



A Funding Framework for Bay Area Transportation

Organized and presented by the SFMTA

**MTC Transportation Revenue Measure
Select Committee
October 21, 2024**

We took the approach to come to a compromise.

The process included discussion with operators and partners about what their “red-lines” were, where there could be compromise, and how might we get to a framework that all could accept.

We did this knowing no proposal would be perfect.

We have developed a compromise proposal with three elements:

- R** Regional Program
- F** Funding Strategies (short & long-term)
- L** Legislative & Policy Framework

This proposal provides tools and time.

- It recognizes the need to *protect local priorities*.
- It provides *10 years of dedicated funding for transit*.
- It gives transit operators and counties *options*.
- It sets priorities, while providing *flexibility*.



Potential Funding Strategies

Short-Term: Regional Public Transit Stabilization

- 5 or 9 county measure ensuring transit sustainability within the region for the next 10 years, with the tax lasting through June 2038.
- Consider range of tools. One option: county-Specific Parcel Tax rates per square foot would vary by county: \$0.11 to \$0.199 in all counties except San Francisco, which would adopt the MTC-recommended rate of \$0.28.
- Funds would be to support a clearly defined regional program as the priority.
- Local transit services outside the regional program would receive additional funding. Remaining funds could support county flex needs.
- Require an Independent Auditor to ensure program compliance.

Long-Term: Transportation Funding Measure to be determined

- Work toward a long-term transportation funding measure that would sustain transit after a re-evaluation of needs around year 8 (2034)
- Plan for November 2036 election for either reauthorization of existing measure OR a longer-term replacement (presidential ballot).
- Support funding and financing of operations and capital, allowing counties with MTC to advance funds or bond based on a regional approval to a funding plan.
- Require an Independent Auditor to ensure program compliance.

F Potential Funding Strategies

<p>\$9.5 b for 10 years</p>	<p>10 yrs Expenditure Plan</p>	<p>Program assumes the cost of financing to meet needs.</p>	Regional Rail	<p>\$3.5 b BART</p>	<p>\$836 m Caltrain</p>	
<p>MTC Financing Allows for Cashflow Needs to be Met</p>	<p>11.5 yrs Tax to June 2038</p>	<p>MTC may finance to meet needs of any operator or county.</p>		Regional Bus	<p>\$685 m Regional Bus Large Operators</p>	<p>\$166 m Regional Bus Small Operators</p>
<p>5 counties Others could “opt in”</p>		<p>Variable tax rates allows counties to develop a program for their specific needs.</p>	Local Transit		<p>\$1.0 b Muni</p>	<p>\$700 m VTA</p>
<p>Santa Clara Lowest Tax Rate</p>	<p>San Francisco Highest Tax Rate</p>			County Flex	<p>\$981 m Contra Costa</p>	<p>\$579 m San Mateo</p>
<p>95%+ County Benefits for All Counties over the 10-year expenditure plan</p>			<p>\$518 m Alameda</p>		<p>\$7 m Santa Clara</p>	

Note: total amounts shown based on 10-year funding program

A Proposed Framework

The end goal is State Authorizing Legislation that maximizes our opportunities to fund our collective regional priorities – through tools and time.

Tax Measure



- Short/Near-Term (11 – 15 years)
- Sales OR Parcel Tax
- Variable Rates by County
- Revenues sufficient to fully fund transit needs for 10-years
- Regional Program Funded first
- Allows for a Long-Term more visionary measure for November 2036 ballot OR reauthorization of Short-Term Measure

Regional Program



- *Regional Rail System* Funded (BART, Caltrain, BSV)
- *Regional Transit Service* (Regional Bus Services creating connectivity to regional rail)
- *Regional Transit Transformation* (Fare Integration & Modernization, CX, Cleanliness, Safety)

Legislation & Policy



- Authorization for:
 - A retail transactions and use tax
 - A parcel tax
- *Variable Rate District Based Program
- Allows for a qualified voter initiative
- Legislates the “Regional Program”
- Legislates an Independent Auditor