

Bay Area Partnership Board

December 2, 2024

Agenda Item 4d

Transportation Revenue Measure Update

Subject:

Update on potential legislation to authorize a Bay Area transportation measure on the 2026 ballot.

Overview:

Over the past year, MTC, transit agencies, county transportation agencies and many local and regional stakeholders have been working towards enabling legislation for a Bay Area transportation revenue measure that could be placed on the ballot in 2026. After SB 1031 (Wiener/Wahab) was paused last summer, MTC convened the Transportation Revenue Measure Select Committee to seek consensus on the key components of a future measure that would (at least) avert major transit service cuts and advance customer-focused transit priorities. The Select Committee included nine commissioners and seven representatives of key constituencies including the business community, labor, transit advocates and equity advocates, along with ex officio participation by staff from Senator Wiener and Senator Wahab's offices and legislative staff from Senate Transportation Committee Chair Cortese and Assembly Transportation Committee Chair Wilson also in regular attendance.

The Committee considered several key topics in its five months of deliberations, including:

- The measure's expenditure framework and core goals
- Potential revenue mechanisms
- Duration of the measure
- Ensuring transparency and accountability
- Other policy considerations for accompanying legislation

What Was the Outcome of the Select Committee?

Over the course of the five months, the Committee explored a wide array of options and provided extensive feedback, complemented by robust public comment and written feedback. The Select Committee didn't reach consensus on a specific funding framework, but they voted on two motions capturing areas of agreement related to funding provisions and policy components for the enabling legislation and they provided detailed feedback on key variables for

a measure using a gradients of agreement survey that provided insight into each member's priorities. A comprehensive update on the Select Committee's work (including the motions that were approved and the gradients of agreement exercise results) was presented to the Joint MTC/ABAG Legislation Committee on November 9 and can be found at this [link](https://mtc.legistar.com/LegislationDetail.aspx?ID=6852057&GUID=B9384564-2234-44B2-8EB8-63942C054E02):
<https://mtc.legistar.com/LegislationDetail.aspx?ID=6852057&GUID=B9384564-2234-44B2-8EB8-63942C054E02>.

At the request of Chair Sperring, staff narrowed the potential frameworks presented to the Legislation Committee down to two, taking into consideration input provided by the Select Committee members, key stakeholders and the public. The proposed two frameworks are:

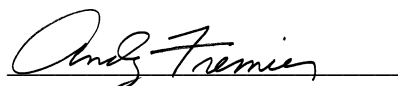
- **Scenario 1A:** A transit-only measure in Alameda, Contra Costa, San Francisco and San Mateo (with Santa Clara given the option to participate) lasting just 10 years. This would be a more modest measure funded by a ½-cent sales tax. Funds would offset the loss of fare revenue for operators in participating counties.
- **Hybrid:** A 30-year measure that would generate sufficient funding to make investments in infrastructure in addition to a higher transit funding level. The Hybrid scenario would have an opt-in component for the five counties of Santa Clara, Marin, Napa, Solano and Sonoma but *only if Santa Clara County opts into the measure*. This is because, of the five counties served by BART, only Santa Clara County commissioners expressed a strong preference for a 30-year measure. It is proposed to be funded by a ½-cent sales tax plus a 9-cent per building square foot parcel tax.

Next Steps

MTC is holding a Special Commission Meeting on December 9 to provide direction to staff on scenarios to advance to polling. Polling itself is planned to commence in January 2025. The attached presentation highlights the main financial features of each framework. Staff look forward to answering questions and receiving feedback from the Partnership Board.

Attachments:

- Attachment A: Presentation



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