to implement the consolidation of the transit
40 agencies.

1 (6) Identify steps, in consultation with impacted stakeholders,
2 to maintain and transfer labor agreements and bargaining units
3 to maintain employee wages, benefits, protections, and working
4 conditions secured by those agreements.

5 (7) Identify barriers to consolidating or eliminating transit
6 agencies and alternative actions, including memorandums of
7 understanding between transit agencies, for the consolidation of
8 services.

9 (8) Describe the steps necessary for, and the feasibility of,
10 interoffice and interagency coordination of programs, services,
11 and resources for riders if consolidation is not feasible.

12 (9) Recommend opportunities for securing federal, state, and
13 local moneys that can be used to fund consolidation.

14 (10) Recommend a strategy for a public education and outreach
15 program on any proposed consolidation efforts and any proposed
16 coordination services and programs.

17 (d) (1) The Bay Area Transit Consolidation Technical
18 Assistance Fund is hereby established in the State Treasury for
19 the deposit of moneys that can be used for the following purposes:

20 (A) Paying for the cost of conducting the assessment pursuant
21 to subdivision (b) and preparing the comprehensive plan pursuant
22 to subdivision (c).

23 (B) Paying for expenses related to the implementation of the
24 consolidation of transit agencies located in the San Francisco Bay
25 area, if those consolidations occur.

26 (2) Any moneys deposited into the fund, including moneys
27 deposited into the fund pursuant to Section 66538.40, shall be
28 available to the Transportation Agency, upon appropriation by
29 the Legislature, for the purposes described in paragraph (1).

30 (3) The Transportation Agency may accept private donations
31 to be used for the purposes described in this section. Any donations
32 received pursuant to this paragraph shall be deposited into the
33 fund established pursuant to paragraph (1).

34 SEC. 4. Section 65081 of the Government Code is amended to
35 read:

36 65081. (a) It is the intent of the Legislature to encourage
37 metropolitan planning organizations and local air quality
38 management districts or air pollution control districts to work with
39 local employers to adopt policies that encourage commuting by
40 means other than driving alone. To encourage this, the Legislature

1 hereby establishes a program in that regard in the greater San
2 Francisco Bay Area.

3 (b) Notwithstanding Section 40717.9 of the Health and Safety
4 Code, the Bay Area Air Quality Management District and the
5 Metropolitan Transportation Commission with respect to the
6 common area within their respective jurisdictions may jointly adopt
7 a commute benefit ordinance that requires covered employers
8 operating within the common area of the district and commission
9 to offer all covered employees one of the following choices:

10 (1) A pretax option: a program, consistent with Section 132(f)
11 of the Internal Revenue Code, allowing covered employees to elect
12 to exclude from taxable wages employee commuting costs incurred
13 for transit passes or vanpool charges, up to the maximum amount
14 allowed by federal tax law.

15 (2) Employer-paid benefit: a program whereby the covered
16 employer offers employees a subsidy to offset the monthly cost
17 of commuting via public transit or by vanpool, or, in addition, and
18 at the employer's discretion, by bicycle. The subsidy shall be equal
19 to either the monthly cost of commuting via public transit or by
20 vanpool, or seventy-five dollars (\$75), whichever is lower. The
21 seventy-five dollar (\$75) amount shall be adjusted annually
22 consistent with the California Consumer Price Index. If the covered
23 employer chooses to offer a subsidy to offset the monthly cost of
24 commuting by bicycle, the subsidy shall be either the monthly cost
25 of commuting by bicycle or twenty dollars (\$20), whichever is
26 lower.

27 (3) Employer-provided transit: transportation furnished by the
28 covered employer at no cost, or low cost as determined by the
29 district or commission, to the covered employee in a vanpool or
30 bus, or similar multipassenger vehicle operated by or for the
31 employer.

32 (4) *Employer-provided regional transit pass: a program*
33 *whereby the covered employer offers covered employees a subsidy*
34 *in the form of a universal regional transit pass to offset the monthly*
35 *cost of commuting via public transit.*

36 (c) Nothing in this section shall prevent a covered employer
37 from offering a more generous commuter benefit that is otherwise
38 consistent with the requirements of the applicable commute benefit
39 ordinance. Nothing in this section shall require employees to
40 change their behavior.

(d) An employer offering, or proposing to offer, an alternative commuter benefit on the employer's own initiative, or an employer otherwise required to offer an alternative commuter benefit as a condition of a lease, original building permit, or other similar requirement, if the alternative is not one of the options identified in subdivision (b), may seek approval of the alternative from the district or commission. The district or commission may approve an alternative if it determines that the alternative provides at least the same benefit in terms of reducing single-occupant vehicle trips as any of the options in subdivision (b). An employer that offers an approved alternative to covered employees in a manner otherwise consistent with this section is not required to offer one of the options in subdivision (b).

(e) The commute benefit ordinance shall provide covered employers with at least six months to comply after the ordinance is adopted.

(f) An employer that participates in or is represented by a transportation management association that provides the employer's covered employees with any of the benefits in subdivision (b), or an alternative benefit determined by the district or commission pursuant to subdivision (d) to provide at least the same benefit in terms of reducing single-occupant vehicle trips as any of the options in subdivision (b), shall be deemed in compliance with the regional ordinance, and the transportation management association may act on behalf of those employers in that regard. The district or commission shall communicate directly with the transportation management association, rather than the participating employers, to determine compliance with the ordinance.

(g) A commute benefit ordinance adopted pursuant to this section shall specify all of the following: ~~(1) how~~

(1) How the implementing agencies will inform covered employers about the ordinance, (2) how ordinance.

(2) How compliance with the ordinance will be demonstrated, (3) the demonstrated.

(3) The procedures for proposing and the criteria that will be used to evaluate an alternative commuter benefit pursuant to subdivision (d), and (4) any (d).

(4) Any consequences for noncompliance.

(h) Nothing in this section shall limit or restrict the statutory or regulatory authority of the commission or district.

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(i) The commission shall not use federal planning funds in the implementation of the commute benefit ordinance.

(j) (1) *Notwithstanding subdivisions (b) and (d), the commission may propose a ballot measure as part of a measure proposed pursuant to Division 2 (commencing with Section 66538) of Title 7.1 and subject to the election procedures set forth in that division to update the ordinance adopted pursuant to this section to do both of the following:*

(A) *Require a covered employer that is located in proximity to transit to purchase a regional transit pass for each of its employees that provides universal and unlimited access to transit services provided by transit agencies operating in the common area within the jurisdiction of the district and the commission.*

(B) *Require a covered employer that is not located in proximity to transit to provide a subsidy to each of its employees corresponding in financial value to the regional transit pass described in subparagraph (A) to encourage commuting to work by means other than driving alone.*

(2) *Consistent with subdivision (b) of Section 66538.20, if the update to the ordinance is proposed in a subset of the counties of the San Francisco Bay area, the update to the ordinance authorized in paragraph (1) shall apply only in those counties in which the measure was submitted to the voters.*

(3) *Notwithstanding subdivisions (b) and (d), if a ballot measure described in paragraph (1) is approved, the commission and the district shall update the ordinance adopted pursuant to this section to require covered employers to provide covered employees with the applicable commuting benefit set forth in subparagraphs (A) and (B) of paragraph (1) instead of requiring covered employers to offer the choices described in paragraphs (1) to (4), inclusive, of subdivision (b).*

(j)

(k) As used in this section, the following ~~terms have the~~ following meanings: definitions apply:

(1) "Covered employer" means any employer for which an average of 50 or more employees per week perform work for compensation within the area where the ordinance adopted pursuant to this section operates. In determining the number of employees performing work for an employer during a given week, only employees performing work on a full-time basis shall be counted.

(2) “Covered employee” means an employee who performed at least an average of 20 hours of work per week within the previous calendar month within the area where the ordinance adopted pursuant to this section operates.

(3) “District” means the Bay Area Air Quality Management District.

(4) “Commission” means the Metropolitan Transportation Commission.

SEC. 5. Section 66516 of the Government Code is amended to read:

66516. (a) (1) ~~The commission, in coordination with the regional transit coordinating council established by the commission pursuant to Section 29142.4 of the Public Utilities Code,~~ *commission shall be responsible for implementing a seamless transit rider experience across the region. To implement this responsibility, the commission shall adopt, and update as necessary, rules and regulations to promote the coordination of fares and schedules fares, including fare payment methods and transit fare integration, schedules, mapping and wayfinding, real-time transit information, and other customer-facing operating policies that would benefit from a regional approach for all public transit systems agencies within its jurisdiction.* ~~The~~

(2) *It is the intent of the Legislature that the commission’s rules and regulations adopted pursuant to paragraph (1) be based on the central goal of increasing transit ridership by improving the customer experience of riding public transit in the San Francisco Bay area and creating a seamless experience across all public transit agencies providing service in the commission’s jurisdiction.*

(3) *The commission shall require every system to enter into a joint fare revenue sharing agreement with connecting systems consistent with the commission’s rules and regulations.*

(b) *Notwithstanding any other law, each public transit agency within the region shall comply with the commission’s rules and regulations adopted pursuant to subdivision (a) as a condition of receiving any of the following funds:*

(1) *Any funds allocated pursuant to Sections 99313 and 99314 of the Public Utilities Code, consistent with Section 99314.7 of the Public Utilities Code.*

(2) *Any funds allocated from a local transportation fund administered pursuant to Article 3 (commencing with Section*

1 99230) of Chapter 4 of Part 11 of Division 10 of the Public Utilities
2 Code, consistent with subdivision (b) of Section 99270.5 of the
3 Public Utilities Code.

4 (3) Any funds allocated pursuant to Division 2 (commencing
5 with Section 66538).

6 (c) In designating the commission with the responsibility set
7 forth in subdivision (a), it is the intent of the Legislature that the
8 commission implement and sustain the following outcomes:

9 (1) A common fare payment system for public transit agencies
10 in the region.

11 (2) A universal regional transit pass that is valid on all public
12 transit agencies in the region.

13 (3) An integrated transit fare structure with common definitions
14 for adults, youth, seniors, persons with disabilities, and other
15 categories of riders.

16 (4) A common fare transfer policy that strives to eliminate any
17 extra fare for using more than one transit system on a single
18 journey.

19 (5) Integrated mapping, signage, and real-time schedule
20 information that makes transit in the region easy to navigate and
21 convenient for both new and existing riders.

22 (6) Transit services in the region that are equitably planned
23 and integrally managed as a unified, efficient, and reliable network,
24 including interagency transfer policies and coordinating schedules
25 at stops or station areas serving more than one public transit
26 agency.

27 (7) Transit services for older adults, people with disabilities,
28 and those with lower incomes that are coordinated efficiently
29 throughout the region.

30 (8) Resources are invested to provide for the comfort and safety
31 of transit riders.

32 (9) The transit network in the region uses its existing resources
33 more efficiently and secures new, dedicated revenue to meet its
34 capital and operating needs.

35 (d) It is the intent of the Legislature to enact legislation that
36 would strengthen regional network management within the region,
37 including the possibility of establishing a body within the
38 commission to guide regional network management efforts.

39 (e) In implementing this section, each public transit agency in
40 the region shall fulfill all applicable requirements under Title VI

1 of the federal Civil Rights Act of 1964 (Public Law 88-352)
2 regarding service and fare changes.

3 (f) (1) The commission shall submit a report to the Legislature
4 on or before January 1, 2026, and each year thereafter, on the
5 status of the outcomes described in subdivision (c) and the status
6 of transit ridership in the region. The commission shall submit the
7 annual report to the Legislature in compliance with Section 9795.

8 (2) The commission shall also post the annual report described
9 in paragraph (1) on its internet website.

10 (g) For purposes of this section, “public transit agency” has
11 the same meaning as “STA-eligible operator,” as defined in Section
12 99312.2 of the Public Utilities Code.

13 SEC. 6. The heading of Division 1 (commencing with Section
14 66500) is added to Title 7.1 of the Government Code, to read:

15
16 *DIVISION 1. METROPOLITAN TRANSPORTATION*
17 *COMMISSION*
18

19 SEC. 7. Division 2 (commencing with Section 66538) is added
20 to Title 7.1 of the Government Code, to read:

21
22 *DIVISION 2. TAXING AUTHORITY AND TRANSPORTATION*
23 *FUNDING*
24

25 *CHAPTER 1. DEFINITIONS*
26

27 66538. For purposes of this division, the following definitions
28 apply:

29 (a) “Commission” means the Metropolitan Transportation
30 Commission created pursuant to Section 66502.

31 (b) “Public transit agency” has the same meaning as
32 “STA-eligible operator,” as defined in Section 99312.2 of the
33 Public Utilities Code.

34 (c) “San Francisco Bay area” has the same meaning as
35 “region,” as defined in Section 66502.

CHAPTER 2. SPECIAL TAXES

66538.20. (a) The commission, either directly or through a qualified voter initiative, may raise and allocate new revenue through all of the following funding mechanisms:

(1) A retail transactions and use tax, as provided in Section 66538.22.

(2) A regional payroll tax, as provided in Section 66538.24.

(3) A parcel tax, as provided in Section 66538.26.

(4) A regional vehicle registration surcharge, as provided in Section 66538.28.

(b) Any funding mechanism or combination of funding mechanisms authorized pursuant to subdivision (a) that requires voter approval pursuant to the California Constitution may be placed on the ballot in all or a subset of the nine counties in the San Francisco Bay area. A measure placed on the ballot in a subset of those nine counties shall apply only in those counties in which the measure was submitted to the voters.

(c) In addition to the procedures set forth in Chapter 4 (commencing with Section 9300) of Division 9 of the Elections Code, if an ordinance containing a tax authorized by this chapter is proposed by an initiative petition, the initiative shall require the proceeds of the tax to be expended consistent with Chapter 4 (commencing with Section 66538.40).

66538.22. (a) The commission may impose a retail transactions and use tax ordinance applicable in the San Francisco Bay area in accordance with this division and Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code.

(b) The commission, in the ordinance, shall state the nature of the tax to be imposed, shall provide the tax rate or the maximum tax rate, shall specify the period during which the tax will be imposed, and shall specify the purposes for which the revenue derived from the tax will be used. The tax rate shall be in $\frac{1}{4}$ percent increments.

(c) Notwithstanding Section 7251.1 of the Revenue and Taxation Code, the tax rate authorized pursuant to this section shall not be considered for purposes of the combined rate limit established by Section 7251.1 of the Revenue and Taxation Code.

(d) Any transactions and use tax ordinance adopted pursuant to this chapter shall be operative on the first day of the first

1 *calendar quarter commencing more than 110 days after adoption*
2 *of the ordinance.*

3 *(e) Before the operative date of the ordinance, the commission*
4 *shall contract with the California Department of Tax and Fee*
5 *Administration to perform all functions incidental to the*
6 *administration and operation of the ordinance.*

7 66538.24. *(a) The commission may, by ordinance, impose a*
8 *tax on every employer in the San Francisco Bay area, except an*
9 *employer defined by Section 676, 684, or 685 of the Unemployment*
10 *Insurance Code, at a percentage, as determined by the commission,*
11 *of wages paid to an individual.*

12 *(b) If the commission acts pursuant to the authorization in*
13 *subdivision (a), the commission shall contract with the Employment*
14 *Development Department to perform all functions incidental to*
15 *the administration and operation of the tax.*

16 *(c) The tax shall be collected in the same manner and at the*
17 *same time as any contributions required under Sections 977 and*
18 *977.5 of the Unemployment Insurance Code, except as provided*
19 *in this section.*

20 66538.26. *(a) Subject to Section 4 of Article XIII A of the*
21 *California Constitution, the commission may impose, by ordinance,*
22 *a parcel tax within the San Francisco Bay area pursuant to the*
23 *procedures established in Article 3.5 (commencing with Section*
24 *50075) of Chapter 1 of Part 1 of Division 1 of Title 5, Chapter 3*
25 *(commencing with Section 66538.30), and any other applicable*
26 *procedures provided by law.*

27 *(b) For purposes of this section, "parcel tax" means a special*
28 *tax imposed upon a parcel of real property at a rate that is*
29 *determined without regard to that property's value.*

30 *(c) The commission shall provide notice of any parcel tax*
31 *imposed pursuant to this section in the manner specified in Section*
32 *54930.*

33 *(d) The parcel tax shall be collected in the same manner as*
34 *ordinary ad valorem property taxes are collected and shall be*
35 *subject to the same penalties and the same procedure, sale, and*
36 *lien priority in case of delinquency as is provided for ad valorem*
37 *taxes.*

38 *(e) A parcel tax levied pursuant to this section shall be*
39 *administered in the following manner:*

1 (1) Taxes collected shall be deposited into a separate fund,
2 which shall be established in the treasury of each county and used
3 only as prescribed by this division.

4 (2) The county shall transfer moneys from the fund to the
5 commission periodically as promptly as feasible. The transmittals
6 shall be made at least twice in each calendar quarter.

7 (3) The county may deduct incremental costs associated with
8 administering any taxes approved pursuant to this section from
9 the portion transferred to the commission pursuant to paragraph
10 (2).

11 66538.28. (a) The commission may, by ordinance, impose a
12 regional vehicle registration surcharge on each motor vehicle
13 registered within the San Francisco Bay area. The commission
14 shall not propose a measure to the electors to approve a surcharge
15 pursuant to this section before January 1, 2030.

16 (b) The commission may determine the rate of the regional
17 vehicle registration surcharge subject to all of the following
18 requirements:

19 (1) The surcharge shall be paid on an annual basis and shall
20 be collected by the Department of Motor Vehicles at the same time
21 and same manner as the vehicle registration pursuant to Section
22 9250.3 of the Vehicle Code.

23 (2) The amount of the surcharge shall be based on the market
24 value of the vehicle, as determined by the Department of Motor
25 Vehicles pursuant to Sections 10753, 10753.2, and 10753.5 of the
26 Revenue and Taxation Code, using the same vehicle ranges set
27 forth in the schedule established pursuant to Section 11052 of the
28 Revenue and Taxation Code.

29 (3) The surcharge amount applicable to each vehicle range in
30 the schedule described in paragraph (2) shall be set in amounts
31 that increase based on the increasing value of each vehicle range.

32 (4) Beginning one year after an ordinance imposing a surcharge
33 is approved by the voters, the amount of the surcharge in each
34 vehicle market range shall be adjusted in an amount equal to the
35 increase in the California Consumer Price Index for the prior
36 year, as calculated by the Department of Finance, with amounts
37 equal to or greater than fifty cents (\$0.50) rounded to the highest
38 whole dollar. The incremental change shall be added to the
39 associated fee rate for that year.

1 (c) If an ordinance imposing a regional vehicle registration
2 surcharge is approved by the voters pursuant to Chapter 3
3 (commencing with Section 66538.30), the surcharge shall apply
4 to the original vehicle registration occurring on or after six months
5 following the adoption of the ordinance by the voters and to a
6 renewal of registration with an expiration date on or after that
7 six-month period.

8
9 CHAPTER 3. ELECTION PROCEDURES

10
11 66538.30. (a) If the commission, either directly or through
12 qualified voter initiative, proposes a measure pursuant to Chapter
13 2 (commencing with Section 66538.20) that requires voter approval
14 pursuant to the California Constitution, the board of supervisors
15 of the county or counties in which the commission has determined
16 to place the measure on the ballot shall call a special election on
17 the measure. The special election shall be held no sooner than
18 November 2026 and shall be consolidated with the next regularly
19 scheduled statewide election. The measure shall be submitted to
20 the voters in the appropriate counties, consistent with the
21 requirements of Articles XIII A, XIII C, and XIII, or Article XVI,
22 of the California Constitution, as applicable.

23 (b) For the purpose of placement of a measure on the ballot,
24 the commission is a district, as defined in Section 317 of the
25 Elections Code. Except as otherwise provided in this section, a
26 measure proposed by the commission that requires voter approval
27 shall be submitted to the voters of the counties, as determined by
28 the commission, in accordance with the provisions of the Elections
29 Code applicable to districts, including Chapter 4 (commencing
30 with Section 9300) of Division 9 of the Elections Code.

31 (c) Notwithstanding any provision of the Elections Code, the
32 legal counsel for the commission shall prepare an impartial
33 analysis of the measure. Each county included in the measure shall
34 use the election materials provided by the commission, including
35 the exact ballot question, impartial analysis, and full text of the
36 ballot measure for inclusion in the county voter information guide.

37 (d) If two or more counties included in the measure are required
38 to prepare a translation of ballot materials into the same language
39 other than English, the county that contains the largest population,
40 as determined by the most recent federal decennial census, among

1 *those counties that are required to prepare a translation of ballot*
2 *materials into the same language other than English shall prepare*
3 *the translation, or authorize the commission to prepare the*
4 *translation, and that translation shall be used by the other county*
5 *or counties, as applicable.*

6 *(e) Notwithstanding Section 13116 of the Elections Code, the*
7 *elections officials of the counties where the measure will appear*
8 *on the ballot shall mutually agree to use the same letter designation*
9 *for the measure.*

10 *(f) The county clerk of each county shall report the results of*
11 *the special election to the commission. If the approval threshold*
12 *required by the California Constitution at the time the election is*
13 *achieved, the measure shall take effect in the counties in which*
14 *the measure appeared on the ballot within the timeframe specified*
15 *in the measure.*

16 *(g) (1) Notwithstanding Section 10520 of the Elections Code,*
17 *for any election at which the commission, either directly or through*
18 *qualified voter initiative, proposes a measure pursuant to*
19 *subdivision (a) of Section 66538.20 that would generate revenues,*
20 *the commission shall reimburse each county in which that measure*
21 *appears on the ballot only for the incremental costs incurred by*
22 *the county elections official related to submitting the measure to*
23 *the voters with proceeds from the measure, or if the measure fails,*
24 *with any eligible funds provided by the commission or other public*
25 *or private entity.*

26 *(2) For purposes of this subdivision, “incremental costs”*
27 *includes both of the following:*

28 *(A) The cost to prepare a translation of ballot materials into a*
29 *language other than English by any county, as described in*
30 *subdivision (d).*

31 *(B) The additional costs that exceed the costs incurred for other*
32 *election races or ballot measures, if any, appearing on the same*
33 *ballot in each county in which the measure appears on the ballot,*
34 *including both of the following:*

35 *(i) The printing and mailing of ballot materials.*

36 *(ii) The canvass of the vote regarding the measure pursuant to*
37 *Division 15 (commencing with Section 15000) of the Elections*
38 *Code.*

39 *(h) If the voters approve new revenues pursuant to this section,*
40 *the commission shall establish an independent oversight committee*

1 *within six months of the effective date of the tax increase to ensure*
2 *that any revenues generated pursuant to this section are expended*
3 *consistent with the applicable requirements set forth in Chapter*
4 *4 (commencing with Section 66538.40). The committee may be*
5 *consolidated with the oversight committee established pursuant*
6 *to subdivision (h) of section 30923 of the Streets and Highways*
7 *Code. Each representative shall be appointed by the applicable*
8 *county board of supervisors. The oversight committee may request*
9 *any documents from the commission to assist the committee in*
10 *performing its functions.*

11
12 CHAPTER 4. EXPENDITURES
13

14 66538.40. (a) *Except as provided in subdivision (c), revenues*
15 *generated pursuant to Chapter 2 (commencing with Section*
16 *66538.20) shall only be used to fund any of the following*
17 *transportation improvements in the San Francisco Bay area:*

18 (1) *Investments that support transit transformation, including*
19 *all of the following:*

20 (A) *Sustaining, expanding, and improving transit service for*
21 *current and future transit riders.*

22 (B) *Accelerating customer-focused initiatives outlined in the*
23 *2020 Bay Area Transit Transformation Action Plan or successor*
24 *plan adopted by the commission.*

25 (C) *Transit service improvements that San Francisco Bay area*
26 *transit riders or residents identify as high-priority, including safety,*
27 *cleanliness, and first-mile and last-mile connectivity.*

28 (D) *Zero-emission transit vehicles and infrastructure.*

29 (2) *Investments that support safe streets, including investments*
30 *to transform local roads to support safety, equity, and climate*
31 *goals, including through bicycle and pedestrian infrastructure*
32 *investments, safe routes to transit, other safety enhancements, and*
33 *pothole repair.*

34 (3) *Investments that support connectivity, including mobility*
35 *improvements that close gaps and relieve bottlenecks in the*
36 *transportation network in a climate-neutral manner.*

37 (4) *Investments that support climate resilience, including*
38 *planning, design, and construction activities that protect*
39 *transportation infrastructure and nearby communities from rising*
40 *sea levels, flooding, wildfires, and extreme heat.*

(b) (1) The commission shall annually allocate a minimum of seven hundred fifty million dollars (\$750,000,000) of the revenues generated pursuant to Chapter 2 (commencing with Section 66538.20) to fund investments consistent with the purposes set forth in subparagraphs (A) to (C), inclusive, of paragraph (1) of subdivision (a), including, without limitation, for payment of all indebtedness incurred and bonds issued pursuant to Chapter 5 (commencing with Section 66538.50), and the related costs set forth in that chapter.

(2) Notwithstanding any other law, the allocation made pursuant to paragraph (1) shall not impair, limit, or otherwise affect payment of any indebtedness incurred or bonds issued pursuant to Chapter 5 (commencing with Section 66538.50), and the related costs set forth in that chapter.

(c) Notwithstanding subdivision (a), the commission may allocate revenues generated pursuant to Chapter 2 (commencing with Section 66538.20) to the Transportation Agency for deposit into the Bay Area Transit Consolidation Technical Assistance Fund. The revenues allocated pursuant to this subdivision shall be used for the purposes specified in subdivision (d) of Section 13978.9.

(d) It is the intent of the Legislature to enact legislation that would clarify roadway eligibility criteria for revenues generated pursuant to Chapter 2 (commencing with Section 66538.20), including potential criteria around roadway capacity increases.

(e) It is the intent of the Legislature that the commission prioritize the following focus areas when distributing revenues generated pursuant to Chapter 2 (commencing with Section 66538.20):

(1) Fund the operations of public transit agencies, including through providing resources to address operating shortfalls and ensuring existing resources are maintained and used effectively. In implementing this paragraph, the commission should prioritize the following:

(A) Maintaining transit service for riders who rely on transit as their primary mode of transportation.

(B) Prioritizing sustaining services used by the greatest number of transit riders.

(2) Enhance frequency of transit service and areas served where needed and financially sustainable.

1 (a) The commission may incur indebtedness and issue securities
2 of any kind or class, and may renew the same, if that indebtedness,
3 howsoever evidenced, is payable solely from revenues of the
4 commission as specified in the indenture, trust agreement, note,
5 bond, lease, loan agreement, or other agreement or evidence of
6 indebtedness relating to those securities.

7 (b) (1) The commission may from time to time issue its
8 negotiable bonds, notes, warrants, debentures, or other securities,
9 hereinafter collectively called “bonds” for purposes of this section,
10 for any purpose specified in this division.

11 (2) In anticipation of the sale of the bonds as authorized by this
12 chapter, the commission may issue negotiable bond anticipation
13 notes and may renew the same from time to time. These bond
14 anticipation notes may be paid from the proceeds of sale of the
15 bonds of the commission in anticipation of which they were issued.
16 Bonds, notes, and other agreements relating to those bonds or
17 notes, hereinafter collectively called “bond anticipation notes”
18 for purposes of this section, and the resolution or resolutions
19 authorizing the same may contain any provisions, conditions, or
20 limitations that a bond, agreement relating to that bond, or bond
21 resolution of the commission may contain, except that the bond
22 anticipation note shall mature at a time not exceeding three years
23 from the date of issue or any renewal.

24 (c) At any time that the commission desires to issue bonds or
25 bond anticipation notes, it shall adopt a resolution by two-thirds
26 vote of all members of the commission specifying all of the
27 following:

28 (1) The purposes for which the bonds or bond anticipation notes
29 are to be issued, which may include all costs and estimated costs
30 incidental to, or connected with, the accomplishment of those
31 purposes, including, without limitation, engineering, inspection,
32 legal, fiscal agents, financial consultant and other fees, bond and
33 other reserve funds, credit or liquidity enhancement costs, working
34 capital, bond interest estimated to accrue during any construction
35 period and for a period not to exceed the lesser of 10 years
36 thereafter or the maturity date of the bonds or bond anticipation
37 notes, and expenses of all proceedings for the authorization,
38 issuance, and sale of the bonds or bond anticipation notes.

39 (2) The maximum principal amount of the bonds or bond
40 anticipation notes.

1 (3) *The maximum term for the bonds or bond anticipation notes.*

2 (4) *The maximum rate of interest to be payable upon the bonds*
3 *or bond anticipation notes. That interest rate shall not exceed the*
4 *maximum rate specified in Section 53531. The rate may be either*
5 *fixed or variable and shall be payable at the times and in the*
6 *manner specified in the resolution.*

7 (d) *The pledge of any taxes authorized under this division to*
8 *the bonds or bond anticipation notes authorized under this chapter*
9 *shall have priority over the use of any of those taxes for all other*
10 *purposes, except to the extent that priority is expressly restricted*
11 *in the resolution authorizing the issuance of the bonds or bond*
12 *anticipation notes.*

13 (e) *The bonds or bond anticipation notes may be sold as the*
14 *commission determines by resolution, and the bonds or bond*
15 *anticipation notes may be sold at a price above or below par,*
16 *whether by negotiated or public sale.*

17 (f) (1) *Refunding bonds or bond anticipation notes may be*
18 *issued in a principal amount sufficient to pay all, or any part, of*
19 *any of the following:*

20 (A) *The principal of the outstanding bonds or bond anticipation*
21 *notes.*

22 (B) *The premiums, if any, due upon call and redemption of those*
23 *bonds or bond anticipation notes before maturity.*

24 (C) *All expenses of the refunding, including any costs related*
25 *to credit or liquidity support, reserves, swaps, or similar*
26 *agreements.*

27 (D) *Interest on the refunding bonds or bond anticipation notes*
28 *from the date of sale of the refunding bonds or bond anticipation*
29 *notes to the date of payment of the bonds or bond anticipation*
30 *notes to be refunded out of the proceeds of the sale of the refunding*
31 *bonds or bond anticipation notes or to the date upon which the*
32 *bonds or bond anticipation notes to be refunded will be paid*
33 *pursuant to call or agreement with the holders of the bonds or*
34 *bond anticipation notes.*

35 (E) *The interest upon the bonds or bond anticipation notes to*
36 *be refunded from the date of sale of the refunding bonds or bond*
37 *anticipation notes to the date of payment of the bonds or bond*
38 *anticipation notes to be refunded or to the date upon which the*
39 *bonds or bond anticipation notes to be refunded will be paid*

1 *pursuant to call or agreement with the holder of the bonds or bond*
 2 *anticipation notes, and all other costs incident to that refunding.*

3 *(2) The provisions of this chapter for the issuance and sale of*
 4 *bonds or bond anticipation notes apply to the issuance and sale*
 5 *of refunding bonds or refunding bond anticipation notes.*

6 *(g) (1) Any bonds or bond anticipation notes issued pursuant*
 7 *to this chapter are a legal investment for all of the following:*

8 *(A) All trust funds.*

9 *(B) The funds of insurance companies, commercial and savings*
 10 *banks, and trust companies.*

11 *(C) State school funds.*

12 *(2) Whenever any money or funds may, by any law in existence*
 13 *as of January 1, 2025, or later enacted, be invested in bonds of*
 14 *cities, counties, school districts, or other districts within the state,*
 15 *those funds may be invested in the bonds issued pursuant to this*
 16 *chapter, and whenever bonds of cities, counties, school districts,*
 17 *or other districts within this state may, by any law in existence as*
 18 *of January 1, 2025, or later enacted, be used as security for the*
 19 *performance of any act or the deposit of any public money, the*
 20 *bonds issued pursuant to this chapter may be so used.*

21 *(3) The provisions of this division are in addition to all other*
 22 *laws relating to legal investments and shall be controlling as the*
 23 *latest expression of the Legislature with respect to laws relating*
 24 *to legal investments.*

25 26 CHAPTER 6. MISCELLANEOUS

27
28 *66538.60. Any action or proceeding to contest, question, or*
 29 *deny the validity of a tax provided for in this division, the financing*
 30 *of the programs and projects contemplated by this division, the*
 31 *issuance of any bonds secured by those taxes, or any of the related*
 32 *proceedings, shall be commenced within 60 days from the date of*
 33 *the election at which the tax is approved. After that date, the*
 34 *financing of the program, the issuance of the bonds, and all related*
 35 *proceedings, including the collection of the taxes, shall be held*
 36 *valid and incontestable in every respect.*

37 *66538.62. The commission may in its own name to do all acts*
 38 *necessary or convenient for the exercise of its powers under this*
 39 *division and the financing of the programs, projects and purposes*

1 *identified in this division, including, but not limited to, all of the*
2 *following:*

3 *(a) To make and enter into contracts.*

4 *(b) To employ agents or employees.*

5 *(c) To acquire, construct, manage, maintain, lease, or operate*
6 *any public facility or improvements.*

7 *(d) To sue and be sued in its own name.*

8 *(e) To apply for, accept, receive, and disburse grants, loans,*
9 *and other assistance from any agency of the United States of*
10 *America or of the State of California.*

11 *(f) To invest any money not required for the immediate*
12 *necessities of the commission, as the commission determines is*
13 *advisable.*

14 *(g) To prepare and include any necessary or helpful bond*
15 *authorizations in connection with a ballot measure or other*
16 *proceeding authorized under this division.*

17 *(h) To apply for letters of credit or other forms of financial*
18 *guarantees in order to secure the repayment of bonds and to enter*
19 *into agreements in connection with those letters of credit or*
20 *financial guarantees.*

21 *SEC. 8. Section 99270.5 of the Public Utilities Code is amended*
22 *to read:*

23 *99270.5. (a) In determining whether there is compliance with*
24 *Section 99268.1, 99268.2, 99268.3, 99268.4, 99268.5, or 99268.9,*
25 *as the case may be, by operators serving the area of the San*
26 *Francisco Bay Area Rapid Transit District, excluding the City and*
27 *County of San Francisco, the Metropolitan Transportation*
28 *Commission may make that determination for all or some of the*
29 *operators as a group, if the Metropolitan Transportation*
30 *Commission finds that the public transportation services of the*
31 *operators grouped are coordinated.*

32 *(b) Commencing with claims for the 2025–26 fiscal year, an*
33 *operator providing service within the area under the jurisdiction*
34 *of the Metropolitan Transportation Commission shall not be*
35 *eligible to make a claim pursuant Section 99260 unless the*
36 *operator is in compliance with the commission's rules and*
37 *regulations adopted pursuant to Section 66516 of the Government*
38 *Code.*

39 *SEC. 9. Section 976.9 is added to the Unemployment Insurance*
40 *Code, to read:*

1 976.9. (a) (1) *The department, if contracted with the*
 2 *commission, shall administer and collect the tax imposed pursuant*
 3 *to Section 66538.24 of the Government Code.*

4 (2) *The department shall administer and collect the tax in the*
 5 *manner set forth in Section 66538.24 of the Government Code.*

6 (b) *The department may use proceeds from the tax collected*
 7 *pursuant to Section 66538.24 of the Government Code to offset*
 8 *the costs of all functions incidental to the administration and*
 9 *operation of the contributions.*

10 (c) *After deducting all costs described in subdivision (b), the*
 11 *department shall distribute the net revenues to the commission for*
 12 *expenditure pursuant to Chapter 4 (commencing with Section*
 13 *66538.40) of Division 2 of Title 7.1 of the Government Code.*

14 (d) *For purposes of this section, “commission” means the*
 15 *Metropolitan Transportation Commission created pursuant to*
 16 *Section 66502 of the Government Code.*

17 SEC. 10. *Section 9250.3 is added to the Vehicle Code, to read:*

18 9250.3. (a) *The department, if contracted with the commission,*
 19 *shall collect the regional vehicle registration surcharge imposed*
 20 *pursuant to Section 66538.28 of the Government Code upon the*
 21 *registration or renewal of registration of a motor vehicle registered*
 22 *in the county, except those vehicles that are expressly exempted*
 23 *under this code from the payment of registration fees.*

24 (b) *After deducting all costs incurred pursuant to this section,*
 25 *the department shall distribute the net revenues to the commission*
 26 *for expenditure pursuant to Chapter 4 (commencing with Section*
 27 *66538.40) of Division 2 of Title 7.1 of the Government Code.*

28 (c) *The department shall collaborate with the commission to*
 29 *ensure the administration of the surcharge described in subdivision*
 30 *(a) can be facilitated after the modernization of the department’s*
 31 *technology systems.*

32 (d) *For purposes of this section, “commission” means the*
 33 *Metropolitan Transportation Commission created pursuant to*
 34 *Section 66502 of the Government Code.*

35 SEC. 11. *If the Commission on State Mandates determines that*
 36 *this act contains costs mandated by the state, reimbursement to*
 37 *local agencies and school districts for those costs shall be made*
 38 *pursuant to Part 7 (commencing with Section 17500) of Division*
 39 *4 of Title 2 of the Government Code.*

1 SECTION 1.—Section 9146 of the Government Code is amended
2 to read:

3 ~~9146.—Any state agency which is required or permitted by~~
4 ~~federal law or regulation to establish or alter a federal aid allocation~~
5 ~~formula to a local agency shall notify the Joint Legislative Budget~~
6 ~~Committee not less than 60 days prior to the effective date of the~~
7 ~~establishment or change in the federal aid allocation formula. The~~
8 ~~chairperson of the Joint Legislative Budget Committee may grant~~
9 ~~a waiver of the 60-day notification period after receipt of the~~
10 ~~notification.~~

11 ~~The chairperson shall inform members of the Joint Legislative~~
12 ~~Budget Committee of the chairperson's intention to waive the~~
13 ~~60-day notification period after such notification. If no objection~~
14 ~~is received within 10 days, the chairperson shall proceed to grant~~
15 ~~the waiver of the 60-day notification period.~~

16 ~~The notification shall contain the federal law or regulation~~
17 ~~necessitating or authorizing the establishment or change, a~~
18 ~~description of the proposed allocation formula to be established~~
19 ~~or changed, as the case may be, and an estimate of the resulting~~
20 ~~increase or decrease in federal aid allocated to the affected local~~
21 ~~agency.~~

22 ~~When requested by the chairperson or by any member of the~~
23 ~~committee, or when the Legislature is in session, when requested~~
24 ~~by the chairperson of the committee, the Joint Legislative Budget~~
25 ~~Committee shall schedule a hearing on the proposed allocation~~
26 ~~formula to be established or changed, as the case may be.~~

27 ~~“Local agency” as used in this section, means any city, county,~~
28 ~~city and county, special district, school district, community college~~
29 ~~district, and county office of education.~~

30 ~~The establishment or changes in federal aid allocation formulas~~
31 ~~affecting less than one hundred thousand dollars (\$100,000) in~~
32 ~~federal aid in any fiscal year shall be exempt from the provisions~~
33 ~~of this section.~~

34 ~~The provisions of this section shall not apply to any reallocation~~
35 ~~of funds by a state agency from or to a local agency if the state~~
36 ~~agency finds that either of the following conditions, or both, exist:~~

37 ~~(a) The local agency cannot spend its entire allocation within~~
38 ~~the period established by the federal government.~~

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— 30 —

- 1 ~~(b) The failure to spend the funds could lead to their recapture~~
- 2 ~~by the federal government or to a reduced allocation of federal~~
- 3 ~~funds in subsequent years.~~

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► Federal and State Legislation for Consideration
BART Board of Directors
March 28, 2024

Federal Legislation to SUPPORT

H.R. 7039 (Johnson) – The Stronger Communities Through Better Transit Act

- Would create a new formula grant program under the Department of Transportation to provide \$20 billion annually over four years (\$80 billion total), for projects that make substantial improvements to transit service. Up to 50% of project costs could be covered and operating costs are an eligible expense.
- Funding would be available to projects that:
 - Reduce wait times (headways) and expand service area/hours
 - Improve reliability and travel times, including transit priority lanes
 - Upgrade technology for real-time information and safety
 - Connect different transit systems and improve signage/fare coordination
 - Plan for future needs based on demographics and travel patterns
 - Measure access to jobs and essential services for non-drivers
 - Enhance safety and security, including outreach to vulnerable populations
 - Improve the transit environment (cleaning)
 - Develop the transit agency's workforce.
- Annually, California could receive approximately \$3 billion, and the nine-county Bay Area region approximately \$1.03 billion, according to an analysis by the National Campaign for Transit Justice.

2024 State Legislative Calendar At-a-Glance

April 26	Last day for policy committees to hear fiscal bills introduced in their house
May 3	Last day for policy committees to hear nonfiscal bills introduced in their house
May 17	Last day for fiscal committees to hear bills introduced in their house
May 24	House of origin deadline
June 15	Budget Bill must be passed by midnight
June 27	Last day for a legislative measure to qualify for the November 5, 2024, ballot
July 3	Last day for policy committees to meet
July 4	Summer Recess begins
August 5	Legislature reconvenes from Summer Recess
August 16	Last day for fiscal committees to meet
August 23	Last day to amend bills on the Floor
August 31	Last day for each house to pass bills
Sept. 30	Last day for the Governor to sign or veto bills

Update on Two-Year Bills with a Board Position

SB 827 (Glazer): BART Office of the Inspector General (OIG)

Position: Support if Amended

Status: Passed the Senate (39-0) on January 29 and referred to the Assembly. Amendments taken in the Senate remove misdemeanor provisions and add language addressing how the BART OIG may interact with represented employees. BART staff have provided the author's office with additional amendments to address the District's Support if Amended position.

AB 930 (Friedman): Local government: Reinvestment in Infrastructure for a Sustainable and Equitable California (RISE) districts

Position: Support and Seek Amendments

Status: Passed the Assembly (52-16) on January 29 and referred to the Senate. BART staff continue to work with bill sponsors and author on amendments to allow special districts to form a RISE District, clarify terms and definitions, and restore environmental review exemptions.

Update on BART Sponsored Legislation

AB 2325 (Lee) – San Francisco Bay Area Rapid Transit District: officers: designation and appointment

- Addresses the bifurcated reporting lines of the District's financial functions and allows for the merging of all financial functions under the newly created Chief Financial Officer position.
- Amends the District Act to 1) eliminate the Controller and Treasurer as specifically designated officers and as positions subject to appointment and removal by the board and 2) remove specified qualifications applicable to the Controller.
- Additional amendments planned for the Assembly Local Government Committee seek to replace references to the *“treasurer”* and insert *“chief financial officer or other finance personnel designated by the general manager”* to conform with the new financial structure.
- Policy committee hearing expected in early to mid April.

State Legislation to SUPPORT

AB 817 (Pacheco) – Open meetings: teleconferencing: subsidiary body

- Authorizes a subsidiary body, serving in an advisory capacity, to utilize teleconferencing without requiring the posting of the teleconference locations of participants, making teleconference locations open to the public, or requiring a quorum of the body participate from a particular physical location.

AB 2302 (Addis) – Open meetings: local agencies: teleconferences

- Clarifies that a member of a legislative body may participate in meetings via teleconference for the following number of meetings:
 - Up to two per year, if the body meets once per month or less
 - Up to five per year, if the body meets twice per month
 - Up to seven per year, if the body meets three or more times per year
- Clarifies that more than one meeting of a legislative body on the same calendar day counts as one meeting for purposes of allowing teleconferencing.

State Legislation to SUPPORT (Continued)

SB 1227 (Wiener) – Housing: San Francisco: downtown revitalization zone: welfare tax and California Environmental Quality Act (CEQA) exemptions

- Establishes a “Revitalization Zone” in downtown San Francisco and provides the following incentives for development:
 - Exemption from CEQA requirements for projects that meet specified environmental, labor, and tenant protections.
 - Expansion of the “welfare exemption” from property tax to rental housing affordable to households earning up to 120% of the area median income, so long as projects are rented for 10% below the market rate.
- Includes a sunset of January 1, 2035.

State Legislation to SUPPORT AND SEEK AMENDMENTS

SB 1031 (Wiener and Wahab) The Connect Bay Area Act

- Sponsored by the Metropolitan Transportation Commission (MTC).
- Replaces SB 925 (Wiener) as the enabling legislation for a regional transportation measure.
- Authorizes a ballot measure in the nine Bay Area counties or a subset thereof, to provide transportation funding on the November 2026 ballot or later.
- Measure would generate a minimum of \$750 million per year in revenue to stabilize transit systems' operations, avoid service cuts, and enhance service, with additional funding to improve roadways and other capital projects.
- Advances a series of operational reforms to begin in 2025, aimed at providing a more integrated experience for the public including coordinated schedules, fares, and mapping.
- Includes language regarding an assessment of Bay Area transit agency consolidation, a comprehensive plan for consolidation, and funding to pay for activities related to consolidation.

Staff Recommended Position on SB 1031: Support and Seek Amendments

Areas for continued discussion with the authors, sponsor, and working group members:

- Scope of consolidation assessment and implementation plan, associated funding
- Framework for transportation demand management
- Enhanced regional network management
- Conditioning of new and existing funding
- Retaining transit agency board authority
- Share of funding for expenditure categories
- Highway project eligibility
- Return-to-source provisions
- Maintenance of effort language