

Regional Transportation Measure Update

Subject:

Summary of next steps in seeking authorization for a regional transportation measure.

Overview:

Plan Bay Area 2050 (PBA 2050) and the Transit Transformation Action Plan developed by the Blue Ribbon Transit Recovery Task Force recommend that MTC convene stakeholders to identify priorities and a funding framework by the end of 2023 for a future transportation ballot measure that includes new funding for transit. PBA 2050 incorporated passage of a regional funding ballot measure by 2030 into its funding assumptions.

In June, the Commission directed staff to begin work on the following next steps related to authorization of a regional transportation funding measure:

- Stakeholder engagement regarding scope of a revenue measure
- A research poll in Fall 2022 to inform spending plan and revenue mechanism options for a transportation measure authorizing bill
- Identify funding opportunities to bridge time gap until more continuous, stable revenues are available.

At the same time, the Bay Area Housing Finance Authority (BAHFA), comprised of the same board as MTC, and the ABAG Executive Board directed staff to proceed with the work necessary to place an affordable housing bond on the November 2024 ballot.

Discussion:

Pursuit of a new regional funding measure for transportation is a significant undertaking that requires meaningful stakeholder and public engagement to develop a consensus around core questions, such as the purpose and goals of a measure, expenditures and program structure, and last but not least, funding mechanism (i.e., the revenue source). Since a voter-approved tax increase at the regional level is subject to a two-thirds vote, it will be critical to build strong support for the approach taken in an authorizing bill as the support garnered through the legislative process will be the foundation for building a coalition to advance a future ballot measure.

Stakeholder Engagement

This fall, staff proposes to begin stakeholder engagement around key transportation priorities for funding from a regional measure. Stakeholders will include transit agencies, county transportation agencies, and key advocacy organizations including representatives of the Voices for Public Transportation coalition (comprised of equity, environmental and transit advocates) and Bay Area business community partners. Staff is also working on developing potential questions for a poll to gain insight into Bay Area residents' current priorities with respect to transportation. Staff proposes to defer *public* engagement until after getting feedback from the Commission and stakeholders on priorities and potential structure of a measure, but at the appropriate time, public engagement could include webinars, on-line listening sessions, interactive surveys and in-person “pop-up” events, similar to some of the methods used in PBA 2050 outreach.

Timing Considerations

While it's too early to tell if a regional housing measure **will** be placed on the ballot (such determination is typically informed by polling close to the election), prior polling related to having a regional housing and transportation measure on the ballot at the same time as well as regional “bandwidth” considerations (resources, staffing, partner agencies' attention, campaign efforts, etc.) suggest it's inadvisable to place two regional measures on the ballot at the same time.

In addition, preserving a 2024 ballot option for a regional transportation measure has some important ramifications as it limits time available to do the work of building consensus within the Commission and among key stakeholders about the purpose and theme of a measure, what it should fund, and what revenue mechanism should be used—significant questions that would need to be resolved before approaching a legislator to author a bill for enactment in 2023.

Given these and other challenges, staff recommends the Commission consider this question of ballot measure timing and make a determination within the next few months. If a decision is made to forgo the 2024 ballot, the Commission could direct staff to conduct robust stakeholder and public engagement in 2023 and pursue enactment of a bill in 2024 that allows for voter consideration in 2026 or later. A bill could still be *introduced* in 2023, the first year of a two-year

session if determined to be strategic to help generate stakeholder and political engagement on the topic.

Importantly, addressing the severity of the transit operating fiscal cliff—estimated at approximately \$280 million in FY 2025-26—may require a solution before November 2024, just six months before the beginning of the FY 2025-26 fiscal year. Given California’s strong policy emphasis on reducing vehicle miles traveled (VMT) and support for transit, a state funding strategy may be viable to stabilize transit especially if the region can demonstrate progress on policies to attract new riders and show that it is working towards a regional measure to augment transit operating funding at the regional level.

Next Steps

Staff is bringing this item to the Policy Advisory Council next week for their feedback. We also plan to bring a regional transportation measure update with a greater focus on bridge funding for the transit operating fiscal cliff and other funding and timing considerations to the Programming & Allocations Committee next month. Stakeholder meetings will begin later this month and run through the fall.

Staff looks forward to the Committee’s feedback.

Recommendation:

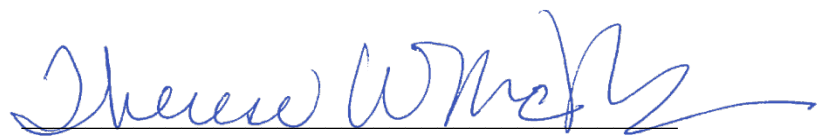
Information

Issues:

None identified.

Attachments:

Attachment A: Presentation



Therese W. McMillan