

THIS PRINT COVERS CALENDAR ITEM NO.: 13

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Sustainable Streets

BRIEF DESCRIPTION:

Resolution expressing the SFMTA's position on various aspects of Plan Bay Area 2050 including: (1) encouraging the Metropolitan Transportation Commission (MTC) to amend Strategy EN7: Institute Telecommuting Mandates for Major Office-Based Employers prior to adoption of the Final Plan; (2) encouraging MTC to make changes to other strategies Plan Bay Area 2050 to meet the GHG reduction target; (3) supporting the Guiding Principles for a more affordable, connected, diverse, healthy, and vibrant Bay Area, including the importance of strategies and investments designed to meet the region's GHG reduction target; and (4) indicating SFMTA's commitment to continuing to collaborate with MTC and partner agencies on Plan Bay Area 2050 strategies.


SUMMARY:

- The Metropolitan Transportation Commission (MTC), is required to work in conjunction with the Association of Bay Area Governments (ABAG) to develop a regional plan to satisfy federal and state planning requirements.
- MTC is required by state law to include achievable strategies and investments to meet the region's greenhouse gas (GHG) emissions reduction target.
- On September 23, 2020 MTC voted to adopt MTC Resolution No.4437 and ABAG Resolution No.16-20 Plan Bay Area (PBA) 2050: Final Blueprint (Final Blueprint) that includes Strategy Environment (EN) 7: Institute Telecommuting Mandates for Major Office-Based Employers.
- Strategy EN7 could have significant negative unintended consequences.
- MTC has indicated an intend to propose amendments to Strategy EN7 to provide a broader array of employer actions to reduce driving commute trips.
- SFMTA will continue to collaborate with MTC and partner agencies on Plan Bay Area 2050 strategies.

ENCLOSURES:

1. SFMTAB Resolution
2. Plan Bay Area 2050 Final Blueprint Strategy EN7: Institute Telecommuting Mandates for Major Office-Based Employers

APPROVALS:

DIRECTOR  _____

SECRETARY  _____

DATE

November 10, 2020

November 10, 2020

ASSIGNED SFMTAB CALENDAR DATE: November 17, 2020

PURPOSE

To express the SFMTA’s position on various aspects of Plan Bay Area 2050 including (1) encouraging MTC to amend Strategy EN7: Institute Telecommuting Mandates for Major Office-Based Employers prior to adoption of the Final Plan; (2) encouraging MTC to make changes to other strategies Plan Bay Area 2050 to meet the GHG reduction target; (3) supporting the Guiding Principles for a more affordable, connected, diverse, healthy, and vibrant Bay Area, including the importance of strategies and investments designed to meet the region’s GHG reduction target; and (4) indicating SFMTA’s commitment to continuing to collaborate with MTC and partner agencies on Plan Bay Area 2050 strategies.

STRATEGIC PLAN GOALS AND TRANSIT FIRST POLICY PRINCIPLES

Approval of this resolution supports the following SFMTA Strategic Plan Goals and Objectives:

Goal 2: Make transit and other sustainable modes of transportation the most attractive and preferred means of travel.

Objective 2.2: Enhance and expand use of the city’s sustainable modes of transportation.

Objective 2.3: Manage congestion and parking demand to support the Transit First Policy.

Goal 3: Improve the quality of life and environment in San Francisco and the region.

Objective 3.2: Advance policies and decisions in support of sustainable transportation and land use principles.

Objective 3.4: Provide environmental stewardship to improve air quality, enhance resource efficiency, and address climate change.

Objective 3.5: Achieve financial stability for the agency.

Approval of this resolution supports the following Transit First policies:

2. Public transit, including taxis and vanpools, is an economically and environmentally sound alternative to transportation by individual automobiles. Within San Francisco, travel by public transit, by bicycle and on foot must be an attractive alternative to travel by private automobile.

9. The ability of the City and County to reduce traffic congestion depends on the adequacy of regional public transportation. The City and County shall promote the use of regional mass transit and the continued development of an integrated, reliable, regional public transportation system.

10. The City and County shall encourage innovative solutions to meet public transportation needs wherever possible and where the provision of such service will not adversely affect the service provided by the Municipal Railway.

DESCRIPTION

The Metropolitan Transportation Commission (MTC), as the federally-designated Metropolitan Planning Organization (MPO) for the nine-county Bay Area (the region), is required to develop in conjunction with the Association of Bay Area Governments (ABAG) a regional plan every four years in order to satisfy federal and state planning requirements. MTC and ABAG are currently undertaking the process to develop and adopt the 2021 update to the plan, entitled Plan Bay Area 2050. Plan Bay

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Area 2050 is intended to result in an affordable, connected, diverse, healthy, and vibrant Bay Area for all, including an expanded, well-functioning, safe and multimodal transportation system that connects the Bay Area and reduces our environmental footprint. The MTC is required by state law to include in this regional plan achievable strategies and investments to meet the region's greenhouse gas (GHG) emissions reduction target (as defined by the California Air Resources Board) of 19% per-capita by 2035 relative to 2005 levels.

On September 23, 2020, the MTC voted to adopt Plan Bay Area (PBA) 2050: Final Blueprint (Final Blueprint) described as the "first draft" of the plan with strategies to be included in the preferred scenario for the PBA 2050 environmental review process later this year (MTC Resolution No.4437 and ABAG Resolution No.16-20).

The Final Blueprint includes Strategy Environment (EN) 7: Institute Telecommuting Mandates for Major Office-Based Employers (Enclosure 2). Specifically, the strategy would:

"Mandate that large employers [defined as having 25 or more employees] have at least 60 percent of their employees telecommute on any given day... limited to large office-based employers whose workforce can work remotely."

The Final Blueprint indicates that Strategy EN7 was included to achieve the required GHG emission targets, and Strategy EN7 includes as a primary objective the reduction of GHG emissions. MTC staff have indicated that without this strategy, PBA 2050 would fall short of meeting the California Air Resources Board (CARB) established GHG emission target of 19% per capital by 2035. Failing to meet this goal would make projects in the region ineligible for certain state transportation funding programs which MTC estimates would amount to \$100 million per year in lost revenue opportunity.

The SFMTA strongly believes that MTC (and the region) should continue to strive towards achieving our share of the state's GHG emission reduction targets. However, Strategy EN7 as originally proposed could have significant negative unintended consequences on transit-oriented places like San Francisco which is a Transit First city. Strategy EN7 takes a blanket approach to the proposed telecommute mandate on workplaces, resulting in the suppression of both trips that contribute to regional GHG emissions, such as drive-alone, and trips that would be taken by zero-emission or low-emission modes, such as walking, cycling, and transit. Though the COVID-19 pandemic and subsequent Shelter-in-Place orders necessitated that employers and employees quickly transition to telecommuting where possible, the economic, environmental, equity, social, and health impacts of sustained, significant percent share of telecommuting have yet to be fully understood.

San Francisco's downtown vibrancy relies on its daytime population, including large and small businesses and their office workers which support the city's tax and revenue base. A mandate on large employers to require that majority of their workforce work from home could encourage sprawl and expand development into exurban and rural areas, leading to an increase in non-work automobile trips and contributing to further environmental damage.

As a result of San Francisco's long-standing Transit First Policy, San Francisco is a transit-oriented, walkable, bikeable city, and has the lowest rate of GHG-emitting commute modes in the region with only 30% of overall commuters driving to work. The Transportation Management Association San Francisco (TMA SF Connects), whose members comprise the largest office uses in downtown San Francisco, estimates a drive-alone commute rate of less than 10% for their participating employers, reflecting efficacy of Transportation Demand Management (TDM) efforts.

Sustainable reduction in GHG emissions in the region requires fidelity to Plan Bay Area's goals to direct growth in population and employment to areas served by fast, frequent, and reliable transit, and areas that are walkable and bikeable for more than just commute trips. The shift to telecommuting as a result of the COVID-19 pandemic response has resulted in significant ridership declines and budget shortfalls at all transit operators in the region, necessitating the reduction of service frequency, capacity, hours, and coverage. Essential workers are disproportionately low-income people of color, the same population that has suffered disproportionately from COVID-19, and who have been less likely to be able to work remotely because of job types. Additionally, if a large portion of the workforce is no longer commuting, transit fare revenues will continue to drop, forcing further cuts to public transit service and resulting in serious harm to low-wage workers and people of color in San Francisco and across the region who rely on public transportation.

The SFMTA's concerns are shared by other stakeholders in the City, and by several other Bay Area cities including the City of San Jose. As stated above, MTC considers the Final Blueprint adopted on September 23, 2020 as a "first draft" of PBA 2050 and has collaborated extensively with San Francisco and with other stakeholders around these concerns. At the MTC/ABAG Joint Planning Committee Meeting of November 6, 2020, Chair Jim Spring stated MTC staff have been working to identify a solution to provide greater flexibility for employers while maintaining an approach that will meet the 19% GHG reduction target, and that a new proposal will be put forward at the November 20 MTC meeting that will incorporate a more flexible approach with a variety of measures that employers can implement to reduce driving trips. Modifying Strategy EN7 in this manner would be consistent with practices used by cities throughout the Bay Area would reflect San Francisco's adopted approaches to encouraging non-auto commutes such as the Transportation Demand Management ordinance.

The SFMTA welcomes and supports the efforts MTC is pursuing to amend Strategy EN7, as it is currently described, in the ultimate adoption of Plan Bay Area 2050. The SFMTA reiterates its support for the Plan Bay Area 2050 Guiding Principles for a more affordable, connected, diverse, healthy, and vibrant Bay Area, including the importance of strategies and investments designed to meet the region's GHG reduction targets.

The SFMTA encourages the MTC to:

- Re-focus and rename this strategy to reflect an emphasis on use of multiple employer-based efforts to reduce driving commute trips
- Recognize the varied workplace circumstances across the region with flexibility in its TDM policies and programs to ensure efficiency, equity and effectiveness
- Consider how other strategies in PBA 2050 could be amended, or new strategies added, in order to meet the region's GHG emissions reduction target, such as considering a regional gas tax and/or modifying or deferring freeway widening projects

Finally, the SFMTA is committed to collaborate with MTC and partner agencies on these and other strategies in PBA 2050.

TRANSIT SERVICE IMPACT

If Strategy EN7 were to be implemented as it is currently described, local financial impacts would likely include a decline in office workers traveling to the downtown core and residential population shifts away from San Francisco, both of which would negatively impact revenue and therefore funding and delivery of transit services by SFMTA and regional transit agencies.

STAKEHOLDER ENGAGEMENT

MTC's 2018 Public Participation Plan (PPP) was adopted in June 2018 and informs interested residents on how to engage in the range of MTC's decisions relating to planning and funding allocations. Included in Appendix A of the PPP is information highlighting planning and decision milestones, along with public engagement opportunities, for Plan Bay Area 2050. In the past year, MTC and ABAG began an extensive outreach effort with the public, local governments (cities, counties, congestion management/county transportation agencies, and transit agencies), community-based organizations and youth. This outreach will begin in late 2019/early 2020.

Strategy EN7, as currently written, was first introduced at MTC's September 8, 2020 Regional Area Working Group meeting, presented at the September 11 and October 9, 2020 meetings of the Joint MTC Planning Committee with the ABAG Administrative Committee, and at the September 23, 2020 MTC meeting.

ALTERNATIVES CONSIDERED

The alternative is to not approve the resolution, thereby losing an opportunity to express San Francisco's interest in a flexible, equitable and effective approach to reducing driving trips. The strategy, as currently written would likely have detrimental effects on San Francisco and the SFMTA.

FUNDING IMPACT

There is no direct financial impact from adopting this Resolution. In the longer term, if Strategy EN7 were to be implemented as it is currently described, local financial impacts would likely include a declines in office workers traveling to the downtown core and residential population shifts away from San Francisco, impacting sales tax revenues generated by local restaurants and businesses. Financial impacts to SFMTA would likely include decreased transit fare and parking revenues plus lower annual General Fund contributions that would in turn negatively impact the level of service the SFMTA could deliver and the ability to fund ongoing needed investment in the city's transportation infrastructure.

ENVIRONMENTAL REVIEW

On October 27, 2020, the SFMTA, under authority delegated by the Planning Department, determined that the resolution in opposition to Strategy EN7 is not a "project" under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b).

A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by reference.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

Opposition to the strategy has come from the business community, public officials, and regional transit operators. A joint letter from the Bay Area state delegation and a joint statement by Mayor London Breed and San Jose Mayor Sam Liccardo have been issued in opposition to Strategy EN7. The San Francisco County Transportation Authority unanimously passed a resolution in opposition on October 27, 2020, prior to the recent update from MTC at the MTC/ABAG Joint Planning Committee meeting of November 6, 2020. Among transit operators, resolutions in opposition to EN7 have been adopted by

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the Water Emergency Transportation Authority (WETA) and BART earlier this month. The boards of Caltrain, SamTrans, and Golden Gate Transit will consider similar actions in the upcoming weeks.

The City Attorney's Office has reviewed the calendar item.

RECOMMENDATION

Staff recommends that the SFMTA Board of Directors adopt a resolution expressing the SFMTA's position on various aspects of Plan Bay Area 2050 including: (1) encouraging MTC to amend Strategy EN7: Institute Telecommuting Mandates for Major Office-Based Employers prior to adoption of the Final Plan; (2) encouraging MTC to make changes to other strategies Plan Bay Area 2050 to meet the GHG reduction target; (3) supporting the Guiding Principles for a more affordable, connected, diverse, healthy, and vibrant Bay Area, including the importance of strategies and investments designed to meet the region's GHG reduction target; and (4) indicating SFMTA's commitment to continuing to collaborate with MTC and partner agencies on Plan Bay Area 2050 strategies.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, The Metropolitan Transportation Commission (MTC), as the federally-designated Metropolitan Planning Organization (MPO) for the nine-county Bay Area (the region), is required to develop in conjunction with the Association of Bay Area Governments (ABAG) a regional plan every four years in order to satisfy federal and state planning requirements; and,

WHEREAS, MTC and ABAG are currently undertaking the process to develop and adopt the 2021 update to the plan, entitled Plan Bay Area 2050; and,

WHEREAS, Plan Bay Area 2050 is intended to result in an affordable, connected, diverse, healthy, and vibrant Bay Area for all, including an expanded, well-functioning, safe and multimodal transportation system that connects the Bay Area and reduces our environmental footprint; and,

WHEREAS, MTC is required by state law to include in this regional plan achievable strategies and investments to meet the region's greenhouse gas (GHG) emissions reduction target (as defined by the California Air Resources Board) of 19% per-capita by 2035 relative to 2005 levels; and,

WHEREAS, The San Francisco Municipal Transportation Agency strongly believes that MTC (and the region) should continue to strive towards achieving our share of the state's GHG emission reduction targets; and,

WHEREAS, On September 23, 2020 MTC voted to adopt MTC Resolution No.4437 and ABAG Resolution No.16-20 Plan Bay Area (PBA) 2050: Final Blueprint (Final Blueprint); and,

WHEREAS, The Final Blueprint includes Strategy Environment (EN) 7: Institute Telecommuting Mandates for Major Office-Based Employers (Strategy EN7), which proposes to mandate that large (over 25 employees) office-based employers have at least 60 percent of their employees telecommute on any given workday; and,

WHEREAS, The Final Blueprint indicates that the inclusion of Strategy EN7 is necessary to achieve the required GHG emission targets, and Strategy EN7 includes as a primary objective the reduction of GHG emissions; and,

WHEREAS, Strategy EN7 could have significant negative unintended consequences on transit-oriented places like San Francisco which is a Transit First city; and,

WHEREAS, Strategy EN7 takes a blanket approach to the proposed telecommute mandate on workplaces, resulting in the suppression of both trips that contribute to regional GHG emissions, such as drive-alone, and trips that would be taken by zero-emission or low-emission modes, such as walking, cycling, and transit; and,

WHEREAS, Though the COVID-19 pandemic and subsequent Shelter-in-Place orders necessitated that employers and employees quickly transition to telecommuting where possible, the economic, environmental, equity, social, and health impacts of sustained, significant percent share of telecommuting have yet to be fully understood; and,

WHEREAS, Sustainable reduction in GHG emissions in the region requires fidelity to Plan Bay Area's goals to direct growth in population and employment to areas served by fast, frequent, and reliable transit, and areas that are walkable and bikeable for more than just commute trips; and,

WHEREAS, The shift to telecommuting as a result of the COVID-19 pandemic response has resulted in significant ridership declines and budget shortfalls at all transit operators in the region, necessitating the reduction of service frequency, capacity, hours, and coverage; and,

WHEREAS, A higher number of essential workers are low-income people of color, who have suffered in from COVID-19 in numbers disproportionate to their population and many of whom have not had the ability to work from home nor the type of jobs that can be accomplished through remote work; and,

WHEREAS, If a large portion of the workforce is no longer commuting, transit fare revenues will continue to drop, forcing further cuts to public transit service, resulting in serious harm to low-wage workers and people of color in San Francisco and across the region; and,

WHEREAS, San Francisco's downtown vibrancy relies on its daytime population, including large and small businesses and their office workers which support the city's tax and revenue base; and,

WHEREAS, A mandate on large employers to require that majority of their workforce work from home could encourage sprawl and expand development into exurban and rural areas, leading to an increase in non-work automobile trips and contributing to further environmental damage; and,

WHEREAS, As a result of San Francisco's long-standing Transit First Policy, San Francisco is a transit-oriented, walkable, bikeable city, and has the lowest rate of GHG-emitting commute modes in the region with only 30% of overall commuters driving to work; and,

WHEREAS, The organization Transportation Management Association San Francisco (TMA SF), whose members comprise the largest office uses in downtown San Francisco, estimates a drive-alone commute rate of less than 10% for their participating employers, reflecting efficacy of transportation demand management (TDM) efforts; and,

WHEREAS, At the MTC/ABAG Joint Planning Committee Meeting of November 6, 2020, an update was provided indicating that MTC intends to put forward a new proposal at the November 20 MTC meeting that will incorporate a more flexible approach with a variety of measures that employers can implement to reduce driving trips; and,

WHEREAS, On October 23, 2020, the SFMTA, under authority delegated by the Planning Department, determined that the resolution in opposition to Strategy EN7 is not a "project" under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b); a copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by reference; now, therefore, be it

RESOLVED, That the San Francisco Municipal Transportation Agency hereby encourages the Metropolitan Transportation Commission to amend Strategy EN7: Institute Telecommuting Mandates for Major Office-Based Employers, as it is currently described, in the ultimate adoption of Plan Bay Area 2050; and be it further

RESOLVED, That the San Francisco Municipal Transportation Agency reiterates its support for the Plan Bay Area 2050 Guiding Principles for a more affordable, connected, diverse, healthy, and vibrant Bay Area, including the importance of strategies and investments designed to meet the region's GHG reduction targets; and be it further

RESOLVED, That the San Francisco Municipal Transportation Agency encourages the Metropolitan Transportation Commission to: re-focus and rename this strategy to reflect an emphasis on use of multiple employer-based efforts to reduce driving commute trips; recognize the varied workplace circumstances across the region with flexibility in its TDM policies and programs to ensure efficiency, equity and effectiveness; and consider how other strategies in Plan Bay Area 2050 could be amended, or new strategies added, in order to meet the region's Green House Gas emissions reduction target, such as considering a regional gas tax and/or modifying or deferring freeway widening projects; and be it further

RESOLVED, That the San Francisco Municipal Transportation Agency is committed to continuing to collaborate with MTC and partner agencies on these and other strategies in PBA 2050.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of November 17, 2020.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

Environment: Reduce Climate Emissions

Strategy EN7:

Institute Telecommuting Mandates for Major Office-Based Employers

Strategy Cost

not applicable

Strategy Objective

Reduce greenhouse gas emissions, traffic congestion, and transit overcrowding by increasing the number of Bay Area workers that work from home one or more days per week.

Strategy Description

Build upon the significant shift to work from home during COVID-19 and mandate that large employers have at least 60 percent of their employees telecommute on any given workday. This requirement would be limited to large office-based employers whose workforce can work remotely. telecommuting target of 60 percent on a typical weekday. This could enable an increase from the projected telecommute share of 14 percent in the Draft Blueprint to up to as high as 25 percent in the Final Blueprint, recognizing that half of the workforce has a job that must be completed in-person (*not eligible for telecommuting*). The policy would require the employer to meet this target each workday. Employers could meet this target using any variety of alternative work options, such as compressed work weeks, flexible work schedules, or remote work policies.

Changes Since Draft Blueprint

This strategy was not included in the Draft Blueprint and was added based upon public feedback this summer. Given the changes in travel patterns during the coronavirus pandemic, there was strong support for bolder policies on this front in the Final Blueprint, including a mandate for office-based employers. To ensure this strategy achieves equity goals, a complementary strategy to expand internet access in underserved communities was added to the Economy Element as well.