

Date of Hearing: April 23, 2018

ASSEMBLY COMMITTEE ON TRANSPORTATION

Jim Frazier, Chair

AB 2865 (Chiu) – As Amended April 16, 2018

SUBJECT: High-occupancy toll lanes: Santa Clara Valley Transportation Authority

SUMMARY: Authorizes the Santa Clara Valley Transportation Authority (VTA) to conduct, administer, and operate a value pricing program or high-occupancy toll (HOT) lanes in the City and County San Francisco. Specifically, **this bill:**

- 1) Authorizes VTA, in coordination with the San Francisco County Transportation Authority (SFCTA), to conduct, administer, and operate a value pricing program or HOT lanes in the City and County of San Francisco on State Route (SR) 101 and SR 280 north of its junction with SR 101.
- 2) Authorizes SFCTA to review and approve the agreement between VTA and the California Department of Transportation that addresses the design, construction, maintenance, and operation of the HOT lanes in San Francisco.
- 3) Requires any excess revenues generated by the HOT lanes in San Francisco to be used in the corridor from which the revenues were generated, and dedicates those revenues to:
 - a) The pre-construction, construction, and other related costs of high-occupancy vehicle facilities;
 - b) Improvements to the transportation corridor; and,
 - c) Transit service improvement including, but not limited to, support for transit operations in the corridor.

EXISTING LAW:

- 1) Authorizes VTA to operate HOT lanes on either two transportation corridors in Santa Clara County with high-occupancy vehicle lanes.
- 2) Authorizes VTA, in coordination with the City/County Association of Governments of San Mateo County, to operate HOT lanes in San Mateo County on SR 101.
- 3) Specifies that revenues generated by the HOT lanes are available to VTA for the direct expenses related to the operation, maintenance, construction, and administration of the HOT lanes. VTA's administrative costs are limited to 3% of the revenues.
- 4) Requires any excess revenues generated by the HOT lanes in San Mateo County to be used in the corridor from which the revenues were generated, and dedicates those revenues to:
 - a) The preconstruction, construction, and other related costs of high-occupancy vehicle facilities;

- b) Improvements to the transportation corridor; and,
 - c) Transit service improvement including, but not limited to, support for transit operations in the corridor.
- 5) Authorizes the California Transportation Commission (CTC) to approve applications from regional transportation agencies to develop and operate HOT lanes and other toll facilities.

FISCAL EFFECT: Unknown

COMMENTS: Current law authorizes a number of public agencies to operate toll facilities in this state. These facilities include state-owned toll bridges, local toll bridge districts, public toll roads, and HOT or “managed” lanes. Specifically, AB 2032 (Dutra), Chapter 418, Statutes of 2004, authorized VTA and a number of other regional agencies to construct high-occupancy vehicle lanes and convert them to HOT lanes. HOT lanes are high-occupancy vehicle lanes in which the administering agency sells any extra capacity to toll-paying single-occupant vehicles. AB 2032 declared the Legislature’s intent that these HOT lanes increase efficiency of the transportation system by taking advantage of existing capacity without forfeiting the congestion mitigation and air quality benefits provided by high-occupancy vehicle lanes.

HOT lanes typically employ a pricing method known as value pricing or congestion pricing. Under this scheme, the amount of the toll varies in accordance with the level of congestion in that particular lane. When congestion increases, so too will the toll amount. As the price to use the lane goes up, fewer people presumably will choose to use it, thereby reducing demand for the facility and maintaining free-flow travel conditions. With this mechanism, an agency can attempt to ensure that operation of the toll facility does not undermine the intended benefits of promoting carpooling with access to the faster high-occupancy vehicle lane.

In 2011, AB 1105 (Gordon), Chapter 114, Statutes of 2011, authorized VTA to extend its HOT lane on SR 101 into San Mateo County, subject to an agreement with the City/County Association of Governments in that county. Seeking a solution to the congestion along this corridor, both counties agreed that implementing HOT lanes could ensure a smooth, efficient transition for traffic at both ends of the existing high-occupancy vehicle lanes.

This bill continues with this logic, as SR 101 does not end at the San Mateo County line but continues north into San Francisco. Seeking to identify solutions to its own congestion woes, SFCTA developed a freeway corridor management study in 2013 for SRs 101 and 280. Through this study, SFCTA has concluded that a comprehensive solution may involve connecting to the HOT lane corridor in the counties to the south. This bill creates the opportunity to enable this connection by sharing the existing authority with VTA to operate HOT lanes along these highways.

According to the author, a unified corridor congestion management program could provide a regional tool to achieve a balanced transportation system that gives buses, carpoolers, and other vehicles in the lane improved travel times and reliability between the housing and job centers in San Francisco and the South Bay.

Committee Comment: For many years, regions came to the Legislature for the express authority to operate toll facilities, typically one bill at a time, and through this process created a patchwork of rules applying to various locales. AB 194 (Frazier), Chapter 687, Statutes of 2015, expanded

the potential for toll facilities in California by granting the CTC broad, indefinite authority to review and approve toll facility applications submitted by regional transportation agencies, and thereby eliminated the need for legislation to authorize the operation of HOT lanes. AB 194 built on the authority previously granted to regional transportation agencies and is consistent with protocols that have evolved to guide development of HOT lane programs.

Given the streamlined process created by AB 194, it seems that SFCTA could approach the CTC for its own tolling authority instead of pursuing the authority in this bill. It makes some sense, however, for SFCTA to rely on VTA to construct and operate the HOT lane facility on their behalf given VTA's existing experience with the process and the corridor.

Previous Legislation: AB 194 (Frazier), Chapter 687, Statutes of 2015, authorized CTC to approve applications from regional transportation agencies to develop and operate HOT lanes and other toll facilities.

AB 1105 (Gordon), Chapter 114, Statutes of 2011, authorized a HOT lane established on SR 101 in Santa Clara County to extend into San Mateo County, under certain conditions.

AB 574 (Torrico), Chapter 498, Statutes of 2007, authorized VTA and other specific agencies to operate HOT lanes indefinitely.

AB 2032 (Dutra), Chapter 418, Statutes of 2004, authorized VTA to construct HOV lanes and convert them to HOT lanes. Other HOT lane facilities were also specifically authorized.

REGISTERED SUPPORT / OPPOSITION:

Support

Natural Resources Defense Council
San Francisco County Transportation Authority
SPUR
TransForm

Opposition

None on file

Analysis Prepared by: Eric Thronson / TRANS. / (916) 319-2093