



File #: 2025-1053, **File Type:** Federal Legislation / State Legislation (Position)

Agenda Number: 33.

EXECUTIVE MANAGEMENT COMMITTEE JANUARY 15, 2026

SUBJECT: FEDERAL AND STATE REPORT

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

CONSIDER:

- A. RECEIVING the Federal and State Legislative Report;
- B. ADOPTING staff recommended position:

SB 677 (Wiener) - Housing development: transit-oriented development. - OPPOSE UNLESS AMENDED (Attachment A).

DISCUSSION

**Executive Management Committee
Remarks Prepared by Raffi Haig Hamparian
Government Relations, Executive Officer: Federal Affairs**

Chair Dutra and members of the Executive Management Committee, I am pleased to provide an update on several key federal matters of interest to our agency. This report was prepared on December 30, 2025, and will be updated, as appropriate, at the Executive Management Committee meeting on January 15, 2026. The status of relevant pending legislation is monitored on the Metro Government Relations Legislative Matrix <https://libraryarchives.metro.net/DB_Attachments/1%20-%20January%202026%20-%20Legislative%20Matrix.pdf>, which is updated monthly.

Los Angeles County Congressional Delegation

Metro's government relations team continues to provide timely and accurate information about our agency's initiatives with members of the Los Angeles County Congressional Delegation, our two U.S. Senators and with the U.S. Department of Transportation.

Consistent with our past practice, last month staff worked closely with the office of Congressman Robert Garcia (D-42) to support the agency's capital projects that are moving forward in the Federal Transit Administration's (FTA) Capital Investment Grant (CIG) Program. In cooperation with the

agency, Congressman Garcia circulated a letter addressed to House appropriations leaders urging them to both fully fund the FTA's CIG Program and to provide support for our Vermont Bus Rapid Transit and Southeast Gateway Line transit projects. Staff is pleased to share that in addition to Congressman Garcia, nine members of the Los Angeles County Congressional Delegation signed this correspondence. In parallel with this letter, the staff is working with our U.S. Senators to ensure they are communicating a similar message to Senate appropriators.

Fiscal Year 2026 Transportation Spending Bill

Staff continues to work diligently to ensure that our Board-approved priorities are advanced in the Fiscal Year 2026 transportation spending bill. The adoption of this bill has been delayed, as Congress seeks to craft a final bill in advance of the expiration of the current Continuing Resolution on January 30, 2026. On the evening of December 18, 2025, a bi-partisan effort to advance the Fiscal Year 2026 transportation spending bill in the U.S. Senate failed. This means that Congress will have to revisit this spending bill when it reconvenes in early January 2026.

The Fiscal Year 2026 transportation spending bill is important to the agency for a variety of reasons. The measure would provide formula funding that the agency relies on an annual basis. In addition to a number of key provisions in the bill related to the FTA's CIG Program, the measure is also expected to include mobility related funding for the agency tied to both the 2026 FIFA World Cup and the 2028 Olympic and Paralympic Games.

Surface Transportation Authorization Bill

Metro continues to advance the Board-approved USA Build Initiative as Congress prepares to consider in 2026 a new surface transportation authorization bill. The current measure, the Bipartisan Infrastructure Law, will expire on September 30, 2026. Metro is working with members of the Los Angeles County Congressional Delegation and key authorizers in the House and Senate to smartly and effectively advance the policy proposals embedded in the USA Build Initiative. As Congress begins to work on a new surface transportation authorization bill, we look forward to keeping the Board fully apprised of our work in this regard.

U.S. Department of Transportation - 2026 FIFA World Cup / 2028 Olympic and Paralympic Games

Consistent with the Board-adopted Federal Legislative Program and direction from our CEO, Metro continues to advance the request for robust federal funding for mobility program of projects related to the 2028 Olympic and Paralympic Games (the Games). This work has included, but is not limited to, engagement with the Office of Management and Budget (OMB) to secure a funding recommendation for Games-related mobility programs in the President's Fiscal Year 2027 Budget Request, which will be proposed early next year. Parallel to the work with OMB, the agency has been fully engaged with the U.S. Department of Transportation (USDOT) to ensure they are supporting our efforts related to the President's Fiscal Year 2027 Budget Request. With respect to our work with both OMB and the USDOT, staff is working directly with LA28 to ensure we have a joint advocacy effort with the Federal Government.

With respect to the upcoming 2026 FIFA World Cup, the President's Fiscal Year 2026 Budget Request that was released earlier this year did not include a funding recommendation related to

transit services for this major sporting event. Consistent with the Board-approved Federal Legislative Program, Metro has been working with the White House FIFA World Cup 2026 Task Force, Congress, and a broad coalition of stakeholders who are seeking to ensure that the final transportation spending bill adopted by the House and Senate includes funding for transit agencies serving cities that will be hosting World Cup games next year. As a direct result of staff work with a number of coalitions, including with the American Public Transportation Associations, the U.S. Senate included \$78 million for World Cup-related transit services in their Fiscal Year 2026 transportation appropriations bill. Our agency is currently working to ensure that the final transportation spending bill adopted by Congress (which is currently being negotiated and which will likely be considered early next year) will include even more funding for World Cup-related transit services, given the needs of transit agencies across the United States who will be moving millions of Americans to and from World Cup venues.

Securing this funding will depend on Congress successfully completing the Fiscal Year 2026 appropriations process-a process Congress was unable to complete for Fiscal Year 2025. Should Congress fail to reach agreement on final Fiscal Year 2026 appropriations bills, much of the federal government, including USDOT, would likely again have to operate a full year “continuing resolution”, which would most likely preclude the allocation of any Fiscal Year 2026 funding for transportation for the 2026 World Cup or 2028 Games.

Transit Operator Safety

In alignment with Metro’s Board-approved 2026 Federal Legislative Program, staff continue to prioritize transit operator safety and maintain active communication with the Los Angeles County Congressional Delegation on this issue. The upcoming reauthorization of federal surface transportation programs presents an important opportunity to advance enhanced protections for transit operators nationwide.

Representative Laura Friedman (CA-30) has introduced the “Safe and Affordable Transit Act of 2025,” legislation that supports several of Metro’s key priorities. The bill would create a new Transit Security Grant Program funded at \$50 million annually for FY 2026-2030 to support efforts such as hiring additional officers to patrol transit systems, contracting with local law enforcement to increase police presence, and implementing physical infrastructure upgrades-including monitoring devices and operator shields-to improve passenger and operator safety. Additionally, the bill directs the U.S. Secretary of Transportation to collaborate with the Transportation Research Board, with input from transit employees, on a comprehensive study of crime prevention strategies within public transportation systems. Metro has endorsed this legislation as it directly aligns with the agency’s recently adopted federal legislative program.

Federal Transportation Grants

Metro remains committed to smartly and aggressively pursuing competitive federal grants to advance a wide range of transit projects and programs. In alignment with this effort, staff continue to work closely with the Los Angeles County Congressional Delegation and key regional partners-including the LA/Orange County Building and Construction Trades Council and the Los Angeles Area Chamber of Commerce-to build support for both current and future grant applications.

Metro is currently preparing an application to the U.S. Department of Transportation’s National

Railroad Partnership Program/Federal-State Partnership for Intercity Passenger Rail Program (FSP-National Program) to secure funding for the construction of the Link US Project. Los Angeles Union Station (LAUS), the busiest transit hub in the western United States, serves as the backbone of the 351-mile LOSSAN Corridor, and supports the Pacific Surfliner. The Pacific Surfliner is Amtrak's second busiest intercity passenger rail corridor and the nation's busiest state-supported route—underscoring the regional and national significance of this investment.

Earlier this month, the USDOT issued a Notice of Funding Opportunity for the Better Utilizing Investments to Leverage Development (BUILD) grant program. According to the USDOT, this program “provides grants for surface transportation infrastructure projects with significant local or regional impact.” Metro is currently reviewing which project(s) we have that would best compete for a BUILD grant. The application deadline for the BUILD grant program is February 24, 2026.

Conclusion

Chair Dutra and members of the Committee, I look forward to providing further updates and expanding on this report during the Executive Management Committee meeting scheduled for January 15, 2025.

**Executive Management Committee
Remarks Prepared by Madeleine Moore
Government Relations, Deputy Executive Officer: State Affairs**

Chair Dutra and members of the Board, I am pleased to provide an update on several state matters of interest to our agency. This report was prepared on December 30, 2025, and will be updated, as appropriate, at the Executive Management Committee on January 15, 2026. The status of relevant pending legislation is monitored monthly on the Metro Government Relations Legislative [Matrix](#).
https://libraryarchives.metro.net/DB_Attachments/1%20-%20January%202026%20-%20Legislative%20Matrix.pdf

Budget Update

In late November, the Legislative Analyst's Office released their 2026-27 Fiscal Outlook for the State, in advance of the upcoming budget season. This Fiscal Outlook gives the Legislature the LAO's independent estimates and analysis of the state's General Fund budget condition, in order to better inform the Legislature as they prepare for the 2026-27 budget process. Overall, the LAO anticipates an almost \$18 billion budget problem in the coming fiscal year, which is about \$5 billion larger than the budget problem anticipated by the administration in June. Given this, the LAO urged the Legislature to address this through a variety of avenues, primarily through spending reductions

and/or revenue increases.

The report also highlights some additional key takeaways regarding the State's financial position. First, the report acknowledges that the economy is weakening, both in the state and across the country. There are a number of reasons cited, from high borrowing costs, to new tariffs and uncertainty about the federal government. Sales and corporate taxes have posted below-average growth. The report cites relatively strong income tax collections, primarily aided by "exuberance" over artificial intelligence technologies, but cautions that this may be leading to an overheated stock market. The revenue outlook takes a middle-ground approach to a potential stock market downturn, forecasting weaker income tax collections, but ones that are still above a hypothetical significant stock drop.

As always, Metro staff remain engaged with partners in the State government as we approach the beginning of the new budget cycle, in order to ensure that transportation is sufficiently funded and we can continue to advance our capital and operating plans. The next step in this budget process will be when the Governor presents his initial budget proposal in early January.

Legislative Update

The second year of the 2025-26 legislative session resumes on January 5, 2026. Staff will have a full report on actions taken between that date and the date of the Executive Management Committee on January 15, 2026.

Relevant Legislation from 2025

The Board approved the 2026 Legislative Program on December 4, 2025. Part of this action included approving Metro staff to seek amendments to SB 79 (Wiener) in the 2026 legislative year. The focus of these proposed amendments would update definitions and make other changes as needed to ensure that Metro can continue to advance the agency's Long Range Transportation Plan and improve the quality of transit provided in our service area. Staff have been working internally to analyze and refine what Metro would need from the legislature to ensure that the passage of SB 79 does not affect Metro's ability to provide high-quality transit in LA County, and have been in communication with state partners regarding our concerns.

Metro staff have also learned that SB 220 (Allen) from last year, has been set for a new hearing in the Senate Transportation Committee for January 13. As a reminder, the bill as currently in print would, beginning on January 1, 2029, expand the Metro Board of Directors to 18 members by adding the County Executive of the County of Los Angeles and 3 public members appointed by that Executive. The bill also expands the Metro Board to include each member of the Board of Supervisors. Pursuant to County Measure G approved by voters in 2024, the Board of Supervisors will be expanding to nine members in 2032. The bill was last presented in the Senate Transportation Committee in April 2025. At the request of the author during that hearing, the Committee did not take a vote on the bill, and thus it turned into a "two-year" piece of legislation. Metro staff have been made aware that the author plans to amend the bill, though such amendments are not yet in print. Per the Board-approved 2026 Legislative Program, Metro will continue to express our opposition to this legislation to both the author's office and to the members of the Senate Transportation Committee, and will keep the Board apprised of any additional actions taken with respect to this bill.

Transit Transformation Task Force

In early December, the California State Transportation Agency transmitted their official Transit Transformation Task Force (TTTF) report to the State Legislature, the result of nearly two years of work from the 25-member task force. That report was subsequently formally released to the public. The TTTF was established through SB 125 (2023), which required CalSTA to establish and convene the Task Force, and include representatives from CalSTA, various local agencies, academic institutions, nongovernmental organizations, and other stakeholders. Michael Turner, Senior Executive Officer for Government Relations, was Metro's representative on the TTTF. The purpose of the Task Force was to develop policy recommendations to grow transit ridership and improve the transit experience for all users. CalSTA then took the results of the Task Force's work and prepared report of findings and policy recommendations.

The report focuses on a few key areas for improving transit. The primary recommendations are centered on the following principles:

- **Transit should be operationally and financially sustainable.** This section discusses the need to increase agency revenues, through three different methods: reprogramming existing revenues that could be flexed to transit, supporting communities in raising new local revenues, and generating new value through strategies such as pricing and tax increment financing districts. Reforming the Transportation Development Act is also discussed.
- **Safety is fundamental.** This section discusses the need to protect riders and employees through recommendations to allocate dedicated funding for improving safety infrastructure and de-escalation and violence mitigation training specific to transit employees, and implement safety measures such as barriers for operators, as Metro has.
- **Provide fast, reliable, connected, and convenient transit services.** This section recommends supporting greater transit priority infrastructure through policy changes that, among other recommendations, encourage implementation of transit priority and bus rapid transit features on the State right of way.
- **Provide transit that is accessible and easy to use for all.** This section focuses on ensuring better paratransit service, including improving efficiency between transit agencies and non-profit, private, and healthcare providers.
- **Develop high quality public transit systems to support complete communities.** This section recommends that the State encourage transit-supportive land use and expand education, incentives, and funding to advance Transit Oriented Development.

Conclusion

Chair Dutra and members of the Committee, I look forward to providing further updates and expanding on this report during the Executive Management Committee meeting scheduled for January 15, 2025.

EQUITY PLATFORM

Government Relations will continue reviewing legislation introduced in Sacramento and Washington, DC, to address any equity issues in proposed bills and the budget process. Securing levels of federal transportation funding allows our agency to advance projects that improve equitable access and

mobility for the ten million individuals who live, work, and travel throughout Los Angeles County.

VEHICLE MILES TRAVELED OUTCOME

VMT and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide, with these declining VMT trends due in part to Metro's significant investment in rail and bus transit.* Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality by 2045. To ensure continued progress, all Board items are assessed for their potential impact on VMT.

This item supports Metro's systemwide strategy to reduce VMT through administrative and legislative advocacy activities that will benefit and further encourage transit ridership, ridesharing, and active transportation. Increased state and federal funding received benefits Metro's projects and programs to reduce VMT. Metro's Board-adopted VMT reduction targets were designed to build on the success of existing investments, and this item aligns with those objectives.

*Based on population estimates from the United States Census and VMT estimates from Caltrans' Highway Performance Monitoring System (HPMS) data between 2001-2019.

ATTACHMENTS

Attachment A - SB 677 (Wiener) Legislative Analysis

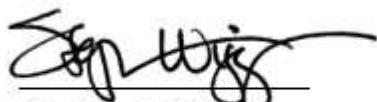
Prepared by: Michael Turner, Senior Executive Officer, Government Relations, (213) 922-2122

Raffi Hamparian, Executive Officer, Government Relations, (213) 922-3769

Madeleine Moore, Deputy Executive Officer, Government Relations, (213) 922-4604

Alex Amadeo, Senior Manager, Government Relations, (213) 922-2763

Reviewed by: Nicole Englund, Chief of Staff, (213) 922-7950



Stephanie Wiggins
Chief Executive Officer

ATTACHMENT A

BILL: **SENATE BILL 677**
AS AMENDED JANUARY 5, 2026

AUTHOR: **SENATOR SCOTT WIENER (D – SAN FRANCISCO)**

SUBJECT: **HOUSING DEVELOPMENT: TRANSIT-ORIENTED
DEVELOPMENT**

STATUS: **RE-REFERRED TO COMMITTEE ON HOUSING JAN 5, 2026**

ACTION: **OPPOSE UNLESS AMENDED**

RECOMMENDATION

Adopt an OPPOSE UNLESS AMENDED position on Senate Bill 677, as amended on January 5, 2026.

ISSUE

SB 677 is intended to make technical and clarifying changes to SB 79 (Wiener, Chapter 512, Statutes of 2025), which establishes statewide standards for housing development near major transit stops.

As of the drafting of this report the bill:

- Makes technical changes to SB 79 (Wiener), specifically by making changes to the definitions of “urban transit county” and certain types of transit stops, as well as adding additional definitions. Specifically, the bill adds definitions for “high-frequency ferry service” and “rail transit station” while refining definitions for “major transit stop”, “high frequency commuter rail”, “Transit-oriented development stop”, “tier 2 transit-oriented development stop”, “urban transit county”, and “very high frequency commuter rail”.
- Exempts existing parcels or sites from SB 79 if those parcels or sites are subject to the Mobilehome Residency Law, Mobilehome Parks Act, the Recreational Vehicle Park Occupancy Law, and the Special Occupancy Parks Act.
- Provides that a transit agency may, among other things, establish floor area ratio (FAR) requirements generally in their zoning standards for district-owned property located in a TOD zone (as opposed to residential-only FAR standards).

While SB 677 makes limited technical adjustments, it does not address the core implementation challenges Metro has experienced with SB 79. The bill fails to clarify how Metro's rail lines are classified under the law, resolve inconsistencies in transit mode definitions, or address the growing local resistance to transit projects driven by SB 79's housing density provisions. As a result, SB 79 continues to create uncertainty for project planning, complicate coordination with local jurisdictions, and undermine local partnerships that are critical to delivering voter-approved transit projects in Los Angeles County. Because SB 677 does not resolve these issues, staff recommends an **OPPOSE UNLESS AMENDED** position.

BACKGROUND

The relationship between higher density and higher transit use is well-documented. As a result, Metro strongly supports transit-oriented development and operates one of the most robust joint development programs in the country. Through partnerships with local cities, community stakeholders, and private and nonprofit developers, Metro is working to deliver 10,000 housing units by 2031, with at least 50 percent of the units designated as affordable. Metro has already delivered more than 2,500 units, including nearly 400 units of 100 percent affordable housing in the last two years alone, with thousands more in the development pipeline. Metro also has another 2,000 units across four sites that are entitled and preparing for construction, with another 5,500 in the development pipeline.

SB 79 requires housing development projects within a specified radius of major transit-oriented development (TOD) stops to be allowed on sites zoned for residential, mixed, or commercial use, provided certain requirements are met. The law establishes minimum height, density, and floor area ratio (FAR) standards based on proximity to qualifying transit stops. The legislation directs Metropolitan Planning Organizations, including the Southern California Association of Governments (SCAG), to prepare maps identifying affected parcels within each jurisdiction, based on guidance from the California Department of Housing and Community Development (HCD). These maps are intended to assist local jurisdictions in implementing SB 79's requirements. SB 677 (Wiener) is intended to make technical and clarifying changes to SB 79, which will take effect on July 1, 2026.

On December 5, 2025, the Metro Board approved a 2026 Legislative Platform that includes pursuing amendments to SB 79 to ensure that its definitions and implementation support Metro's Long Range Transportation Plan and the continued delivery of high-quality transit service.

DISCUSSION

Metro's transit expansion program is the largest in California, with approximately \$120 billion in planned investments funded by four voter-approved sales tax measures and federal support. Since 2022, Metro has delivered three rail expansion projects, has four

expansion projects under construction, and will open three more expansion projects by 2028, along with multiple bus rapid transit projects and quick build bus lanes.

Following the passage of SB 79, Metro has encountered significant challenges that directly affect the agency's ability to plan, deliver, and maintain critical transit infrastructure across Los Angeles County. Several of the bill's core definitions are unclear and inconsistent with industry standards. These ambiguities create legal and planning uncertainty for Metro projects and expose the agency to avoidable delays, disputes, and litigation risk.

Most notably, SB 79 and SB 677 fail to accurately classify Metro's A, C, E, and K rail lines. The current definition of "light rail transit" is limited to streetcar, trolley, and tramway systems, which do not accurately reflect Metro's rail operations. As a result, it is unclear whether major Metro rail corridors qualify as eligible transit stops under the statute. This lack of clarity undermines the consistent application of the law, complicates coordination with local jurisdictions, and weakens Metro's ability to advance transit-oriented development on and around its own infrastructure. Additionally, SB 79 adds another hurdle to the effort to expand our bus system throughout the County and improve service for our transit-dependent riders. Dedicated bus lanes traditionally face greater local opposition because they can remove parking or general purpose lanes and SB 79 adds an additional obstacle to providing high quality bus service throughout LA County.

In addition to technical flaws, SB 79 has become a catalyst for local opposition to Metro's transit projects. By linking increased housing density to both existing and future transit investments, the law has intensified resistance from some cities and community groups that now view new transit projects as a trigger for state-mandated upzoning. This unintended consequence results in transit being the "stick" for upzoning instead of the "carrot". This has already begun to erode previously strong local partnerships and has created new political and permitting obstacles for voter-approved projects that have already completed environmental review.

Metro's transit expansion program depends on strong, consistent cooperation with cities throughout Los Angeles County. When SB 79 fuels local opposition, it directly threatens Metro's ability to secure permits, coordinate construction, and maintain project schedules. These delays increase costs, jeopardize federal funding timelines, and ultimately slow the delivery of transit service to communities that rely on it most.

The consequences of these barriers are real. Eighty-nine percent of Metro riders are very low income, and 85 percent are transit dependent. Delays to rail, bus lanes, and bus rapid transit projects disproportionately harm the region's most vulnerable populations by limiting access to jobs, education, and healthcare. SB 79's current structure risks undermining the very transit infrastructure the Legislature intended to leverage for housing production and climate goals.

SB 677, as amended on January 5, 2026, does not resolve these fundamental issues. While it makes limited technical adjustments, it fails to address core definition

inconsistencies and the growing local resistance to transit projects driven by SB 79's unilateral density provisions. Without targeted amendments, SB 79 will continue to hinder Metro's ability to deliver voter-approved transit projects, maintain local partnerships, and meet regional mobility, housing, climate, and equity goals.

To ensure that Metro can continue advancing its Long Range Transportation Plan and improving transit service across the region, Metro recommends considering an alternative structure or a Los Angeles-specific exemption. These options could include:

- Limiting the bill's applicability to only those rail transit projects that are in revenue service.
- Creating an incentive-based structure using state funds that allows local agencies to determine how best to locate density around transit infrastructure.
- Delaying the effective date of the bill until implementation issues can be addressed.
- Limiting the bill's applicability to the Bay Area as a pilot project for a set period of time.
- Exempting Los Angeles County from SB 79, given the region's extensive and ongoing transit expansion efforts and the importance of maintaining strong local partnerships to advance these projects.

For these reasons, staff recommend an **OPPOSE UNLESS AMENDED** position on SB 677.

NEXT STEPS

Should the Board adopt an **OPPOSE UNLESS AMENDED** position on the legislation, staff will formally communicate the Board's position and requested amendments to the bill's author and relevant legislative offices. Staff will also continue to monitor the bill's progress throughout the legislative session and provide the Board with timely updates on any developments, amendments, or changes that may affect Metro's interests.



Government Relations

Federal and State Affairs Update

Executive Management Committee
January 15, 2026

Federal Affairs Update

- **Los Angeles County Congressional Delegation**
- **Fiscal Year 2026 Transportation Spending Bill**
- **Surface Transportation Authorization Bill**
- **U.S. Department of Transportation – 2026 FIFA World Cup / 2028 Olympic and Paralympic Games**
- **Transit Operator Safety**
- **Federal Transportation Grants**

State Affairs Update

- **New Legislative Session – January 5**
 - **SB 220 (Allen)**
 - **SB 677 (Wiener)**
 - **Other Relevant Legislation**
- **Budget Update**
 - **Governor's January Proposal**