



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Ristow

SUBJECT: VTA MEASURE B
ALLOCATIONS

DATE: January 24, 2020

Approved

Date

1/24/2020

SUPPLEMENTAL

REASON FOR SUPPLEMENTAL

To provide context and analysis to the recommendations made by Vice Mayor Chappie Jones, and Councilmembers Davis, Foley, and Khamis, in a policy memo dated December 12, 2019, affirming the City of San José's commitment to voters to maintain current programming commitments within Measure B.

BACKGROUND

In November 2016, Santa Clara County voters overwhelmingly passed Measure B, a half-cent sales tax dedicated to: "repairing potholes and fixing local streets; finishing the BART extension through downtown San José to Santa Clara; improving bicycle and pedestrian safety; increasing Caltrain capacity [to] ease highway congestion and improve safety at crossings; relieving traffic on the expressways and key highway interchanges; and enhancing transit for seniors, students, low-income, and disabled [persons]..."

Measure B is anticipated to generate approximately \$6.3 billion in funding over the 30-year lifespan of the program. The collection of the half-cent sales tax began on April 1, 2017, and the funds were held in escrow until January 30, 2019, when the State of California Court of Appeals upheld the validity of Measure B.

At the December 5, 2019 VTA Board of Directors meeting, more than 30 members of the public urged the Board to reallocate 2016 Measure B Funds to transit operations and adopt a resolution declaring a climate emergency. The Measure B ballot language authorizes the VTA Board of Directors to modify the program if approved by a $\frac{3}{4}$ majority of the 12 voting members of the Board. As a prerequisite, VTA staff would be required to inform the public of their intention to alter the program, and present at a noticed public meeting before every city council in Santa Clara County, as well as the Santa Clara County Board of Supervisors.

City Council adopted a Climate Emergency Resolution on September 17, 2019, which calls for taking urgent action to combat climate change and its impacts by the year 2030. The City of San José has dedicated significant attention and resources to becoming a more sustainable place to live, and developed ambitious goals to reduce our climate footprint by 2030. The Santa Clara County Board of Supervisors, as well as the City of Cupertino, adopted similar positions in 2019.

ANALYSIS

The climate emergency is real and urgent, and transportation and land use patterns account for 63 percent of greenhouse gas emissions in San José and represent the largest single-source of greenhouse gas emissions in Santa Clara County. More and better quality transit, active transportation, and land use choices are critical to realizing our climate imperatives. That said, Measure B represents a commitment to the voters, and helps achieve many sustainability and other important and interrelated goals.

The Measure B Program funds numerous multi-modal transportation improvements and transit operations. Specifically, highway interchanges and local streets and roads projects funded by Measure B contain reporting requirements in line with VTA's complete streets policies. The Measure B Highway Program is scheduled to fund nine projects within San José city limits; those projects are budgeted to receive \$137 million through June 2021. Additionally, the City receives approximately \$19 million annually to repair and maintain local streets, which San José leverages to make streets safer and more multi-modal. These improvements advance important City affordability, economic development, and sustainability objectives.

For example, the City's adopted development policies include transportation improvements that support new jobs and housing in focused growth areas near transit. These improvements are funded through fees on new development and regional sources, including Measure B. Removing Measure B as one of the sources for regional-scale improvements would increase the time and cost to deliver much needed housing in these areas. As articulated in the North San José Area Development Policy, advancing regional transportation infrastructure allows the City to accelerate development of 24,000 new homes, at least 15 percent of which must be affordable. Placing housing near existing and planned jobs and along transit lines reduces vehicle miles traveled and addresses pressing affordability challenges.

Measure B was developed over multiple years, with policy direction by the VTA Board of Directors, detailed technical analysis, and extensive public outreach. The measure received support from nearly 72 percent of voters in 2016, far above the legally required two-thirds threshold. This represents a clear mandate from the public to invest in the dedicated categories within the program. Measure B was passed less than four years ago, and voters may view any changes to the program as premature, and be more hesitant to support similar funding measures on the ballot in the future.

However, Measure B is far from the only tool at VTA's disposal to reduce the impacts of climate change: VTA manages the county's transit, congestion management, land use coordination, and

numerous transportation funding programs. VTA's leadership will be critical to achieving our shared and pressing climate goals. City staff recognize that VTA could significantly shape regional climate outcomes without reneging on Measure B's commitments to Santa Clara County voters, including:

- In collaboration with the community, local jurisdictions, county and regional agencies, and stakeholders, develop a detailed Climate Action Plan to address transportation-based emissions, and create actionable strategies to meet greenhouse gas emission reduction targets.
- Strengthen sustainability requirements for Measure B and other funding programs through administrative guidance.
- When new funding sources are under consideration, including the potential FASTER Bay Area measure, prioritize funding for transit operations and transit and active transportation projects.
- Adopt bold new guidance for jurisdictions throughout the County as they implement SB 743, remove guidance that prioritizes automobile travel from the County's congestion management program, and advocate for modern congestion management legislation at the state level.

CONCLUSION

Changing the Measure B funding categories in opposition to voter intent would impede San Jose's ability to build out transportation improvements, accelerate housing development, and create new job opportunities. Retaining and strengthening all of Measure B's program areas will help the City of San José continue to plan, design, and construct transportation projects that improve affordability, accessibility, economic opportunity, and sustainability.

However, there are many ways for VTA to reduce climate impacts without changing Measure B. The City of San José embraces the opportunity to accelerate climate-related activities in partnership with VTA, Santa Clara County, and other cities throughout the county.

/s/

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