



**AGENDA**  
**BOARD OF DIRECTORS MEETING**  
**SAN MATEO COUNTY TRANSPORTATION AUTHORITY**  
Bacciocco Auditorium, 2<sup>nd</sup> Floor  
1250 San Carlos Avenue, San Carlos, CA 94070

**August 1, 2019 – Thursday**

**5:00 pm**

1) Call to Order/Pledge of Allegiance

2) Roll Call

3) Public Comment For Items Not on the Agenda

Public comment by each individual speaker shall be limited two (2) minutes. Items raised that require a response will be deferred for staff reply.

4) Report of the Citizens Advisory Committee

5) Consent Calendar

Members of the Board may request that an item under the Consent Calendar be considered separately

a) Approval of Minutes of the Board of Directors Meeting of July 11, 2019

MOTION

b) Acceptance of Quarterly Investment Report for the Period Ending June 30, 2019

MOTION

6) Report of the Chair

7) Joint Powers Board Liaison Report

8) Report of the Executive Director

9) Program Report: Alternative Congestion Relief

INFORMATIONAL

10) Finance

a) Authorize the Allocation of \$567,036 in Measure A Alternative Congestion Relief Funds to the Peninsula Traffic Congestion Relief Alliance (Commute.Org) to Support the Countywide Congestion Relief Program for Fiscal Year 2020

RESOLUTION

Note: All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.

San Mateo County Transportation Authority Meeting  
Agenda for August 1, 2019

- |   |            |
|---|------------|
| b) Authorize the Allocation of \$18,979,419 in Measure A Funds to the San Mateo County Transit District for the SamTrans Paratransit Program and Caltrain   | RESOLUTION |
| 11) State and Federal Legislative Update and Approval of Legislative Proposals  | MOTION     |
| 12) Requests from the Authority   |            |
| 13) Written Communications to the Authority   |            |
| 14) Date/Time of Next Regular Meeting: Thursday, September 5, 2019, 5:00 pm at San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2 <sup>nd</sup> Floor, San Carlos, CA 94070 |            |
| 15) Report of Legal Counsel   |            |
| 16) Adjourn   |            |

## **INFORMATION FOR THE PUBLIC**

All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.

If you have questions on the agenda, please contact the Authority Secretary at 650-508-6242. Assisted listening devices are available upon request. Agendas are posted on the Authority Website at [www.smcta.com](http://www.smcta.com). Communications to the Board of Directors can be e-mailed to [board@smcta.com](mailto:board@smcta.com).

### **Location, Date and Time of Regular Meetings**

Regular meetings are held at the San Mateo County Transit District Administrative Building located at 1250 San Carlos Ave., San Carlos, which is located one block west of the San Carlos Caltrain Station on El Camino Real. The building is also accessible by SamTrans bus routes ECR, FLX, 260, 295 and 398. Additional transit information can be obtained by calling 1-800-660-4287 (TTY 650-508-6448) or 511.

The Transportation Authority (TA) meets regularly on the first Thursday of the month at 5 p.m. The TA Citizens Advisory Committee (CAC) meets regularly on the Tuesday prior to the first Thursday of the month at 4:30 p.m. at the San Mateo County Transit District Administrative Building.

### **Public Comment**

If you wish to address the Board, please fill out a speaker's card located on the agenda table. If you have anything that you wish distributed to the Board and included for the official record, please hand it to the Authority Secretary, who will distribute the information to the Board members and staff.

Members of the public may address the Board on non-agendized items under the Public Comment item on the agenda. Public testimony by each individual speaker shall be limited to one minute and items raised that require a response will be deferred for staff reply.

### **Accessibility for Individuals with Disabilities**

Upon request, the TA will provide for written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. Please send a written request, including your name, mailing address, phone number and brief description of the requested materials and a preferred alternative format or auxiliary aid or service at least two days before the meeting. Requests should be mailed to the Authority Secretary at the San Mateo County Transportation Authority, 1250 San Carlos Avenue, San Carlos, CA 94070-1306 or emailed to [board@smcta.com](mailto:board@smcta.com); or by phone at 650-508-6279, or TTY 650-508-6448.

### **Availability of Public Records**

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at 1250 San Carlos Avenue, San Carlos, CA 94070-1306, at the same time that the public records are distributed or made available to the legislative body.

Note: All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
1250 SAN CARLOS AVENUE, SAN CARLOS, CA 94070  
MINUTES OF JULY 11, 2019**

**MEMBERS PRESENT:** D. Horsley (Chair), E. Beach (Vice Chair) (via teleconference), K. Matsumoto, R. Medina, C. Romero

**MEMBERS ABSENT:** M. Freschet, C. Groom

**STAFF PRESENT:** J. Hartnett, C. Mau, A. Chan, C. Fromson, J. Slavitt, J. Hurley, J. Cassman, J. Brook, D. Seamans, J Epstein

**CALL TO ORDER/PLEDGE OF ALLEGIANCE**

Chair Don Horsley called the meeting to order at 5:00 p.m.

**ROLL CALL**

Authority Secretary Dora Seamans called the roll. A quorum was confirmed.

**PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA**

None.

**REPORT OF THE CITIZENS ADVISORY COMMITTEE**

Chair Horsley noted that the report was in the packet.

**CONSENT CALENDAR**

- Approval of Minutes of the Board of Directors Meeting of June 6, 2019
- Acceptance of Statement of Revenues and Expenditures for May 2019

Motion/Second: Medina/Matsumoto

Ayes: Beach, Matsumoto, Medina, Romero, Horsley

Absent: Freschet, Groom

**REPORT OF THE CHAIR**

Chair Horsley said that there was no report.

**SAN MATEO COUNTY TRANSIT DISTRICT LIAISON REPORT**

Chair Horsley noted that the report was in the packet.

**JOINT POWERS BOARD LIAISON REPORT**

Jim Hartnett, Executive Director, said the report was in the packet.

**REPORT OF THE EXECUTIVE DIRECTOR**

Mr. Hartnett said the report was in the packet.

## FINANCE

### Program and Allocate Measure A Funds For the Design Phase of the Broadway Burlingame Grade Separation Project

Joel Slavit, Manager, Programming and Monitoring, reviewed highlights of the presentation given at the June Board meeting. He said the execution of the funding agreement was contingent upon the environmental approval.

#### City of Burlingame Elected Official/Staff Comment:

- Mayor Donna Colson said that she appreciated staff's time and work on the project, which she noted was a top priority for the City.
- Syed Murtuza, Director of Public Works, thanked the TA and Caltrain.

Director Rico Medina discussed increasing traffic congestion in the City for business and other purposes. Mayor Colson said that a lot of new housing will be built within one quarter to one half mile from the railroad grade crossing.

Approved By Resolution No. 2019-12:

Motion/Second: Medina/Matsumoto

Ayes: Beach, Matsumoto, Medina, Romero, Horsley

Absent: Freschet, Groom

Mayor Colson and Chair Horsley thanked Vice Chair Beach for calling in to the meeting while on vacation.

## PROGRAM

### State and Federal Legislative Update and Approval of Legislative Proposals

Jessica Epstein, Government and Community Affairs Officer, briefly summarized highlights of recent federal and state legislation. She mentioned the FAA (Federal Aviation Administration) letter attempting to enforce its rule to appropriate \$250 million of general sales tax revenue collected by local and state government for airport use only. The Board voted to support HR 2939, which would protect the State of California and its cities from the FAA's recent threat to withhold FAA grants to California airports and divert over \$70 million in state and local general sales taxes away from their intended purpose.

Motion/Second: Matsumoto/Romero

Ayes: Beach, Matsumoto, Medina, Romero, Horsley

Absent: Freschet, Groom

### TA Strategic Plan 2020-2024 Update

Mr. Slavit gave a presentation providing an overview of the 2020-2024 Strategic Plan. Chair Horsley asked if the TA would be acquiring additional staff to provide the technical assistance required to carry out certain aspects of the Plan. Mr. Slavit said they would be hiring new staff and using consultants. Mr. Hartnett noted that staff time still needs to be devoted to managing consultants.

Director Karyl Matsumoto noted that South San Francisco has many consultants. She asked if the TA applies for the grant, would it be beneficial to work with larger-scale

consultants. Mr. Slavitt concurred that cities may not have the resources to procure all grant application services.

Ms. Epstein gave a presentation on public outreach efforts regarding the Plan, which she said has included four community meetings, an online survey, a press release, pop-up events throughout the County, and social media engagement.

Director Matsumoto noted that per the July 10 SamTrans Board meeting, another transportation tax was in the works and inquired if industry leaders were behind it. Mr. Hartnett said that the potential mega-measure Faster Bay Area would provide funding for regional projects such as the Dumbarton Rail Corridor, grade separations, and regional bus service and connecting transit.

Director Carlos Romero said he thought that the public should be involved front and center.

Vice Chair Beach said she thought that the idea of the TA playing a significant role was worth exploring. She discussed projects that are eligible for Measure W funding.

Director Romero asked if Measure W included funding for congestion relief. Director Matsumoto asked about Measure W support for ferry service. Mr. Slavitt said that ferries would possibly be included under the heading of regional transit connections.

Director Romero said that he agrees with Vice Chair Beach that the 11 core principles apply to all program categories.

Public Comment:

- Emma Shlaes, Silicon Valley Bicycle Coalition and the Stakeholder Advisory Group (SAG), talked about scoring for the 11 principles for each of the categories.
- Chris Lepe, Transform and TEAMC, talked about a minimum threshold for complete streets, for example, vehicle miles traveled.
- Drew, San Mateo, said that the TA adds value to regional projects and advocated for more flexibility.

Mr. Hartnett noted that regarding the flexibility of applying the 11 principles that Measure W purposefully uses the wording "as applicable" in the ballot language.

Chair Horsley thanked Ms. Shlaes and Mr. Lepe for their help in passing Measure W.

**REQUESTS FROM THE AUTHORITY**

There were no requests.

**WRITTEN COMMUNICATIONS TO THE AUTHORITY**

The correspondence was included in the packet.

**DATE/TIME OF NEXT REGULAR MEETING**

Chair Horsley announced that the next meeting would be on Thursday, August 1, 2019, 5:00 pm at the San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2<sup>nd</sup> Floor, San Carlos Avenue, San Carlos, CA 94070.

**REPORT OF LEGAL COUNSEL**

**Closed Session: Conference with Real Property Negotiators pursuant to Government Code Section 54956.8**

**Property: 1220 Bayshore Highway Burlingame (APN 026-142-020 and 030) 1200 Bayshore Highway Burlingame (APN 026-142-130)**

**Agency negotiator: Joan Cassman, Brian Fitzpatrick, and Gary Cardona**

**Negotiating party: Paul Sabharwal**

**Under negotiation: Price and terms of payment**

*The Board meeting recessed to closed session at 6:08 pm.*

*The Board meeting reconvened into open session at 6:24 pm.*

Joan Cassman, Legal Counsel, reported that the Board completed a real estate transaction at 1220 Bayshore Highway, Burlingame, and directed the General Manager to complete a transaction and report back once completed.

**ADJOURN**

The meeting adjourned at 6:25 pm.

An audio/video recording of this meeting is available online at [www.smcta.com](http://www.smcta.com). Questions may be referred to the Authority Secretary's office by phone at 650.508.6242 or by email to [board@smcta.com](mailto:board@smcta.com).

## ***TA CAC Chair's Report***

***July 11, 2019***

Good evening Chairman Horsley and Members of the Board,

At our meeting on Tuesday evening, July 9, the CAC welcomed our newest members: Steve Green, Naomi Hsu and David Reed. We were very pleased to have them join us on the committee and look forward to working with them in the future.

I have the following to report from that meeting:

(TA Item 5a and b) The CAC reviewed the Board's Minutes of June 6, 2019, without questions or comments and supported the Acceptance of the Statement of Revenues and Expenditures for May 2019.

(TA Item 10a) After a brief update on the Broadway Burlingame Grade Separation Project Allocation by Joel Slavitt, Manager of TA Programming and Monitoring, the CAC voted to support the Programming and Allocation of Measure A Funds for the Project. Many members of the CAC reiterated comments and requests, from last month's CAC meeting, concerning the absolute need for it. Once again the dangerous situation that presently exists at this location was cited. Multiple CAC members also stressed the need for multi-modal access to the station to ensure that both pedestrian and cyclist needs be considered as the project development process progresses, not as an afterthought in the later stages of development. They were pleased to find out that there is an upcoming meeting in September where the public can provide input on the design of this station.

(TA Item 11a) After receiving both a State and Federal Legislative Update from Jessica Epstein, Government and Community Affairs Officer, the CAC agreed that the Transportation Authority should support HR 2939 the State and Local General Sales Tax Protection Acts addressed in her report.

(TA Item 11b) The CAC received a comprehensive update on the TA Strategic Plan from a Joel Slavitt and Jessica Epstein. They gave the CAC a detailed comparison of the Measure A and Measure W Programs. A robust discussion followed. Questions included the following: How much money has the county received from the new gas tax? From what sources are we going to get the money to build the number of grade separations that we actually need in this county? Do we need new legislation to secure additional funding and when is it estimated that would happen? How is Sponsorship of the projects determined? How are other public/private sources leveraged in order to deliver projects? The CAC was pleased that Measure W allows greater flexibility with pedestrian/bicycle facilities that are integrated with highway projects. They were also pleased to learn that non-capital expenditures are allowed under Measure W in the Pedestrian & Bicycle portion of Measure W. They also thought that the new subcategories (Capital-large and small,



Planning/Promotion &, Safe Routes to Schools) that have been added were an excellent addition. At the end of the discussion, the entire CAC agreed that it would be good for the TA to become more involved in leading large regional highway projects.

#### Chair's Report:

In view of the multiplicity of both housing and commercial developments that are being built in this county and the ensuing traffic issues that may arise with same, I asked the members of the CAC to take a proactive role in identifying what they may come across and report to Joe Hurley, Transportation Authority Director, so that he may be aware of all that is happening in the county.

I reported to the CAC that Stanford University announced on Monday, June 24, an offer to Santa Clara County to commit \$4.7 billion toward local housing and transportation projects, with \$138 million set aside for the Palo Alto Unified School District. In return the university has asked the county for permission to build 3.5 million square feet of new development by 2035 and shift away from some of the regulatory "conditions of approval" for a new general use permit that the Santa Clara County Planning Commission considered at its hearing Thursday June 27 in San Jose. The proposed development is expected to have traffic impacts on the southern San Mateo County jurisdictions.

San Mateo County Supervisor Don Horsley reported that supervisors for both counties have been meeting together, and that he is hoping to mitigate the problems that the university's growth would create, by following the lead of Santa Clara County moving forward, stating that San Mateo County is not going to negotiate separately with Stanford.

#### STAFF REPORT TO CAC:

The staff report was given by Joe Hurley. He advised the CAC of the following:

The California Transportation Commission along with San Mateo County Express Lanes JPA will hold a hearing on July 25 between 4-6pm to receive public comments on the 101 Express Lanes Project. The location of the meeting is 455 County Center, 1<sup>st</sup> Floor Board Room, Redwood City.

Respectfully submitted,

BARBARA ARIETTA  
Chair, San Mateo County Transportation Authority CAC

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett  
Executive Director

FROM: Derek Hansel  
Chief Financial Officer

SUBJECT: **QUARTERLY INVESTMENT REPORT AND FIXED INCOME MARKET  
REVIEW AND OUTLOOK**

**ACTION**

Staff recommends the Board accept and enter into the record the Quarterly Investment Report and Fixed Income Market Review and Outlook for the quarter ended June 30, 2019.

**SIGNIFICANCE**

The San Mateo County Transportation Authority (TA) Investment Policy contains a requirement for a quarterly report to be transmitted to the Board within 30 days of the end of the quarter. This staff report was forwarded to the Board of Directors under separate cover on July 25, 2019 in order to meet the 30-day requirement.

**BUDGET IMPACT**

As this reports on the Quarterly Market Review and Outlook, there is no budget impact.

**BACKGROUND**

The TA is required by State law to submit quarterly reports within 30 days of the end of the quarter covered by the report to the Board of Directors. The report is required to include the following information:

1. Type of investment, issuer, and date of maturity, par and dollar amount invested in all securities, investments and money held by the local agency;
2. Description of any of the local agency's funds, investments or programs that are under the management of contracted parties, including lending programs;
3. For all securities held by the local agency or under management by any outside party that is not a local agency or the State of California Local Agency Investment Fund (LAIF), a current market value as of the date of the report and the source of this information;
4. Statement that the portfolio complies with the Investment Policy or the manner in which the portfolio is not in compliance; and,
5. Statement that the local agency has the ability to meet its pool's expenditure requirements (cash flow) for the next six months or provide an explanation as to why sufficient money shall or may not be available.

A schedule, which addresses the requirements of 1, 2, and 3 above, is included in this report on pages 9 and 10. The schedule separates the investments into two groups: the Investment Portfolio managed by PFM Asset Management LLC (PFM), and Liquidity funds, which are managed by TA staff. The Investment Policy governs the management and reporting of the Investment Portfolio and Liquidity funds.

PFM provides the TA a current market valuation of all the assets under its management for each quarter. Generally, PFM's market prices are derived from closing bid prices as of the last business day of the month as supplied by Interactive Data, Bloomberg, or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield-based matrix system to arrive at an estimated market value. Prices that fall between data points are interpolated. Non-negotiable FDIC-insured bank certificates of deposit are priced at par.

The Liquidity funds managed by TA staff are considered to be cash equivalents and therefore market value is considered to be equal to book value (i.e. cost). The shares of beneficial interest generally establish a nominal value per share. Because the Net Asset Value is fixed at a nominal value per share, book and market value are equal and rate of income is recalculated on a daily basis.

The portfolio and this Quarterly Investment Report comply with the Investment Policy and the provisions of Senate Bill 564 (1995). The TA has the ability to meet its expenditure requirements for the next six months.

## **DISCUSSION**

### **Market Conditions**

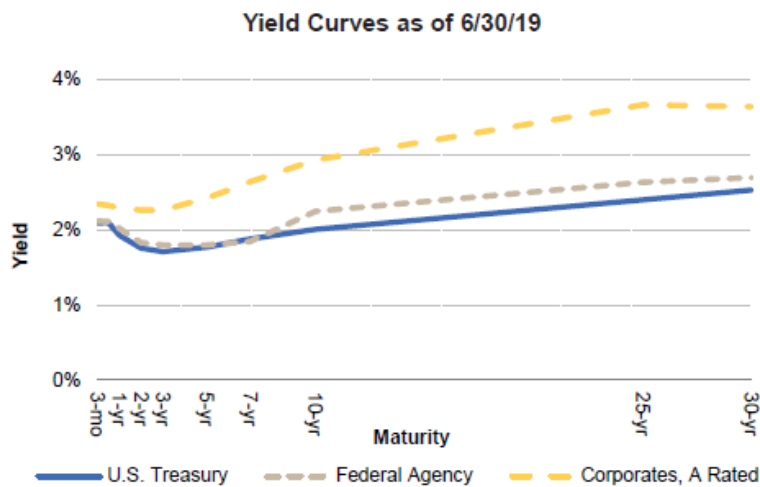
- The U.S. labor market remained strong, with average job growth of 172,000 per month in 2019 compared with average gains of 223,000 in 2018. The unemployment rate stood at 3.7% in June, near a 49-year low, as the economy remains at what is considered "full employment."
- U.S. economic conditions are characterized by: solid gross domestic product (GDP) growth; softening inflation pressures; and increased downside risks, including a slowdown in manufacturing, weaker business investments, and protracted trade wars.
- The second quarter saw plunging interest rates, surging equity prices, mixed economic data, and increasing global growth concerns.
- At its June meeting, the Federal Open Market Committee (FOMC) maintained the overnight fed funds rate at a target range of 2.25% – 2.50% but acknowledged soft business investment, declining market-based inflation measures, and increased uncertainty to the outlook.

### U.S. Treasury Yields

Maturity	Jun '19	Mar '19	Change over Quarter	Jun '18	Change over Year
3-Month	2.09%	2.39%	(0.30%)	1.92%	0.17%
1-Year	1.93%	2.39%	(0.46%)	2.31%	(0.38%)
2-Year	1.76%	2.26%	(0.50%)	2.53%	(0.77%)
5-Year	1.77%	2.23%	(0.46%)	2.74%	(0.97%)
10-Year	2.01%	2.41%	(0.40%)	2.86%	(0.85%)
30-Year	2.53%	2.82%	(0.29%)	2.99%	(0.46%)

Source: Bloomberg.

- Equity investors seemed to rejoice in the Fed's more dovish stance. By quarter-end, domestic equity markets had reversed losses from May and reached new record highs.
- The yield curve reached its greatest level of inversion since 2007, as the spread between the 10-year and 3-month Treasuries reached -28 basis points.



## **Portfolio Recap**

- Our strategy throughout the quarter included the following elements:
  - Broad diversification, generally including the widest range of permitted investments, which reduces the overall risk in the portfolio and provides the opportunity for better returns over the long term.
  - We maintained a portfolio duration in line with the benchmark. Maintaining a neutral duration—despite the inverted yield curve—drove strong market-value returns across most fixed-income sectors as market prices on fixed-income securities tend to rise as yields fall.
  - We continued to reduce federal agency allocations as their yields did not offer much value compared to treasury alternatives. This has been driven mainly by a lack of new supply. Non-callable agencies generated small outperformance due to their modestly higher yields, but callable agencies underperformed as lower rates increased the likelihood of a call before maturity.
  - Corporate yield spreads remain tight by historical standards but widened briefly amid trade tensions. Corporates generated excess returns for the second consecutive quarter. We focused allocations on high quality issuers with relatively less exposure to international trade risks. We also had a slight preference for industrials over financials in the quarter.
  - We continued to modestly increase agency MBS allocations, specifically agency Commercial MBS (CMBS). Performance in the agency MBS sector was mixed for the second quarter, with agency Commercial MBS outperforming pass-through securities. Asset-backed securities (ABS), while still a core holding, were modestly reduced as spreads declined to 10-year lows throughout the first half of the quarter, providing incremental returns relative to Treasuries. By June, ABS spreads began to widen slightly but still remained low by historical standards.
  - Short-term commercial paper and negotiable bank CD yield spreads narrowed in the second quarter, reducing their overall attractiveness. By quarter-end, the money market yield curve was also inverted.

## **Investment Strategy Outlook**

- While we expect U.S. and global economic growth to moderate in the second half of the year amid elevated risks to the economy, we do not believe a recession is imminent.

- The Fed has officially shifted its stance on monetary policy from “patient” to “appropriate,” and rates have continued to move lower. As such, our view is to continue to maintain a portfolio duration in line with the benchmark in order to minimize risk and optimize performance relative to the benchmark in the event yields continue to decline.
- Our outlook for each of the major investment-grade fixed-income sectors are as follows:
  - Federal agency spreads are very tight and we expect them to remain so. Although callable agency spreads are wider than they have been in a while, the sharp downward move in rates has reduced the likelihood of outperformance.
  - As a result of the Fed’s more accommodative stance and our positive view of the corporate sector, we will maintain corporate allocations and seek to modestly extend the duration of our allocations, while remaining diligent in our issuer and security selection process.
  - ABS spreads have recently widened back to levels that offer attractive incremental income compared to government and credit alternatives. We will seek to maintain allocations.
  - The decline in mortgage rates, increase in pay downs, and the Fed’s ongoing reduction in the holdings of agency MBS on their balance sheet are expected to continue. Our focus will be on specific structures, like agency CMBS, that offer incremental income and prepayment stability.
  - Historically tight spreads have also reduced the range of high-quality, short-term credit issues that offer adequate incremental income to warrant purchase. Careful maturity selection around Fed meeting expectations will be an important consideration going forward, particularly with both the Treasury and credit yield curves inverted.

## **BUDGET IMPACT**

Total return is interest income plus capital gains (or minus losses) on an investment and is the most important measure of performance as it is the actual return on investment during a specific time interval. For the quarter ending June 30, the total return of the portfolio was **1.60 percent**. This compares to the benchmark return of **1.60 percent**. The Performance graph on page 11 shows the relative performance of the TA over the last 12 months.

The yield at cost represents the yield on a fixed-income security at its current rate (at the time of purchase) of return until maturity equivalent to the annual percentage rate of interest an investor would receive for investing the purchase price of a given security in a bank account that paid interest semiannually. As of the end of the quarter, the portfolio's yield to maturity at cost was **2.42 percent**.

The yield at market is the yield that an investor can expect to receive in the current interest rate environment utilizing a buy-and-hold investment strategy. This calculation is based on the current market value of the portfolio including unrealized gains and losses. For the quarter ending June 30, the portfolio's market yield to maturity was **2.03 percent**.

Prepared by: Jayden Sangha

Manager, Treasury

650-508-6405

## INVESTMENT GLOSSARY

**Asset Backed Securities** - An asset-backed security (ABS) is a financial security backed by a loan, lease or receivables against assets other than real estate and mortgage-backed securities. For investors, asset-backed securities are an alternative to investing in corporate debt.

**Certificate of Deposit** - A certificate of deposit (CD) is a savings certificate with a fixed maturity date, specified fixed interest rate and can be issued in any denomination aside from minimum investment requirements. A CD restricts access to the funds until the maturity date of the investment. CDs are generally issued by commercial banks and are insured by the FDIC up to \$250,000 per individual.

**Collateralized Mortgage Obligation** - Collateralized mortgage obligation (CMO) refers to a type of mortgage-backed security that contains a pool of mortgages bundled together and sold as an investment. Organized by maturity and level of risk, CMOs receive cash flows as borrowers repay the mortgages that act as collateral on these securities. In turn, CMOs distribute principal and interest payments to their investors based on predetermined rules and agreements.

**Commercial Paper** - Commercial paper is an unsecured, short-term debt instrument issued by a corporation, typically for the financing of accounts receivable, inventories and meeting short-term liabilities. Maturities on commercial paper rarely range any longer than 270 days. Commercial paper is usually issued at a discount from face value and reflects prevailing market interest rates.

**Credit Spreads** - The spread between Treasury securities and non-Treasury securities that are identical in all respects except for quality rating.

**Duration** - The term duration has a special meaning in the context of bonds. It is a measurement of how long, in years, it takes for the price of a bond to be repaid by its internal cash flows. It is an important measure for investors to consider, as bonds with higher durations carry more risk and have higher price volatility than bonds with lower durations.

**Net Asset Value** - Net asset value (NAV) is value per share of a mutual fund or an exchange-traded fund (ETF) on a specific date or time. With both security types, the per-share dollar amount of the fund is based on the total value of all the securities in its portfolio, any liabilities the fund has and the number of fund shares outstanding.

**Roll-down** - A roll-down return is a form of return that arises when the value of a bond converges to par as maturity is approached. The size of the roll-down return varies greatly between long and short-dated bonds. Roll-down is smaller for long-dated bonds that are trading away from par compared to bonds that are short-dated.



Roll-down return works two ways in respect to bonds. The direction depends on if the bond is trading at a premium or at a discount. If the bond is trading at a discount the roll-down effect will be positive. This means the roll-down will pull the price up towards par. If the bond is trading at a premium the opposite will occur. The roll-down return will be negative and pull the price of the bond down back to par.

**Volatility** - Volatility is a statistical measure of the dispersion of returns for a given security or market index. Volatility can either be measured by using the standard deviation or variance between returns from that same security or market index. Commonly, the higher the volatility, the riskier the security.

**Yield Curve** - A yield curve is a line that plots the interest rates, at a set point in time, of bonds having equal credit quality but differing maturity dates. The most frequently reported yield curve compares the three-month, two-year, five-year and 30-year U.S. Treasury debt. This yield curve is used as a benchmark for other debt in the market, such as mortgage rates or bank lending rates, and it is also used to predict changes in economic output and growth.

**Yield to Maturity** - Yield to maturity (YTM) is the total return anticipated on a bond if the bond is held until the end of its lifetime. Yield to maturity is considered a long-term bond yield, but is expressed as an annual rate. In other words, it is the internal rate of return of an investment in a bond if the investor holds the bond until maturity and if all payments are made as scheduled.

Source: Investopedia.com

EXHIBIT 1

SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
 REPORT OF INVESTMENTS  
 FOR QUARTER ENDED JUNE 30, 2019

SECURITIES MANAGED BY INVESTMENT ADVISOR:

CUSIP	ASSET BACK SECURITIES	PAR	Settle Date	Maturity Date	Original Cost	Accrued Interest	Market Value	Base Market Value + Accrued
02004VAC7	ALLYA 182 A3	1,100,000.00	04/30/2018	11/15/2022	1,099,800.24	1,427.56	1,108,372.04	1,109,799.59
02007HAC5	ALLYA 172 A3	1,291,657.55	03/29/2017	08/16/2021	1,291,505.27	1,021.84	1,288,542.24	1,289,564.08
02007PAC7	ALLYA 171 A3	307,091.19	01/31/2017	06/15/2021	307,064.35	232.02	306,254.29	306,486.31
02582JHQ6	AMXCA 181 A	2,610,000.00	03/21/2018	10/17/2022	2,609,696.98	3,097.20	2,618,141.49	2,621,238.69
14313FAD1	CARMX 183 A3	750,000.00	07/25/2018	06/15/2023	749,897.78	1,043.33	763,822.13	764,865.46
17305EG85	CCCIT 17A3 A3	1,600,000.00	05/22/2017	04/07/2020	1,604,272.00	7,168.00	1,596,562.77	1,603,730.77
17305EGK5	CCCIT 18A1 A1	1,500,000.00	01/31/2018	01/20/2023	1,499,792.40	16,703.75	1,507,193.26	1,523,897.01
34531EAD8	FORDO 17A A3	1,202,547.87	01/25/2017	06/15/2021	1,202,543.42	892.56	1,198,884.60	1,199,777.16
36255JAD6	GMCAR 183 A3	700,000.00	07/18/2018	05/16/2023	699,836.76	880.83	711,033.08	711,913.91
43814PAC4	HAROT 173 A3	505,315.17	09/29/2017	09/18/2021	505,260.44	326.63	503,705.90	504,032.53
47788BAD6	JDOT 17B A3	810,524.40	07/18/2017	10/15/2021	810,465.07	655.62	808,357.45	809,013.08
47788CAC6	JDOT 2018 A3	485,000.00	02/28/2018	04/18/2022	484,965.13	573.38	487,183.54	487,756.92
89190BAD0	TAOT 17B A3	2,260,614.34	05/17/2017	07/15/2021	2,260,440.95	1,768.30	2,254,796.50	2,256,564.80
89238BAD4	TAOT 18A A3	700,000.00	01/31/2018	05/16/2022	699,991.95	731.11	701,822.02	702,553.13
89238MAD0	TAOT 17A A3	390,041.36	03/15/2017	02/16/2021	389,995.45	299.90	389,241.49	389,541.38
<b>CUSIP AGENCY BONDS</b>								
3130A8Q55	FEDERAL HOME LOAN BANKS	3,200,000.00	07/15/2016	07/14/2021	3,180,540.80	16,700.00	3,157,955.20	3,174,655.20
3130ACE26	FEDERAL HOME LOAN BANKS	365,000.00	09/08/2017	09/28/2020	363,828.35	1,296.51	362,634.80	363,931.31
3135G0N82	FEDERAL NATIONAL MORTGAGE	825,000.00	08/19/2016	08/17/2021	822,177.68	3,838.54	815,651.93	819,490.47
3135G0N82	FEDERAL NATIONAL MORTGAGE	2,675,000.00	08/19/2016	08/17/2021	2,664,166.25	12,446.18	2,644,689.58	2,657,135.76
3135G0P49	FEDERAL NATIONAL MORTGAGE	700,000.00	09/02/2016	08/28/2019	698,908.00	2,391.67	698,600.00	700,991.67
3135G0T60	FEDERAL NATIONAL MORTGAGE	900,000.00	08/01/2017	07/30/2020	897,273.00	5,662.50	895,608.00	901,270.50
3135G0U92	FEDERAL NATIONAL MORTGAGE	1,600,000.00	01/11/2019	01/11/2022	1,598,848.00	19,833.33	1,633,448.00	1,653,281.33
3137EAEJ4	FREDDIE MAC	990,000.00	09/29/2017	09/29/2020	988,208.10	4,111.25	986,598.36	990,709.61
<b>CUSIP CERTIFICATE OF DEPOSITS</b>								
06417GU22	Bank of Nova Scotia, Houston B	1,600,000.00	06/07/2018	06/05/2020	1,599,392.00	3,559.11	1,604,282.55	1,607,841.66
22535CDV0	Credit Agricole Corporate And I	1,500,000.00	04/04/2019	04/01/2022	1,500,000.00	6,839.17	1,500,000.00	1,506,839.17
78012UEE1	Royal Bank of Canada New York	2,750,000.00	06/08/2018	06/07/2021	2,750,000.00	5,940.00	2,762,768.21	2,768,708.21
86565BPC9	Sumitomo Mitsui Banking Corp	1,550,000.00	10/18/2018	10/16/2020	1,547,892.00	11,092.83	1,548,632.26	1,559,725.09
87019U6D6	Swedbank AB (publ)	3,100,000.00	11/17/2017	11/16/2020	3,100,000.00	8,991.72	3,062,459.25	3,071,450.97
<b>CUSIP CORPORATE BONDS</b>								
025816BU2	AMERICAN EXPRESS CO	1,550,000.00	05/17/2018	05/17/2021	1,549,736.50	6,393.75	1,578,729.25	1,585,123.00
02665WC22	AMERICAN HONDA FINANCE COF	1,550,000.00	06/28/2019	06/27/2024	1,547,892.00	413.33	1,543,051.35	1,543,464.68
037833CS7	APPLE INC	1,325,000.00	05/11/2017	05/11/2020	1,323,648.50	3,312.50	1,322,108.85	1,325,421.35
05531FAZ6	BB&T CORP	750,000.00	10/26/2017	02/01/2021	749,655.00	6,718.75	748,536.75	755,255.50
05531FBG7	BB&T CORP	800,000.00	03/18/2019	06/20/2022	799,976.00	745.56	817,211.20	817,956.76
06051GFW4	BANK OF AMERICA CORP	175,000.00	11/03/2017	04/19/2021	176,358.00	918.75	176,114.40	177,033.15
06051GGS2	BANK OF AMERICA CORP	965,000.00	09/18/2017	10/01/2021	965,000.00	5,616.30	963,075.79	968,692.09
06051GHH5	BANK OF AMERICA CORP	400,000.00	05/17/2018	05/17/2022	400,000.00	1,710.62	407,783.60	409,494.22
084670BL1	BERKSHIRE HATHAWAY INC	3,150,000.00	12/23/2016	08/14/2019	3,167,829.00	25,173.75	3,148,777.80	3,173,951.55
14913Q2A6	CATERPILLAR FINANCIAL SERVIC	1,100,000.00	09/07/2017	09/04/2020	1,099,076.00	6,613.75	1,096,209.40	1,102,823.15

172967LF6	CITIGROUP INC	1,575,000.00	01/10/2017	01/10/2020	1,574,370.00	18,329.06	1,575,343.35	1,593,672.41
24422ETL3	JOHN DEERE CAPITAL CORP	685,000.00	03/15/2017	01/06/2022	681,979.15	8,824.13	693,253.57	702,077.70
24422EUQ0	JOHN DEERE CAPITAL CORP	350,000.00	01/10/2019	01/10/2022	349,664.00	5,320.00	358,558.90	363,878.90
25468PDP8	WALT DISNEY CO	660,000.00	03/06/2017	03/04/2020	659,828.40	4,182.75	659,371.68	663,554.43
38141GGQ1	GOLDMAN SACHS GROUP INC	2,750,000.00	11/28/2016	07/27/2021	3,035,092.50	61,760.42	2,905,133.00	2,966,893.42
427866BA5	HERSHEY CO	630,000.00	05/10/2018	05/15/2021	629,565.30	2,495.50	640,532.34	643,027.84
437076BQ4	HOME DEPOT INC	750,000.00	06/05/2017	06/05/2020	749,565.00	975.00	747,717.00	748,692.00
44932HAG8	IBM CREDIT LLC	1,500,000.00	02/06/2018	02/05/2021	1,499,265.00	16,120.83	1,509,222.00	1,525,342.83
46647PBB1	JPMORGAN CHASE & CO	1,500,000.00	03/22/2019	04/01/2023	1,500,000.00	13,228.88	1,529,952.00	1,543,180.88
594918BV5	MICROSOFT CORP	1,520,000.00	02/06/2017	02/06/2020	1,518,981.60	11,326.11	1,516,917.44	1,528,243.55
6174467P8	MORGAN STANLEY	3,150,000.00	11/10/2016	07/24/2020	3,516,187.50	75,556.25	3,252,289.95	3,327,846.20
63743HER9	NATIONAL RURAL UTILITIES COO	625,000.00	02/26/2018	03/15/2021	624,306.25	5,336.81	633,538.13	638,874.93
63743HER9	NATIONAL RURAL UTILITIES COO	875,000.00	04/19/2018	03/15/2021	871,298.75	7,471.53	886,953.38	894,424.90
693475AV7	PNC FINANCIAL SERVICES GROU	1,550,000.00	02/15/2019	01/23/2024	1,561,036.00	23,809.72	1,625,489.65	1,649,299.37
69371RP75	PACCAR FINANCIAL CORP	570,000.00	03/01/2019	03/01/2022	569,498.40	5,415.00	579,250.53	584,665.53
713448DX3	PEPSICO INC	1,015,000.00	10/10/2017	04/15/2021	1,014,797.00	4,285.56	1,014,662.01	1,018,947.56
717081EB5	PFIZER INC	2,080,000.00	11/21/2016	12/15/2019	2,078,502.40	1,571.56	2,075,342.88	2,076,914.44
808513AWS	CHARLES SCHWAB CORP	965,000.00	05/22/2018	05/21/2021	964,971.05	3,484.72	983,270.35	986,755.07
89236TDH5	TOYOTA MOTOR CREDIT CORP	1,150,000.00	10/18/2016	10/18/2019	1,149,425.00	3,614.51	1,147,251.50	1,150,866.01
89236TEU5	TOYOTA MOTOR CREDIT CORP	1,200,000.00	04/13/2018	04/13/2021	1,199,520.00	7,670.00	1,216,377.60	1,224,047.60
904764AZ0	UNILEVER CAPITAL CORP	1,200,000.00	03/22/2018	03/22/2021	1,193,868.00	9,075.00	1,212,825.60	1,221,900.60
931142EA7	WAL-MART STORES INC	1,550,000.00	10/20/2017	12/15/2020	1,547,752.50	1,308.89	1,548,082.65	1,549,391.54

**CUSIP COMMERCIAL PAPER**

25214PM26	Dexia Cr�dit Local New York Br	1,500,000.00	10/12/2018	07/02/2019	1,470,083.75	0.00	1,499,886.25	1,499,886.25
62479LAD7	MUFG Bank Ltd. (New York Brar	3,050,000.00	04/18/2019	01/13/2020	2,990,067.50	0.00	3,006,493.44	3,006,493.44
62479MZ63	MUFG Bank Ltd. (New York Brar	1,600,000.00	03/11/2019	12/06/2019	1,567,720.00	0.00	1,581,110.22	1,581,110.22

**CUSIP FEDERAL HOME LOAN COLLETRALIZED DEBT**

31378M6P6	FHMS K721 A2	800,000.00	04/09/2018	08/25/2022	806,812.50	2,060.00	821,200.00	823,260.00
3137FKK39	FHMS KPO5 A	685,793.76	12/17/2018	07/25/2023	685,791.70	1,830.50	698,117.47	699,947.97
3136AJ7G5	FNA 14M06B A2	2,240,585.08	12/15/2016	05/25/2021	2,285,921.92	5,001.19	2,259,943.73	2,264,944.92
3136AQDQ0	FNA 15M13A AQ2	2,573.99	10/30/2015	09/25/2019	2,599.77	3.53	2,569.90	2,573.43
3136B1XP4	FNA 18M5 A2	757,854.41	04/30/2018	09/25/2021	772,928.90	2,248.30	771,723.15	773,971.45

**CUSIP US GOVERNMENT DEBT**

912828F62	UNITED STATES TREASURY	375,000.00	09/09/2015	10/31/2019	376,508.79	947.69	374,238.28	375,185.97
912828L32	UNITED STATES TREASURY	335,000.00	07/12/2016	08/31/2020	341,432.19	1,539.59	332,958.59	334,498.18
912828N30	UNITED STATES TREASURY	2,900,000.00	08/03/2018	12/31/2022	2,812,773.44	167.46	2,939,421.88	2,939,589.33
912828N30	UNITED STATES TREASURY	2,650,000.00	11/06/2018	12/31/2022	2,559,630.86	153.02	2,686,023.44	2,686,176.46
912828N30	UNITED STATES TREASURY	4,800,000.00	12/13/2018	12/31/2022	4,681,125.00	277.17	4,865,250.00	4,865,527.17
912828N30	UNITED STATES TREASURY	11,000,000.00	01/10/2019	12/31/2022	10,841,445.31	635.19	11,149,531.25	11,150,166.44
912828N30	UNITED STATES TREASURY	5,700,000.00	01/31/2019	12/31/2022	5,609,601.56	329.14	5,777,484.38	5,777,813.52
912828Q78	UNITED STATES TREASURY	970,000.00	01/05/2017	04/30/2021	950,751.56	2,247.08	962,876.56	965,123.64
912828R69	UNITED STATES TREASURY	8,850,000.00	03/06/2019	05/31/2023	8,528,841.80	12,180.84	8,815,429.69	8,827,610.53
912828R77	UNITED STATES TREASURY	3,500,000.00	03/17/2017	05/31/2021	3,409,082.04	4,076.16	3,473,750.00	3,477,826.16
912828TJ9	UNITED STATES TREASURY	4,450,000.00	09/07/2018	08/15/2022	4,263,308.59	27,167.13	4,436,093.75	4,463,260.88
912828VF4	UNITED STATES TREASURY	505,000.00	12/07/2015	05/31/2020	498,470.51	588.13	502,080.47	502,668.60
912828VP2	UNITED STATES TREASURY	1,235,000.00	05/18/2016	07/31/2020	1,275,313.64	10,303.04	1,235,771.88	1,246,074.91
912828X47	UNITED STATES TREASURY	7,500,000.00	05/07/2018	04/30/2022	7,260,351.56	23,692.26	7,530,468.75	7,554,161.01
912828X47	UNITED STATES TREASURY	650,000.00	12/06/2017	04/30/2022	643,246.09	2,053.33	652,640.63	654,693.95
912828X47	UNITED STATES TREASURY	3,250,000.00	01/04/2018	04/30/2022	3,208,740.23	10,266.64	3,263,203.13	3,273,469.77

**FUNDS MANAGED BY DISTRICT STAFF**

**CUSIP MONEY MARKET FUND**

31846V534	FIRST AMER: US TRS MM Y	6,966,485.83		06/30/2019	6,966,485.83	0.00	6,966,485.83	6,966,485.83
SM - CP N/M A	County Pool New Measure A	107,776,321.57		06/30/2019	107,776,321.57	0.00	107,776,321.57	107,776,321.57
SM - CP O/M A	County Pool Old Measure A	85,694,672.70		06/30/2019	85,694,672.70	0.00	85,694,672.70	85,694,672.70
SM - LAIF	Local Agency Investment Fund	14,695,042.65		06/30/2019	14,695,042.65	0.00	14,695,042.65	14,695,042.65

**CUSIP CASH AND CASH EQUIVILENT**

CCYUSD	Receivable	297,184.87		06/30/2019	297,184.87	0.00	297,184.87	297,184.87
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## EXHIBIT 2

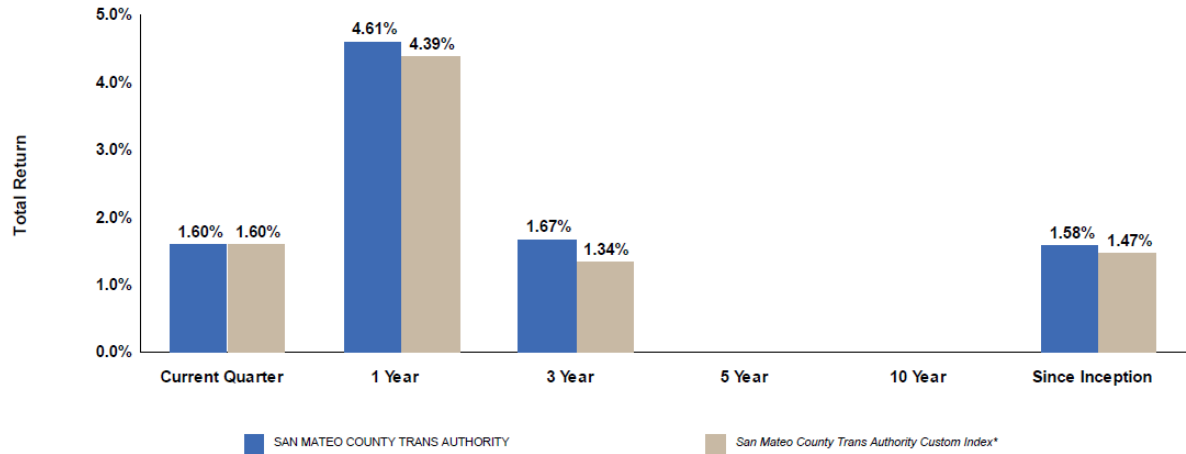
For the Quarter Ended June 30, 2019

SAN MATEO COUNTY TRANS AUTHORITY

Portfolio Performance

### Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Current Quarter	Annualized Return				Since Inception (03/31/15)
			1 Year	3 Year	5 Year	10 Year	
SAN MATEO COUNTY TRANS AUTHORITY	2.10	1.60%	4.61%	1.67%	-	-	1.58%
San Mateo County Trans Authority Custom Index*	2.10	1.60%	4.39%	1.34%	-	-	1.47%
Difference		0.00%	0.22%	0.33%	-	-	0.11%



Portfolio performance is gross of fees unless otherwise indicated.

\*The Authority's custom benchmark is the 0-5 Yr US Treasury Index, as of 6/30/2016. Before 6/30/2016, the Authority's index was 15% 0-1 Yr UST, 15% 0-1 Yr Agency, 20% 1-3 Yr US Govt, 20% 3-5 Yr US Govt, 10% 1-10 Yr US Govt, and 20% 1-5 Yr Corp.

# EXHIBIT 3

For the Quarter Ended June 30, 2019

SAN MATEO COUNTY TRANS AUTHORITY

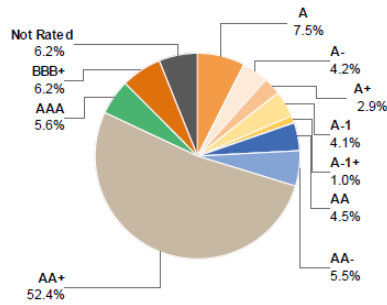
Portfolio Snapshot

### Portfolio Statistics

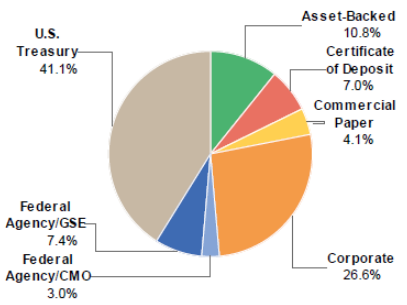
As of June 30, 2019

Par Value:	\$149,739,599
Total Market Value:	\$158,506,222
Security Market Value:	\$150,648,799
Accrued Interest:	\$603,532
Cash:	\$7,253,892
Amortized Cost:	\$148,691,956
Yield at Market:	2.03%
Yield at Cost:	2.42%
Effective Duration:	2.10 Years
Duration to Worst:	2.16 Years
Average Maturity:	2.42 Years
Average Credit: *	AA

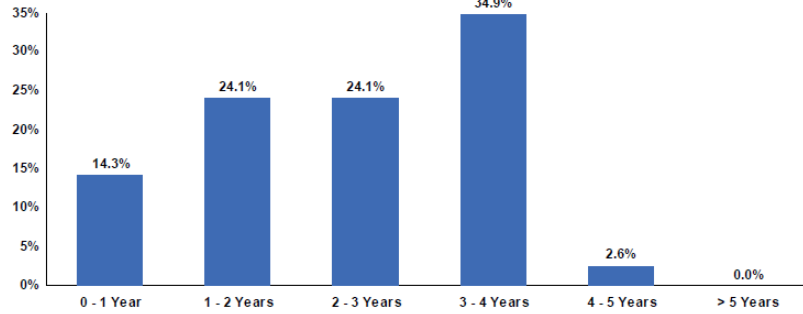
### Credit Quality (S&P Ratings)\*\*



### Sector Allocation



### Maturity Distribution



\*An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.  
 \*\*Securities held in the Authority's portfolio are in compliance with California state statutes and the Authority's investment policy dated September 2017.

## EXHIBIT 4

SAN MATEO COUNTY TRANS AUTHORITY

For the Quarter Ended June 30, 2019

Portfolio Compliance

### Sector Allocation & Compliance

- The portfolio is in compliance with the Authority's Investment Policy and California Government Code.

Security Type	Market Value as of June 30, 2019	% of Portfolio	Permitted by Policy	In Compliance	Average Credit Rating
U.S. Treasury	\$61,836,564	35.8%	100%	✓	AA+
Federal Agency/GSE	\$11,197,019	6.5%	100%	✓	AA+
Federal Agency/CMO	\$4,551,673	2.6%	20%	✓	AA+
Corporate Notes	\$40,125,045	23.2%	30%	✓	A
Negotiable CDs	\$10,597,695	6.1%	10%	✓	A+
Asset-Backed Securities	\$16,245,215	9.4%	30%	✓	AAA
Commercial Paper	\$6,095,587	3.5%	15%	✓	A-1
<b>Securities Sub-Total</b>	<b>\$150,648,799</b>	<b>87.3%</b>			
Accrued Interest	\$603,532				
<b>Securities Total</b>	<b>\$151,252,330</b>				
Money Market Fund	\$7,253,892	4.2%	10%	✓	AAAm
LAIF	\$14,695,043	8.5%	\$65 million	✓	NR
<b>Total Investments</b>	<b>\$173,201,265</b>	<b>100.0%</b>			

*Market values, excluding accrued interest and balances in San Mateo County Pool. Detail may not add to total due to rounding. Current investment policy as of September 2017.*



**AGENDA ITEM #8  
AUGUST 1, 2019**

## Memorandum

**Date:** July 24, 2019  
**To:** TA Board of Directors  
**From:** Jim Hartnett, Executive Director  
**Subject:** Executive Director's Report – August 1, 2019

### San Mateo 101 Express Lanes

The San Mateo County Express Lanes Joint Powers Authority (JPA) submitted an application on June 28 to the California Transportation Commission (CTC) in compliance with Assembly Bill (AB) 194 to obtain authority to operate a high-occupancy toll facility (the San Mateo 101 Express Lanes Project).

On July 25, a public hearing was held on the Project. The hearing, hosted by the CTC in Redwood City, was intended to solicit public input on the project in advance of an action by the CTC at their August 14/15 meeting authorizing the JPA to operate a high-occupancy toll facility. The project background, budget, and schedule, along with the benefits that will be realized from the implementation of the project were presented. Representatives from the CTC, MTC (Metropolitan Transportation Commission), C/CAG (City/County Association of Governments), and the TA participated in the hearing.

### TA Strategic Plan 2020-2024

As reported to the Board last month, the strategic plan outreach effort, which started earlier this spring, included collaboration with and input from the Citizens Advisory Committee and both the Stakeholders and Technical Advisory Groups (SAG and TAG), including many of the members who also served during the Get Us Moving (GUM) process.

The current outreach also included presentations to civic and business groups, and town halls and community pop-ups throughout the County earlier this summer. Community members also received an online survey that went live in June and was originally scheduled to end July 15. At the suggestion of C/CAG Board members at their regularly scheduled meeting on July 11, the TA has extended the TA Strategic Plan Survey an additional three weeks through **Monday, August 5<sup>th</sup>** to allow more opportunity for public input and provide two full months of data.

### **US 101/Willow Road Interchange**

The US 101/Willow Road Interchange Reconstruction Project, with a total cost of \$83.4 million (\$71.8 million of Measure A funding) and which began construction in Summer 2019, has made substantial strides towards completion this month. Caltrans, the City of East Palo Alto, and the City of Menlo Park are working on the final construction punch-list items and establishing the long-term maintenance agreements.

Following the completion of the roadway construction, the existing landscape that was removed as a result of construction activities will be replaced through a subsequent highway planting project, which will include a three-year plant establishment period. The City of Menlo Park is leading the conceptual planning effort with the City of Palo Alto and the TA.

To commemorate the completion of this project, which will bring safety and operational improvements to the area, a celebration is being planned for August/September 2019. Staff will notify the Board as soon as a specific time and date has been determined.



**SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett  
Executive Director

FROM: April Chan  
Chief Officer, Planning, Grants and Transportation Authority

SUBJECT: **PROGRAM REPORT: ALTERNATIVE CONGESTION RELIEF**

**ACTION**

No action is required. This item is being presented to the Board for information only.

**SIGNIFICANCE**

This presentation is part of a series of program reports presented to the Board. Each of the Transportation Authority's (TA) six program areas – Transit, Highways, Local Streets/Transportation, Grade Separations, Pedestrian & Bicycle, and Alternative Congestion Relief Programs – will be featured individually throughout the year. This item features a report highlighting the Alternative Congestion Relief Program, which will be presented via PowerPoint.

**BUDGET IMPACT**

There is no impact on the budget.

**BACKGROUND**

The TA has and continues to allocate Measure A funding to the Peninsula Traffic Congestion Relief Alliance (Commute.org) to support its operations. With this funding, Commute.org implements a Countywide Transportation Demand Management Plan to reduce traffic congestion in San Mateo County. Commute.org's work plan includes, but is not limited to: employer and community outreach; shuttle marketing and management; and van and carpool incentive programs.

Prepared by: Jennifer Williams, Analyst II, Programming and Monitoring 650-508-6343

# It's Like Commuting in the Cloud.

Download a Smarter Commute at [Commuter.org](http://Commuter.org)



August 1, 2019  
TA Board of Directors  
Agenda Item #9

# Presentation Outline

- Agency Overview
- FY 2019-2020 Work Plan
- Programs Review
- Discussion

A white circle with a blue outline containing the text "Commute.org" in a blue, sans-serif font. The circle is positioned on the right side of the slide, overlapping a dark blue vertical bar.

Commute.org

# Agency Overview

- **Structure:**

- JPA – 18 members (+2 applications pending)
- Board – elected officials
- Staff – 8 full-time, 1 AmeriCorps Fellow

- **Funding Partners:**

- C/CAG
- San Mateo County Transportation Authority (TA)
- Bay Area Air Quality Management District (TFCA)
- Private Sector Employers & Property Managers

A white circle with a blue outline containing the text "Commute.org" in a blue, sans-serif font.

Commute.org

# Board of Directors

**Michael Lempres**  
Atherton

**Emily Beach\*\***  
Burlingame

**Carlos Romero**  
East Palo Alto

**Shawn Christianson**  
Hillsborough

**Giselle Hale**  
Redwood City

**Rick Bonilla**  
San Mateo

**Davina Hurt**  
Belmont

**Rae Gonzalez**  
Colma

**Richa Awasthi**  
Foster City

**Reuben Holober**  
Millbrae

**Rico Medina**  
San Bruno

**Richard Garbarino**  
South San Francisco

**Clifford Lentz\***  
Brisbane

**Pamela DiGiovanni**  
Daly City

**Robert Brownstone**  
Half Moon Bay

**Mike O'Neill**  
Pacifica

**Sara McDowell**  
San Carlos

**David Canepa**  
County of San Mateo



Commute.org

\* Chair

\*\* Vice Chair

*Roster as of 7/2019*

# Commute.org Mission



**Reduce SOVs traveling to, from or through San Mateo County**

# Work Plan for FY 2019-2020

- Work Plan follows structure of the Strategic Plan and becomes the basis for Scope of Work documents
- Work Plan is published and serves as roadmap for the activities of the agency throughout the year
- Program Areas: Commuters, Employers, Shuttles, Partnerships, Agency Development
- Scope of Work includes regular activities plus key initiatives

The logo for Commute.org is centered within a white circle that has a thin blue border. The circle is positioned on the right side of the slide, overlapping a dark blue vertical bar that runs down the right edge. The text "Commute.org" is written in a blue, sans-serif font.

Commute.org

# Work Plan for FY 2019-2020

- **Key Initiatives:**

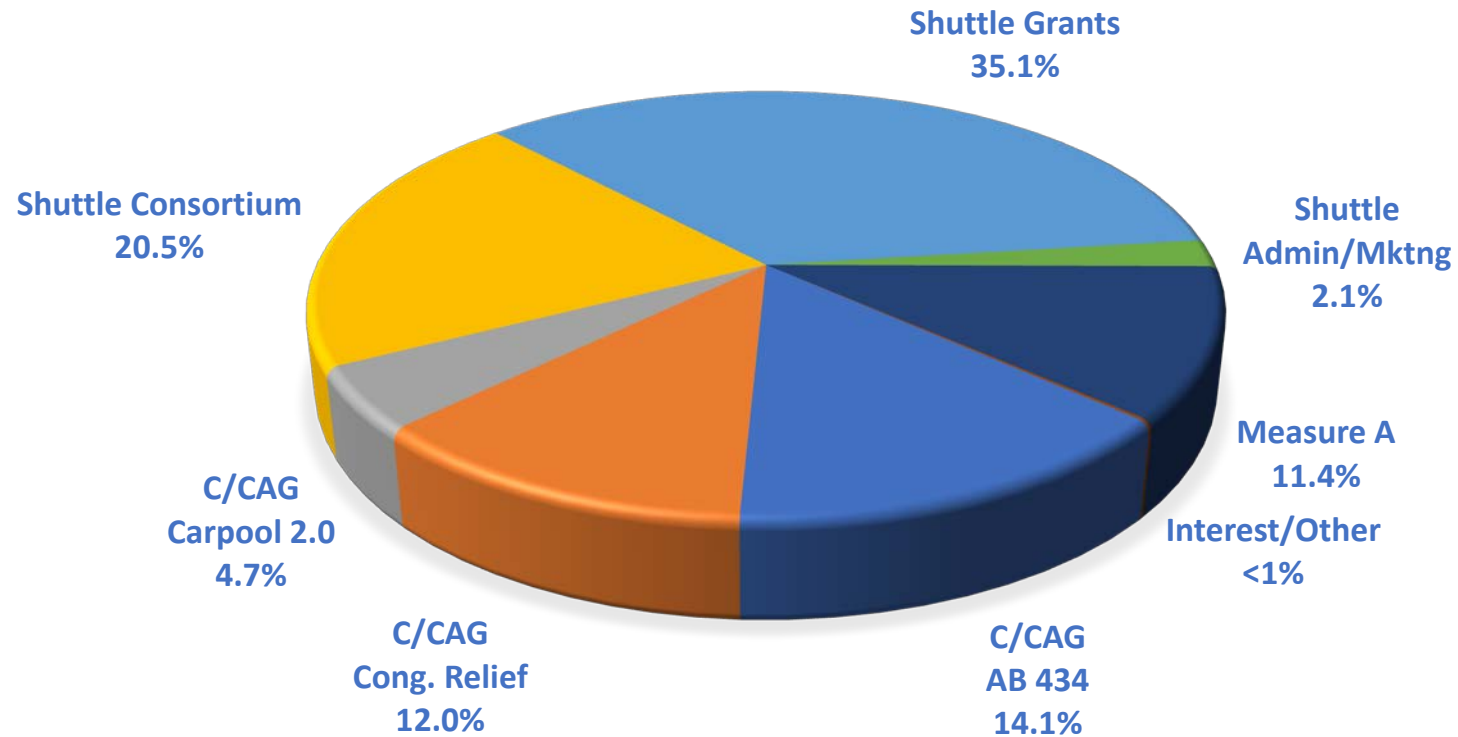
- STAR Platform – Continued Expansion
- Conduct Commute Profile 2019 Survey
- Database Improvement Project 2020
- Strategic Plan Update

The logo for Commute.org is a white circle with a blue outline, containing the text "Commute.org" in a blue, sans-serif font.

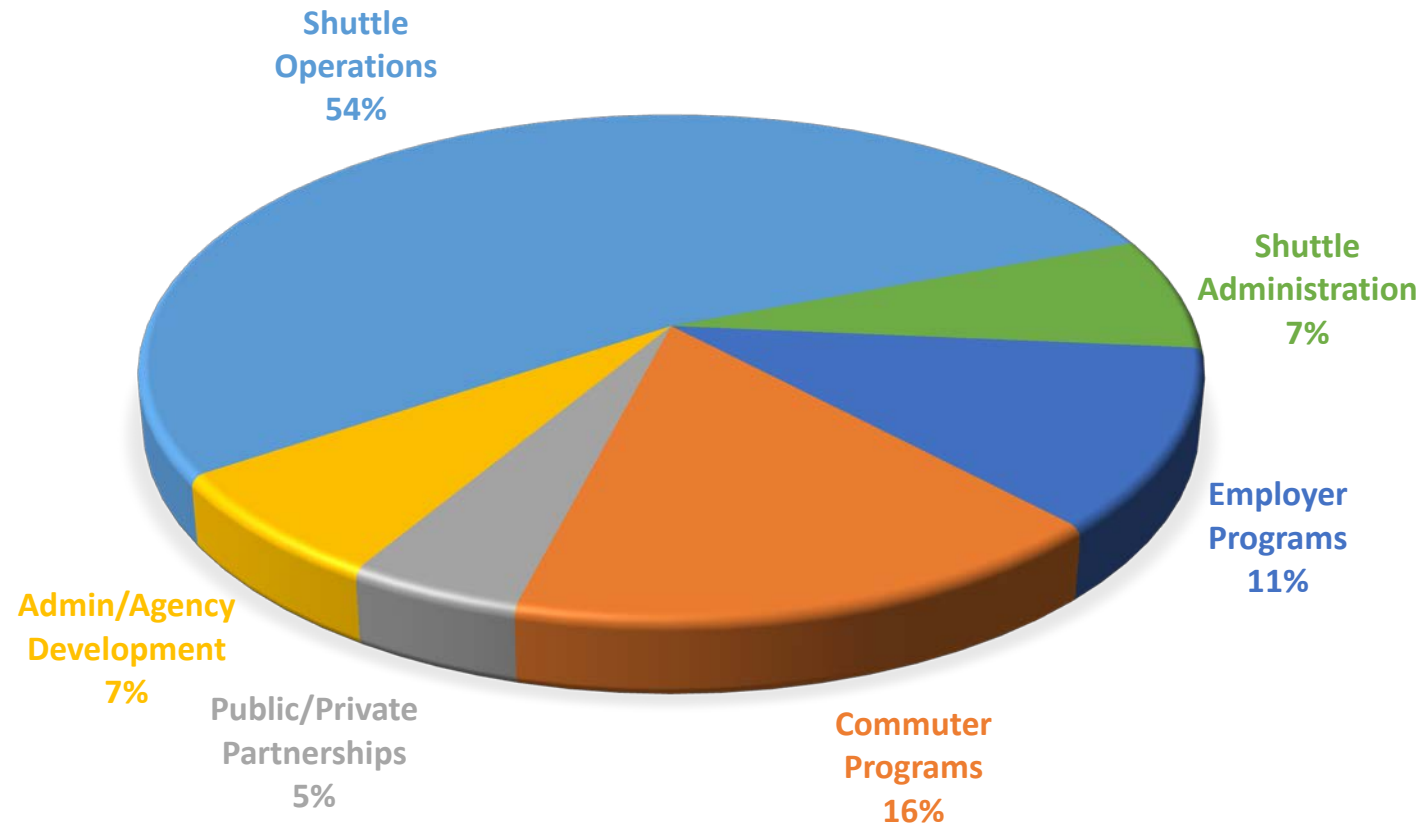
Commute.org



# Budget FY 2019-2020 Revenue (\$4.25 M)

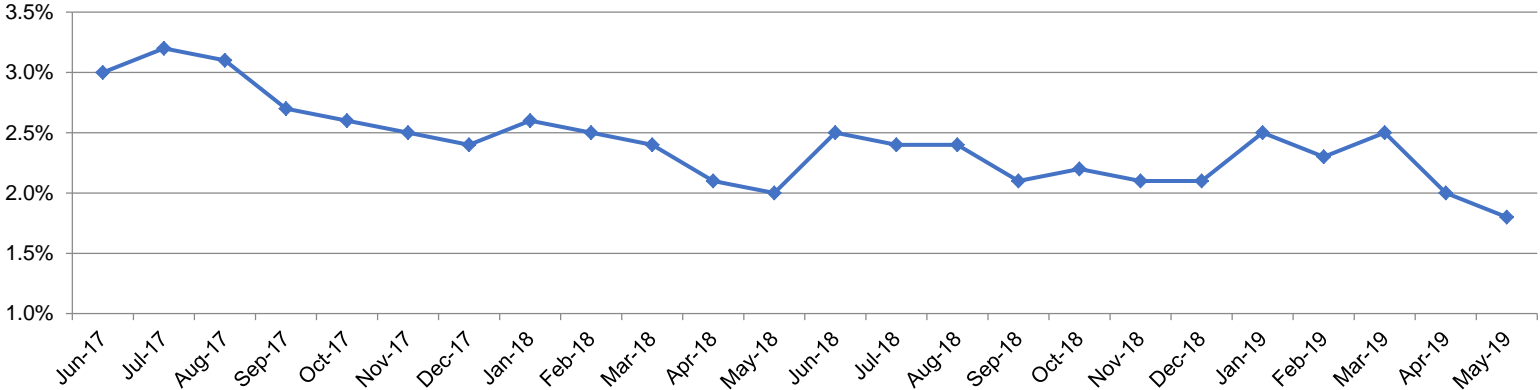


# Budget FY 2019-2020 Expenditures (\$4.33 M)



# Jobs / Traffic Correlation

Unemployment Rate Historical Trend: San Francisco and San Mateo Counties



COUNTY	RANK BY RATE	LABOR FORCE	EMPLOYMENT	UNEMPLOYMENT	RATE
<b>STATE TOTAL</b>	---	<b>19,287,100</b>	<b>18,609,100</b>	<b>678,000</b>	<b>3.5%</b>
ALAMEDA	9	845,500	824,200	21,200	2.5%
CONTRA COSTA	10	562,000	547,200	14,800	2.6%
MARIN	2	140,100	137,500	2,700	1.9%
NAPA	5	74,600	72,900	1,700	2.3%
SAN FRANCISCO	2	580,100	569,300	10,800	1.9%
<b>SAN MATEO</b>	<b>1</b>	<b>458,100</b>	<b>450,100</b>	<b>8,000</b>	<b>1.7%</b>
SANTA CLARA	4	1,051,000	1,028,800	22,200	2.1%
SONOMA	5	260,700	254,800	5,900	2.3%

May 2019











How are Bay Area workers getting to their jobs?

## Commute Mode Choice <sup>3</sup>

No matter where a person lives, commuting can be a challenge. And no matter the location in the Bay Area, residents have different options for getting from home to work. Some commuters walk or ride their bikes to work, others carpool across the Bay Bridge, and still others rely on transit. The choice of how to commute - or commute mode choice - affects everything from traffic congestion to air pollution.

12%

of Bay Area commuters relied on public transit in 2016, the highest share since 1970

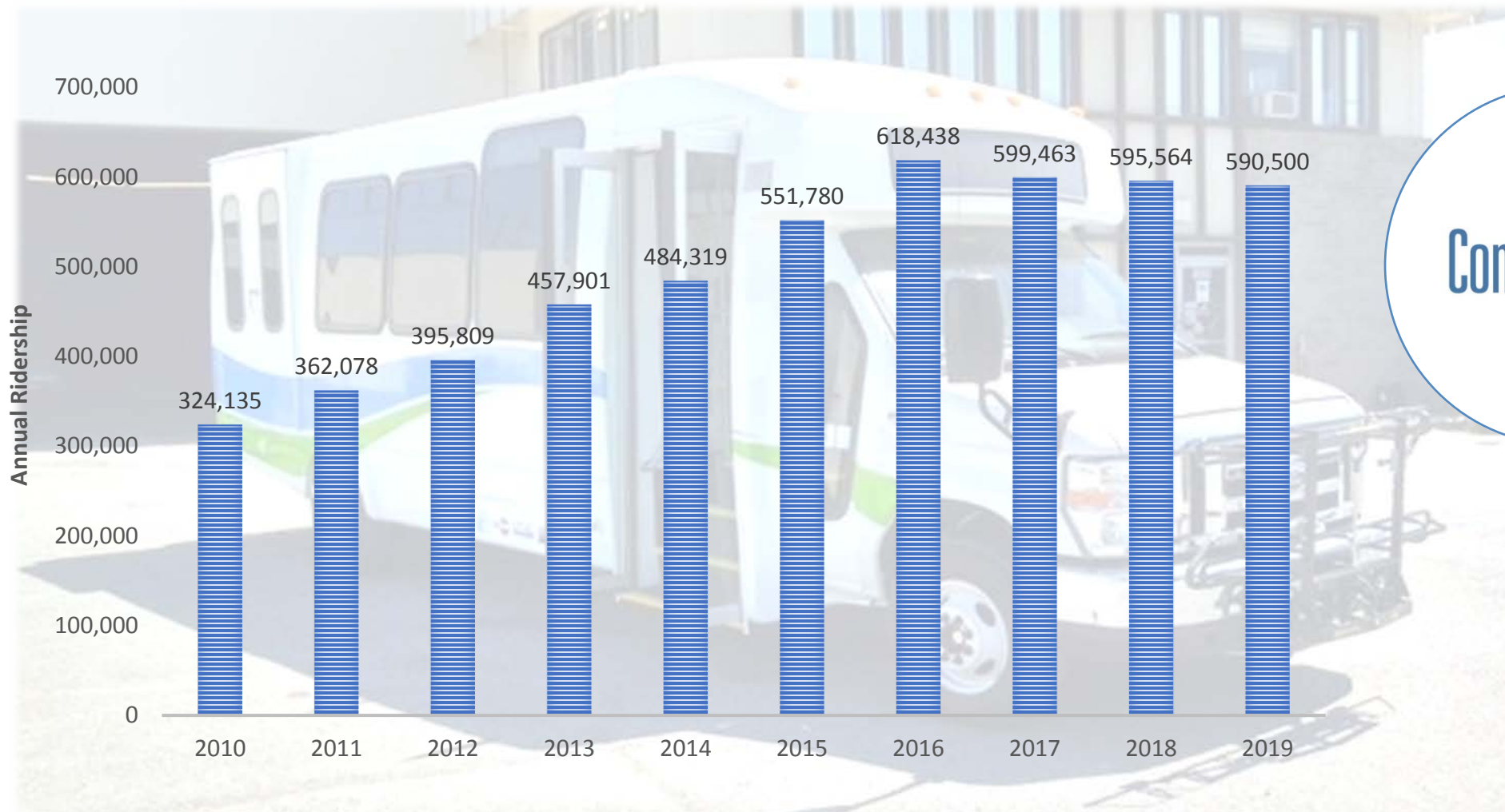


# Shuttle Program



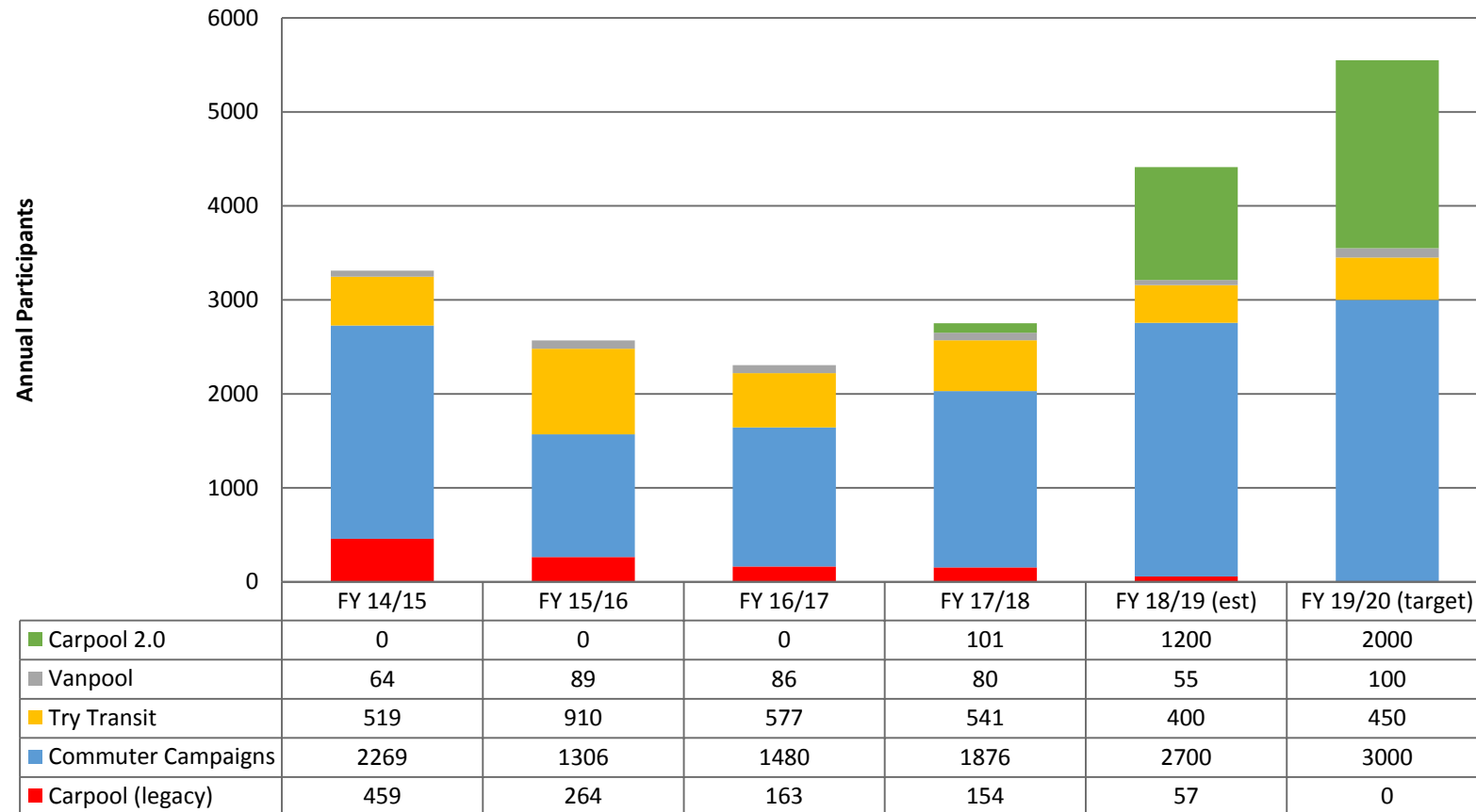


# Shuttle Program



# Incentive and Rewards Programs

Incentive Program Participants (all programs)





# Carpoolers = \$100\*

## Get Rewarded at Commute.org

\*FOR COMMUTES TO/FROM SAN MATEO COUNTY.  
VISIT [COMMUTE.ORG](http://COMMUTE.ORG) FOR DETAILS. FUNDED BY:







**SUPER COMMUTERS  
GET REWARDED!**

**JOIN THE 2019  
COMMUTER CHALLENGE!  
APRIL 1 - MAY 31, 2019**



**GUARANTEED**

**RIDE**  **HOME**

**C O M M U T E . O R G**



# YOUR COMMUTE COUNTS.

A Start

B Destination

Let's Go!



# STAR Platform Trip Planner

The screenshot displays the Commute.org STAR Platform Trip Planner interface. At the top, the navigation bar includes 'Commute.org', 'Dashboard', 'Trip Planning', 'Network Admin', 'Incentives', and 'Tools'. The user is logged in as 'Joe' and the language is set to 'Language'. The search criteria are: 'A Pacifica, California' and 'B South San Francisco, California'. The search date and time are 'Jun 12, 2017 @ 10:47 AM'. The search results are categorized by mode: Carpool (20 Results), Vanpool (1 Result), Transit (3 Results), Walk (No Results), Bike (No Results), and Drive (1 Result). The 'Carpool' section is expanded, showing three driver profiles: Nitish (Pacifica, CA), Junes (South San Francisco, CA), and david (Daly City, CA). Each profile includes their driver's trip details, preferences, and schedule. The map on the right shows the San Francisco Peninsula area, with markers for carpooling and vanpooling locations. A legend on the right side of the map lists various transportation options: Zipcar, Bay Bikes Bike Share Hubs, Commute.org Shuttle Stops, Transit Hubs, and Park & Ride Lots.

**Commute.org** Dashboard Trip Planning Network Admin Incentives Tools Joe Language

A Pacifica, California  
B South San Francisco, California

Jun 12, 2017 @ 10:47 AM Revise Search

**Carpool**  
20 Results

Schedule Any Days

**Vanpool**  
1 Result

**Transit**  
3 Results  
5 lbs CO2  
9.7 mi  
59 min

**Walk**  
No Results

**Bike**  
No Results

**Drive**  
1 Result  
8 lbs CO2  
\$5.09  
9.1 mi  
16 min

**START A CARPOOL**

**Nitish**  
from PACIFIC AVE, PACIFICA, CALIFORNIA, 94044

**DRIVER'S TRIP** +0 FT / 11 MIN \*

PREFS: [Car icon] [Person icon]

SCHEDULE: S M T W T F S  
09:00 AM & 07:00 PM

**Junes**  
from HAUSSMAN CT, SOUTH SAN FRANCISCO, CALIFORNIA, 94080

**DRIVER'S TRIP** ▲ 5.0 MI / 24 MIN \*

PREFS: [Car icon] [Person icon]

SCHEDULE: S M T W T F S  
07:00 AM & 03:30 PM

**david**  
from MARBL Y AVE, DALY CITY, CALIFORNIA, 94015

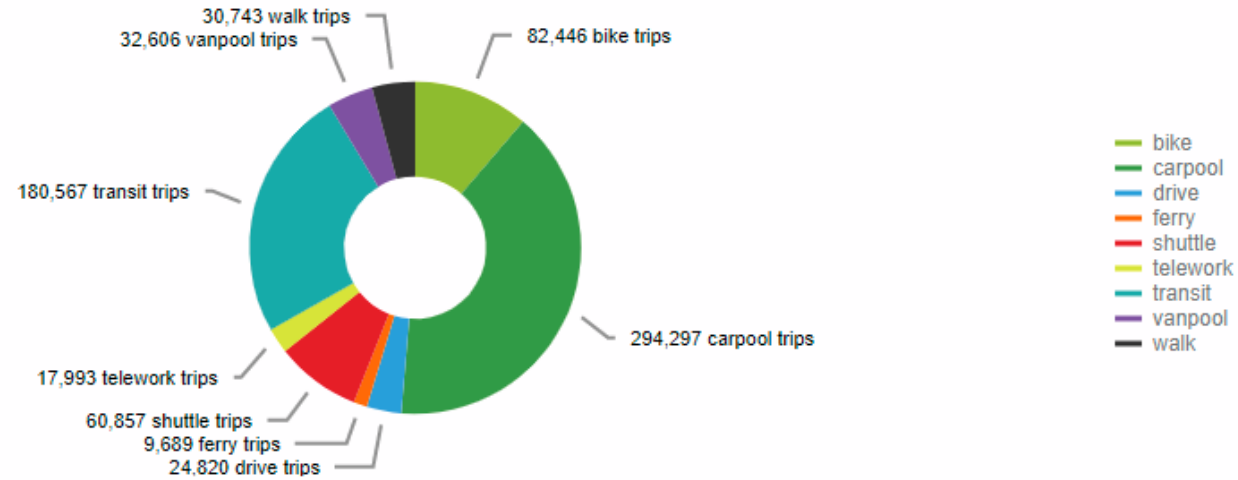
**DRIVER'S TRIP** ▲ 6.1 MI / 25 MIN \*

Map locations: Brisbane, Colma, Edgemar, Westborough, San Bruno, Lomita Park, Millbrae Meadows, Millbrae, Linda Mar, Shelter Cove.

Map legend:  
Zipcar  
Bay Bikes Bike Share Hubs  
Commute.org Shuttle Stops  
Transit Hubs  
Park & Ride Lots

Information courtesy RideAmigos, OpenStreetMap, Esri

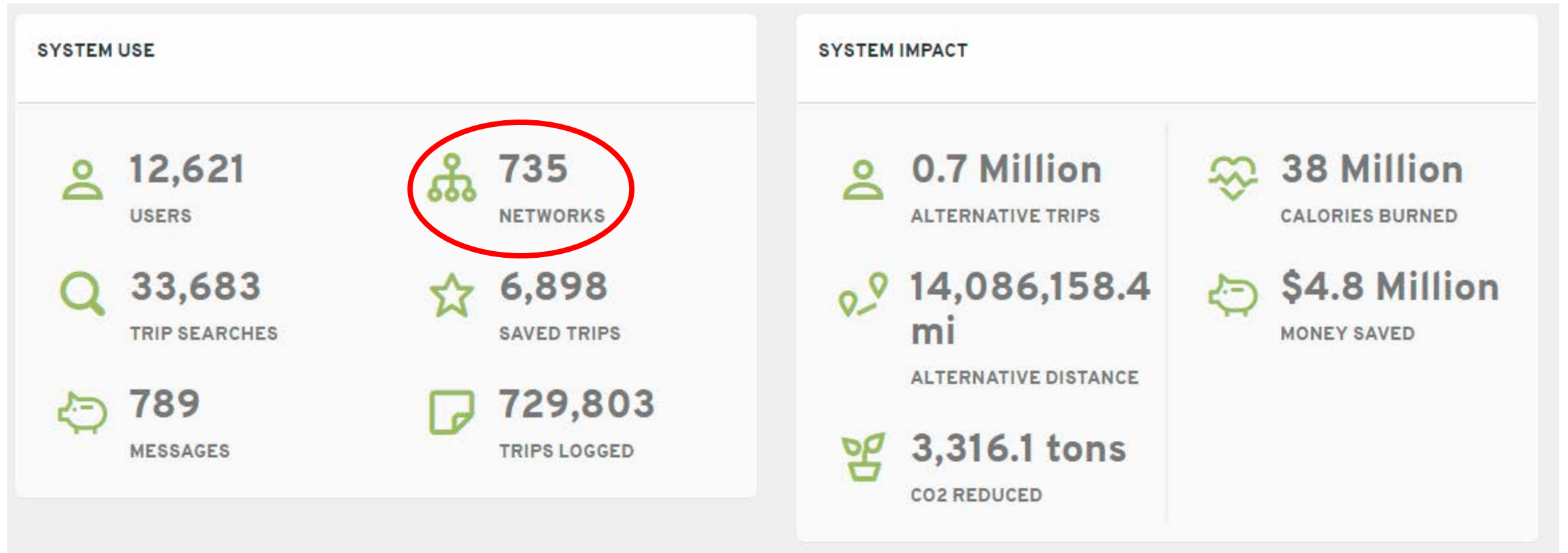
# STAR Platform – Data Driven Feedback



MODE	USERS	TRIPS	MILES	DOLLARSSAVINGS	CO2SAVINGS	CALORIES
carpool	3,859	294,297	6,475,590	1,825,096	1,191,508,470	0
transit	2,627	180,567	4,046,893	1,158,229	774,759,580	0
bike	1,371	82,446	627,443	354,564	230,899,202	31,372,174
shuttle	1,082	60,857	1,172,203	550,889	317,667,014	0
vanpool	371	32,606	1,095,478	514,935	296,874,462	0
walk	862	30,743	71,679	40,491	26,378,016	7,167,939
drive	1,097	24,820	476,630	0	0	0
telework	466	17,993	481,938	272,277	177,353,331	0
ferry	151	9,689	204,610	66,957	10,137,183	0



# STAR Platform (my.commute.org)



Thru 6/30/2019



*Bay Area*

# Commuter Benefits Program

- Employers with **50+ full-time** employees in the Bay Area
  - ✓ Private business
  - ✓ Public agency
  - ✓ Non-profit organization
- Count based on all Bay Area worksites combined
  - ✓ Including branch locations with less than 50 employees



# Discussion

Commute.org

**John Ford**  
Executive Director  
PH: 650/588-8170 x105  
john@commute.org



**SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett  
Executive Director

FROM: April Chan  
Chief Officer, Planning, Grants and Transportation Authority

SUBJECT: **ALLOCATION OF \$567,036 IN MEASURE A ALTERNATIVE CONGESTION RELIEF FUNDS TO THE PENINSULA TRAFFIC CONGESTION RELIEF ALLIANCE (COMMUTE.ORG) TO SUPPORT THE COUNTYWIDE CONGESTION RELIEF PROGRAM FOR FISCAL YEAR 2020**

**ACTION**

Staff proposes the Board:

1. Allocate \$567,036 in Measure A Alternative Congestion Relief (ACR) Program funds to the Commute.org for the Countywide Congestion Relief Program.
2. Authorize the Executive Director or his designee to execute any necessary agreements or other documents, or take any other actions necessary, to encumber the subject funding.

**SIGNIFICANCE**

Pursuant to the 2004 Transportation Expenditure Plan, one percent of Measure A sales tax funds are set aside annually for the ACR Program. Commute.org has historically received Measure A funding to support its commute alternative programs.

The proposed allocation will enable Commute.org to continue to support its ongoing and new programs through Fiscal Year (FY) 2020, including the new Carpool 2.0 Incentive Program and an expanded Guaranteed Ride Home Program. The funding request for FY 2020 represents a 3.4 percent increase from the FY 2019 Measure A ACR allocation and accounts for an increase in the San Francisco Bay Area Consumer Price Index.

**BUDGET**

The proposed allocation is consistent with the amount approved in the FY 2020 budget. No additional funding is needed.

**BACKGROUND**

Commute.org is a joint powers authority with 18 member agencies, including the County of San Mateo and the 17 cities and towns in the County, and serves as San

Mateo County's Transportation Demand Management Agency. Commute.org's FY 2020 Work Program includes, but is not limited to: employer outreach and support services; an employer-based shuttle program; commuter outreach and incentive programs; and the development of public/private partnerships in support of reducing traffic congestion in San Mateo County. Measure A ACR funds are not used for the operation of shuttles.

Prepared By: Jennifer Williams, Analyst II, Programming and Monitoring 650-508-6343

RESOLUTION NO. 2019 –

BOARD OF DIRECTORS, SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
STATE OF CALIFORNIA

\* \* \*

**ALLOCATING \$567,036 IN MEASURE A ALTERNATIVE CONGESTION RELIEF FUNDS TO THE  
PENINSULA TRAFFIC CONGESTION RELIEF ALLIANCE FOR FISCAL YEAR 2020**

**WHEREAS**, on November 2, 2004, the voters of San Mateo County approved the continuation of the collection and distribution by the San Mateo County Transportation Authority (TA) of the Measure A half-cent transactions and use tax for an additional 25 years to implement the 2004 Transportation Expenditure Plan (2004 TEP) beginning January 1, 2009; and

**WHEREAS**, the 2004 TEP designates one percent of the Measure A revenues to fund the Alternative Congestion Relief (ACR) Program; and

**WHEREAS**, the Peninsula Traffic Congestion Relief Alliance (Commute.org) has requested \$567,036 in Measure A ACR funds for the support of its Fiscal Year 2019-2020 Work Plan, which consists of, but is not limited to: (1) employer outreach and support services that include a guaranteed emergency ride home program, bicycle parking incentives and bicycle safety workshops; (2) an employer-based shuttle program; (3) commuter outreach and incentive programs that include direct marketing, vanpool/carpool/school pool/transit incentive programs and Bike to Work Day; and (4) the development of public/private partnerships in support of reducing traffic congestion in San Mateo County, including community-based mobility services; and

**WHEREAS**, staff has determined that these projects meet the intent of the 2004 TEP.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the San Mateo County Transportation Authority allocates Measure A ACR funds in the amount of \$567,036 to Commute.org for the support of its Fiscal Year 2019-2020 programs; and

**BE IT FURTHER RESOLVED** that the Executive Director, or his designee, is authorized to execute any necessary agreements or other documents, and to take any other actions necessary, to give effect to this resolution.

Regularly passed and adopted this 1<sup>st</sup> day of August, 2019 by the following vote:

AYES:

NOES:

ABSENT:

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Chair, San Mateo County Transportation Authority

ATTEST:

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Authority Secretary

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett  
General Manager/CEO

FROM: Derek Hansel  
Chief Financial Officer

April Chan  
Chief Officer, Planning, Grants, and  
Transportation Authority

SUBJECT: **ALLOCATION OF \$18,979,419 IN MEASURE A FUNDS TO THE  
SAN MATEO COUNTY TRANSIT DISTRICT FOR THE SAMTRANS PARATRANSIT  
PROGRAM AND CALTRAIN**

**ACTION**

Staff proposes the Board:

1. Allocate \$7,500,000 in Measure A funds from the Caltrain Program category to the San Mateo County Transit District (District) for San Mateo County's share of local match for Caltrain's Fiscal Year (FY) 2020 Capital Budget;
2. Allocate \$7,839,419 in Measure A funds from the Caltrain Program category to the District for San Mateo County's share of Caltrain's FY2020 Operating Budget;
3. Allocate \$3,640,000 in Measure A funds from the Paratransit Program category to the District for its Paratransit Program in FY2020; and
4. Authorize the Executive Director or his designee to execute any necessary agreements or other documents, or take any other actions necessary, to encumber the subject funding.

**SIGNIFICANCE**

In accordance with the 2004 Transportation Expenditure Plan (2004 TEP), up to one-half of the available funding in the Caltrain Program category, or 8 percent of the annual sales tax revenues, may be utilized by the District to support Caltrain capital costs. The total local match required for Caltrain's Capital Program in FY2020 is \$22.5 million, of which San Mateo County's share is \$7.5 million. Of the \$7.5 million required, \$7,280,000 can be funded from anticipated FY2020 Measure A revenues in the Caltrain Category. The additional \$220,000 required is available from prior years' Measure A revenues reserved for the same category, which reside with the San Mateo County Transportation Authority (TA). Responsibility for the local match needed for Caltrain's FY2020 Capital Budget is equally shared by the three Peninsula Corridor Joint



Powers Board (JPB) member agencies. The proposed allocation of Measure A funds, combined with San Francisco and Santa Clara counties' share of local match, will be used to leverage Federal and State grants to fund capital improvements necessary to rebuild and upgrade Caltrain, and make other system-wide infrastructure improvements.

In accordance with the 2004 TEP, up to one-half of the available funding in the Caltrain Program category, or 8 percent of the annual sales tax revenues, may be utilized by the District to support Caltrain operating costs. In FY2020, San Mateo County's share for the Caltrain Operating budget is \$9,156,123. Of this amount, \$7,280,000 can be funded from anticipated FY2020 Measure A revenues in the Caltrain Category and \$1,876,123 can be funded from prior years' Measure A revenues reserved for the same category (\$559,419 of which is held by the TA and \$1,316,704 of which is held by the District).

The 2004 TEP also provides that 4 percent of sales tax revenues, or \$3,640,000 in FY2020, will be allocated to support the operating and capital needs of providing paratransit or other accessible services to eligible seniors and people with disabilities in the County. The District will be using the \$3,640,000 to provide paratransit service for eligible seniors and people with disabilities through Redi-Wheels and other accessible services.

#### **BUDGET IMPACT**

The proposed allocation of \$7,500,000 to the District for San Mateo County's share of local matching funds for the Caltrain Capital Budget is included in the TA's FY2020 Adopted Budget as the San Mateo Local Share JPB Capital Improvement Program project (TA Project #605) under the Caltrain Program category.

The proposed allocations to the District of \$7,839,419 for San Mateo County's local share of the Caltrain Operating Budget, and \$3,640,000 for the Paratransit Program, are included in the TA's FY2020 Adopted Budget under the Expenditures category under Annual Allocations.

#### **BACKGROUND**

The TA's 2004 TEP sets the program categories and percentage splits of the sales tax revenues for each of six categories: Transit, Highways, Local Streets/Transportation, Grade Separations, Pedestrian and Bicycle, and Alternative Congestion Relief. Within the Transit Program, funding is provided for multiple modes of transit including Caltrain, Local Shuttles, Accessible Services, Ferry, the Dumbarton Corridor and Bay Area Rapid Transit. The 2004 TEP also provides for allocation of funds remaining in the Original Measure A Program for projects outlined in the 1988 Measure A Transportation Expenditure Plan, including Caltrain improvements. The TA's Strategic Plan was approved by the Board of Directors to provide a policy framework for guiding programming and allocation decisions within the structure established by the 2004 TEP. The proposed allocations are consistent with the Strategic Plan.

Prepared By: Jeannie Chen, Manager, Budgets

650-508-6279

RESOLUTION NO. 2019 –

BOARD OF DIRECTORS, SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
STATE OF CALIFORNIA

\* \* \*

**ALLOCATING \$18,979,419 IN MEASURE A FUNDS TO THE SAN MATEO COUNTY TRANSIT DISTRICT FOR THE SAMTRANS PARATRANSIT PROGRAM AND FOR CALTRAIN**

**WHEREAS**, on June 7, 1988, the voters of San Mateo County approved the ballot measure known as "Measure A" (Original Measure A), which increased the local sales tax in San Mateo County by one-half percent with the tax revenues to be used for highway and transit improvements pursuant to the Transportation Expenditure Plan presented to the voters; and

**WHEREAS**, on November 2, 2004, the voters of San Mateo County approved the continuation of the collection and distribution by the San Mateo County Transportation Authority (TA) of the Measure A (New Measure A) half-cent transactions and use tax for an additional 25 years to implement the 2004 Transportation Expenditure Plan (2004 TEP) beginning January 1, 2009; and

**WHEREAS**, the 2004 TEP provides for Measure A funding for various program categories and percentage splits of the sales tax revenue for these program categories; and

**WHEREAS**, the TA designates Measure A revenues to fund the San Mateo County Transit District's (District) share of the annual Caltrain Capital Program, which, when combined with San Francisco and Santa Clara Counties' equal shares, provides a portion of the annual Caltrain Capital Program, which funds are then leveraged to attain other Federal and State financial support; and

**WHEREAS**, the TA designates up to 8 percent of Measure A revenues for Caltrain to support the operating costs for which the District is responsible; and

**WHEREAS**, the TA designates 4 percent of Measure A revenues to support the operating and capital needs of providing paratransit or other accessible services to eligible seniors and people with disabilities in San Mateo County; and

**WHEREAS**, the Executive Director proposes that the TA allocate a total of \$18,979,419 in Measure A funds, as follows:

1. \$7,500,000 from the Caltrain Program category to the District for San Mateo County's share of local match for Caltrain's Fiscal Year (FY) 2020 Capital Budget;
2. \$7,839,419 from the Caltrain Program category to the District to fund a portion of San Mateo County's share of Caltrain's FY 2020 Operating Budget;
3. \$3,640,000 from the Paratransit Program category to the District for its Paratransit Program in FY 2020; and

**WHEREAS**, the proposed allocations are consistent with amounts approved in current and prior year budgets and meet the intent of the 2004 TEP.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the San Mateo County Transportation Authority hereby allocates a total of \$18,979,419 in Measure A funds to the San Mateo County Transit District as detailed above.

**BE IT FURTHER RESOLVED** that the Executive Director or his designee is authorized to execute any necessary agreements or other documents, and take any other actions necessary, to encumber the subject funding.

Regularly passed and adopted this 1<sup>st</sup> day of August, 2019 by the following vote:

AYES:

NOES:

ABSENT:

---

Chair, San Mateo County Transportation Authority

ATTEST:

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Authority Secretary

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY  
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett  
Executive Director

FROM: Seamus Murphy  
Chief Communications Officer

SUBJECT: **STATE AND FEDERAL LEGISLATIVE UPDATE AND APPROVAL OF LEGISLATIVE PROPOSALS**

**ACTION**

Staff proposes that the Committee recommend the Board:

1. Receive the attached Federal and State Legislative Updates
2. Approve the recommended San Mateo County Transportation Authority (TA) positions on those pieces of legislation designated for action on the attached State Legislative Matrix.

**SIGNIFICANCE**

The 2019 Legislative Program establishes the principles that will guide the legislative and regulatory advocacy efforts. Based on those principles, staff coordinates closely with our Federal and State advocates on a wide variety of issues that are considered in Congress and the State legislature. The attached reports highlight the recent issues and actions that are relevant to the Board, and specifies those bills on which staff proposes that the TA take a formal position.

Prepared By: Casey Fromson, Government and  
Community Affairs Director

650-508-6493

# KADESH & ASSOCIATES, LLC

Federal Update  
San Mateo County Transportation Authority  
July 2019

It was a busy month for appropriations in the House. The House has completed action on 10 of the twelve FY20 annual appropriations bills. The two remaining bills – homeland (wall/border funding) and leg branch (member pay raise) – are expected to be resolved next month. Also, last month Congress was also able to pass the FY19 border supplemental to provide \$4.5 billion to address the humanitarian issues at the border. The House is likely to use its FY20 Homeland bill to address unresolved issues relating to immigration and the Administration’s border plans.

Despite the House actions, the Senate appropriations process remains stuck, with none of the FY20 bills scheduled for markup. There were rumors of markups for defense and LHHS being planned for July, but nothing has been noticed officially. We will continue to follow the appropriations process closely. Recall, the FY20 PB and House THUD bill allocate \$100m for the PCEP per the FFGA.

Discussions surrounding increasing the debt ceiling - or extending the suspension of the debt ceiling - is driving the negotiations on FY20 spending caps. Senator McConnell has been reticent to allow the senate appropriations process to move forward absent a spending agreement.

The aviation fuel sales tax issue also has been on the front burner since the FAA’s enforcement letter to the state. There was a meeting on Wednesday, July 10, between state and FAA officials on options for the state to comply. Continued discussions are expected.

## Bills of Interest

HR 2939 The State and Local General Sales Tax Protection Act: Representative Napolitano (D-CA) has introduced H.R. 2939, the State and Local General Sales Tax Protection Act, to protect the State of California and its cities from the Federal Aviation Administration’s (FAA) recent threat to withhold \$250 million annually in FAA grants to California airports and divert over \$70 million in state and local general sales taxes away from their intended purpose. This legislation would overturn the 2014 FAA policy change requiring state and local governments in California and across the country to use general sales taxes collected on aviation fuel for airport purposes.

Although California has been one of the first states to receive an enforcement threat, this legislation will protect every state and local government in the country that have general sales taxes that include aviation fuel.

**The Transportation Authority supported this bill in July 2019.**



July 11, 2019

TO: Board Members, San Mateo County Transportation Authority  
FROM: Gus Khouri, Principal  
Khoury Consulting

**RE: STATE LEGISLATIVE UPDATE – AUGUST**

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On June 27, Governor Newsom signed AB 74, the Budget of 2019, and several trailer bills. The \$147.8 billion spending plan contains a reserve of \$19.2 billion. The package includes an extra payment of \$9 billion over the next four years to pay down unfunded pension liabilities.

The Budget invests \$1.75 billion in the production and planning of new housing. It includes support to local governments to increase housing production (including \$1 billion to combat homelessness and \$250 million to general purpose incentive payments for the Infill Infrastructure Grant Program administered by the Department of Housing and Community Development (HCD). The Infill Infrastructure Grant Program provides gap funding for infrastructure that supports higher-density affordable and mixed-income housing in locations designated as infill. Under the augmented Infill Infrastructure Grant Program, developers and local governments can partner to apply for infrastructure funding. At the same time, certain areas designated as infill may also qualify as federal Opportunity Zones and provide additional tax benefits to investors to spur development of economically distressed communities by guiding investment toward mixed-income housing.

- Previous provisions linking affordable housing targets to the receipt of SB 1 local streets and roads funding were struck from the package. The Governor will instead take measures to hold local jurisdictions accountable to meet housing demand by authorizing local jurisdictions to be fined for non-compliance.
- To assist renters, the Budget includes \$20 million to provide legal aid for renters and assist with landlord-tenant disputes, including legal assistance for counseling, renter education programs, and preventing evictions.

## **Cap-and-Trade Program**

In recognition of the continued strength of the cap-and-trade program, the budget includes \$485 million for the Low Carbon Transportation program (a reduction of \$52 million from the May Revise) in the proposed cap-and-trade expenditure plan—an increase of \$130 million compared to the January Budget proposal. This program provides incentives for the purchase of zero-emission vehicle technology and replacement of older diesel buses with renewable-fuel alternatives. Of this amount, the budget proposes to allocate \$182 million for the Clean Truck, Bus, and Off-Road Freight Equipment Program.

## **Bills of Interest**

1. **SB 277 (Beall)** was amended on July 1 to convert the allocation method for the Local Partnership Program (LPP). The LPP provides \$200 million annually for jurisdictions that have secured a voter-approved tax or fee dedicated for transportation purposes. Currently, per the guidelines established by the California Transportation Commission (CTC), proceeds are split 50/50 between a formulaic share and a competitive program administered by the CTC. The most recent amendments would statutorily prescribe that 85% of all proceeds (\$170 million annually) be distributed on a formulaic basis, and 15% be made available for distribution on a competitive basis by the CTC to local jurisdictions with a population of 750,000 residents or less that have a sales tax or developer fee.

SMCTA and SamTrans collectively receive roughly \$7.87 million annually from the formulaic share (\$2.03M and \$5.84M, respectively), but also succeeded in receiving \$20 million from the competitive program in May 2018 to fund Phase 1 of the 101 Managed Lanes Project. If enacted, SamTrans and SMCTA would realize at least a 70% increase in their formulaic share. The bill also allows for program recipients to bank their formulaic shares for a period of up to 5 years before funds are required to be expended. ***SMCTA staff recommends a support position on SB 277.***

2. **SB 5 (Beall)** would establish a state committee staffed by the Housing and Community Development Agency (HCD) that can only approve access to capped amounts of a bondable income stream of property tax for affordable housing projects that advance state policy priorities. At least 50% of funding must be used for affordable housing; other uses are restricted to advancing transit-oriented development, transportation improvements related to infill development projects, traffic mitigation, revitalizing neighborhoods, and combating sea level rise. The bill authorizes the allocation of ERAF property tax revenues to local entities for those projects, and requires state General Fund backfills to school entities for the associated loss of property tax revenues. ***SMCTA staff recommends a support position on SB 5.***



## SMCTA Bill Matrix – August 2019

Measure	Status	Bill Summary	Recommended Position
<p><b>AB 11</b> <b>Chiu (D)</b></p> <p><b>Community Redevelopment Law of 2019</b></p>	<p>4/25/19</p> <p>Assembly Appropriations Committee</p> <p>Held in Committee</p>	<p>This bill would authorize a city or county, or two or more cities acting jointly, to propose the formation of an affordable housing and infrastructure agency by adoption of a resolution of intention that meets specified requirements.</p> <p>The bill would require:</p> <ul style="list-style-type: none"> <li>• A public hearing process, and the adoption of a resolution that city or county to submit the resolution of intention to the Strategic Growth Council (SGC) for a determination as to whether the agency would promote statewide greenhouse gas reduction goals.</li> <li>• The SGC to approve formation of the agency if it determines that formation of the agency both (1) would not result in a state fiscal impact, determined as specified by the State Controller, that exceeds a specified amount and (2) would promote statewide greenhouse gas reduction goals.</li> <li>• Not less than 30% of all taxes allocated to the agency from an affected taxing entity be deposited into a separate fund, established by the agency, and used for the purposes of increasing, improving, and preserving the community's supply of low- and moderate-income housing available at an affordable housing cost, as provided. The bill would allow an agency to conduct bond financing.</li> <li>• The Director of the Department of Finance to adjust percentages of General Fund for school districts and community colleges to ensure no fiscal impact.</li> </ul> <p><b>Amended on 4/11</b></p>	<p style="text-align: center;"><b>Watch</b></p>
<p><b>AB 40</b> <b>Ting (D)</b></p> <p><b>Zero-Emission Vehicles</b></p>	<p>4/8/19</p> <p>No longer relevant as \$1.5M appropriated in state budget to study this purpose.</p>	<p>This bill, no later than January 1, 2021, would require the California Air Resources Board (CARB) to develop a comprehensive strategy to ensure that the sales of new motor vehicles and new light-duty trucks in the state have transitioned fully to zero-emission vehicles by 2040.</p>	
<p><b>AB 147</b> <b>Burke (D)</b></p> <p><b>Out of State Business Tax Collection</b></p>	<p>5/1/19</p> <p>Chapter 5, Statutes of 2019</p>	<p>Modernizes California law consistent with the United States Supreme Court holding in <i>Wayfair</i>, which allows this state to impose a use tax collection duty on remote retailers with specified levels of economic activity in California, even though they do not have a physical presence here.</p>	<p style="text-align: center;"><b>Watch</b></p>

## SMCTA Bill Matrix – August 2019

Measure	Status	Bill Summary	Recommended Position
<p><b>AB 148</b> <b>Quirk-Silva (D)</b></p> <p><b>Regional Transportation Plans: Sustainable Communities Strategy</b></p>	<p>1/24/19</p> <p>Assembly Transportation Committee</p> <p>Two-Year Bill</p>	<p>Existing law requires certain transportation planning agencies to prepare and adopt a regional transportation plan directed at achieving a coordinated and balanced regional transportation system. The existing law also requires:</p> <ul style="list-style-type: none"> <li>• The regional transportation plan to include, if the transportation planning agency is also a metropolitan planning organization, a sustainable communities strategy which would, among other things, identify areas within the region sufficient to house an 8-year projection of the regional housing need for the region, as specified.</li> <li>• The State Air Resources Board, on or before September 1, 2018, and every 4 years thereafter, to prepare a report that assesses progress made by each metropolitan planning organization in meeting the regional greenhouse gas emission reduction targets set by the state board.</li> <li>• Each transportation planning agency to adopt and submit to the California Transportation Commission and the Department of Transportation an updated regional transportation plan every 4 or 5 years, as specified.</li> </ul> <p>This bill would require each sustainable communities strategy to also identify areas within the region sufficient to house an 8-year projection of the emergency shelter needs for the region, as specified.</p>	<p style="text-align: center;"><b>Watch</b></p>
<p><b>AB 185</b> <b>Grayson (D)</b></p> <p><b>California Transportation Commission: Joint Meetings</b></p>	<p>7/1/19</p> <p>Assembly Appropriations Committee</p> <p>Suspense File</p>	<p>Existing law requires the CTC and the State Air Resources Board to hold at least 2 joint meetings per calendar year to coordinate their implementation of transportation policies.</p> <p>This bill would require the Department of Housing and Community Development to participate in those joint meetings with the CTC and CARB. <b>Amended on 6/24.</b></p>	<p style="text-align: center;"><b>Watch</b></p>
<p><b>AB 252</b> <b>Daly (D)</b></p> <p><b>Caltrans: NEPA</b></p>	<p>7/3/19</p> <p>Senate Floor</p> <p>Consent</p>	<p>This bill would remove the sunset date (January 1, 2020) for Caltrans being able to use the National Environmental Policy Act (NEPA) delegation to streamline environmental review for projects with federal funding, allowing for environmental review of projects to be expedited.</p> <p>The bill is sponsored by the Self-Help Counties Coalition (SHCC). SMCTA supported the previous version, AB 28 (Frazier) of 2017, which was also sponsored by SHCC, and had extended the sunset date from January 1, 2017 to January 1, 2020.</p>	<p style="text-align: center;"><b>Supported</b></p> <p style="text-align: center;"><b>4/4/2019</b></p>

## SMCTA Bill Matrix – August 2019

Measure	Status	Bill Summary	Recommended Position
<p><b>AB 285</b> <b>Friedman (D)</b></p> <p><b>California Transportation Plan</b></p>	<p>7/8/19</p> <p>Senate Appropriations Committee</p> <p>Suspense File</p>	<p>Under existing law, Caltrans is required to prepare the California Transportation Plan (CTP), which looks at the movement of goods and people, and how the state will achieve greenhouse gas emission goals.</p> <p>This bill would require Caltrans to address in the CTP how statewide greenhouse gas emission goals will be reduced by 2030 and attain the air quality goals described in California's state implementation plans required by the federal Clean Air Act. The bill was amended to require a forecast of the impacts of advanced and emerging technologies over a 20-year horizon on infrastructure, access, and transportation systems and a review of the progress made to implement CTPs. <i>The bill would require the Office of Planning and Research to complete a report by January 31, 2022, reviewing the department's progress in implementing past California Transportation Plans and making any recommendations for improving the department's implementation of California Transportation Plans.</i> <b>Amended on 6/24.</b></p>	<p style="text-align: center;"><b>Watch</b></p>
<p><b>AB 352</b> <b>Garcia (D)</b></p> <p><b>Greenhouse Gas Reduction Fund: Investment Plan &amp; Transformative Climate Communities Program</b></p>	<p>6/18/19</p> <p>Senate Environmental Quality Committee</p> <p>Two-Year Bill</p>	<p>This bill, beginning July 1, 2020, would require state agencies administering competitive grant programs that allocate moneys from the Greenhouse Gas Reduction Fund, such as the California Air Resources Board and Strategic Growth Council to give specified communities preferential points during grant application scoring for programs intended to improve air quality and at least three months between the first call for applications or proposals for projects to be funded and the due date of the application or proposal. <b>Amended on 5/20.</b></p>	<p style="text-align: center;"><b>Watch</b></p>
<p><b>SB 5</b> <b>Beall (D)</b></p> <p><b>Local-State Sustainable Investment Incentive Program</b></p>	<p>7/3/19</p> <p>Assembly Local Government Committee</p>	<p>This bill would establish the Local-State Sustainable Investment Incentive Program, to authorize a city, county, city and county, joint powers agency, enhanced infrastructure financing district, affordable housing authority, community revitalization and investment authority or transit village development district to apply for funding for eligible projects include, among other things, construction, predevelopment, development, acquisition, rehabilitation, and preservation of workforce and affordable housing, certain transit-oriented development, and "projects promoting strong neighborhoods." Funding would be available in the amounts of \$200,000,000 per year from July 1, 2020, to June 30, 2025, and \$250,000,000 per year from July 1, 2025, to June 30, 2029. The source of money would come from reductions in annual ERAF contributions for applicants for projects approved pursuant to this program. <b>Amended on 6/17.</b></p>	<p style="text-align: center;"><b>Recommend Support</b></p>

## SMCTA Bill Matrix – August 2019

Measure	Status	Bill Summary	Recommended Position
<p><b>SB 25</b> <b>Caballero (D)</b></p> <p><b>CEQA: Qualified Opportunity Zones</b></p>	<p>7/8/19</p> <p>Assembly Natural Resources Committee</p> <p>Two-Year Bill</p>	<p>This bill would, until January 1, 2025, establish specified procedures under CEQA for the administrative and judicial review of the environmental review and approvals granted for projects located in qualified opportunity zones that are funded, in whole or in part, by specified funds. The bill would require the Judicial council by September 1, 2020, to adopt rules of court applicable to an action or proceeding brought to attack, review, set aside, void, or annul the certification or adoption of an environmental review document or the granting of project approvals, including any appeals to be resolved, to the extent feasible, within 270 days of the filing of the certified record of proceedings with the court to an action or proceeding seeking judicial review of the lead agency's action related to those projects located in a qualified opportunity zone.</p> <p>The bill would require a party seeking to file an action or proceeding pursuant to CEQA to provide the lead agency and the real party in interest a notice of intent to sue within 10 days of the posting of a certain notice and would prohibit a court from accepting the filing of an action or proceeding from a party that fails to provide the notice of intent to sue. <b>Amended on 4/30</b></p>	<p style="text-align: center;"><b>Watch</b></p>
<p><b>SB 43</b> <b>Allen (D)</b></p> <p><b>Carbon Taxes</b></p>	<p>7/8/19</p> <p>Assembly Revenue &amp; Taxation Committee</p> <p>Failed Passage</p>	<p>This bill would require the California Air resources Board (CARB), by no later than January 1, 2022, to submit a report to the Legislature on the findings of a study to propose, and to determine the feasibility and practicality of, assessing the carbon intensity of all retail products subject to the tax imposed pursuant to the Sales and Use Tax Law. <b>Amended on 7/1</b></p>	<p style="text-align: center;"><b>Watch</b></p>
<p><b>SB 50</b> <b>Wiener (D)</b></p> <p><b>Planning and Zoning: Housing Development &amp; Equitable Communities Incentive</b></p>	<p>5/16/19</p> <p>Senate Appropriations Committee</p> <p>Two-Year Bill</p>	<p>This bill would require a city, county, or city and county to grant upon request an equitable communities incentive when a development proponent seeks and agrees to construct a residential development that is either a job-rich housing project or a transit-rich housing project. The bill would provide counties with a populations greater than 600,000 that are eligible for an equitable communities incentive receive to receive waivers from maximum controls on density and automobile parking requirements greater than 0.5 parking spots per unit, and specified additional waivers if the residential development is located within a 1/2-mile or 1/4-mile radius of a major transit stop, as defined. The bill would authorize a local government to modify or expand the terms of an equitable communities incentive, provided that the equitable communities incentive is consistent with these provisions. The bill would also delay implementation of this bill in sensitive communities, as defined, until July 1, 2020, as provided. <b>Amended on 6/4.</b></p>	<p style="text-align: center;"><b>Watch</b></p>

## SMCTA Bill Matrix – August 2019

Measure	Status	Bill Summary	Recommended Position
<p><a href="#">SB 127</a> <a href="#">Weiner (D)</a></p> <p><b>Transportation Funding: Complete Streets</b></p>	<p>7/10/19</p> <p>Assembly Appropriations Committee</p>	<p>Existing law establishes the Active Transportation Program (ATP) in Caltrans for the purpose of encouraging increased use of active modes of transportation, such as biking and walking, and declares the intent of the Legislature that the program achieve specific goals, including, among other things, increasing the proportion of trips accomplished by biking and walking and the safety and mobility for non-motorized users.</p> <p>This bill would establish an Active Transportation Asset Branch within the Transportation Asset Management Office within Caltrans and require the Transportation Asset Management Plan program manager to develop and meaningfully integrate performance measures into the asset management plan to encourage mode shift.</p> <p>The bill would require the CTC, in connection with the asset management plan, to adopt performance measures that include conditions of bicycle and pedestrian facilities, accessibility and safety for pedestrians, bicyclists, and transit users, on the state highway system. The bill would require that the plain language performance report developed by Caltrans, in consultation with the CTC, include a description of pedestrian and bicycle facilities on each project, including the number, extent, and type of elements.</p> <p>The bill would require Caltrans, commencing with the 2022 State Highway Operation and Protection Program, when undertaking a specified capital improvement project on a state highway or a local street crossing a state highway that is funded through the State Highway Operation and Protection Program, to include new pedestrian and bicycle facilities, or improve existing facilities, as part of the project, consistent with specified requirements.</p> <p>The bill provides an opportunity to address multi-modal solutions. While the SHOPP is oversubscribed in its ability to address maintenance needs on the state highway system, local jurisdictions are held to the same standards, but state highway projects do not always include active transportation features. <b>Amended on 7/1.</b></p>	<p style="text-align: center;"><b>Watch</b></p>
<p><a href="#">SB 128</a> <a href="#">Beall (D)</a></p> <p><b>Enhanced Infrastructure Financing Districts</b></p>	<p>7/5/19</p> <p>Assembly Appropriations Committee</p>	<p>Existing law establishes a pilot program to allow the Counties of Alameda, Los Angeles, Riverside, San Bernardino, San Diego, San Mateo, Solano, and Yuba to select a bidder on the basis of best value, as defined, for construction projects in excess of \$1,000,000. Existing law also authorizes these counties to use a best value construction contracting method to award individual annual contracts, not to exceed \$3,000,000, for repair, remodeling, or other repetitive work to be done according to unit prices, as specified. Existing law establishes procedures and criteria for the selection of a best value contractor and requires that bidders verify specified information under oath. Existing law repeals the pilot program provisions on January 1, 2020.</p> <p>This bill would authorize the County of Santa Clara to utilize this pilot program and would extend the operation of those provisions until January 1, 2025. By expanding the crime of perjury, this bill would impose a state-mandated local program.</p> <p>This bill would make legislative findings and declarations as to the necessity of a special statute for the Counties of Alameda, Los Angeles, Riverside, San Bernardino, San Diego, San Mateo, Santa Clara, Solano, and Yuba. <b>Amended on 6/19.</b></p>	<p style="text-align: center;"><b>Watch</b></p>

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Measure	Status	Bill Summary	Recommended Position
<p><a href="#">SB 137</a> <a href="#">Dodd (D)</a></p> <p>Federal Transportation Funds</p>	<p>7/2/19</p> <p>Assembly Floor</p>	<p>Existing federal law apportions transportation funds to the states under various programs, including the Surface Transportation Program and the Highway Safety Improvement Program, subject to certain conditions on the use of those funds. Existing law provides for the allocation of certain of those funds to local entities, and for the exchange of federal and state transportation funds between local entities and the state under certain circumstances.</p> <p>This bill would authorize Caltrans to allow these federal transportation funds that are allocated as local assistance to be exchanged for State Highway Account funds appropriated to the department. <b>Amended on 6/18.</b></p>	<p style="text-align: center;"><b>Watch</b></p>
<p><a href="#">SB 152</a> <a href="#">Beall (D)</a></p> <p>Active Transportation Program</p>	<p>5/16/19</p> <p>Senate Appropriations Committee</p> <p>Held in Committee</p>	<p>Under existing law, the Active Transportation Program (ATP) is a competitive program that requires the CTC to award 50% of available funds to projects competitively awarded by the commission on a statewide basis, 10% of available funds to projects in small urban and rural regions, and the remaining 40% of available funds to projects selected by metropolitan planning organizations (MPO) in urban areas with populations greater than 200,000, with the available funds distributed to each MPO based on its relative share of the population.</p> <p>This would modify the ATP to have 60% of all funding to go directly to MPOs, 15% to small urban and rural areas, and retain 25% to be allocated by the CTC on a competitive basis. <b>Amended on 4/25.</b></p>	<p style="text-align: center;"><b>Watch</b></p>
<p><a href="#">SB 277</a> <a href="#">Beall (D)</a></p> <p>Transit Development: Transit Funds</p>	<p>7/10/19</p> <p>Assembly Appropriations Committee</p>	<p>This bill would reformulate the current 50/50 formula to competitive program distribution of the SB 1 Local Partnership Program Funds to an 85/15 split—with 85% formula and the 15% apportionment would be a competitive grant program set-aside for small counties or localities with a population of under 750,000.</p> <p>This bill would provide San Mateo County with additional predictable and stable funding to help supplement the District’s sales tax along with Measures A and W as the 85% formula makes a greater accommodation for revenue generated by measure programs.</p>	<p style="text-align: center;"><b>Recommend Support</b></p>

## SMCTA Bill Matrix – August 2019

Measure	Status	Bill Summary	Recommended Position
<p><a href="#">SB 526</a> <a href="#">Allen (D)</a></p> <p><b>Regional Transportation Plans: Greenhouse Gas Emissions</b></p>	<p>5/16/19</p> <p>Senate Appropriations Committee</p> <p>Held in Committee</p>	<p>This bill would require the California Air Resources Board (CARB) to adopt a regulation that requires a metropolitan planning organization to provide any data that CARB requests to determine if the metropolitan planning organization is on track to meet its 2035 greenhouse gas emission reduction target. CARB would be required to determine if each metropolitan planning organization is on track to meet its 2035 greenhouse gas emissions reduction target. The bill would require the action element prepared by a metropolitan planning organization to identify near and long-term steps to be taken to implement a sustainable communities strategy and achieve the greenhouse gas emission reduction targets established by the state board.</p> <p>This bill would establish an interagency working group to be administered by the Strategic Growth Council to develop and implement a State Mobility Action Plan for Healthy Communities to ensure that regional growth and development is designed and implemented in a manner to achieve the state’s environmental, equity, climate, health and housing goals. The bill would require the plan to include specific actions, measures, and timelines, and an investment strategy. The bill would require the interagency working group to submit the plan to the Legislature by December 31, 2020, and every 4 years thereafter.</p> <p>This bill would make MTC responsible for new planning activities outside of the current purview of a regional transportation planning and could also jeopardize funding for safety projects by giving highest priority to projects that reduce greenhouse gas emissions. <b>Amended on 4/30.</b></p>	<p style="text-align: center;"><b>Watch</b></p>